



*Millennium Hotels*  
*Real Estate*

*Excellent exposure to emblematic hotel assets*

*First Half Results of 2019*  
*October 11, 2019*





**Millennium Hotels**  
Real Estate

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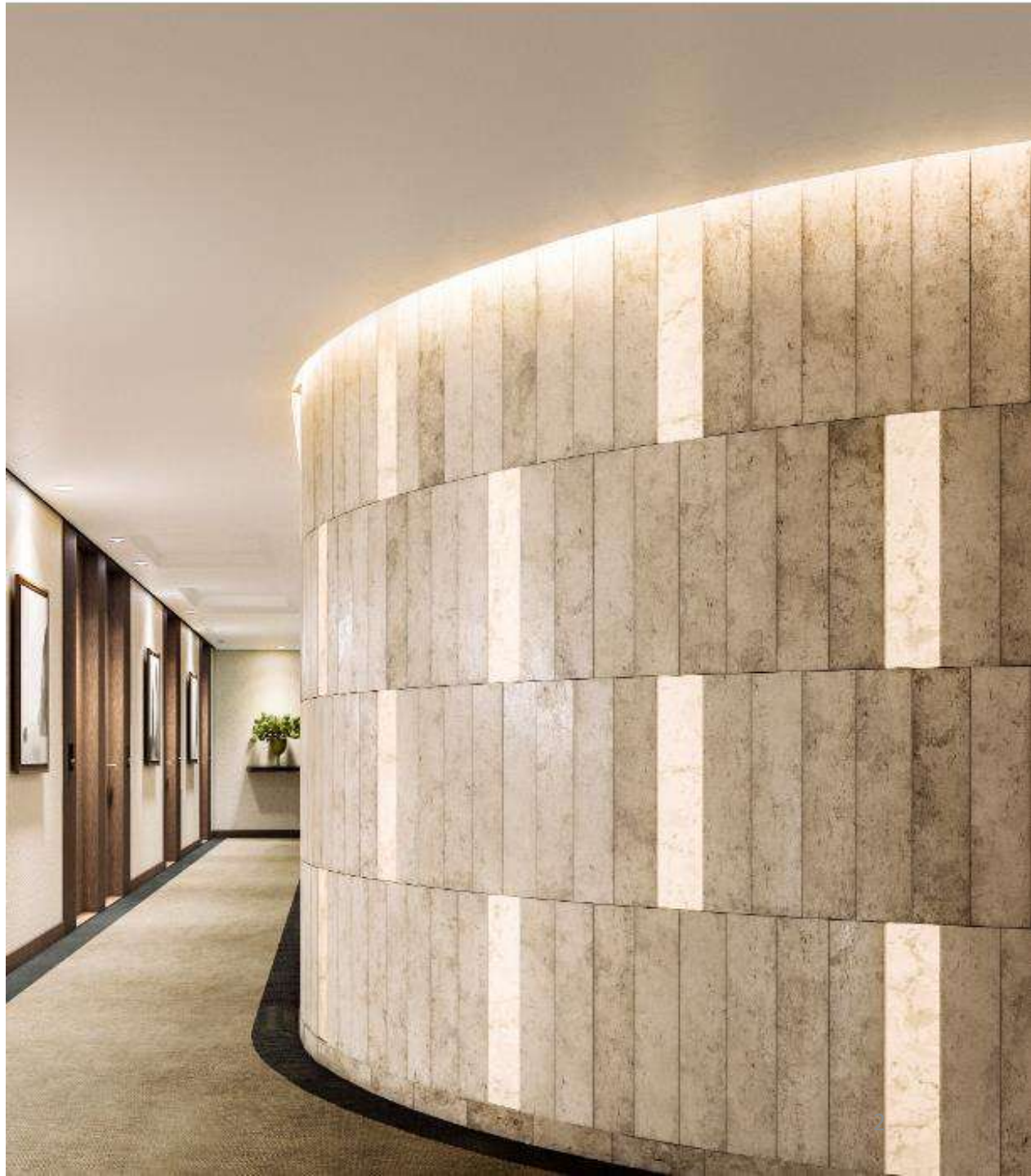
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*Millenium Hotels*  
Real Estate



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The first half year has been an extraordinary boost to our strategy, positioning Millenium as an attractive lever for the creation of value.

Successful expansion to € 250M of share capital, in a market context with high volatility, demonstrating the attractiveness of the strategy

Liquidity exceeding € 185M, which will allow the portfolio to be raised up to € 500M.

Transactions in advanced negotiation for high quality assets with high revaluation potential.

The results obtained in the first half predict that the forecasts for 2019 will improve

Listing on the MAB with a + 4% revaluation.

