



Millennium Hotels

Real Estate

*Excellent exposure to flagship hotel
properties*

*2020 results
17 March 2021*





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Contents

1. Main Corporate Milestones
2. 2020 results
3. Evolution of the Portfolio and Pipeline
4. Summary and Conclusions



We continue to implement the group's strategy as planned despite the pandemic

PRIME PORTFOLIO WITH GREAT VALUE POTENTIAL	FINANCIAL SOLIDITY FOR DEVELOPMENT AND COPING WITH COVID	RESULTS IN LINE WITH EXPECTATIONS	VALUE RESILIENCE DESPITE COVID	APPLYING BEST PRACTICES AND STRENGTHENING CORPORATE GOVERNANCE
<p>10 quality assets</p> <p>GAV ⁽¹⁾ €349.45M (+9.7% vs 2019)</p> <p>52.4% under refurbishment 33.2% in operation 14.4% in development</p> <p>GAV/Acquisition cost 4.8%</p> <p>Outstanding CAPEX 136M</p>	<p>Liquidity of €20.7M</p> <p>LTV⁽²⁾ 25.5% well below borrowing capacity <50% established in the management policy</p> <p>72% of debt matures after January 2026</p>	<p>8M revenue; +77% vs 2019</p> <p>EBITDA 0.84M (-2.25M 2019) 1.56M excluding the effect of Alcaidesa Golf</p> <p>Net Result -14.9M</p> <p>As a result of the deterioration in: (i) -4.3% in the RICS valuation made by independent expert on 31 December 2020 (Lfl.) and (ii) accounts receivable for the Via Castellana hotel amounting to 0.5M.</p>	<p>EPRA NAV 5.13 €/share</p> <p>The updated annual valuations show a clear resistance in the values, behaving significantly better than the average for the sector, one of the most damaged by the pandemic.</p> <p>+ 2.7% vs Listing price and the last extension made in July 2020</p>	<p>10 prestigious members</p> <p>5 independent, 2 executives 3 proprietary,</p> <p>meeting the recommendations by the CNMV</p>

(1) Valuation made as at 31 December 2020

(2) Gross Financial Debt/GAV



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Portfolio highly resistant to adverse market circumstances supporting the success of the strategy

10 high quality assets with high revaluation potential

GAV⁽¹⁾ €349.45M at 31/12/20

Growth potential (+9.7% vs 2019 and tripling the figure before the exit from the MAB in July 2019)

GAV/acquisition cost +4.8%

Main corporate milestones for the period

- **We continue to increase the GAV value⁽¹⁾ of the portfolio to 349.45 million (+9.7% vs. 2019),** thanks to the incorporation of new assets, the revaluation of the existing ones and the capex implemented on the assets.
- During the second half of 2020, **the most important acquisition was adding the Palacio Vista Eder in San Sebastian to the portfolio**, whose acquisition cost was 10.5M plus transaction costs. To this figure, we must add the Capex necessary for its refurbishment. This asset will become a top-level boutique hotel, leased for a term of 15 years with a variable income of 70% over GOP that includes a fixed income of 780,000 (fixed income/cost >5%).
- **At the end of 2020 the company has 10 assets**, of which approximately 67% in terms of GAV valuation are under refurbishment or development. The entire portfolio is expected to be operational at the end of 2022, except for the La Hacienda project which will go into operation in the second quarter of 2023.
- During 2020, renegotiations were agreed for the 3 operational hotels due to COVID-19, under **conditions advantageous for the company** and satisfactory for both parties.
- **Of the 10 assets in the portfolio, 8 have signed rental contracts**, La Hacienda is in advanced negotiation and Cordoba has the contract negotiated with the operator, to subscribe once the pending acquisition is completed and the final scope of the project is defined.

(1) Valuation as at 31 December 2020



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Liquidity of €20.7M

LTV ⁽¹⁾ of 25.5%

Results that significantly improve in EBITDA sales and recurring income⁽²⁾, compared to those obtained in 2019.

