



# Millenium Hotels

Real Estate

**MILLENIUM HOTELS publishes its results, increasing the value of its portfolio by 7% to EUR 374 million and recording a net profit of EUR 1.24 million in the first half of 2021, and announces the start of the Continuous Market incorporation process.**

- Millenium ended the first half of the year with a net profit of EUR 1.24 million, compared to a loss of EUR 12 million in the same period the previous year.
- Significant improvement in the GAV of the portfolio to EUR 373.7 million, up 7% on year-end 2020. The GAV of the completed portfolio amounted to EUR 504 million.
- The Radisson hotel in Seville opened with a valuation of EUR 45 million, 15.6% higher than its acquisition cost and 24.9% higher than its December valuation, which is a clear example of the value creation process of the value-added strategy and growth potential of Millenium's current portfolio.
- After the end of the reporting period, Millenium approved a capital increase of up to EUR 250 million which, once invested, will increase the GAV of Millenium's portfolio to over EUR 1,000.
- The success of the capital increase and the incorporation of the American fund Castlelake reinforces the business model and represents an important step in the growth strategy, which will position Millenium as one of the companies with an asset portfolio of the highest quality and value potential in the European market.

**Madrid, 4 October 2021.- Millenium Hotels Real Estate I**, a listed real estate company specialising in the luxury hotel segment, has published its first half-yearly results, obtaining a net profit of EUR 1.24 million, an operating profit of EUR 1.75 million and revenue of more than EUR 3.7 million.

The main reason for these good results is the revaluation of the assets during the period (+EUR 5.3 million), despite the fact that valuations continue to be influenced by the current pandemic situation and the reduced hotel activity. The foregoing taking into account that only 3 of the 10 hotels that currently make up the Group's portfolio were in operation during the period and that the golf courses owned by the company have continued to be significantly impacted by the effects of the COVID pandemic.

During all these months, Millenium continued with the reconversion of its assets. Thus, in June it opened to the public as planned with a valuation of EUR 45 million, 15.6% higher than its acquisition cost and 24.9% higher than the December valuation, which is a clear example of the value creation process of the value-added strategy and growth potential of Millenium's current portfolio. With the opening of this hotel and the opening of the Radisson Gran Vía in Bilbao scheduled before year's end, Millenium will end the year with half of its assets in operation. Both openings will boost the Company's revenue from 2022 onwards.

The value of the Group's portfolio increased significantly to EUR 374 million GAV from EUR 350 million at year-end 2020. This was made possible both by the value creation processes and the revaluation of existing assets in the first half of the year, amounting to EUR 5.3 million, and by the investment of more than EUR 17.9 million in Capex.

The EPRA NAV per share of the company has started to recover despite continuing to be affected by the pandemic, standing at EUR 5.15, slightly above the figure at the end of December 2020 and 3% above the price at which it was incorporated into BME Growth. We expect this figure to gradually improve since valuations will be less penalised by COVID effects as government travel restrictions continue to ease and the other assets successively become more profitable. In this regard, the company expects the JW Marriot Hotel in Plaza de Canalejas in Madrid to open in the first half of 2022 and the Palacio Vista Eder Hotel in San Sebastian and Plaza San Francisco hotel in Seville to open in the second half of 2022, with only the La Hacienda San Roque and Los Palacetes hotels in Cordoba still to open in 2023.

At the end of the period, Millenium approved a capital increase of up to EUR 250 million, successfully executed following the investment agreement entered into with the American fund Castl lake for up to EUR 180 million, which has become the company's largest shareholder. This undoubtedly reinforces our business model and represents a further step in our strategy of growth and value creation, which will position Millenium as one of the companies with an asset portfolio of the highest quality and value potential in the European market.

The positive market backing and Castl lake's strong commitment has led, firstly, to a significant increase in the Group's investment capacity and, secondly and no less importantly, to a strengthening of the shareholder base, which includes a stable core of shareholders, including the management team, with a strong and clear commitment to the Group's medium to long-term strategy.

All of this has positioned the company at an optimal time to begin preparations for its listing on the Continuous Market in the coming months, which has been approved by the company's Board and which will contribute to improving the liquidity and perception of the stock on the Stock Exchange.

**In the words of Javier Illán**, Chairman of Millenium *“Despite going through one of the most complicated times in recent decades, we were able to open the Hotel Plaza Magdalena in Seville on schedule and continue with the conversion process with hardly any incidents. We have significantly strengthened our investment potential following the capital increase in July and we also have the confidence and backing of one of the world's most prestigious investment funds, Castl lake, which has ranked us tenth in terms of market capitalisation of SOCIMIS, including those on the Continuous Market. For all these reasons, I firmly believe that Millenium is well positioned to enter a new phase of growth and to consolidate and enhance value creation. I am also convinced that listing on the Continuous Market will contribute to improving the liquidity of the stock and will increase the visibility of our company and, thus, the perception of the stock on the Stock Exchange”.*

### **About MILLENIUM HOTELS Real Estate:**

*Millenium Hotels Real Estate I, SOCIMI, S.A. ("Millenium" or the "Company"), is a tax efficient real estate vehicle specialising in the development and investment in hotels of differentiated quality in excellent locations, which offers the possibility of participating in the constant growth of the tourism market in Spain and Portugal, especially in the high quality segment.*

*Millenium has a significant asset portfolio in operation and in the process of repositioning and is managed by a multidisciplinary team of prestigious professionals with extensive experience in the different fields that affect the hotel investment industry: real estate, finance, hotel and project development.*

*Millenium is listed on the Alternative Equity Market (MAB) since 4 July 2019.*