2016 FULL-YEAR RESULTS & STRATEGIC REVIEW

CONFIRMING A SUPERIOR PERFORMANCE PATH

HISPANIA
Activos Inmobiliarios

March 2, 2017

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01 2016 Highlights

2016 YEAR-END VERY POSITIVE RESULTS

EPRA NAV

13.72
€/share

+25%[1]

EPS

3.17
€/share

+3.5x[2]

Annualised net rental income

121
€million

+15%[3]
like-for-like

Total asset revaluation

299
€million

+19%[4]
like-for-like

2016 TARGETS SURPASSED

1	2	3	4
VALUE CREATION	INVESTING AT UNBEATABLE RETURNS	ROBUST OPERATIONAL PERFORMANCE	VALUE GROWTH AHEAD
+27% *Shareholders' total return in 2016*	**c.10%** *Average stabilised net yield on cost for 2016 acquisitions*	Strong lettings Rental growth Vacancy reduction	Repositioning Asset management Pipeline of acquisitions

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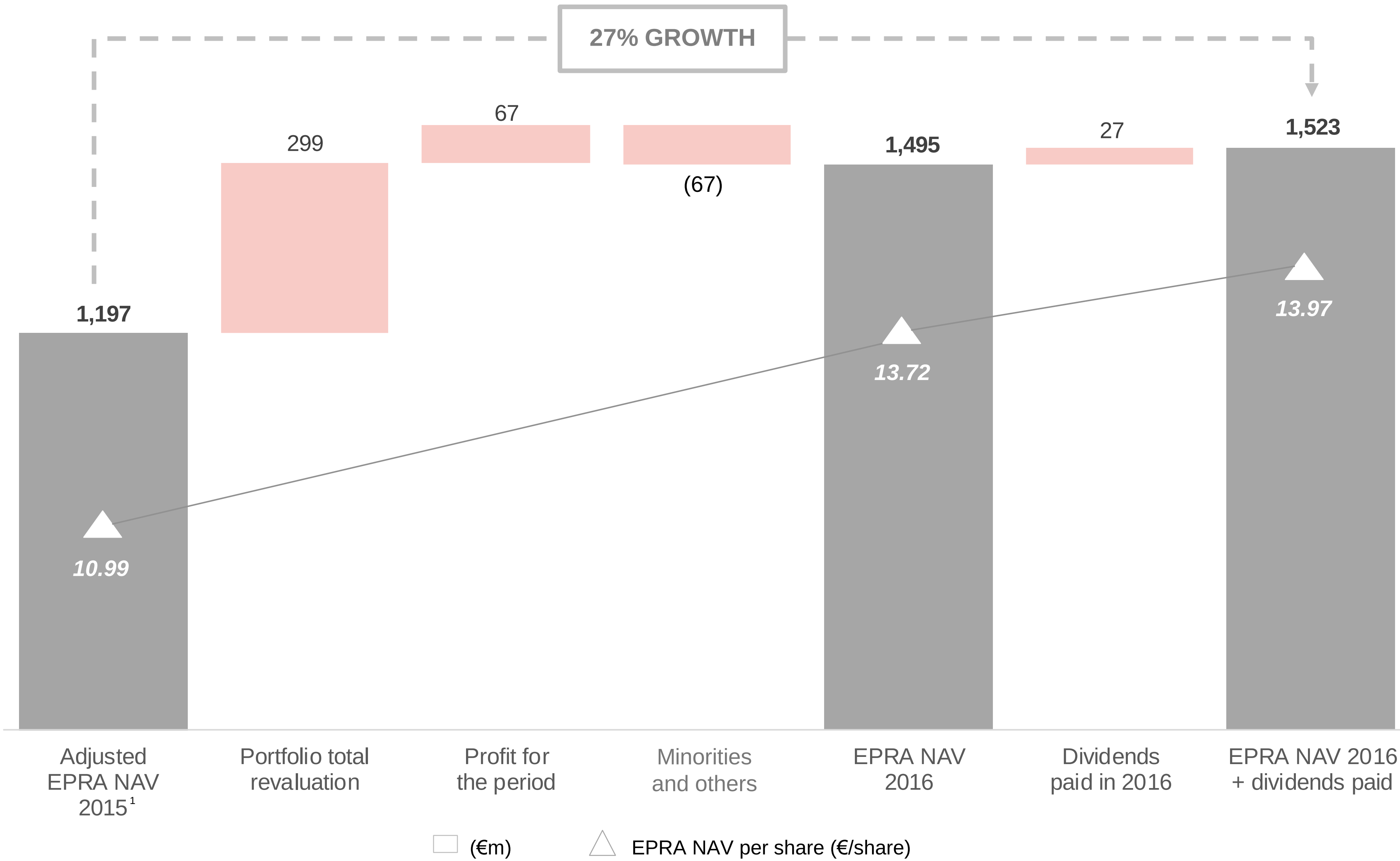
1 VALUE CREATION

2016 EPRA NAV bridge



2 INVESTING AT UNBEATABLE RETURNS – DUNAS ACQUISITION CASE STUDY

ATTRACTIVE PORTFOLIO

- Three hotels of 4* stars and one hotel of 3* stars
- **Strategic rationale**
  - Strengthen our position in the Canary Islands

1,183 keys

COMPLEX TRANSACTION

- **First phase** (completed in March 2016)
  - Debt acquisition **with a c.25% haircut**
- **Second phase** (completed in December 2016)
  - Company out of receivership and acquisition of assets

€78 million

Total acquisition cost[1]

PROFITABILITY PROFILE

- Total expected **capex program: €14 million**[2]
- Expected **return on capex: c.14%**

14%

Stabilised net initial yield on investment

POTENTIAL VALUE

- Stabilised value at current yields: **€150 - €170 million**
  - **+45% - 65%** value increase vs. 2016 valuation[3]

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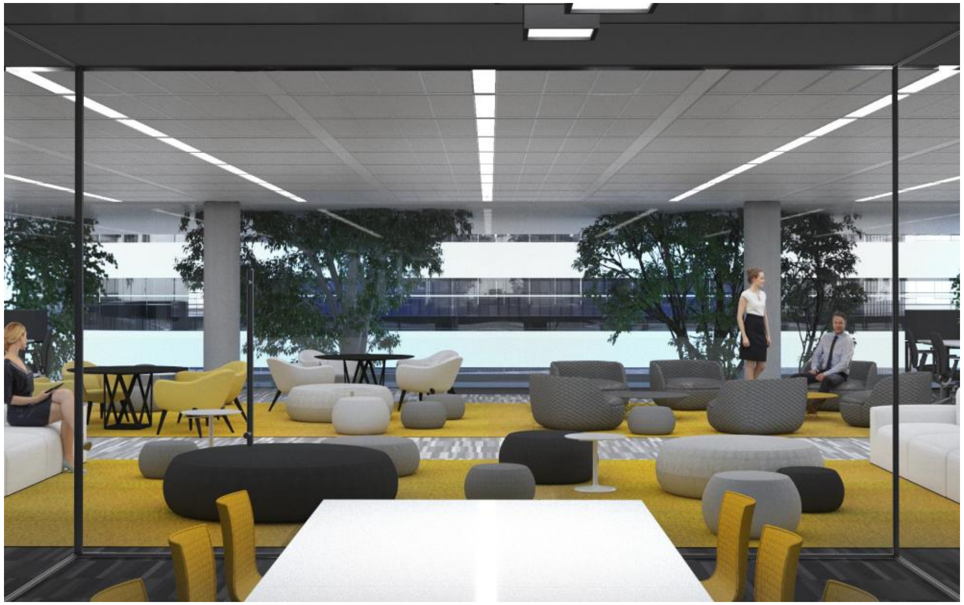
2 INVESTING AT UNBEATABLE RETURNS – HELIOS ACQUISITION CASE STUDY

Transaction overview

Attractive acquisition price	▪ **€34 million** ▪ Per sqm: 1,023 €/sqm ▪ **Recent similar deals:** 1,772 €/sqm ▪ **73%** higher than Helios deal
Value potential on-track	▪ **2016 appraisal value** ▪ **€50 million** ▪ In less than 3 months, **+28%**[1] ▪ Per sqm: 1,509 €/sqm



2 INVESTING AT UNBEATABLE RETURNS: ADDITIONAL c.€180M INVESTMENTS[1]

Selected projects

Las Agujas

- **Investment**: land plot of €12 million[1] and a €27 million of additional expected capex
- **Strategic rationale**: strengthen our leadership in the 5* star product in Fuerteventura through the construction of up to 125 keys next to Gran Bahía Real 5*GL

c.11%

San Miguel

- **Investment**: 3 hotels in northern Ibiza, with 484 keys located in a unique site for €31 million[1] and with an expected capex of up to €44 million
- **Strategic rationale**: strengthen our position in Ibiza and control the hotel supply in a beautiful cove of the island

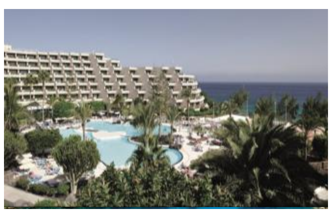
c.9%

Portinatx

- **Investment**: hotel with 134 keys at the beachfront of Ibiza for €11 million[1] and with an expected capex of up to c.€8-€9 million for full asset repositioning
- **Strategic rationale**: turn the hotel into a 4*star plus hotel for “Adults Only” and gaining presence in Ibiza

c.9%

Lanzarote Playa



- **Investment**: 4* star hotel with 372 keys at the beachfront of Teguise for €28 million[1]
- **Strategic rationale**: complementing our offer with high synergistic potential on costs & revenues. Possibility to create a large resort to become a destination resort hotel

c.12%

Hispanidad

- **Investment**: residential building located in a well-consolidated neighbourhood of the northern area of Madrid, with 91 dwellings for €16 million[1]
- **Strategic rationale**: smart upgrading strategy for a following retail disposal. Expected capex of c.€1 million

n.a.

Hotel acquisitions | Residential acquisitions

Expected stabilised NRI yield on investment

ROBUST OPERATIONAL PERFORMANCE

HOTELS	**+14%** RevPar growth y-o-y	**+39%** Annualised variable rent y-o-y LFL[1]	**11.9%** Net reversion yield on investment[2]
OFFICES	**85%** Occupancy rate (+8 p.p.)[3]	**+7.1%** LFL rental growth[3]	**6.8%** Net reversion yield on investment[4]
RESIDENTIAL	**95%** Occupancy rate (technically full)[5]	**+12%** Monthly rent per sqm growth	**>20%** Returns[6] on first test of dwellings disposals

Hispania's key drivers for further growth

TARGETED ACQUISITIONS

- **More than €200 million**[1] of initial remaining firepower
- **Visible attractive pipeline** with c.€480 million in imminent or well-advanced transactions

ASSET REPOSITIONING

- **€286 million**[2] of repositioning capex planned
  - **Hotels:** c.€190 million, c.70% focused on the major repositioning projects
  - **Offices**: €80 million, being mostly attributed to development projects
  - **Residential:** €16 million in smart repositioning
- Focus on **extension of existing hotels** rather than greenfield developments

ASSET MANAGEMENT

- Cost & Revenues **synergies** identification: potential net rental income increase on existing hotel portfolio of c.€10 million
- Increase office occupancy up to full technical occupancy rate

VALUE RETURN PROPOSAL ANNOUNCED – HISPANIA CONFIRMS ITS IPO PLAN

1

Deliver on HIGH REVERSIONARY potential of the portfolio

RESIDENTIAL AND OFFICE NEAR STABILISATION

CREATION OF A UNIQUE HIGH YIELDING HOTEL PORTFOLIO

2

Commitment to HIGH DIVIDEND distributions from 2017 onwards

Opportunistic disposal of offices	Retail disposal of residential	Hotel portfolio in a single transaction
"On the market"	*"On the market"*	*When stabilised*

3

Crystalize the HIGH VALUE CREATED for all shareholders

DOUBLE DIGIT RETURNS EXPECTED

PERFECT ALIGNMENT OF INTERESTS

02 Financial performance

STRONG OPERATIONAL PERFORMANCE ACROSS ALL ASSET CLASSES

Income statement – key metrics

(€m)	2016YE	2015YE	Δ (%)	EPRA LFL (%)[4]
Net rental income ("NRI")	**112**	**26**	**+329%**	**31%**
Hotels	*92*	*13*	*+607%*	*77%*
Offices	*15*	*10*	*+59%*	*15%*
Residential	*4*	*3*	*+22%*	*2%*
Recurring EBITDA[1]	**93**	**13**	**+636%**	**-**
Revaluation	286	55	+421%	+389%[5]
EBIT	**386**	**88**	**+337%**	**-**
Financial expenses	(21)	(4)	+380%	-
Attributable net profit	**309**	**67**	**+363%**	**-**
EPS (€/share)	**3.17[2]**	**0.90[3]**	**+3.5x**	**-**

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15%[1] LFL GROWTH IN ANNUALISED NET RENTAL INCOME

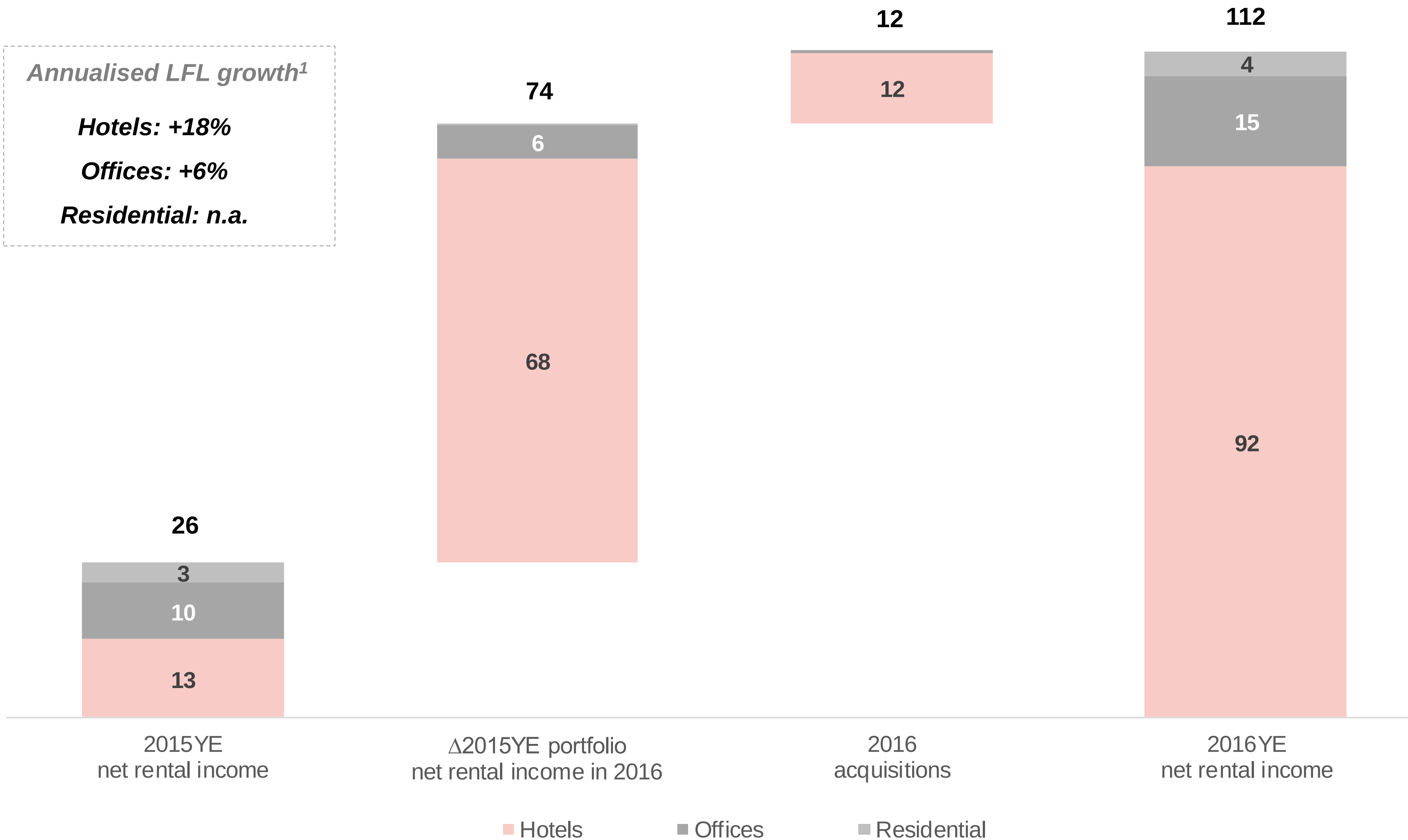
Current net rental income breakdown by asset class (€m)