- Total capital increases of € 191M executed successfully during the first half year, which puts the company's share capital at € 250M
- Leaders in the Spanish SOCIMIS market for fundraising via capital increase in the last 24 months
- Large stable shareholder base committed to permanence
- Participation of the management team in the group capital is another example of its involvement and commitment.
- The GAV<sup>(1)</sup> value of the portfolio increased 5.1% in 1H19 to € 117.3M.
- In 1H19, the Gran Vía Hotel in Bilbao was incorporated into the perimeter. In Sevilla, the Rioja 26 building increased the number rooms of the Plaza Magdalena hotel from 62 to 89. And the Plaza San Francisco hotel, which is composed of 2 annexed buildings.
- Contracts signed with top-level hotel operators, with a guaranteed minimum that provides security with attractive returns and significant profit sharing through equity with great potential.
- Attractive pipeline for GAV value of € 900M: prime areas, 4 and 5 star hotels in conversion and profitability
- Millenium closes the first half of the year with a result of € 416,894 and an EBITDA of 1.3 million euros, which suggests that Millenium will meet the forecasts and guidance provided by its listing on the MAB.
- Personnel costs are adjusted to the company's objective of maintaining them below 1% of NAV.
- Excellent reception by the markets since its listing on the MAB on July 4. The stock market value of the company increases by € 10M in three months of trading.
- The stock price has continually remained above the offer price.
- Millenium has registered a higher performance on the Stock Exchange (+ 4%) than the General Index of the Madrid Stock Exchange (-2.3%), as well as the real estate sector average (+ 2.6%) since listing on the MAB until the end of September 2019.



Millenium is the SOCIMI reference of the Spanish market in terms of quality hotel assets and high potential

Source: (1) Source CBRE as of December 31, 2018, except for Plaza Magdalena Hotel that after the acquisition of the 2nd building, the valuation was updated in March 2019 and Plaza San Francisco hotel that was valued in April 2019

## Results 1H2019

In the right direction to comply with the 2019 guidance

Consolidated Profits and Loss Account	30 of June; 2019
Net revenue	2,007,449
EBITDA	1,325,099
Net result	416,894

- Results in line with those expected, which enables compliance with the guidance reported as of listing on the MAB (2019E-Net income € 3.8M, EBITDA € 2.1M and Net Result € 0.15M)
- The revenue figure includes only the revenue from the Vía Castellana and Lucentum hotels, since the rest of the assets are in the process of conversion.
- EBITDA of 1.33 million euros, above the Group's estimates
- Personnel expenses have been below the company's target of 1% of NAV in annualized terms, thus fulfilling the objective established in the Millennium Management Policy.

Solid and level balance sheet, which will serve as a lever to continue growing according to the group's strategy

Consolidated Balance Sheet	30 of June; 2019
Total Assets	113,680,573
Gross debt with credit entities	48,256,899
Cash	185,564,559
Net Cash	136,088,792
LTV <sup>(2)</sup>	41.1%
Average interest rate	2.3%
Average debt maturity	7 years

- More than 185.5 million euros of liquidity provide Millennium a potential investment value, including the current portfolio of close to 500 million, maintaining a debt level below 50%, a limit established in the Group's strategy.

NAV POR ACCIÓN<sup>(1)</sup> 5,11 €

(1) NAV per share calculated as GAV-Debt with credit institutions linked to assets + payment for real estate advances + Cash and Cash Equivalents

(2) LTV calculated as gross financial debt / value of assets at the end of the first half of 2019



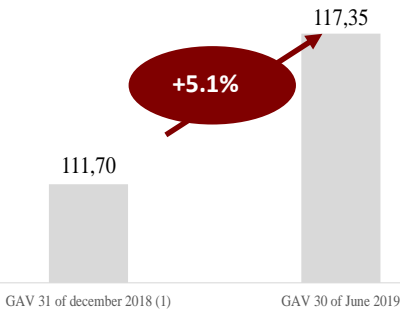
## Evolution of Portfolio Valuation NAV and GAV 1H2019

Only SOCIMI in the Spanish market with a focus on 4 and 5-Star Hotels



5 Hotels	654 rooms	100% in Spain	45% of the portfolio in GAV value in replacement	42.445 M <sup>2</sup>
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- GAV of the portfolio of 117.36 million euros; + 5.1% vs GAV<sup>(1)</sup> as of 12/31/2018
- NAV<sup>(2)</sup> of 255.68 million euros vs. 250 of capital
- Liquidity 185.6 million euros



The 1H19 closing portfolio will be fully operational in the first half of 2021

Category	2019	2020	2021	
			Q1 Q2 Q3 Q4	Q1 Q2 Q3 Q4
Via Castellana 4*	X X X X	X X X X	X X X X	X X X X
Hotel Lucentum 4*	X X X X	X X X X	X X X X	X X X X
Plaza Magdalena 5*		X X	X X X X	X X X X
Gran Via de Bilbao 5*			X X X X	X X X X
Plaza San Francisco 5*		X	X X X X	X X X X

X: In operation

Profitability on estimated acquisition cost in stabilized portfolio > 6.5%

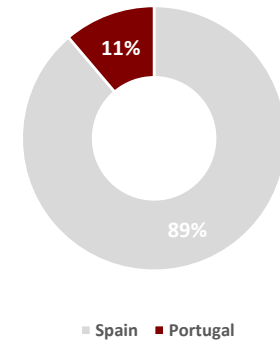
High quality pipeline pending execution

900 million euros in high quality assets

of which 28% is "off the market"