EPRA NAV 5.13€/share

Main corporate milestones for the period

- At the end of 2020 the company had a cash amount of 20.7 million, after having made investments of approximately 44.6 million and having increased capital in July by 23M. In 2020, Millennium has implemented 25.8 million in CAPEX, and has made acquisitions for a total of 18.8 million, including; an asset in Cordoba, which complements the set of assets acquired in that area, it is to be developed into a hotel in the most charming area in the city (Jewish quarter), 25 parking spaces in the hotel Via Castellana, and 2 commercial premises on the ground floor of the hotel JW Madrid and in front of the new Four Seasons, as well as the Palacio Vista Eder on la Concha beach in San Sebastian.
- The LTV debt ratio⁽¹⁾ stood at 25.5% at the end of 2020, broadly meeting the criteria established in the management policy of being below 50%.
- Despite the adverse circumstances, the solvent structure of the balance sheet has been maintained, which allows us to undertake the refurbishment projects as planned.
- Revenues increased to €8M (+77% vs 2019) thanks to the generation of revenues from operating hotels and the contribution of Alcaidesa Golf. The losses due to the impairment in the value of accounts receivable caused by the situation have only been 0.5M, mainly corresponding to the hotel Via Castellana (*hotel temporarily transferred to be medicalised and to help in the pandemic*).
- The EBITDA evolved positively, at 0.84M from -2.25M in 2019, and excluding the negative effect due to the forced temporary closures of the golf courses would have stood at 1.56M.
- Net income of -14.99 million euros, mostly as a result of the theoretical deterioration in the valuation of the portfolio (decrease in valuations by -4.3% LxL, compared to those at the end of 2019).
- The EPRA NAV per share has stood at 5.13€/share, which means the value of the portfolio has been maintained, in the most complicated year in history for the sector, above the purchase and initial listing prices and a revaluation of 2.7% vs the price of the capital increase made on July 2020.

(1) Gross DF/GAV

(2) Net result excluding the effect of impairments due to the outstanding balances relating to Via Castellana and those derived from the valuation of the portfolio by independent expert at 31 December 2020.



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- **The revenue figure** only includes revenues from the operating hotels: Via Castellana, Lucentum in Alicante and Meliá Bilbao, as well as the income derived from the golf courses, since the refurbishment of the rest of the assets continues. This amount is almost double that recorded in 2019 because both the Meliá Bilbao, as well as the golf courses, only contributed to the income statement for a few months in 2019.
- **EBITDA** improved significantly to reach 0.84 million euros vs -2.25 M in 2019. Excluding the effect of the golf course, EBITDA would have stood at 1.56 million euros.
 - ✓ **Staff costs** largely reflect Golf's staff costs, which account for 34% of the total figure. It is expected that throughout 2021 the golf courses will be operated by a specialist, so staff costs will not be borne by Millennium from that date.
 - ✓ **The structure expenses are lower than those estimated and are within the maximum of 1.5% on NAV** defined in the Millennium Management Policy, excluding the effect of the staff at Alcaidesa Golf.
- **Net income** of -14.9M, of which -14.2M came from (i) the change in the value of assets made by an independent expert at 31 December 2020 (-13.7M) and (ii) the impairment of accounts receivable from Via Castellana (-0.5M) mentioned above.

Consolidated Results 2020 (IFRS)

	31-dic-20 (12 months)	31-dic-19 (12 months)
Consolidated profit & loss account		
Revenues	8.056.407	4.538.994
Cost of sales	(203.654)	(34.241)
Other operating income	72.629	27.624
Personnel	(4.193.932)	(5.751.158)
Other operating expenses	(2.892.963)	(1.035.289)
EBITDA	838.488	(2.254.070)
Impairment losses on accounts receivable	(506.487)	-
Change in the fair value of investment properties	(12.676.196)	19.046.629
Amortization and depreciation	(673.971)	(94.868)
Impairment losses	(981.292)	-
Tax benefits for business combinations	-	6.835.482
Other results	-	(1.193)
OPERATING PROFIT	(13.999.458)	23.531.981
FINANCIAL RESULT	(995.983)	(713.473)
PROFIT BEFORE TAX	(14.995.441)	22.818.508
Income Tax	-	(33.538)
NET PROFIT	(14.995.441)	22.784.970

	2020	2019	Var %
Revenues	8.056.407	4.538.994	77%
Hotels revenues	6.216.462	4.267.656	46%
Golf Revenues	1.839.945	271.338	578%
EBITDA	838.488	-2.254.071	ns
Hotel EBITDA	1.563.651	-2.312.794	ns
Golf EBITDA	-725.163	58.723	ns