Annualised LFL growth[1]

Hotels: +18%

Offices: +6%

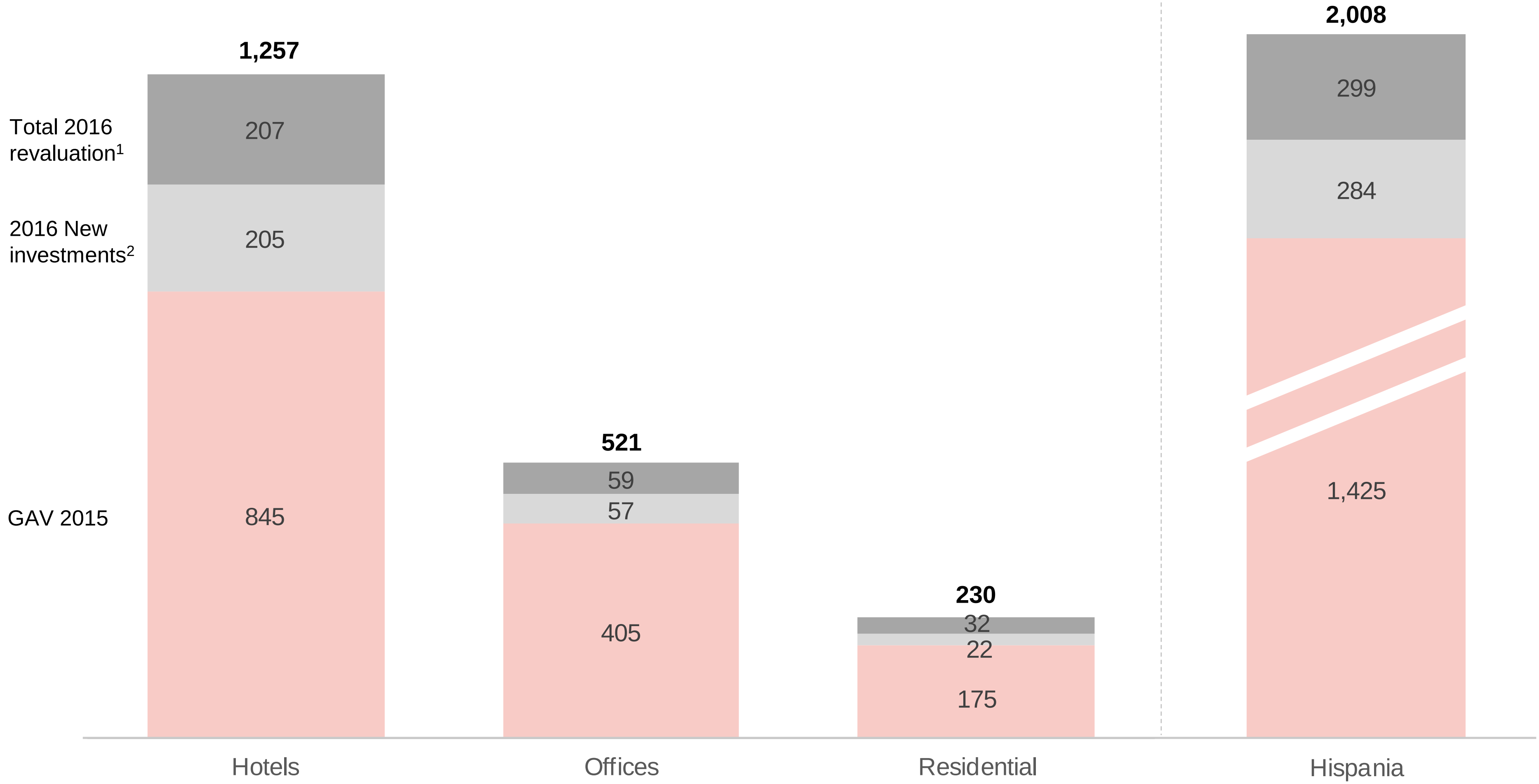
Residential: n.a.



TOTAL REVALUATION: €299 MILLION[1], IMPLYING 17% UPLIFT IN 2016

2016 valuation breakdown by asset class (€m)

Hotels	Offices	Resi	Total
Δ20%	Δ13%	Δ16%	Δ17%



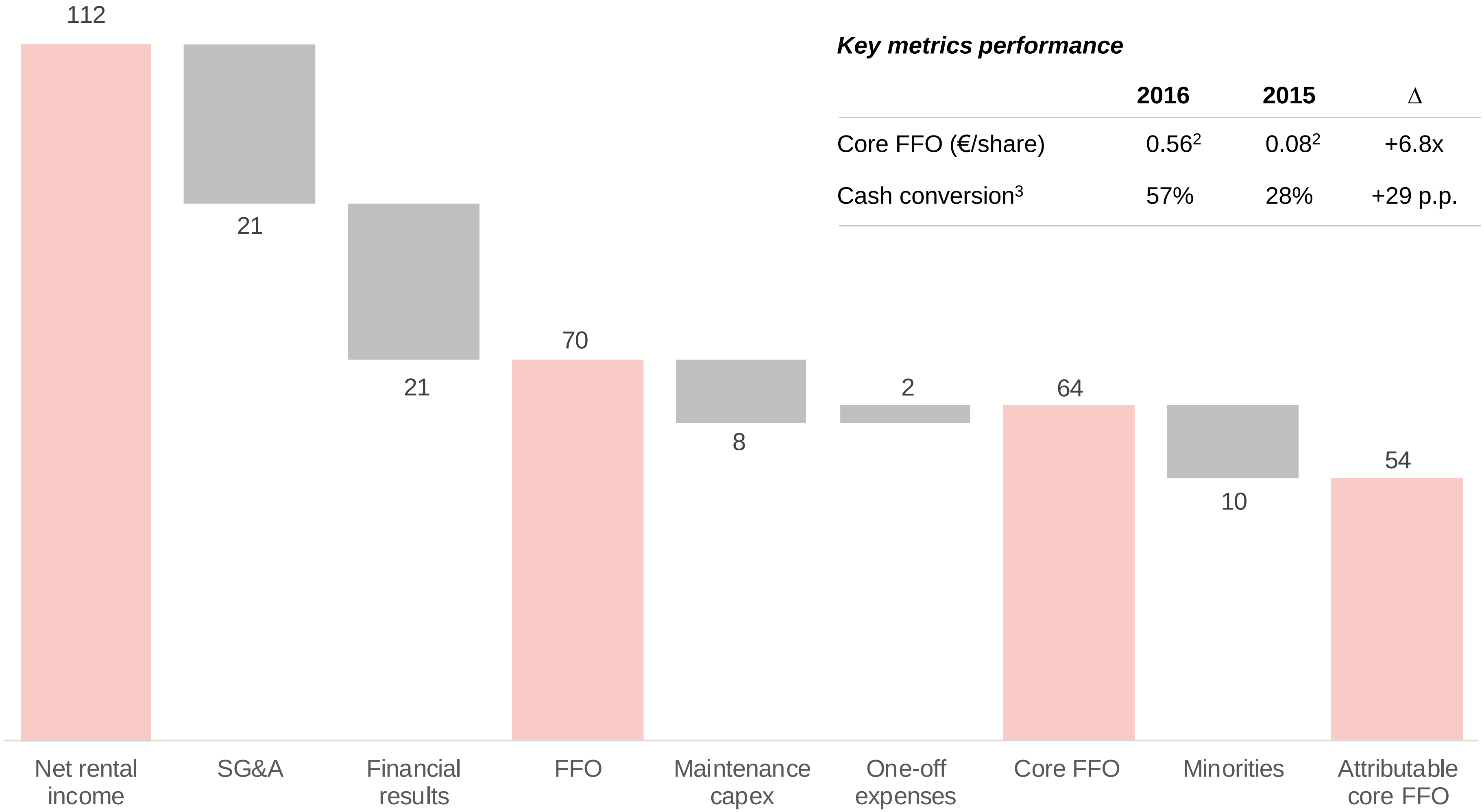
TOTAL REVALUATION: RENTS AND ASSET MANAGEMENT AS KEY DRIVERS

Overview of 2016 valuation uplift

	Improvement on valuation yields		2016 revaluation drivers	
	Dec-16	Dec-15	Yield compression	Rents & Management
Hotels	Fixed rent component: 6.7% Variable rent component: 8.0%	7.5%	43%	**57%**
Offices	5.7%	6.3%	33%	**67%**

STRONG CASH GENERATION OF OUR PORTFOLIO CONFIRMED

2016 core FFO bridge (€m)[1]



Key metrics performance

	2016	2015	Δ
Core FFO (€/share)	0.56[2]	0.08[2]	+6.8x
Cash conversion[3]	57%	28%	+29 p.p.

9x increase vs. 2015 in the attributable core FFO

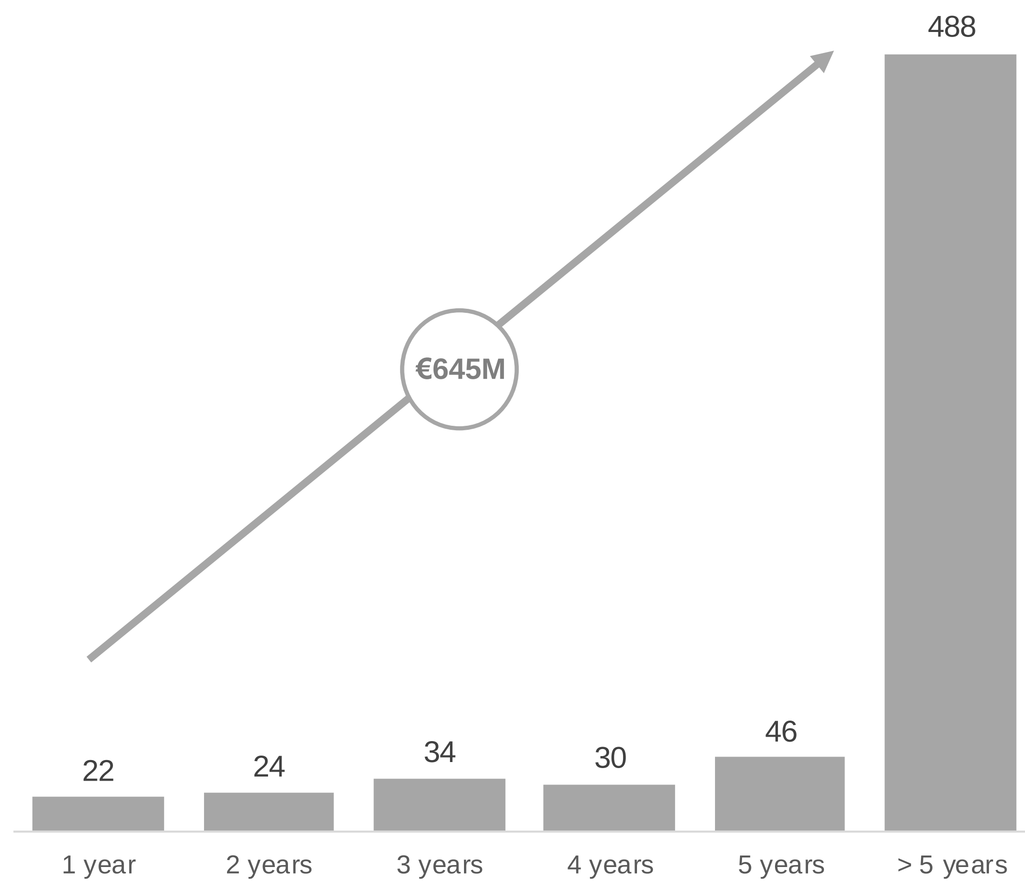
CONSERVATIVE, PRUDENT AND SOLID FINANCING PROFILE MAINTAINED

Key financing terms as of 31 December 2016

Gross LTV	32%
Net LTV[1]	20%
Average all-in cost[2]	2.7%
Fixed interest	95%
Interest cover[3]	4.7x
Unencum-bered assets	20%

Long-term debt maturity profile as of 31 December 2016 (€m)

WALT: 7 years

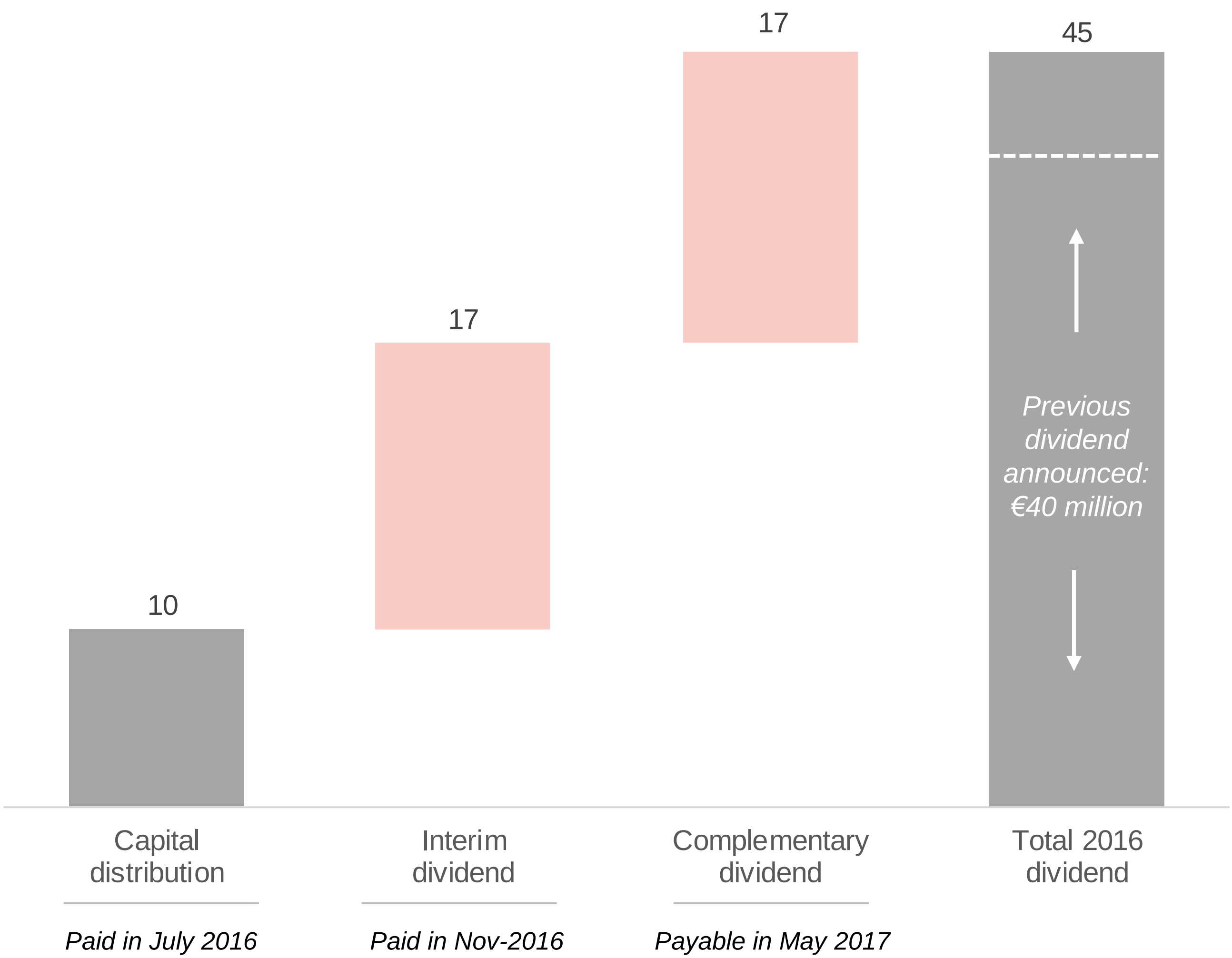


Hispania intends to keep a long-term target LTV of 40%

TOTAL FINAL DIVIDEND FOR 2016 TO INCREASE BY 11% TO €45 MILLION

Dividends distribution against 2016 (€m)