100% in Spain and Portugal in the main touristic cities

Pipeline detail by geographic area



Pipeline with profitability on acquisition cost in estimated stabilized portfolio > 6.5%<sup>(3)</sup>

Estimated IRR pipeline in stabilized portfolio > 9%, in line with the group's objective

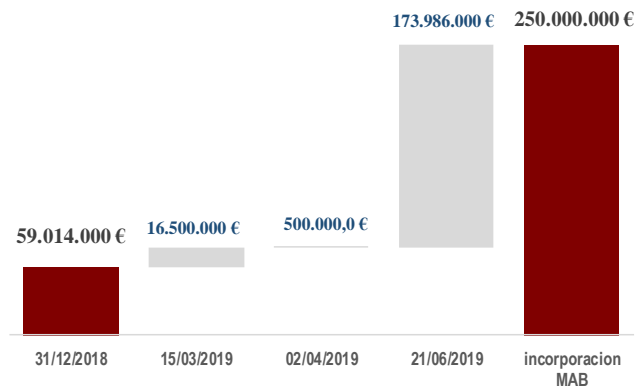
(1) Source CBRE as of December 31, 2018, except for Plaza Magdalena Hotel that after the acquisition of the 2nd building, the valuation was updated in March 2019 and Hotel Plaza San Francisco that was valued in April 2019

(2) Includes cash at the end of the first half year pending execution.



*Millenium has successfully executed a capital increase to obtain 250 million euros that will enable it to implement the first phase of its investment strategy.*

**Evolution of share capital in Q119**



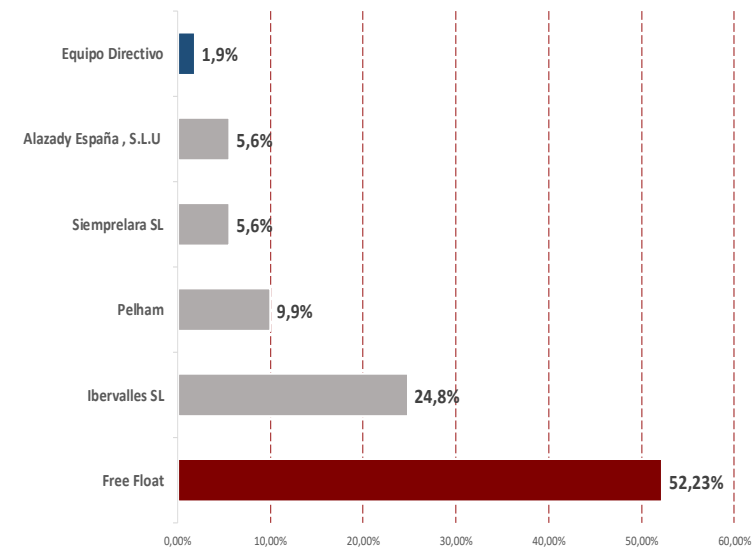
Leaders in fundraising in the Spanish market via capital increase for the last 2 years

In the top 15 of the SOCIMIs of the Spanish market in terms of market capitalization

Participation of the management team in the capital is an example of its commitment to the Group strategy

Stable shareholder base committed to permanence

**Capital structure**



High shareholder dispersion: more than 440 Investors






**Positive evolution in the MAB +4% vs listing price**



*Diversified and high quality asset portfolio with high value potential*

117.35  
GAV<sup>(1)</sup>

42,445  
M2

In operation		In conversion		
				
<b>Hotel Vía Castellana</b>	<b>Hotel Lucentum</b>	<b>Hotel Plaza Magdalena</b>	<b>Hotel Gran Vía Bilbao</b>	<b>Plaza de San Francisco</b>
<ul style="list-style-type: none"> <li>Location: Madrid</li> <li>Category: 4*</li> <li>Number of rooms: 228</li> <li>Type of hotel: Business</li> <li>Operator: Hotusa</li> <li>Contract Type: variable rent with a minimum fixed.</li> <li>lease agreement Incorporated in 2018.</li> </ul>	<ul style="list-style-type: none"> <li>Location: Alicante</li> <li>Category: 4*</li> <li>Number of rooms: 169</li> <li>Type of hotel: Bleisure</li> <li>Operator: Hotusa</li> <li>Contract Type: Fixed Rent</li> <li>Incorporated in 2018.</li> </ul>	<ul style="list-style-type: none"> <li>Estimated opening Q2 2020</li> <li>Location: Sevilla</li> <li>Category: 5*</li> <li>Number of rooms: 89</li> <li>Type of hotel: Luxury</li> <li>Operator: Radisson Collection</li> <li>Contract Type: variable rent with a minimum fixed</li> <li>Main building incorporated in 2018 and annex in Q1 2019.</li> </ul>	<ul style="list-style-type: none"> <li>Estimated opening Q1 2021</li> <li>Location: Bilbao</li> <li>Category: 5*</li> <li>Number of rooms: 137</li> <li>Type of hotel: Luxury</li> <li>Operator: Radisson Collection</li> <li>Contract Type: variable rent with a minimum fixed</li> <li>Incorporated in Q1 2019.</li> </ul>	<ul style="list-style-type: none"> <li>Estimated opening Q4 2020</li> <li>Location: Sevilla</li> <li>Category: 5*</li> <li>Number of rooms: 31</li> <li>Type of hotel: Luxury boutique</li> <li>Operator: Alma Hotels</li> <li>Contract Type: variable rent with a minimum fixed</li> <li>Incorporated in 2019. Consists of two buildings</li> </ul>
<b>GAV: €38.7M</b>	<b>GAV: €25.3M</b>	<b>GAV: €22.8M</b>	<b>GAV: €24.4M</b>	<b>GAV: €6.1M</b>