Breakdown by activity

Revenue/EBITDA

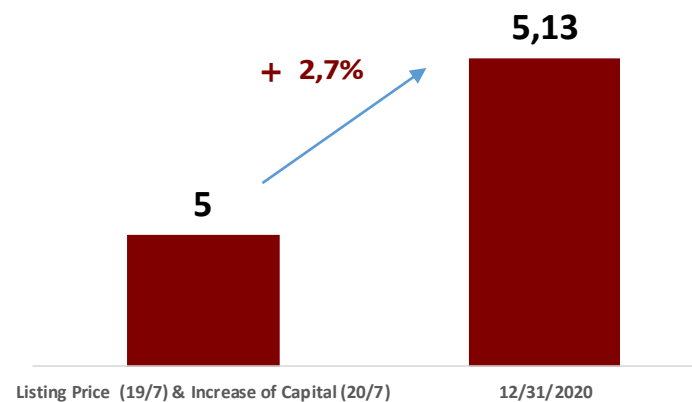


Advantageous position to face the adverse effects arising from COVID-19. Financial solvency and capacity for value creation

Balance Consolidado	2020	2019
Activo Material+ Inmobiliario*	352.502.592	319.693.305
Deuda Bruta Entidades de Crédito	89.169.580	92.362.752
Caja	20.672.752	46.255.540
Deuda Financiera Neta	-68.496.827	-46.107.212
LTVbruto ⁽¹⁾	25,5%	29,0%
Tipo de interes medio	1,68%	1,70%
Vencimiento medio de la deuda	9	8,0

*Nota: El activo material incluye los campos de Golf y el activo inmobiliario el resto de la cartera

EPRA NAV +2.7% vs July 2020 expansion price



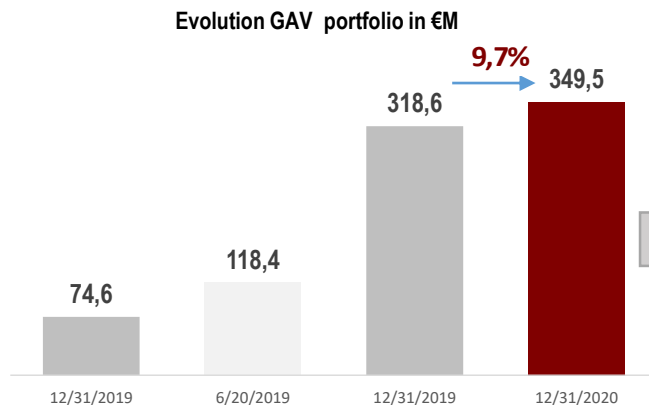
- **Real estate and material assets. This item increased by 32.8 million euros as a result of:**
 - ✓ The acquisition of Cordoba, the Palacio Vista Eder in San Sebastian, the Plaza Canalejas commercial premises and parking spaces in Vía Castellana
 - ✓ The implemented CAPEX derived from the works on the hotels under refurbishment for an amount of 25.8M
 - ✓ Note that the negative effect of the valuation of assets at the end of 2020, due to the effects of COVID, is included
- **The LTV⁽¹⁾ debt ratio stands at 25.5%:** under indebtedness as a prudent measure and with the ability to grow and meeting the criteria established in the company's Management Policy of being below 50%.

- **The change in the NAV again highlights the attractiveness of the purchases made,** which have given rise to a defensive portfolio with value potential in the medium term.
 - The quality of the assets has allowed us to maintain satisfactory conditions in the rental contracts for the operational hotels (*Lucentum, Vía Castellana and Meliá Bilbao*) after the renegotiations due to COVID-19. These addenda are mainly based on rent deferrals and, for 2 of the 3 assets, the mandatory term and duration of contracts have been extended.
- **After the capital increase in July, the company acquired the Palacio Vista Eder in San Sebastian and one of the assets that form part of the Hotel de Córdoba.**

(1) LTV gross financial debt/ GAV 31 December 2020



10 hotels	4* superior, 5* and 5* Boutique	100% hotels in prime location	+ 1,268 rooms	Exposure 100% Spain
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Portfolio status distribution⁽²⁾