60% of 2016 dividend already distributed



AS % OF CORE FFO[1]

82%

€/SHARE (ON AVERAGE)

€0.4

AS % OF SHARE PRICE[2]

3.6%

03 Hotels operating performance

HISPANIA'S PORTFOLIO IS CAPTURING STRONG HOTELS PERFORMANCE

Category	Occupancy 2016	Occupancy vs. 2015	ADR[1] 2016	ADR[1] vs. 2015	RevPar[1] 2016	RevPar[1] vs. 2015	GOP 2016	GOP vs. 2015	PF 2016 annualised net rental income
A Fixed & Variable rent[2]	87%	+3 p.p.	€121	+9%	€105	+13%	€103M	+33%	€87M
B Fixed rent	85%	+6 p.p.	€150	+13%	€128	+21%	€19M	+48%	€9M
C Repositioning projects	71%	+1 p.p.	€130	+5%	€92	+6%	€6M	+47%	€4M
Total[2]	85%	+3 p.p.	€125	+9%	€106	+14%	€128M	+36%	€99M

2016 vs. 2015

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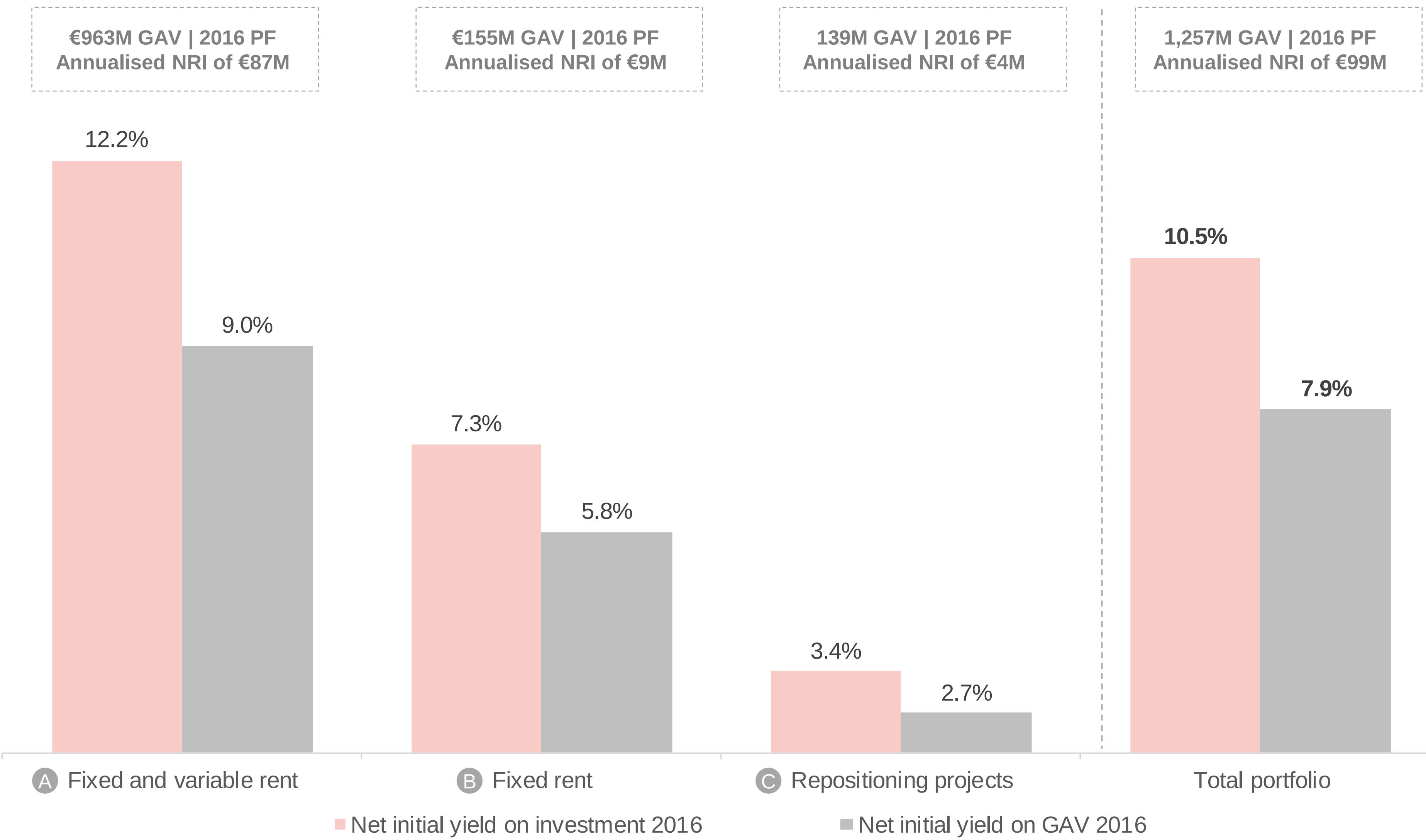
A HIGH YIELDING PORTFOLIO BUT WITH SIGNIFICANT FURTHER POTENTIAL AHEAD

Yields overview (%)



HISPANIA STRATEGIC MODEL: “*NOT JUST ANOTHER HOTEL*”

Acquire assets at attractive prices by dealing with complexity

Maintain a strict disciplined approach

Invest to transform the assets – “*from good to great*”

Deliver to operators a differentiated product

Work with operators/partners to create a superior and unique Customer Experience

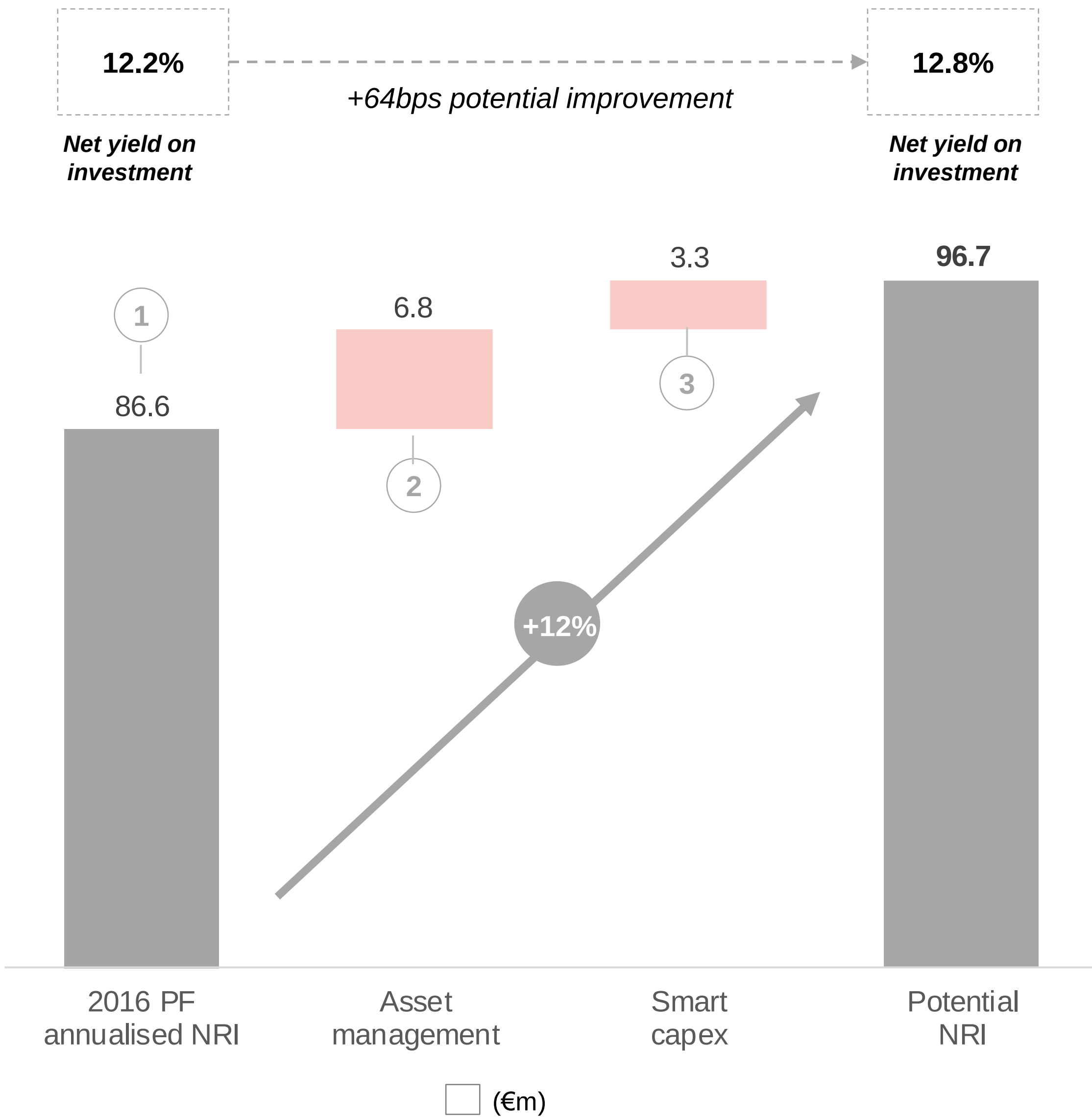
Leverage on our size and benchmarking insights to deliver superior returns

FURTHER VALUE CREATION WILL COME FROM DIFFERENT SOURCES OF GROWTH

Category	# assets	GAV 2016	PF annualised 2016 Net rental income	Sources of growth
A Fixed & Variable rent	24 assets 8,331 keys	€963M	€87M	▪ Benefit from market momentum ▪ Asset management actions ▪ Smart capex to enhance P&L
B Fixed rent	6 assets 966 keys	€155M	€9M	▪ Step-up in rents ▪ CPI link ▪ Hotel operator supervision
C Repositioning projects	7 assets 1,234 keys[1]	€139M	€4M	▪ Focus on return on capex ▪ Single assets turnaround ▪ Creation of leading new concept: Destination Resorts
Total	**37 assets** **10,531 keys[1]**	**€1,257M**	**€99M**	▪ Smart capex & Repositioning ▪ Asset management actions ▪ Market momentum

FIXED & VARIABLE RENT PORTFOLIO: ACTION PLAN

Net rental income built-up and yields



Three key performance drivers

1. **Successful repositioning plans already executed: >20% return on capex**
2. **Asset management: implementing initiatives to boost net rental income**
3. **Smart capex in selective assets**

1 SUCCESSFUL REPOSITIONING PLANS ALREADY EXECUTED: >20% RETURN ON CAPEX

		Cost	Repositioning Capex	Total Investment	GOP Pre-Reposit.	GOP Post-Reposit.[4]	NRI uplift for HISP[4]	Return on capex[4]
Jardines del Teide[1]		€38m	€7m	€45m	€4m	€7m	€1m[3]	22%
Teguise Beach[1]		€6m	€13m	€19m	€1m	€6m	€4m	33%
Pueblo Ibiza[1]		€11m	€9m	€20m	€1m	€3m	€1m	13%
Suites Atlantis[2]		€49m	€9m	€58m	€5m	€7m	€1m	16%
Total		**€104m**	**€37m**	**€141m**	**€11m**	**€23m**	**€8m**	***Return on capex: +22%***[4]

+106%

ASSET MANAGEMENT: IMPLEMENTING INITIATIVES TO BOOST NET RENTAL INCOME

Revenue c.€360 million and c.€65 million sales commission

1

REVENUE GROWTH

- Revenue management strategy
- Room segmentation capex to maximize ADRs
- Shared strategy to increase direct sales

Cost base of c.€230 million

2

COST MANAGEMENT

- Purchase platform
- Shared services
- Performance best-practice & benchmarking

Smart investments

3

SUPERIOR CUSTOMER EXPERIENCE DRIVEN

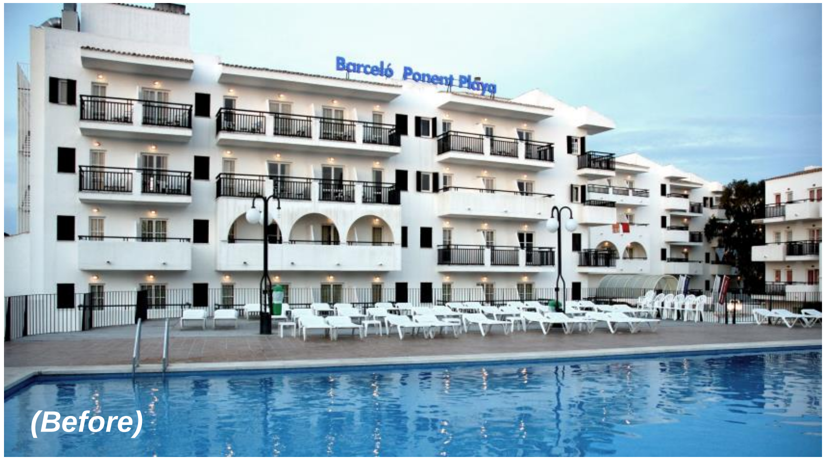
- Critical Customer Experience ("CEX") initiatives to drive value
- CEX information system
- Smart capex in light of emerging customer trends

"NOT JUST ANOTHER HOTEL"