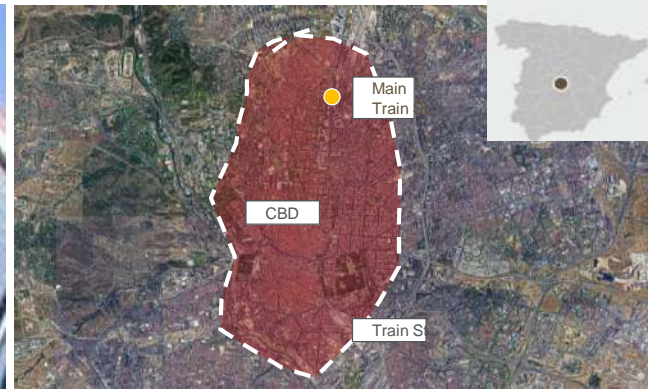
(1) Source: CBRE



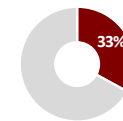
## Portfolio of Profitable Assets

### 1 Via Castellana (Madrid): High quality asset in the center of the business district in Madrid

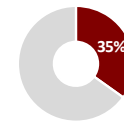
Key data	Urban hotel	228 rooms	M <sup>2</sup> 11,938	GAV € 38,7 M	CAPEX pending € 0 M	Profitability	4* Businesses
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Address: Paseo de la Castellana, 220, 28046 Madrid



Proportion of portfolio  
GAV/Number of rooms



Located on Paseo de la Castellana, in an exclusive location within the most important business area, next to the famous Torres Kio and the Four Towers Business Area (CTBA), in the expanding financial district, near the Palacio de Congresos and the Santiago Bernabeu Stadium

Acquired at an attractive price without the need for investment in medium-term renovation

Its strategic location guarantees its underlying value and its great potential for conversion to other real estate uses



*Portfolio of Profitable Assets*

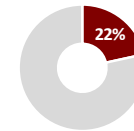
1 **Vía Castellana (Madrid): High quality asset in the center of the business district in Madrid**



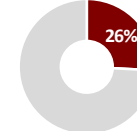
## Portfolio of Profitable Assets

2 Hotel Lucentum (Alicante): 4-Star hotel in downtown Alicante, 800 meters from the seafront

Key data	Urban hotel	169 rooms	M <sup>2</sup> 9,790	GAV € 25.3 M	CAPEX pending € 0 M	Profitability	4* Bleisure
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Proportion of portfolio  
GAV/Number of rooms



Alicante has established itself as one of the most stable and solid urban destinations for tourism, with an optimal combination of vacation and business tourism. In addition, it is one of the cities with the best connections (international airport, AVE high-speed train, highways, etc.)

Excellent location for both business and leisure tourism

Excellent evolution thanks to the growth and consolidation of Alicante as one of the reference cities for *bleisure*



*Portfolio of Profitable Assets*

2 Hotel Lucentum (Alicante): 4-Star hotel in downtown Alicante, 800 meters from the seafront

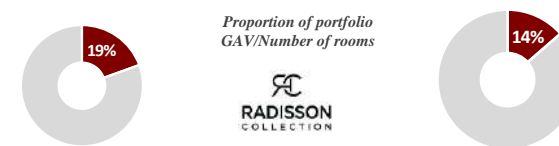




## Portfolio of assets in conversion

3 Vía Magdalena (Sevilla): Conversion into a luxury hotel with two adjacent assets in an exceptional location in the historic center of Sevilla