- 33.2% in operation
- 52.4% under refurbishment
- 14.4% in development

Estimated date for total portfolio in operation 2Q2023

Category	2021				2022				2023				Rooms	M ²	
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4			
Via Castellana	4*	x	x	x	x	x	x	x	x	x	x	x	x	228	11,938
Hotel Lucentum	4*	x	x	x	x	x	x	x	x	x	x	x	x	169	9,790
Meliá Bilbao	5*	x	x	x	x	x	x	x	x	x	x	x	x	211	19,624
Radisson Collection Sevilla	5*	x	x	x	x	x	x	x	x	x	x	x	x	89	6,738
Radisson Collection Bilbao	5*		x	x	x	x	x	x	x	x	x	x	x	137	11,325
Alma Sevilla	5*					x	x	x	x	x	x	x	x	29	2,595
Hotel Carrera de San Jerónimo	5*					x	x	x	x	x	x	x	x	139	11,500
Project La Hacienda San Roque ⁽³⁾	5*									x	x	x	x	195	34,000
Hotel Palacetes de Córdoba ⁽⁴⁾	5*									x	x	x	x	47	3,163
Hotel Palacio Vista Eder	5*						x	x	x	x	x	x	x	24	1,704
TOTAL														1,268	112,377

- ✓ **GAV⁽¹⁾/ acquisition cost +4.8%**
- ✓ **LTV 25.5%**
- ✓ **Liquidity 20.7M**
- ✓ **Capex**
 - Implemented in 2020 25.8M
 - Pending implementation 136M
- ✓ **Completed portfolio value (GAV + pending CAPEX) 485Mn**

Important current PIPELINE and market with GREAT OPPORTUNITIES

High quality pipeline

c.€1Bn

Pipeline with estimated return on acquisition cost on estimated stabilised portfolio > 6.5%











Estimated TSR pipeline in stabilised portfolio > 9%, according to the company's profitability objective.



(1) Source CBRE Savills and Aguirre Newman as at 31 December 2020
 (2) As a percentage of the GAV.
 (3) Pending no. of rooms and final metres.
 (4) As of this document, the company has not completed the acquisition of some of the buildings and the final design for the conversion project for Hotel Palacetes de Córdoba.



Balanced high quality asset portfolio with potential value creation - GAV ⁽¹⁾: €349.46M

In operation 33.2% / GAV ⁽¹⁾			Under refurbishment 52.4% / GAV ⁽¹⁾						Under development 14.4% / GAV ⁽¹⁾
GAV: €38.5 ⁽²⁾ M	GAV: €29.4M	GAV: €48.3M	GAV: €36.2M	GAV: €30M	GAV: €6.6M	GAV: €95.9 ⁽³⁾ M	GAV: €3.4M	GAV: €11M	GAV: €50.15M
Madrid	Alicante	Bilbao	Seville	Bilbao	Seville	Madrid	Cordoba	San Sebastian	Sotogrande-Cadiz
Hotel Vía Castellana	Hotel Lucentum	Meliá Bilbao	Hotel Plaza Magdalena	Hotel Gran Vía	Plaza de San Francisco	Carrera San Jerónimo	Palacetes de Córdoba	Palacio Vista Eder	La Hacienda San Roque
★★★★	★★★★	★★★★★	★★★★★	★★★★★	★★★★★	★★★★★	Project in progress ⁽³⁾	★★★★★	★★★★★
									
<ul style="list-style-type: none"> Rooms: 228 Type: Bleisure Operator: Hotusa Type of contract: Variable income with guaranteed minimum income Added to the portfolio in 2018 25 parking spaces have been added in 2020 	<ul style="list-style-type: none"> Rooms: 169 Type: Leisure Operator: Hotusa Type of contract: Fixed income Added to the portfolio in 2018 	<ul style="list-style-type: none"> Rooms: 211 Type: Bleisure Operator: Meliá Type of contract: Fixed income Added to the portfolio in November 2019 	<ul style="list-style-type: none"> Rooms: 89 Type: Luxury Operator: Radisson Collection Type of contract: Variable income with minimum income Main building added to the portfolio in 2018 and annex in 1H2019. 	<ul style="list-style-type: none"> Rooms: 137 Type: Luxury Operator: Radisson Collection Type of contract: Variable income with guaranteed minimum income Added to the portfolio in 1H2019. 	<ul style="list-style-type: none"> Rooms: 29 Type: Luxury boutique Operator: Alma Hoteles Type of contract: Variable income with guaranteed minimum income Added to the portfolio in 2019. Consists of two buildings 	<ul style="list-style-type: none"> Rooms: 139 Type: High Luxury Operator: JW Marriot Type of contract: Variable income with guaranteed minimum income. Added to the portfolio in October 2019. Consists of two buildings 	<ul style="list-style-type: none"> Rooms: 47 Asset type: boutique Operator: Pending Type of contract: Pending⁽⁴⁾ Added to the portfolio in 1H2020. Consists of converting several properties into a single hotel The project is currently being designed 	<ul style="list-style-type: none"> Rooms: 24 Asset type: Luxury boutique Operator: MGallery (Accor) ⁽⁴⁾ Type of contract: variable income with a guaranteed minimum Included in the portfolio in 4Q20. 	<ul style="list-style-type: none"> Rooms: 195 Type: Luxury resort with villas Operator: Pending ⁽⁴⁾ Type of contract: Variable income with guaranteed minimum income Added to the portfolio in December 2019, it consists of assorted grounds, two golf courses with clubhouse and a sports area