3 SMART CAPEX IN SELECTIVE ASSETS

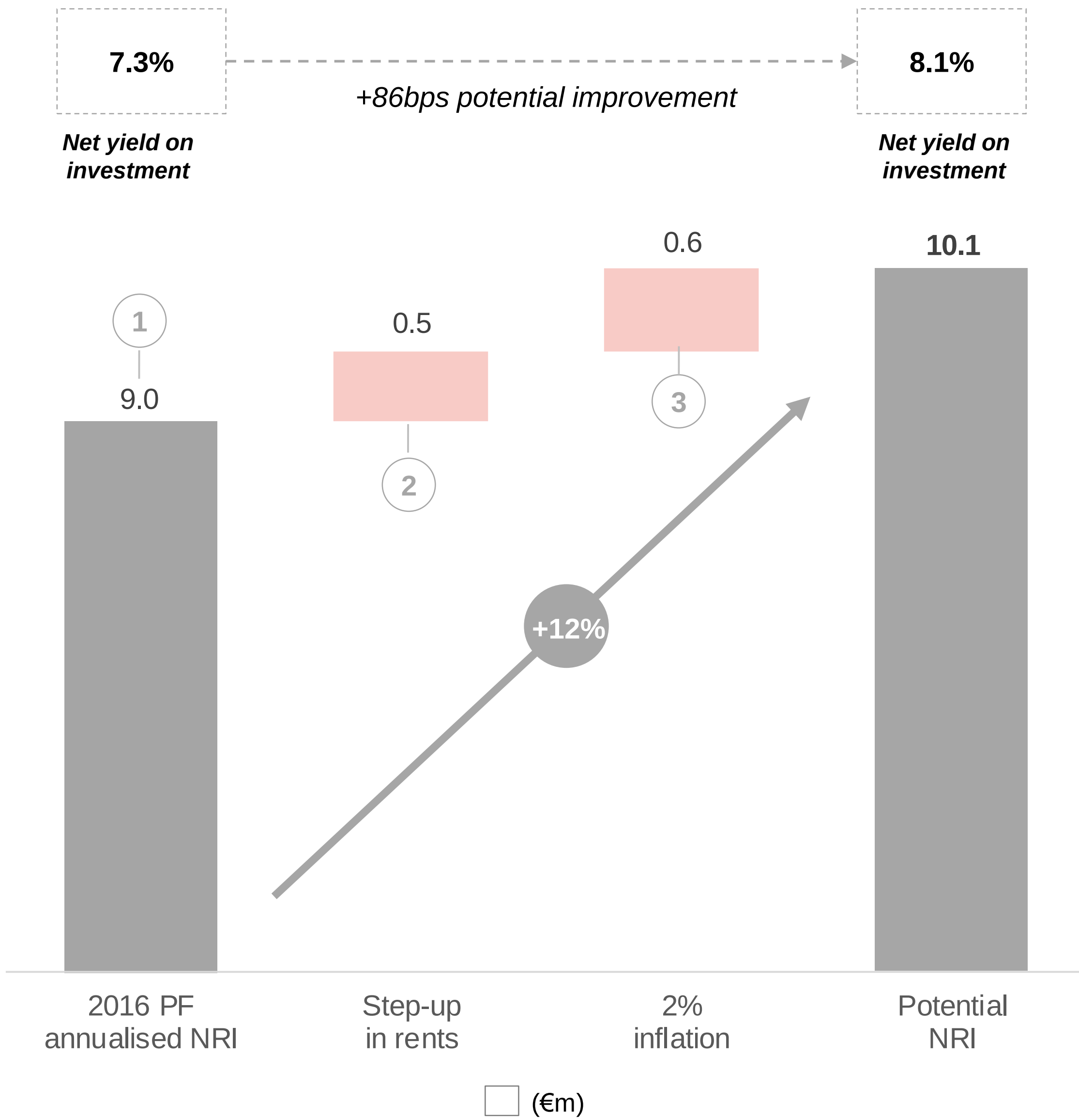
DON GREGORY: €10M

PONENT PLAYA: >€10M



B FIXED RENT PORTFOLIO: ACTION PLAN

Net rental income built-up and yields

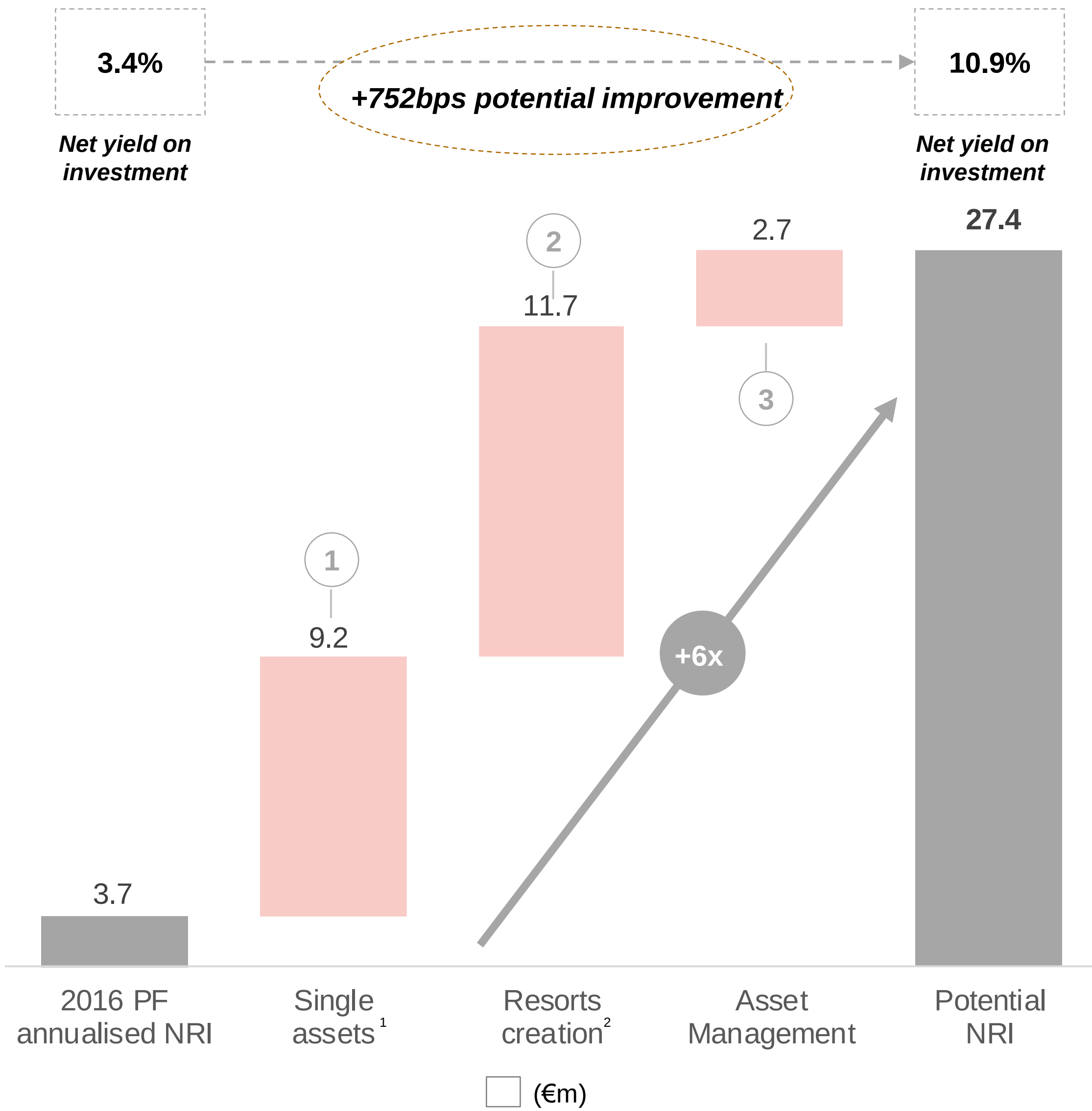


Three key performance drivers

1. **7-years WALT and 1.9x GOP rent cover, above market standards**
2. **Contractual fixed rent steps-ups**
3. **Inflation comeback will further boost income**

C REPOSITIONING PORTFOLIO: ACTION PLAN

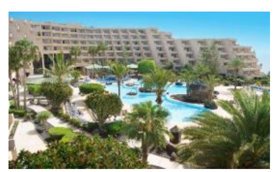
Net rental income built-up and yields



Three key performance drivers

1. **Turnaround opportunities on single assets**
2. **Targeting the creation of Destination Resorts *(expanding certain stabilised assets)***
3. **Introducing asset management best practices**

REPOSITIONING PORTFOLIO: TOTAL OF €141 MILLION OF CAPEX WITH c.15% TARGET RETURN

				Expected yield on capex	Expected stabilised NRI yield
1 Single assets	**Guadalmina**			17.5%	9.4%
	Holiday Inn			20.2%	9.2%
	Portinatx			17.9%	9.0%
2 Large resorts	**San Miguel portfolio**		*San Miguel Cartago Galeón*	10.1%	9.0%
	Teguise (Lanzarote)		*Improvement of Lanzarote Playa Lanzarote Mar (exc. potential extensions)*	12.0%	13.3%
	Corralejo (Fuerteventura)		*Bahía Real/ Las Agujas (exc. potential extensions)*	15.6%	10.6 %

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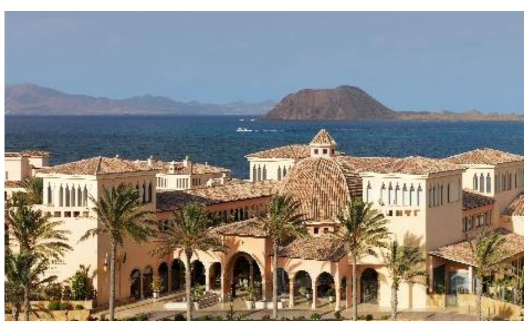
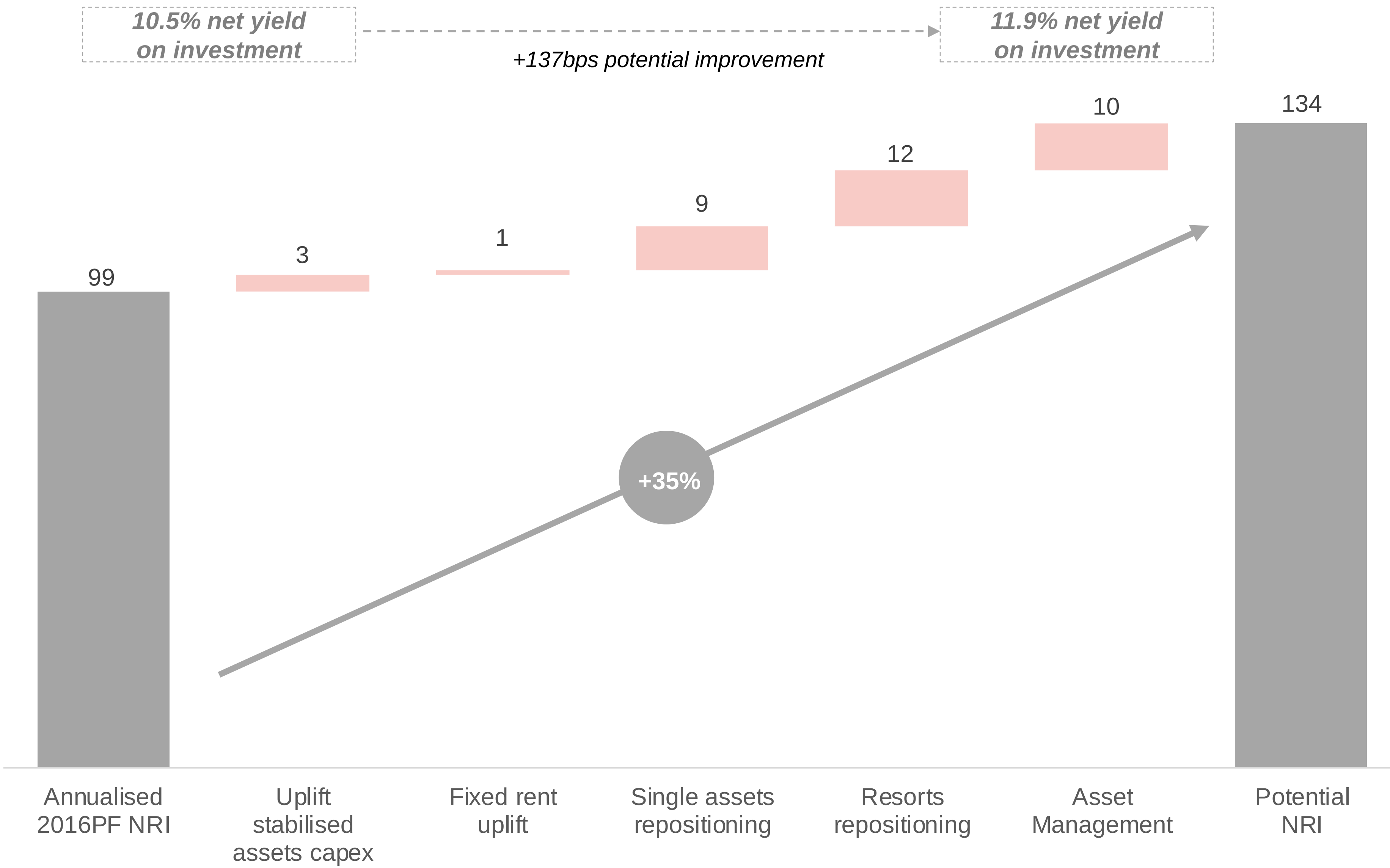
2 TARGETING THE CREATION OF DESTINATION RESORTS

		Hotels (#)	Keys (#)	Rationale
San Miguel (Ibiza)		3	484	*Creating an integrated offering of 3 hotels with different positionings in a unique and irreplicable location in Ibiza*
Teguise (Lanzarote)		2	798 *+ potential extensions*	*Complement existing offering with additional F&B outlets and premium rooms*
Corralejo (Fuerteventura)		4	750 *+ potential extensions*	*Creating a large-scale luxury compound, comprised of 4 hotels ranging from 4* upscale to 5* Grand Luxury*

TOTAL FURTHER VALUE POTETIAL COULD REACH €134 MILLION OF NRI

Expected hotel NRI potential built-up process (€m)

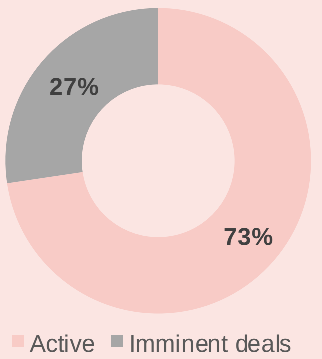


ADDITIONAL VALUE AND GROWTH WOULD COME FROM OVER €1.7BN OF PIPELINE

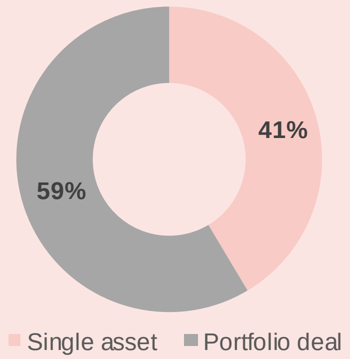
General overview of an existing pipeline of 43 hotels[1] and c.15,000 keys[1]