Key data	Urban hotel	89 rooms	6.738 M <sup>2</sup>	GAV €22.8 M	In conversion	5* modern luxury
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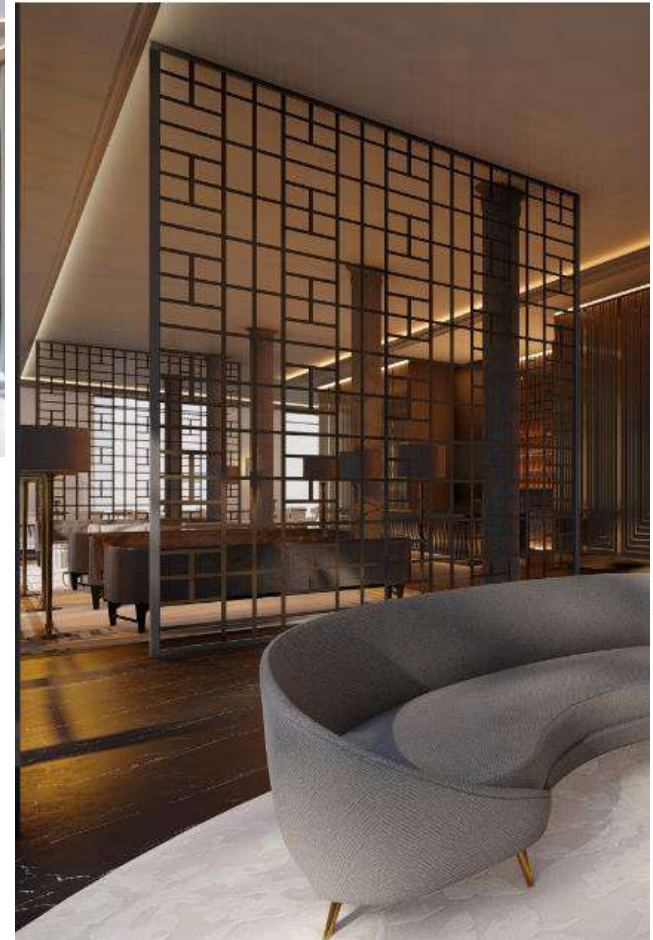
Sevilla has established itself as one of the most important tourist destinations in Spain, and it is estimated that the number of quality tourists will continue to increase

This project is a clear example of the Millennium Hotels investment and development model: Acquisition of (i) two adjoining assets that were not on the market, (ii) in an excellent location, (iii) in a first-class tourist destination, (iv) great added value conversion to a luxury project with (v) prestigious international brand



*Portfolio of assets in conversion*

3 Vía Magdalena (Sevilla): Conversion into a luxury hotel with two adjacent assets in an exceptional location in the historic center of Sevilla

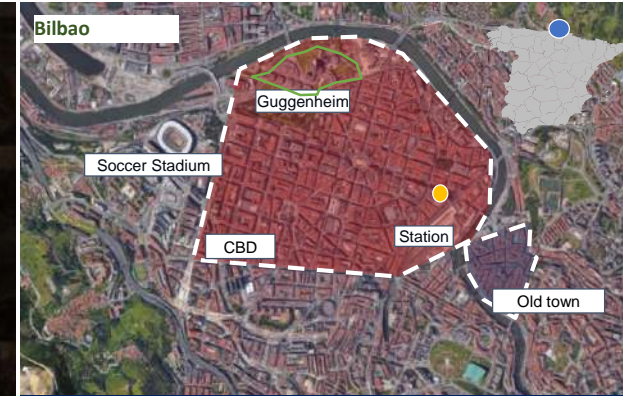




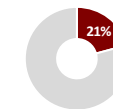
## Portfolio of assets in conversion

### 4 Gran Vía de Bilbao (Bilbao): Conversion into a luxury hotel on the main artery in Bilbao

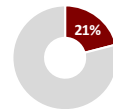
<b>Key data</b>	<b>Urban hotel</b>	<b>137 rooms</b>	<b>11.325 M<sup>2</sup></b>	<b>GAV €24.4 M</b>	<b>In conversion</b>	<b>5* modern luxury</b>
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Address: Gran Vía de Don Diego López de Haro 4, Bilbao



Proportion of portfolio  
GAV/Number of rooms



Bilbao is one of the destinations with the greatest tourist growth in the quality sector of a cultural, gastronomic, and oenological nature

Acquisition and conversion of a unique and emblematic building from the 50s, in a closed block with three facades facing Gran Vía, Don Diego López Haro, Pedro Berasategui and Ledesma streets



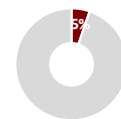
*Portfolio of assets in conversion*

4 Gran Vía de Bilbao (Bilbao): Conversion into a luxury hotel on the main artery in Bilbao

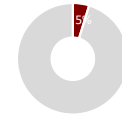


**5** Plaza de San Francisco (Sevilla): Boutique hotel in an unbeatable location, opposite city hall, consisting of two united mansions

<b>Key data</b>	<b>Urban hotel</b>	<b>31 rooms</b>	<b>2.595 M<sup>2</sup></b>	<b>GAV €6.1 M</b>	<b>In conversion</b>	<b>5* Boutique</b>
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Proportion of portfolio  
GAV/Number of rooms



