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CNMV approves the prospectus of Millenium's share capital increase for an effective amount of up to €150 million

- The Spanish National Securities Market Commission (*Comisión Nacional del Mercado de Valores*) (CNMV) has approved and registered today the prospectus regarding the share capital increase of the company, approved by the General Meeting of Shareholders held last 18 December 2019. The abovementioned share capital increase takes place one year after Millenium's debut on the Alternative Stock Market (*Mercado Alternativo Bursátil*) (MAB), once the commitments made at that time had been fulfilled.
- The scheduled share capital increase, which grants pre-emptive subscription rights to existing shareholders, aims to undertake new investments and will be carried out via the issue of up to 30 million new shares of the company at a price of €5 per share.
- At 31 May 2020, Millenium owns a portfolio of 9 high-quality assets in prime locations at the main Spanish tourist cities, with an approximate value of €314.5 million, which amounts to approximately €444.5 million if the outstanding CAPEX is included.

Madrid, 18 June 2020.- Millenium Hotels Real Estate, Sociedad Anónima Cotizada de Inversión Inmobiliaria, specialized in the 4 and 5-star hotels sector, launches today a share capital increase for an effective amount of up to €150 million after the approval and registration by the CNMV of the information prospectus thereof.

The share capital increase, which grants pre-emptive subscription rights to existing shareholders, will be carried out through the issue and admission to trading of up to 30 million shares at a price of €5 per share with the aim of incorporating new assets that meet the profitability criteria required by the company's strategy.

The pre-emptive subscription period is scheduled to run from 20 June to 19 July. Subsequently, and until 23 July, if the share capital increase has not been fully subscribed in this first period, the new shares will be allocated to shareholders and other investors who have fully exercised their pre-emptive subscription rights and requested additional shares simultaneously. If the share capital increase is not completed in this second period, a third period is expected to be held, ending no later than 27 July. The new shares are expected to be admitted to trading on 30 July.

Currently, Millenium owns a portfolio of 9 assets located in prime areas of the main Spanish tourist cities, with an approximate ended value of €445.5 million, i.e., including the CAPEX of approximately €130 million which is foreseen in the investment plan. The company considers that all of these are investments with a high potential for value and profitability.

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The share capital increase which is the subject of this communication will allow Millenium to continue with its plan for growth and value creation as envisaged in the company's strategy, to expand its shareholder base and its free float, as well as to improve in terms of operating efficiency. To this end, the company has an investment pipeline of approximately €960 million, 38% of which are in an advanced negotiation process.

Banco Santander, Citigroup and Banco Sabadell act as Global Coordinators of the offering. Société Générale and JB Capital Markets as Bookrunners and RentaMarkets, Banca March, Renta 4 and GBS Finance as Co-leads. Uría Menéndez and Mayer Brown act, in turn, as legal advisors to the company for the offering and Allen & Overy acts as legal advisor to the banks.

In the words of Javier Illán, chairman of the company *“We believe that this share capital increase at this moment will allow us to incorporate top quality assets at interesting prices, which will enable us to obtain attractive rates of return, to complete the planned acquisition plan and to place the company as one of the 10 largest Spanish real estate investment listed companies (Sociedades Anónimas Cotizadas de Inversión Inmobiliaria) (SOCIMIs) by capitalization in the Spanish market and, undoubtedly, as one of those with a set of assets with the highest quality and value potential. We continue with the objective of growing in a profitable way before the leap to the Spanish Stock Exchanges.”*

Presence in the main cities with tourist attraction

The company's strategy is based on the creation of value through the acquisition and repositioning of hotel assets whether currently operational or which are liable to redevelopment, emphasising the careful selection of real estate assets and their location in both urban areas and in consolidated tourism hubs, and with a clear focus on high quality tourism, committing itself to the growth of tariffs ("**ADR**") through the creation and development of emblematic projects operated by major chains and high quality operators. The model of mixed agreements with which the company works allows it to generate stable flows and to participate in the evolution of the sector.

Currently, the company owns nine assets, three of which are operative and six are been refurbished. In particular, **Millenium Hotels** owns **Hotel Vía Castellana** located in Madrid, **Hotel Eurostars Lucentum** in Alicante and Meliá Bilbao, as well as six 5-star hotels under development: **Hotel Plaza de la Magdalena** and **Hotel Plaza San Francisco**, both in Sevilla, **Hotel Gran Vía 4** in Bilbao, a boutique hotel in Córdoba, Plaza Canalejas hotel in Madrid and La Hacienda San Roque hotel in Cadiz.

Value creation, income generation and recurring dividends

During this year, the company will continue to focus its efforts on **creating value for shareholders**. To this end, the company plans to continue increasing the size of its portfolio, for which it has already identified investment opportunities worth approximately €960 million in the main target cities of Spain and Portugal.

Most of these acquisitions are expected to be urban hotels that demands a repositioning or transformation project, in line with the company's strategy, which focuses on generating value through the acquisition of iconic buildings for their transformation into 4 and 5-star hotels.

In addition, the company will continue working on the transformation and implementation of the real estate assets already acquired, as well as those that will be incorporated in the coming months, in order to **generate recurring income and dividends**.

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Corporate Governance

In its commitment to adopt the best corporate governance practices, and following the CNMV's recommendations, Millenium has provided itself with a board of directors composed of six members with extensive professional reputation, two of whom are independent directors, Isabel Dutilh and Jaime Montalvo, two are proprietary directors, Jose Maria Castellano and Enrique Isidro (as the legal representative of Ibervalles, S.A.) and two are executive directors, Javier Illán and Remigio Iglesias.

About Millenium Hotels Real Estate:

Millenium Hotels Real Estate is a SOCIMI whose activity is focused on four- and five-star hotel assets in high-growth areas. Millenium is committed to generating value through the acquisition of iconic buildings for their transformation into four- and five-star hotels. The company is actively working to reach top-level agreements with both national and international operators in order to meet the needs of luxury tourism: high quality services in addition to unique and well-located buildings. The company is listed on the MAB since 4 July 2019.

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The issue, exercise or sale of securities in the offering are subject to specific legal or regulatory restrictions in certain jurisdictions. The Company assumes no responsibility in the event there is a violation by any person of such restrictions.

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