By transaction type

Status

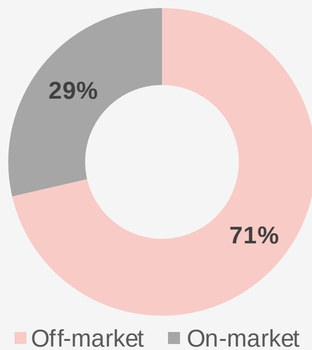


Number of hotels in one deal

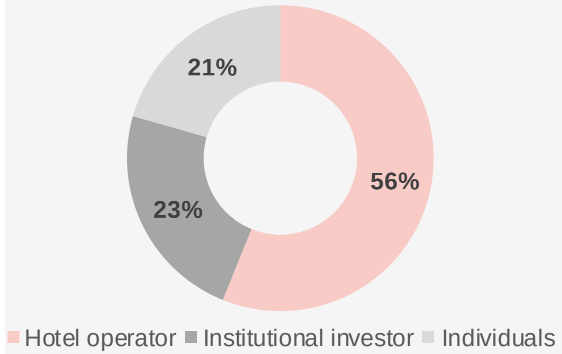


By investment source

Access to the asset

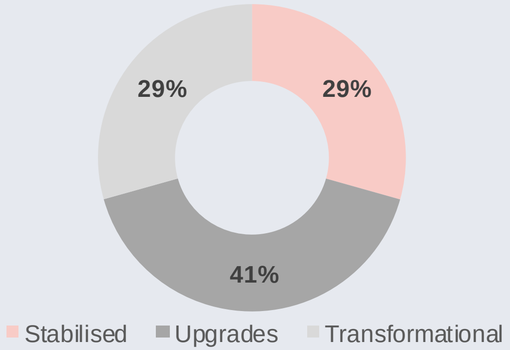


Seller

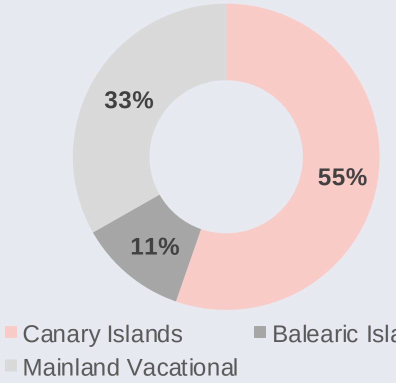


By asset characteristics

Capex progress



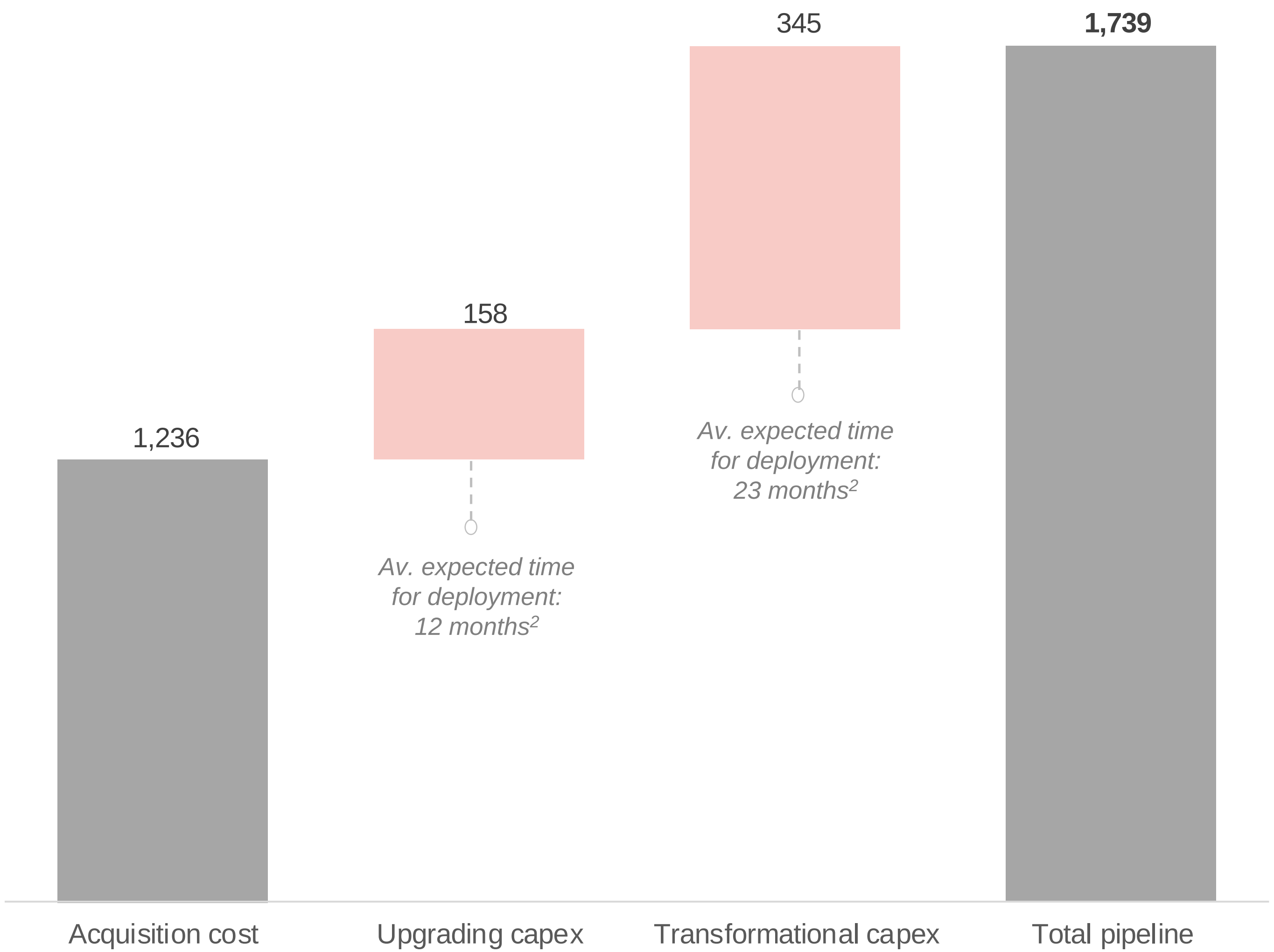
Location



New investments to be committed over the next 9 months

ATTRACTIVE PIPELINE WITH EXPECTED NET YIELD OF 9.4%

Existing pipeline built-up process (€m)[1]



6.7%

Average acquisition yield[1]

15.9%

Average yield on capex[1]

9.4%

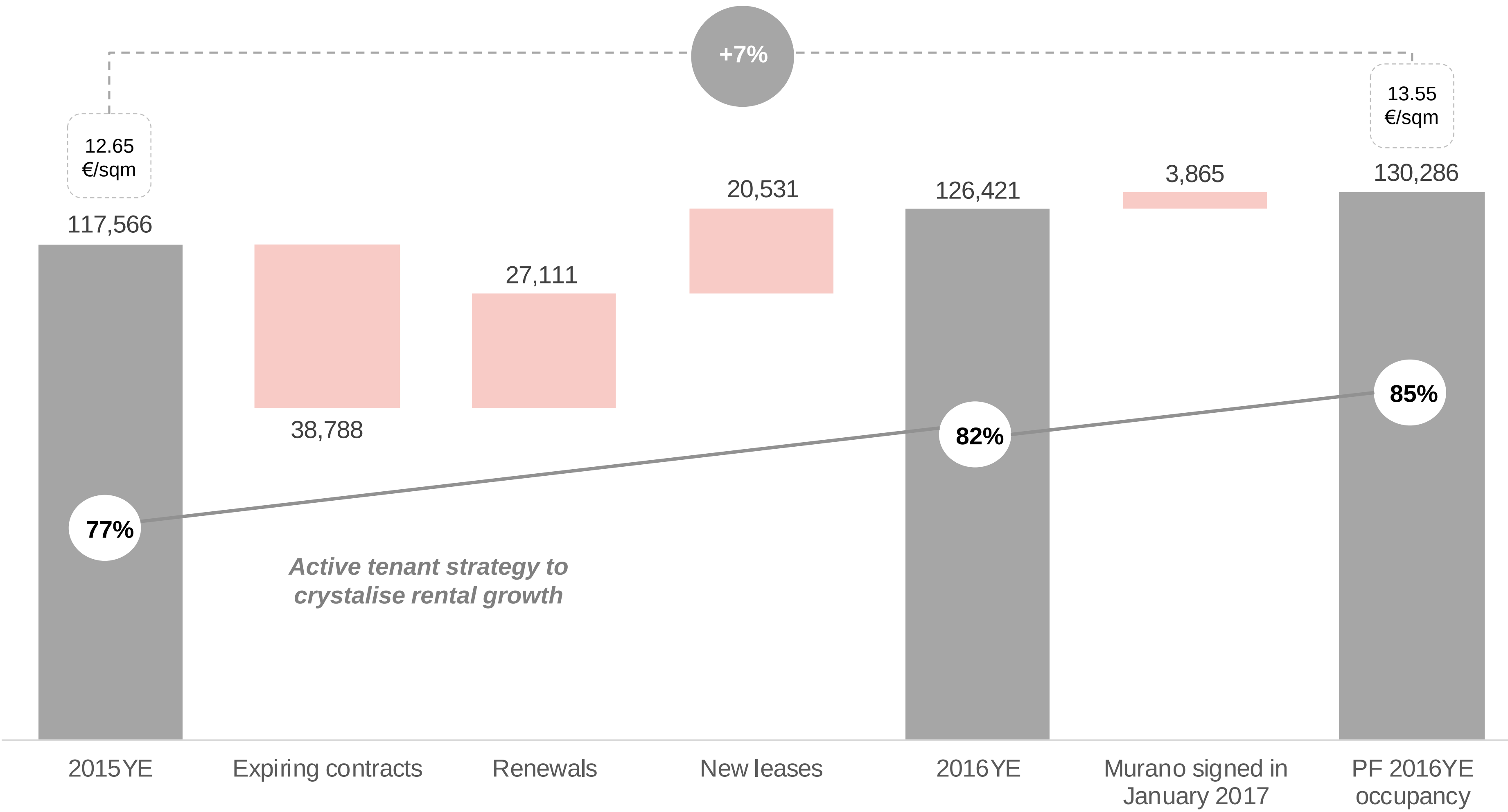
Average blended investment yield[1]

04 Office & Residential operating performance

OFFICES : DELIVERING 85% OCCUPANCY AND +7% RENTAL GROWTH

Occupancy (sqm) and rental performance[1]

Above market rents from new leases	**+14%**	***Renewals***	**70%**	***Renewal rents above previous rents[3]***	**+8%[2]**

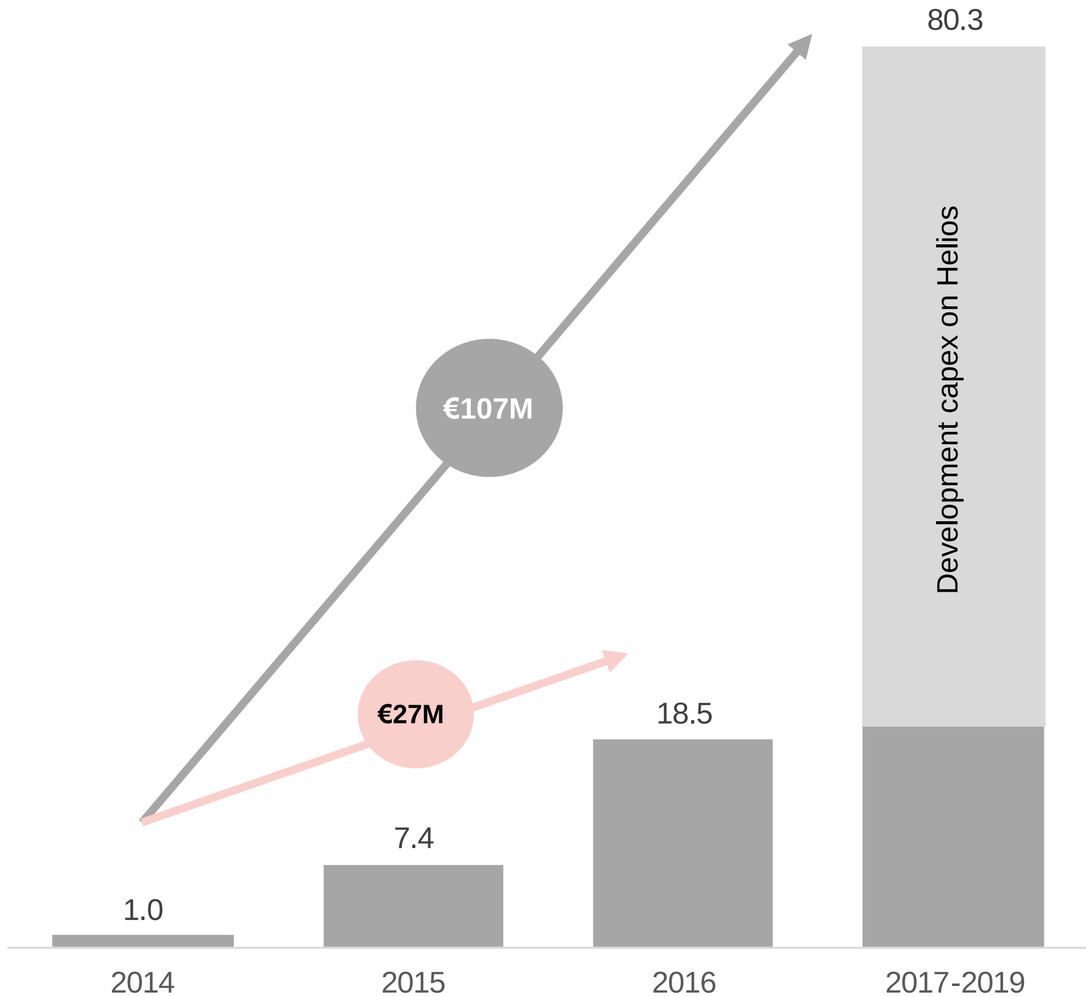


OFFICES: SIGNIFICANT REPOSITIONING STRATEGY ON TARGET

Capex program overview[1]

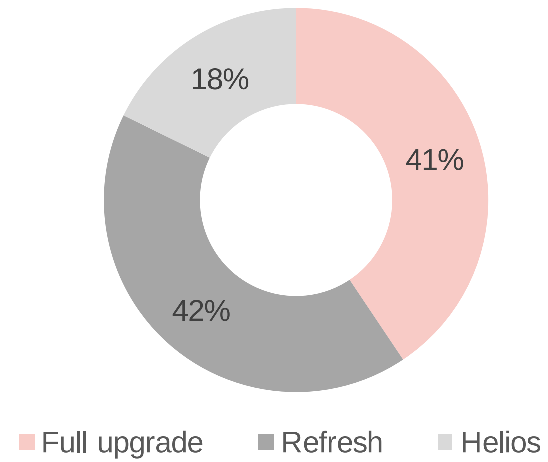
-	1	7	20

(#) buildings with BREEAM or LEED certificates



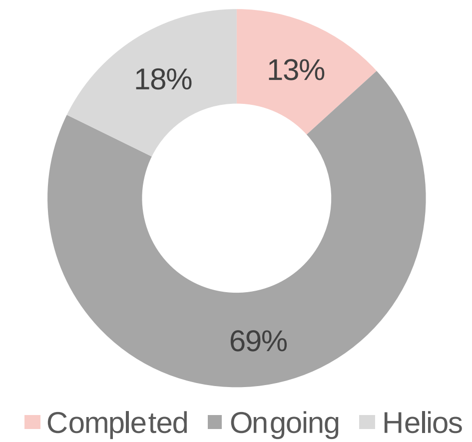
Total repositioning type

In terms of sqm



Repositioning phases

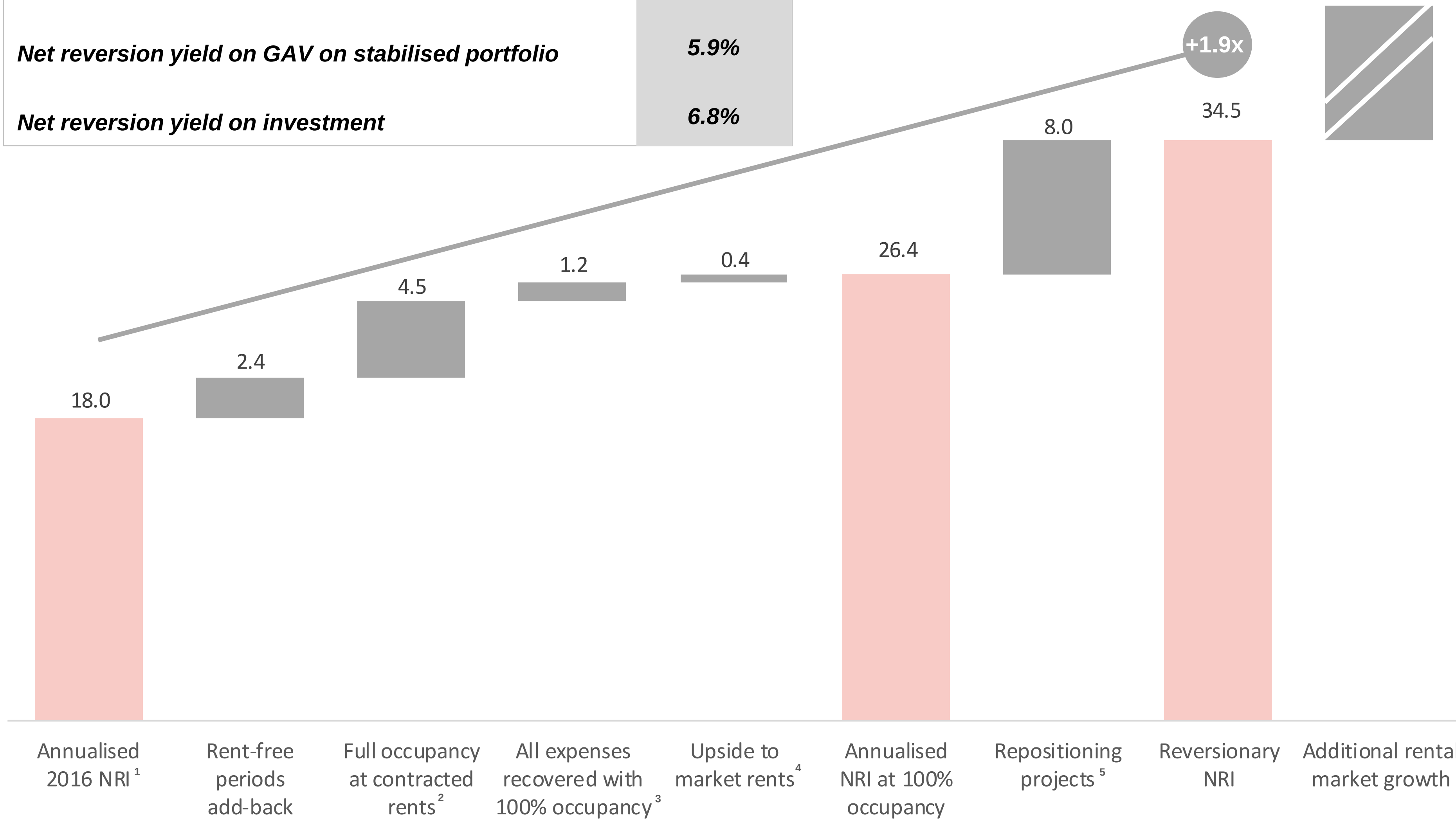
In terms of sqm



OFFICES: HIGH REVERSIONARY POTENTIAL STILL AHEAD

Reversionary net rental income potential as of 2016 (€m)