AlmaHotels

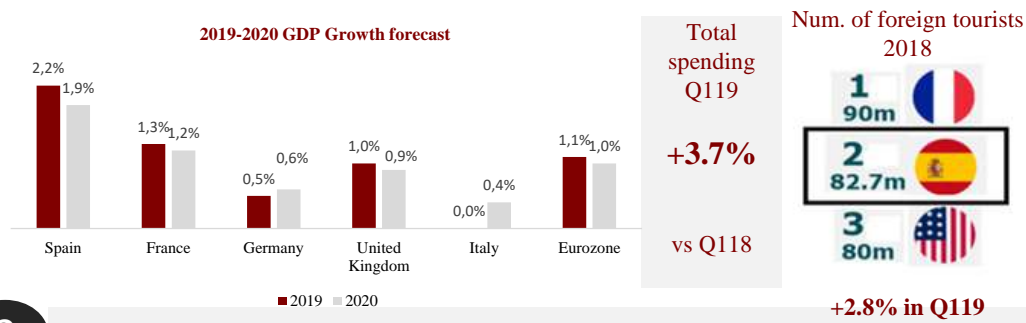
In Sevilla, there is still a significant difficulty in finding good locations with the possibility of conversion to a hotel

The Plaza de San Francisco project involves the acquisition of two adjoining office buildings and their conversion to a luxury boutique hotel



*The market environment continues to be favorable, which allows us to detect opportunities aligned with the Group's strategy in terms of location, quality, and profitability*

**1** Spain will continue to grow above the European Union average and is consolidated as the second country in the world in number of tourists and total tourism spending.



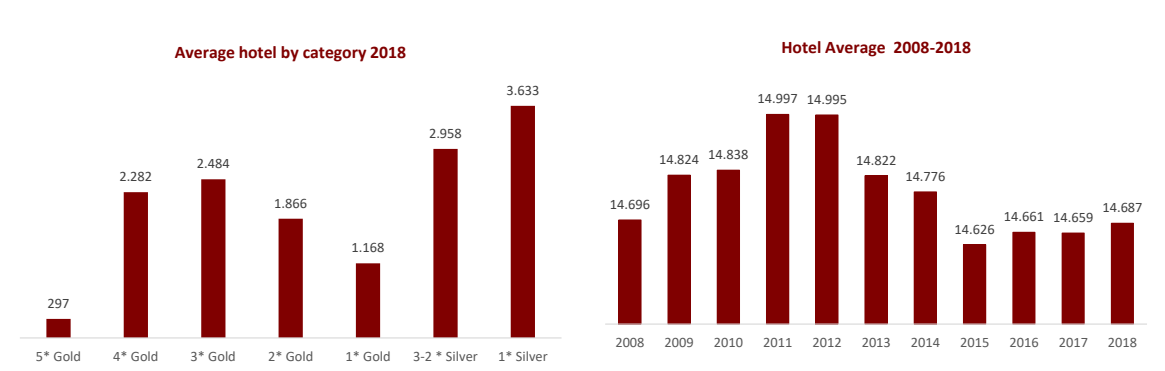
**2** Hotel metrics continue to improve in the first half of the year

- Hotel accommodation expenses for international tourists increased 4.7% in the first half of the year
- Revenue per available room (RevPAR) continues with a positive trend in recent years and has increased 3.0% compared to the first half of 2018,
- The occupancy rate increased by 1.3%, reaching 65.3% in the first half of 2019.
- During the first eight months of 2019, hotel overnight stays increased 1.5% compared to the same period of the previous year.

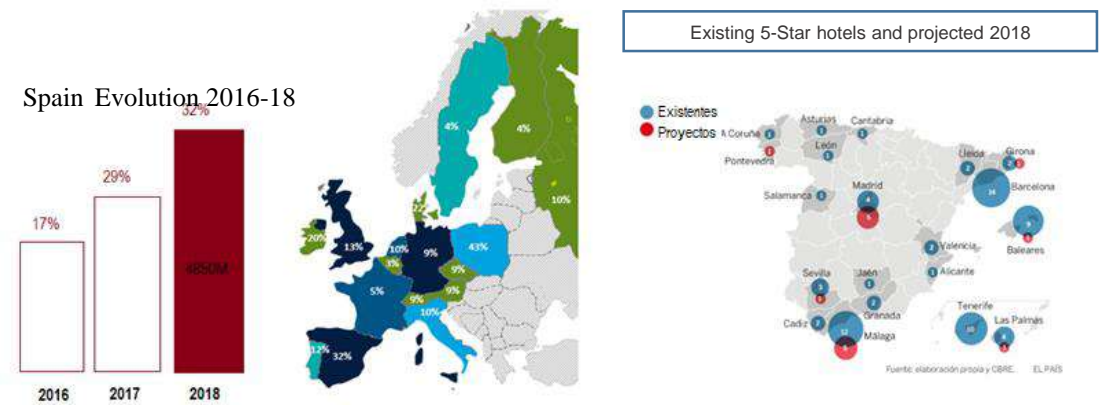
**3** Urban tourism, on which Millennium's strategy is focused, continues to grow at rates higher than the traditional beach tourism



**4** Despite this promising data, the number of hotel establishments in 2018 remained at the same levels as that in 2008 and only 2% had 5\* category.