(1) Valuation made as at 31 December 2020

(2) Includes the acquisition of 25 parking spaces in 2020 for 0.48M

(3) Includes the acquisition of 2 commercial premises in the same building as planned

(4) Under negotiation

For all assets under refurbishment, the LEED⁽⁵⁾ Gold certification has been applied for



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Summary and Conclusions

- ❑ **Resilient business model even under the worst circumstances and solid balance that allows us to fulfill the strategic plan despite the pandemic**
 - ✓ **Results in line with those of 1H20:**
 - ✓ Increase in revenues (+77% vs 2019) as a result of the incorporation of Meliá Bilbao and Golf de Alcaidesa.
 - ✓ Significant improvement in EBITDA, thanks to the contribution of new assets.
 - ✓ Negative result derived mainly from the impact of the valuation at 31 December 2020 due to the effects resulting from the pandemic.
 - ✓ **Efficient organisation: structural expenses lower than the expected limit (1.38% vs. 1.5% established) and lower indebtedness (25.5% vs. 50% established) than that established in the group's Management Policy**
- ❑ **Prime portfolio with great value potential.**
 - ✓ After the acquisition of San Sebastian, **the portfolio has 10 assets with a GAV of 349.5M**, of which 3 are in operation and 7 are under refurbishment.
 - ✓ **The valuations made at 31 December 2020, have broadly maintained the value of the assets in a market at one of the worst moments for the sector (-4.3% LxL)**
 - ✓ **We will end 2021 with half of the portfolio in operation**, following the opening of the Radisson hotels in Bilbao and Seville.
- ❑ **The current market offers interesting investment opportunities, both in terms of asset quality and price, for which the company is prepared.**
 - ✓ **Pipeline close to 1 billion**
- ❑ **Hotel chains from all over the world continue to be interested in setting up in Spain.**



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Highlights of the period

- 8 January 2020: Communication regarding significant shareholdings
- 4 March 2020: Presentation 2019 results
- 4 March 2020: Portfolio valuation as at 31 December 2019
- 9 March 2020: Change of Ibervalles representative
- 28 April 2020: Relevant Fact Treasury Stock
- 30 April 2020: Relevant Fact Treasury Stock
- 4 May 2020: Relevant Fact Treasury Stock
- 19 May 2020: Relevant Fact Treasury Stock
- 25 June 2020: Call for General Shareholders' Meeting 2020
- 3 July 2020: Addenda to rental contracts in response to COVID-19 circumstances
- 7 July 2020: Significant shareholdings as of 30 June 2020
- 23 July 2020: Result capital increase period preferred subscription and additional allocation
- 27 July 2020: Result capital increase
- 28 July 2020: Grant of public deed relating to the capital increase
- 29 July 2020: Agreements adopted at General Shareholders' Meeting
- 29 July 2020: Registration in the Commercial Register of capital increase
- 30 July 2020: Treasury stock transactions
- 30 July 2020: Listing of new shares
- 7 August 2020: Treasury stock transactions
- 31 August 2020: Treasury stock transactions
- 11 September 2020: Treasury stock transactions
- 18 September 2020: Treasury stock transactions
- 28 September 2020: Treasury stock transactions
- 1 October 2020: Results 1H20
- 21 October 2020: Acquisition of the Palacio Vista Eder
- 29 October 2020: Treasury stock transactions
- 18 November 2020: Incentives Plan 2019
- 20 November 2020: Incentives Plan 2019
- 11 December 2020: Adenda Hotel Via Castellana

Significant Events after the period-end closing

- 7 January 2021: Communication regarding significant shareholdings



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