Net passing yield on GAV on stabilised portfolio	***4.0%***
Net reversion yield on GAV on stabilised portfolio	***5.9%***
Net reversion yield on investment	***6.8%***



RESIDENTIAL: DELIVERING ON OUR SMART REPOSITIONING STRATEGY

1 Progress on dwellings **upgrade**

- Isla del Cielo: 79 units (40%)
- Sanchinarro: 108 units (38%)

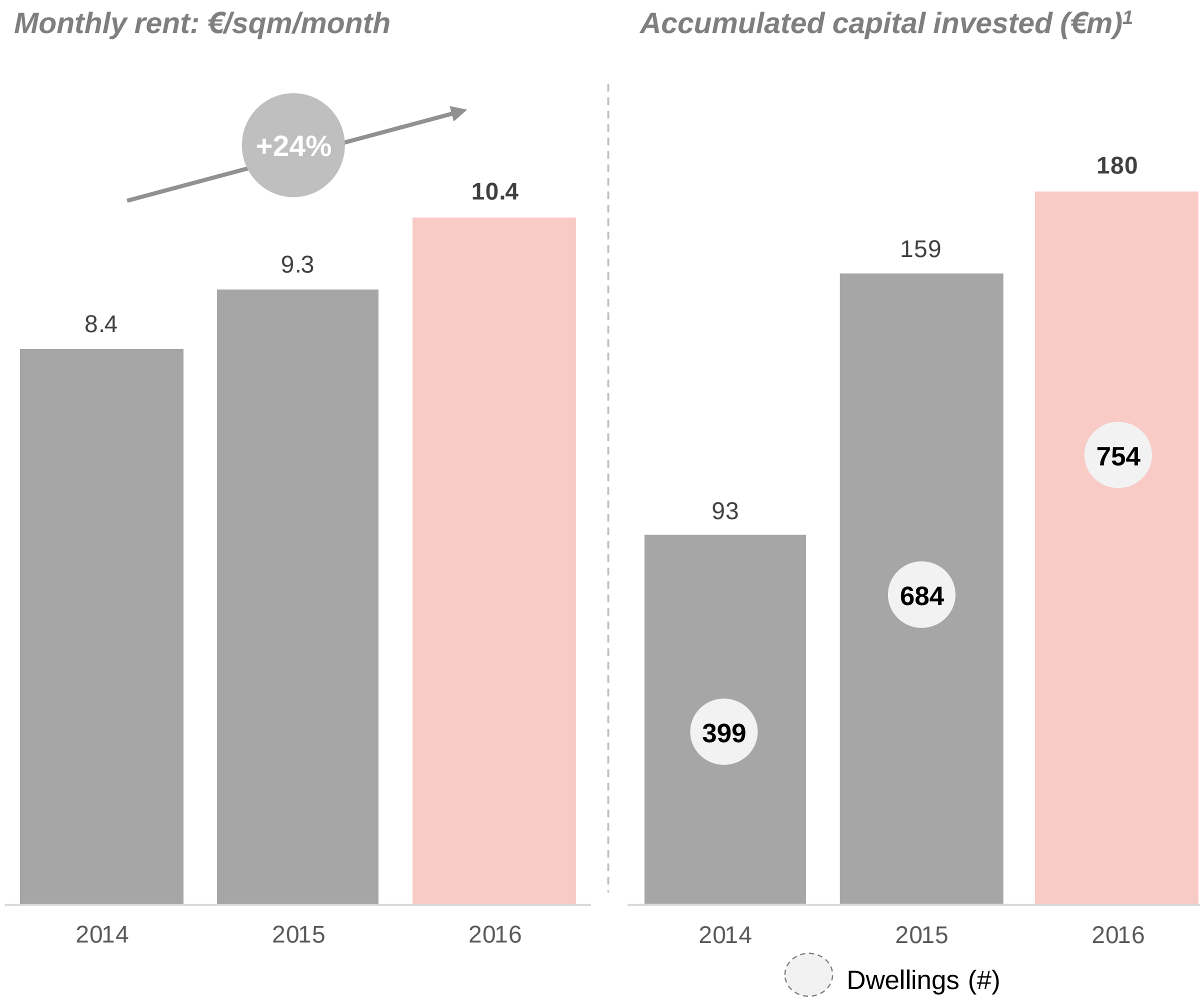
2 **Capex program update**

- **Implemented:** €13 million
- **Pending:** €16 million

3 **Rental growth** strengthened:

- **Isla del Cielo** upgraded units: 18.0[2] €/sqm/month (+77% vs. no upgraded units)
- **Sanchinarro** upgraded units: 13.0[2] €/sqm/month (+43% vs. no upgraded units)

Portfolio average monthly rent and total capital invested



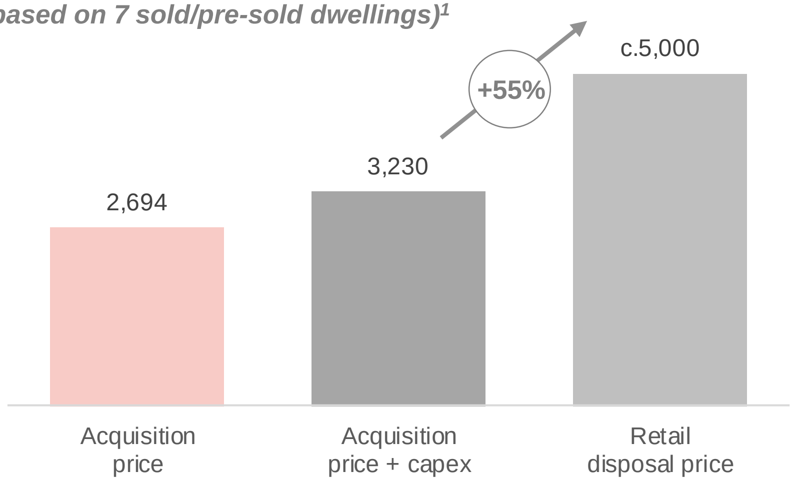
Hispania's repositioning program is delivering strong results in optimising rental growth

RESIDENTIAL: INITIAL SALES CONFIRM OUTSTANDING DOUBLE-DIGIT RETURN EXPECTATIONS

Capital gains built-up (€/sqm)

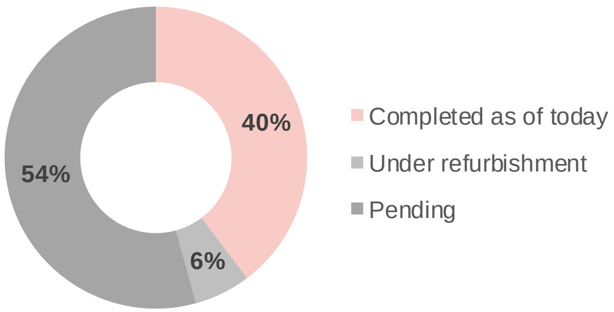
55% CAPITAL GAINS OVER TOTAL INVESTMENTS

(based on 7 sold/pre-sold dwellings)[1]



Capex

ON-TRACK ON REFURBISHMENT PLAN[2]

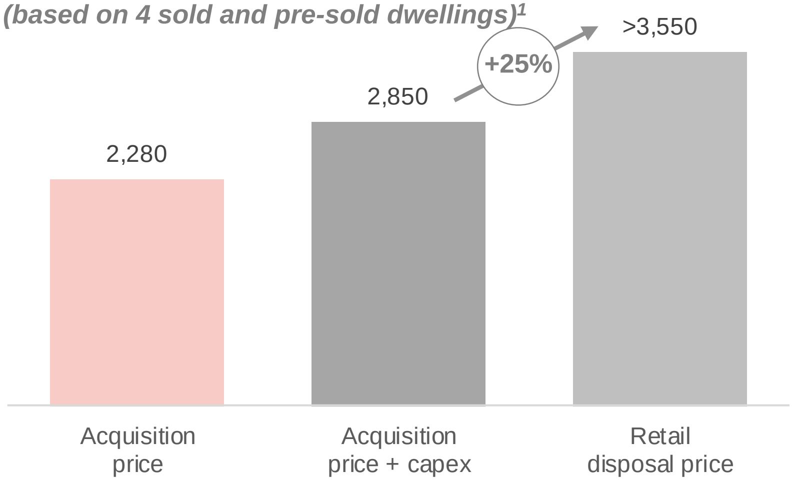


RESIDENTIAL: INITIAL MARKET TEST CONFIRMS INITIAL HIGH DOUBLE-DIGIT EXPECTATIONS

Capital gains built-up (€/sqm)

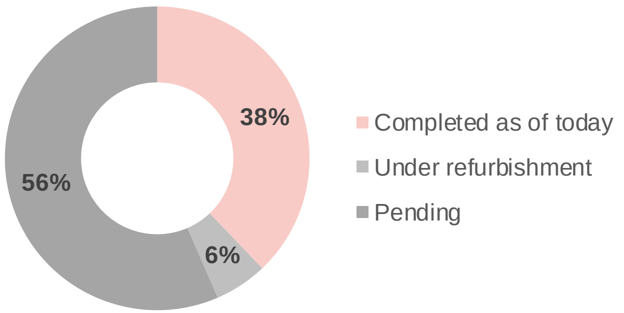
>25% CAPITAL GAINS OVER TOTAL INVESTMENTS

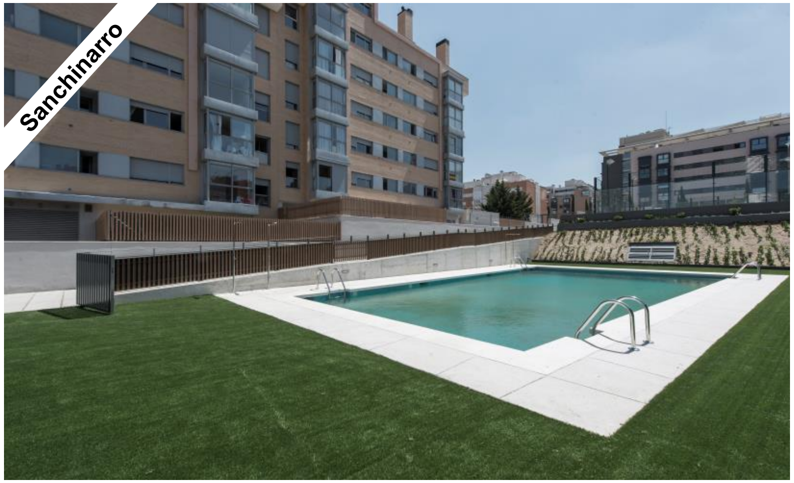
(based on 4 sold and pre-sold dwellings)[1]



Capex

ON-TRACK ON REFURBISHMENT PLAN[2]





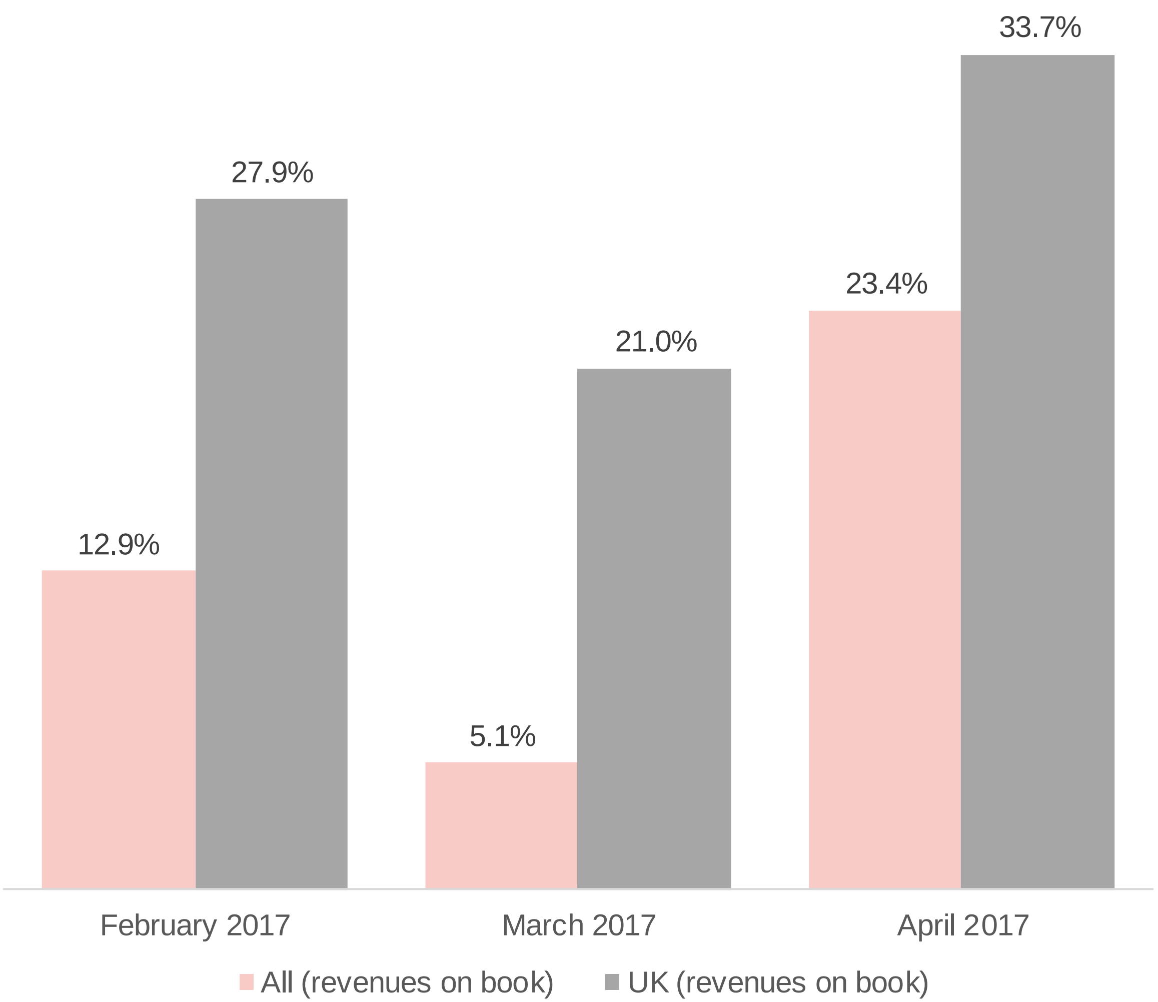
05 2017 outlook

HOTELS: MARKET OUTLOOK

- 2017 to be a **very positive year for tourism in Spain** (+6%-8% RevPar growth expected)
- Spain continues consolidating **its leading** position as "sun&beach" destination
  - In January 2017, international tourists increased by 11% y-o-y (UK +15% in the same period)
- **No impact has been observed so far from Brexit,** neither in bookings nor pricing
- **No meaningful recovery** from competing destinations is expected in the near term