**5** What produced an increase of record-level hotel investment in Spain in 2018





## *Summary and Conclusions*

- ❑ *The success of the capital increase demonstrates the confidence of investments in the Millennium strategy and its capacity to execute: share capital of 250 million (+ 4.3x at the end of 2018)*
- ❑ *After listing on the MAB, the positive evolution of the share price also implies an endorsement of our business model by the markets (+ 4% <sup>(1)</sup> vs. offer price).*
- ❑ *The assets acquired have increased their GAV value by 5.1% since the end of 2018.*
- ❑ *First half results are in line with the company's forecasts, thus compliance is anticipated with the guidance reported as of listing on the MAB.*
- ❑ *The market context continues to be favorable: ability to detect opportunities, increase in quality tourism, and high demand by luxury hotel operators to be implemented in Spain.*
- ❑ *The capital from the expansion is expected to be invested in the coming months.*

**The strength of the prime real estate sector in Spain, together with the sustained increase in quality tourism, makes us optimistic about achieving our objectives in the medium term**

(1) Calculated from July 4 to September 30, 2019

(2) Source CBRE as of December 31, 2018, except for Plaza Magdalena Hotel that after the acquisition of the 2nd building, the valuation was updated in March 2019 and Plaza San Francisco Hotel that was valued in April 2019

### *Relevant facts from the period*

- ❑ *June 7, 2019: Information document regarding listing in the MAB (DIIM)*
- ❑ *June 27, 2019: Addendum information document regarding listing in the MAB (DIIM)*

### *Relevant facts after period close*

- ❑ *July 4, 2019: Invitation to Extraordinary General Meeting of Shareholder*
- ❑ *July 23, 2019: Expenses related to the process of listing on the MAB*
- ❑ *July 24, 2019: Publication of the Agreements reached at the Extraordinary General Meeting of Shareholders*





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### *Annex*

- Consolidated Profit and Loss Account and Balance Sheet First Quarter 2019*
- Strategy*
- Executive team*
- Board of Directors*



**Millennium Hotels**  
Real Estate

**Results 1H2019**

CONSOLIDATED PROFITS AND LOSS ACCOUNT		30/6/2019
<b>Total revenue</b>		<b>3,932,009</b>
Net turnover <sup>(1)</sup>		2,007,449
Work carried out by the company for assets		1,924,711
Other revenue		-151
<b>Total expenses</b>		<b>-2,606,910</b>
Personnel Expenses		-336,807
Other operating expenses		-2,270,103
<b>EBITDA</b>		<b>1,325,099</b>
<i>EBITDA MARGIN (%)</i>		<i>34%</i>
Depreciation		-413,021
Impairment		
<b>EBIT</b>		<b>912,078</b>
EBIT margin		
Profit		-509,519
<b>EBT</b>		<b>402,559</b>
Income Tax		14,335
<b>NET RESULT</b>		<b>416,894</b>
<i>In euros</i>		

CONSOLIDATED BALANCE SHEET		
	12/31/2018	6/30/2019
<b>Non-current assets</b>	<b>73,097,873</b>	<b>113,680,573</b>
Real estate investments	72,926,667	113,463,684
Long-term financial investments	3,426	3,426
Tax deferred assets	167,780	208,157
Tangible Assets		5,306
<b>Current assets</b>	<b>22,724,752</b>	<b>189,302,286</b>
Inventory	34,896	66,515
Trade debtors and other accounts receivables	874,639	1,570,879
<i>Clients by sales and services</i>	<i>454,519</i>	<i>556,796</i>
<i>Government loans</i>	<i>420,120</i>	<i>1,014,083</i>
Short-term financial investments	144,767	793,591
Short-term accruals	1,175,040	1,306,742
Assets and other equivalent liquid assets	20,495,410	185,564,559
<b>TOTAL ASSETS</b>	<b>95,822,625</b>	<b>302,982,859</b>
<b>Net equity</b>	<b>58,151,830</b>	<b>243,226,992</b>
<b>Non-current liabilities</b>	<b>35,234,019</b>	<b>50,620,932</b>
Long-term debt with credit entities	31,046,255	46,285,996
Other long-term debt	684,363	845,870
Deferred tax liabilities	3,503,401	3,489,066
<b>Current liabilities</b>	<b>2,436,776</b>	<b>9,134,935</b>
Short-term provisions	53,034	53,034
Short-term debt with credit entities	1,936,248	1,970,903
Other short-term debt	104,700	372,998
Trade debtors and other accounts receivables	342,794	6,738,000
<b>TOTAL LIABILITIES</b>	<b>95,822,625</b>	<b>302,982,859</b>
<i>In euros</i>		