BAY Barceló portfolio bookings performance for the next three months

(Data as of 22 and 23 February of 2017, comparing to the same period of previous year)



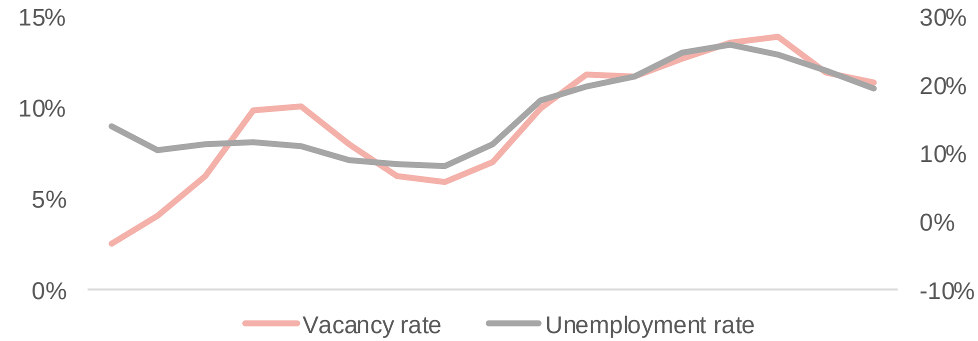
Source: INE and internal estimates

OFFICES: MARKET OUTLOOK

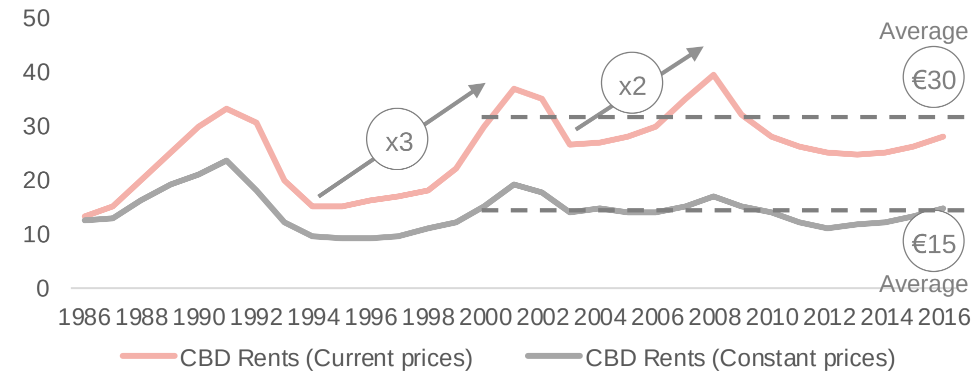
- To **continue improving in 2017** due to increasing business expectations and political stability
- Madrid CBD rents recovering at lower pace than other EU economies
- **Increasing demand for BD/DEC areas in Madrid** (higher quality at more competitive price) ratifying a recovery trend to their historical weights
- **BD/DEC rents still at bottom levels are starting to close the gap** with CBD offering investors a higher reversionary potential
- **Limited pipeline** (3% for the next 2 years) with refurbishments amounting c. 50% of new supply
- Tenants' needs and expectations growing up
    - Top quality developments to attract most of the new demand

Key market data

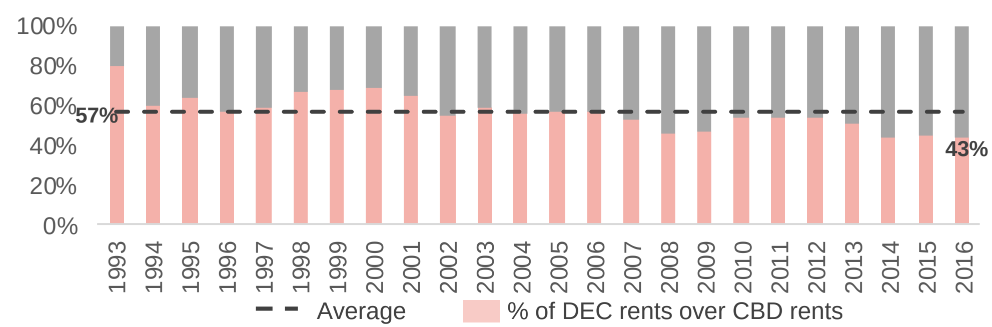
Vacancy and unemployment rates



CBD rents



DEC rents over CBD rents



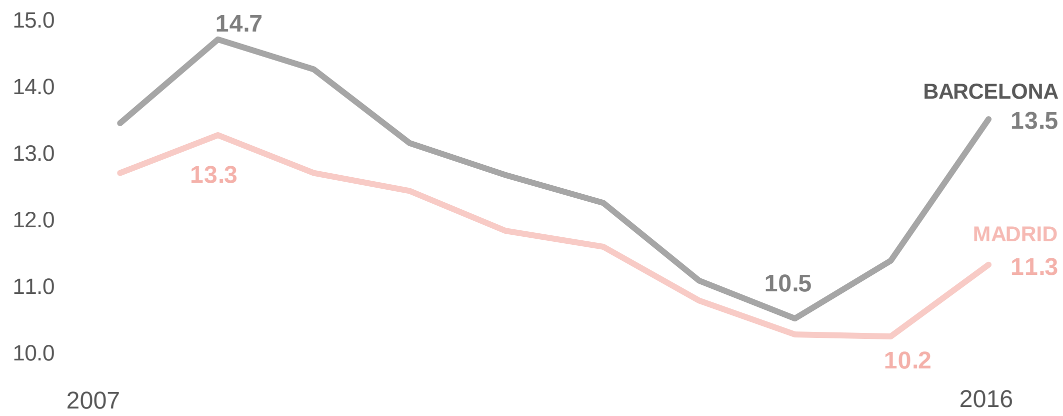
Source: Savills and Aguirre Newman

- **Positive outlook** for residential underpinned by economic growth, employment creation and low financing costs
- **Madrid and Barcelona**, with strong imbalance between supply and demand, **likely to lead the increases**
  - Barcelona 2016YE: monthly rent +19% vs. 2015 and sales price +14%
  - Madrid 2016YE: monthly rent +10% vs. 2015 and sales price +4%
- **Transaction volume** expected to continue the growth driven by second hand transaction (90% out of c.400,000 transactions)
- **Housing development activity to emerge again** (c.75,000 new houses in 2017)
- **Increasing interest from international investors** on Spanish residential as a single and core asset class

Key market data

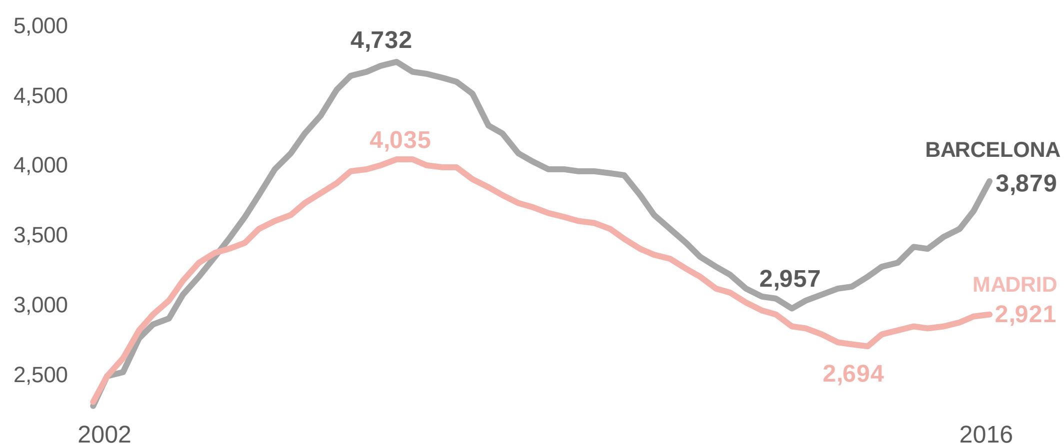
Residential rents

Monthly €/sqm



Residential capital values

€/sqm



Source: IMF, INE, Fotocasa and Idealista

06 Value Return Proposal

AZORA IS PROPOSING TO STAY LOYAL TO THE PLAN STATED IN THE IPO PLAN

The Proposal

1. **Maximize the value creation potential** of Hispania's hotel strategy and build a unique portfolio
   - **Invest remaining firepower** in hotels in already identified investment opportunities
   - Propose an **extension of the Investment Period** (due to end on March 14th, 2017) **up until 31 December 2017**
2. Immediate execution of retail sale plan for the **residential** portfolio with potential block sales
3. Opportunistic disposal of the **office** portfolio to capture the large universe of potentially interested investors
4. **Proceeds from every disposal**, after the investment period terminates, to be **distributed** in full to shareholders
5. **No changes** with regards to **Performance Fee**, which continue to be paid only against actual effective cash distributions
6. No changes with regards to any other aspect of the Investment Manager Agreement currently in place

Keep commitment to return all funds to shareholders by the end of the contract (March 14th, 2020)

THE VALUE RETURN PROPOSAL IS A COMMITMENT TO CRYSTALIZE SHAREHOLDERS VALUE

DOUBLE DIGIT IRR TARGETED

1

OPTIMIZE DISPOSAL OF OFFICES AND RESIDENTIAL

2

HIGH CASH DISTRIBUTIONS FROM 2017

3

MAXIMIZE VALUE POTENTIAL OF THE HOTEL STRATEGY

BACK-ENDED PROMOTE AND PAID ONY AGAINST EFFECTIVE CASH RETURNS – A perfect alignment of interest with investors

Appendices

A1 Additional information on the Value Return Proposal

SUMMARY OF KEY RISKS RELATED TO THE PROPOSAL

Risk	Description
Execution of new investments	▪ If the extension of the investment period until the end of 2017 is rejected in the April 2017 AGM, the Company will not have the opportunity to continue investing in new hotel opportunities which could have added additional returns for shareholders as well as complemented the existing hotel portfolio and enhanced its value ▪ If the extension of the investment period is granted, there is no assurance that the Company will be able to execute new investments and it may face increasing competition until the end of the new investment period ▪ Even if the Company is able to continue investing in new opportunities, delays on the execution of the pipeline and/or its execution at a higher cost than expected could have an adverse material impact on total expected returns of the new investments
Execution of asset disposals	▪ Delays in the disposal of the assets may affect the Company's total returns ▪ If the Company gets close to the end of the Investment Manager Agreement without having sold all the assets, the Company could be considered by potential buyers as a "*forced seller*", resulting in less attractive sales prices with a direct negative impact on total returns ▪ Changes in the economic environment, the real estate markets, the tourism industry or other conditions may not be favourable at the time the Company is seeking to divest all or part of its portfolio, resulting in a lower price and lower returns or in a total inability to dispose of all the assets
Execution of Asset Management initiatives	▪ Delays in the repositioning of any of the assets may involve the inability of the Company to dispose the asset(s) in time and at satisfactory terms, resulting on an adverse impact on the Company's returns ▪ Delays in the repositioning of non-eligible assets could result in a tax obligation at the time of their disposal if the asset(s) have not been leased for a minimum of three-year term since acquisition ▪ Delays on the generation of additional rent for the Company as a result of asset management measures could have an adverse impact on the Company's returns

SUMMARY OF KEY RISKS RELATED TO THE PROPOSAL

Risk	Description
Compliance of SOCIMI Regime	▪ Asset disposals prior to the 3-years holding period may result in taxes payment and hence, reduce Company's returns ▪ Capital gains from assets sold prior to the 3-years holding period are non-qualifying income and restricted to 20% of all income, or the Company would breach the SOCIMI regime and may loose this status ▪ If that gets to be the case, Hispania will have 1-year to comply with the SOCIMI regime again and not loose it
Impact on the Capital Markets	▪ The Value Return Proposal may affect the Company's ability to obtain financing on satisfactory terms or at all in order to complete acquisitions and/or the expected committed capex for its repositioning strategy ▪ The Value Return Proposal may not be satisfactory for some investors of the Company and hence, may negatively affect the market price of the shares ▪ As the Company sells assets and distributes the disposal proceeds to investors, its size may start to shrink and this may have a negative impact on the liquidity of its shares ▪ The Company will use all measures available to it to maintain adequate liquidity, including but not limited to active marketing of its shares to new investors, buying back shares or seeking tender offers
Additional risks	▪ For additional risks related with the Company and its business, please refer to the official Company documents published in its IPO and in conjunction with the last capital increase announced on May 12, 2016 and duly executed on June 6, 2016 (the *Prospectus*) ▪ See http://www.cnmv.es/Portal/Consultas/Folletos/FolletosEmisionOPV.aspx?nif=A86919271 or, alternatively, http://www.hispania.es/capital-increase/?lang=en and http://www.hispania.es/documentos-de-registro/?lang=en

SELECTED Q&A

Question	Answer
Why sell the portfolio?	▪ Hispania was born as a listed company but with many of the characteristics of a private equity fund, such as the external management, a fix investment period, a maximum life of 6 years and a commitment to return all the funds plus profits to investors by the end of the 6 years ▪ Following the strategy set at the IPO, along with the extension of the investment period until the end of 2017, should allow enough time for Hispania to maximize the value of the investments made and complete the hotel strategy, resulting in superior double digit returns ▪ Our plan will allow investors to crystalize all the value created, receive high dividend distributions from 2017 and be certain that the management team of Hispania is fully aligned with their interests, as our potential incentive fee will only be paid once investors have received their return
What happens if not all the assets have been sold by March 2020?	▪ The Investment Manager is committed to realize all investment of Hispania ▪ In the event the Investment Manager believes at some point that there is a possibility that not all assets will be sold by 14th March 2020, the Investment Manager will analyse all the potential options and, together with the Board of Directors, propose the alternative which would be in the best interest of shareholders, to be voted on by them ▪ Where such alternative or amendments were not approved by shareholders, then the Board of Directors shall continue looking for alternatives, together with the Investment Manager, to ensure the full disposal of all the remaining assets, including but not limited to, a public auction or the engagement of financial advisors to carry out a strategic review and to propose the best course of action for the company
How will the Proposal affect the Base Fee?	▪ The proposal will not affect the terms of the Base Fee as nothing has been changed from the original plan except for the request of a nine month extension of the investment period

Question	Answer
How will the Proposal affect the Performance Fee?	▪ The proposal will not affect the terms of the Performance Fee as nothing has been changed from the original plan except for the request of a nine month extension of the investment period ▪ Given that the Proposal fits with the original plan envisaged for the future of Hispania, the terms of the Performance Fee provides perfect alignment of interests between the Investment Manager and shareholders, since it is back-ended and based on effective distributions vs. accounting metrics
What steps did the BoD take to mitigate possible conflicts of interest during the decision making-process?	▪ The independent Directors of the Board along with the Secretary of the Board have done their independent research and analysis to evaluate the Proposal from the Investment Manager, following the most strict corporate governance protocol ▪ To assist them in this process, the independent directors appointed Deloitte (as financial and real estate advisor) and Uría Menéndez (as legal advisor) as an independent advisors ▪ Last but not least, the independent Chairman of the Board, the Secretary and several other Independent Directors, had several meeting and telephone conversations with some of Hispania's investors to ensure the Board had the direct input from investors without the Investment Manager being party at all in these conversations
Were other alternatives considered by the Board of Directors?	▪ Once the Investment Manager submitted its decision to proceed as per the original plan set at the IPO, the Independent Directors of the Board concluded that this should be a satisfactory alternative for all investors as well as the one providing the absolute best alignment of interests ▪ In considering the final proposal submitted by the Investment Manager, and in forming their view that this final proposal is in the best interest of Hispania's shareholders, the independent Directors of the Board have had regard to other alternatives, together with their advisors, and their potential implications ▪ These alternatives included features such as the extension of the Investment Manager Agreement, the internalization at no cost of part of the hotel platform being currently in place at the Investment Manager, as well as changes to the Performance Fee. It was concluded that none of the alternatives considered were able to address the different goals of all of Hispania's investors in a satisfactory way, neither provided with an appropriate alignment of interests between the Investment Manager and investors

A2 Detailed financial information

CONSOLIDATED PROFIT & LOSS ACCOUNT

(€'000)	**Dec-2016**	**Dec-2015**	**∆%**
Hotels	117,782	20,985	+461%
Offices	18,836	12,147	+55%
Residential	6,249	4,666	+34%
Total Revenues	**142,867**	**37,798**	**+278%**
Hotels	92,236	13,038	+607%
Offices	15,215	9,588	+59%
Residential	4,095	3,366	+22%
Total Net Rental Income (NOI)	**111,546**	**25,992**	**+329%**
Recurring SG&A	(18,575)	(13,366)	+39%
Recurring EBITDA	**92,971**	**12,626**	**+636%**
Non-Recurring SG&A	(2,273)	(2,612)	(13%)
EBITDA	**90,698**	**10,014**	**+806%**
Financial Result	(20,593)	(4,286)	+380%
EBTDA	**70,105**	**5,728**	**+1,124%**
Amortization and other results	(1,466)	14,0	n.a.
Revaluation & negative goodwill	296,899	78,429	+279%
EBT	**365,538**	**84,171**	**+334%**
Taxes	(6,564)	(10,794)	(39%)
PROFIT AFTER TAXES	**358,974**	**73,377**	**+389%**
Non-controlling interests	(50,402)	(6,696)	+653%
PROFIT ATTRBUTABLE TO THE PARENT	**308,572**	**66,681**	**+363%**

CONSOLIDATED BALANCE SHEET

Assets (€'000)	Dec-2016	Dec-2015
Property, plant & equipment	113,210	64,200
Investment property	1,888,418	1,360,613
Non-Current financial assets	32,701	31,469
Deposited guarantees	10,324	7,113
Deferred tax assets	11,731	8,024
Non-current Assets	**2,056,384**	**1,471,419**
Trade and other receivables	40,634	24,193
Credits with public administrations	11,998	5,489
Current financial assets	5,319	-
Other current financial assets	1,333	1,009
Cash and cash equivalents	266,612	220,690
Current Assets	**325,896**	**251,381**
Total Assets	**2,382,280**	**1,722,800**

Liabilities (€'000)	Dec-2016	Dec-2015
Share capital	109,170	82,590
Share premium & other reserves	1,039,367	791,683
Treasury shares	(2,177)	(1,088)
Revaluation	6,303	-
Profit for the period	308,572	66,681
Interim dividend	(17,000)	-
Non-controlling interests	116,337	78,582
Equity	**1,560,572**	**1,018,448**
Non-current bank borrowings	595,066	535,656
Derivatives	23,254	12,527
Other non-current financial liabilities	29,919	19,451
Guarantees	12,821	11,645
Deferred tax liabilities	73,959	53,544
Non-current Liabilities	**735,019**	**632,823**
Current bank borrowings	24,221	13,995
Derivatives	7,452	6,175
Other current financial liabilities	17,686	28,776
Trade and other payables	21,264	15,840
Debts with public administrations	16,066	6,743
Current Liabilities	**86,689**	**71,529**
Total Liabilities	**2,382,280**	**1,722,800**

CONSOLIDATED CASHFLOW STATEMENT

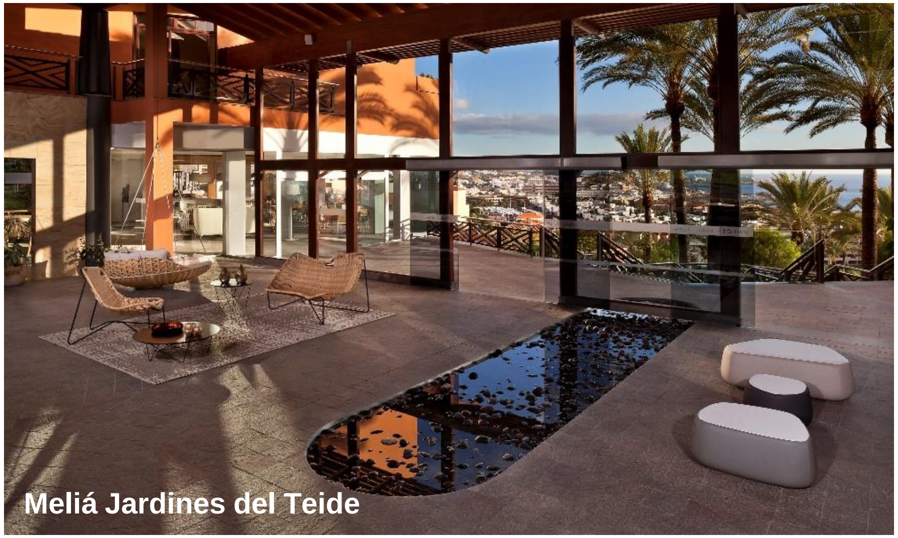
(€'000)	**Dec-2016**	**Dec-2015**	**Δ%**
EBITDA	**90,698**	**10,014**	**+806%**
Net interest payments	(17,248)	(2,755)	+526%
Net working capital variation	(24,571)	3,915	-
Net Public Administrations variation	(3,353)	-	-
Other assets and liabilities variation	(9,873)	(2,949)	+235%
Operating Cash Flow	**35,653**	**8,225**	**+333%**
Property investments acquisitions	(192,921)	(670,553)	(71%)
Financial Assets acquisitions	(60,710)	-	-
Proceeds from disposals of assets	1,953	-	-
Proceeds from disposals of financial assets	-	1,862	-
Total Investment Cash Flow	**(251,678)**	**(668,691)**	**(62%)**
Proceeds from issuance of equity instruments	221,979	327,122	(32%)
Other operations with non-controlling interests	7,431	29,899	(75%)
Treasury shares	(1,089)	(1,088)	-
Dividends	(36,027)	-	-
Net variation in Banks Borrowings	69,653	321,022	(78%)
Cash Flow after Financial activities	**261,947**	**676,955**	**(61%)**
Cash and cash equivalents at the beginning of the period	220,690	204,201	+8%
Cash and cash equivalents at the end of the period	266,612	220,690	+21%
Total Cash Flow for the period	**45,922**	**16,489**	**+179%**

EPRA METRICS

(€'000)		Dec-2016	Dec-2015
General metrics	EPRA Earnings	54,000	(1,020)
	EPRA NAV	1,495,189	965,646
	EPRA NNNAV	1,431,497	927,388
	EPRA Cost Ratio (including direct vacancy costs)	27.5%	65.6%
	EPRA Cost Ratio (excluding direct vacancy costs)	26.5%	67.8%
Operational metrics	EPRA Net Initial Yield (NIY)	6.5%	5.7%
	EPRA "Topped-up" NIY	6.6%	5.8%
	Net Reversion Yield on GAV	7.1%	7.1%
	EPRA Vacancy Rate	18.9%	22.4%

A3 Supporting materials for the Hotel Strategy

SUCCESSFUL REPOSITIONING PLANS ALREADY EXECUTED: >20% RETURN ON CAPEX


Meliá Jardines del Teide


Meliá Jardines del Teide


Teguise Beach

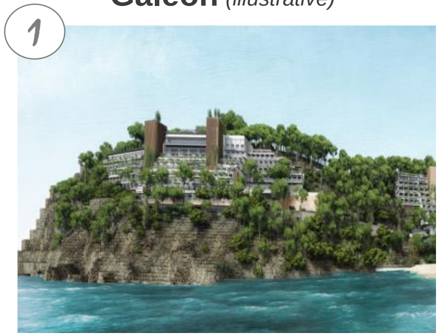

Teguise Beach

SUCCESSFUL REPOSITIONING PLANS ALREADY EXECUTED: >20% RETURN ON CAPEX

TARGETING THE CREATION OF DESTINATION RESORTS: SAN MIGUEL (IBIZA) PROJECT

- The three hotels are transformed into the only resort in the San Miguel beach, creating a new destination within Ibiza
- Different positionings with focus on a Mediterranean experience, offering different F&B outlets, sporting facilities, SPA and beach club

Galeón *(illustrative)*

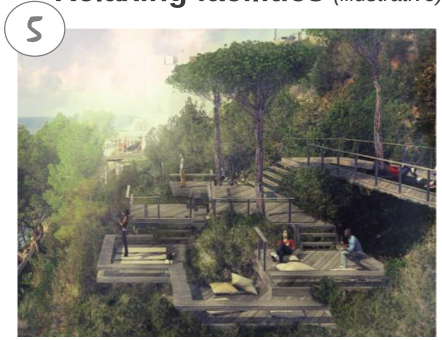


Cartago *(illustrative)*

San Miguel *(illustrative)*

Various F&B Outlets *(illustrative)*

Relaxing facilities *(illustrative)*



Renovated Rooms *(illustrative)*

TARGETING THE CREATION OF DESTINATION RESORTS: TEGUISE (LANZAROTE) PROJECT

- Hispania's plan is to create a macro-resort enhancing F&B experience and including sporting and water facilities, a small shopping mall and additional premium rooms
- The compound will become a new destination within Lanzarote, with a wide offer of activities, creating an integral experience

1 **Occidental Playa**

2 **Barceló Lanzarote**

3 **New Unification Platform** *(illustrative)*

P **Premium Hotel** *(illustrative)*

P **New Mall** *(illustrative)*

P **New Facilities** *(illustrative)*

TARGETING THE CREATION OF DESTINATION RESORTS: CORRALEJO PROJECT

- Reconverted destination composed of three category hotels:
  - Bahía Real and Premium Plot: 5*GL 1 2 2
  - Potential complex: 5* P
  - Suites Atlantis: 4* Plus 3

Atlantis Bahía Real 5*GL

1

Future Premium Hotel
(illustrative)

2

Suites Atlantis

3

Various F&B Outlets

4

Sports Facilities

5

Potential Complex *(illustrative)*

P

25,000 sqm – c.150 keys

A4 Footnotes

Page 5 – "2016 year-end very positive results"

(1) EPRA NAV 2015 adjusted by the capital increases completed in 2016
(2) Based on 97 and 74 million of weighted average number of shares for 2016 and 2015, respectively
(3) Like-for-like increase, excluding residential properties, Teguise Beach hotel as it was closed during c.10 months in 2014-2015 and Aurelio Menéndez office building as it is currently under repositioning
(4) Like-for-like increase revaluation increase

Page 7 – " Value creation"

(1) Adjusted by the rights issue completed in June 2016 and by the capital increase carried out in December 2016 for the acquisition of the remaining 10% in Hispania Fides

Page 8 – " Investing at unbeatable returns – Dunas acquisition case study"

(1) Including transaction costs recorded as of December 2016
(2) As of the date of this presentation
(3) 2016 appraisal value of €89 million and an expected capex to be deployed of €14 million

Page 9 – "Investing at unbeatable returns – Helios acquisition case study"

(1) Post the accounting record of €4 million of a potential future payment and certain capex already deployed as of 2016YE

Page 10 – "Investing at unbeatable return: additional c.€180M investments"

(1) Including consolidated acquisition price and any transaction costs attributed to the acquisition recorded as of December 2016

Page 11 – "Robust operational performance"

(1) Excluding Teguise Beach hotel as it was closed for c.10 months in 2014-2015
(2) For further information please see section 3 of this presentation
(3) Including Murano surface leased to LaLiga in January 2017
(4) For further information please see slide 48 of this presentation
(5) Excluding dwellings not offered for commercialisation
(6) Based on the total accumulated investment cost attributed to the units sold and/or pre-sold

Page 12 – " Value growth ahead"

(1) Based on 45% LTC and the investments committed as of the date of this presentation; however, additional investment capacity could be raised from levering on revaluations
(2) As of the date of this presentation

Page 15 – " Strong operational performance across all asset classes"

(1) Excluding one-off expenses of €2.6 million and €2.3 million for 2015 and 2016, respectively
(2) Based on 97 million of weighted average number of shares
(3) Based on 74 million of weighted average number of shares
(4) Based on a 2016 EPRA like-for-like GAV of €471 million
(5) Calculations not based on EPRA like-for-like methodology

Page 16 – “15% LFL growth in annualised net rental income”

(1) Excluding residential properties, Teguise Beach hotel as it was closed during c.10 months in 2014-2015 and Aurelio Menéndez office building as it is currently under repositioning

Page 17 – “Total revaluation: €299 million, implying 17% uplift in 2016”

(1) Including revaluation with impact on P&L, with impact on reserves and from revenues straight-lining impact
(2) Including acquisitions, any implemented capex and any asset disposal over the period

Page 19 – “Strong cash generation of our portfolio confirmed”

(1) Defined as recurring EBITDA minus financial expenses minus maintenance capex and adjusted by minorities but excluding rental revenues straight-lining
(2) Based on 97 and 74 million of weighted average number of shares for 2016 and 2015, respectively
(3) Calculated over net rental income on a consolidated basis

Page 20 – “Conservative, prudent and solid financing profile maintained”

(1) Cash adjusted by the disbursement of the receivership debt and the acquisition of the shares linked to Dunas transaction
(2) Excluding any impact from negative interest rate
(3) Defined as EBITDA over financial expenses

Page 21 – “Total final dividend for 2016 to increase by 11% to €45 million”

(1) In attributable terms
(2) Based on the closing price of the last trading day of 2016

Page 23 – “Hispania’s portfolio is capturing strong hotel performance”

(1) Including F&B and other revenues per available room
(2) Excluding Maza hotel, except for Hispania’s annualised net rental income

Page 26 – “ Further value creation will come from different sources of growth”

(1) Including up to 125 of keys to be developed in Las Agujas land plot

Page 28 – “Successful repositioning plans already executed: >20% return on capex”

(1) GOP pre-repositioning as of 2014YE. GOP post-repositioning as of 2017B. NRI uplift 2017 vs. 2014
(2) GOP pre-repositioning as of 2015YE. GOP post-repositioning as of 2017E. NRI uplift 2017 vs. 2015
(3) GOP post repositioning as of 2017E. NRI uplift 2017 vs. 2014 due to step-up until normalising rent
(4) Expected stabilised figures as of the date of this presentation

Page 32 – “Repositioning portfolio: action plan”

(1) Including Guadalmina, Portinatx and Holiday Inn
(2) Including San Miguel, Las Agujas, Bahía Real positive impact and Occidental Lanzarote positive impact

Page 36 – “Additional value and growth would come from over €1.7bn of pipeline”
(1) Including hotels and/or keys to be developed

Page 37 – “Attractive pipeline with expected net yield of 9.4%”
(1) As of the date of this presentation
(2) Since acquisition date

Page 39 – “ Offices: delivering 85% occupancy and +7% rental growth”
(1) Excluding the surface attributed to Helios
(2) Excluding renewed contracts due to break options not exercised

Page 40 – “ Offices: significant repositioning strategy on target”
(1) As of the date of this presentation

Page 41 – “ Offices: high reversionary potential still ahead”
(1) Excluding net rental income attributed to assets under current repositioning plans
(2) Existing vacancy rented at current contracted rents for each of the buildings
(3) Assuming the Company is able of recovering all expenses related to the building after having reached 100% occupancy
(4) Assuming the vacant space is rented at current average market rents when these rents are higher than the contracted rents
(5) Repositioning projects are Aurelio Menéndez building and Helios

Page 42 – “Residential: delivering on our smart repositioning strategy”
(1) Including acquisition cost, transaction cost, capex implemented and disposals
(2) Average monthly rent of all upgraded dwellings as of 2016YE

Page 43 – “Residential: initial sales confirm outstanding double-digit return expectations”
(1) As of the date of this presentation
(2) In terms of number of dwellings

Page 44 – “Residential: initial market test confirms initial high double-digit expectations”
(1) As of the date of this presentation
(2) In terms of number of dwellings