## Strategy

<b>Sector</b>	<ul style="list-style-type: none"> <li>• Prime real estate assets with potential value, including existing hotels or properties with potential hotel use</li> </ul>
<b>Portfolio objective</b>	<ul style="list-style-type: none"> <li>• Main Spanish cities (Madrid, Barcelona, Sevilla, Valencia, Málaga, Bilbao, and others)</li> <li>• Tourist destinations that combine holiday tourism and “bleisure” (Marbella, Alicante, Mallorca, and others)</li> <li>• Consolidated tourist vacation locations (Balearic Islands, Costa del Sol, Costa de la Luz)</li> <li>• Portugal: Lisbon, Oporto, and Algarve</li> </ul>
<b>Category</b>	<ul style="list-style-type: none"> <li>• 4-star superior and 5-star hotels, boutique hotels, and luxury tourist apartments</li> </ul>
<b>Added Value</b>	<ul style="list-style-type: none"> <li>• Hotels with potential for improvement at the operational level and susceptible to transformation</li> <li>• High quality properties with potential for repositioning to hotel use</li> <li>• Selective real estate development in consolidated areas with attractive potential for profitability.</li> </ul>
<b>Profitability objective</b>	<ul style="list-style-type: none"> <li>• Limited risk: Quality assets, equity with guaranteed minimum and leverage &lt;50%</li> <li>• Return based on increases in NAV and dividends. Estimated TIR &gt; 9%.</li> </ul>



## *Executive Team*



Javier Illán Plaza  
President and CEO



Remigio Iglesias  
Business Development  
Manager



Juan Odériz  
Corporate Director



Santiago Lopez-Vilas  
Investments Director



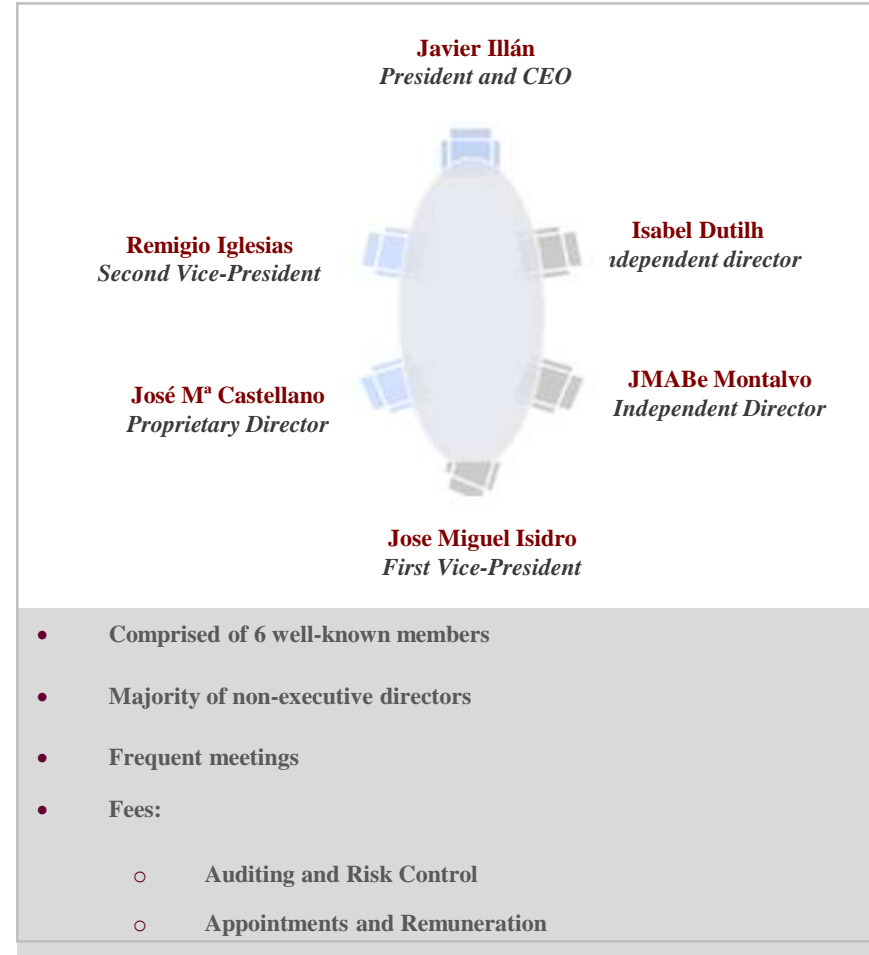
Miguel Torres  
Director of Finance



María Pardo  
Investors Relations Director

- Salaries: up to 1% of Company NAV
- More than 20 years of extensive experience in the Spanish real estate sector, particularly in the conversion of iconic assets for sale or profitability
- Exclusive dedication
- Incentive plan aligned with the interests of the shareholders and subject to the achievement of objectives.

## Board of Directors





*Millennium Hotels*  
Real Estate



### *Contact information*

***María Pardo***  
*Investors Relations and Communications Director*

*Email: [mariapardo@mhre.es](mailto:mariapardo@mhre.es)  
Paseo de la Castellana 102  
280146 Madrid*

*Telephone: 91 185 17 10*