Q1 2020
SALES AND RESULTS

14th May 2020

NH | HOTEL GROUP PART OF MINOR HOTELS

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COVID-19 Update

- The hospitality sector is facing an **unprecedent environment** due to the severe impact of COVID-19. Since uncertainty started at the end of February, the Group has been implementing a **relevant contingency plan to adapt operations and guarantee business sustainability, with focus in cost minimization and preserving liquidity.**
- Following governments directives regarding the restriction of economic activities and mobility limitations, we have had to temporarily close our hotels. **Nearly 95% of our hotels are closed since beginning of April** and those that remain open are for solidarity purposes. **The second quarter will be the most impacted months due to the severe lockdown across Europe.**
- The recovery will be driven initially by domestic demand and **our sales & reservation systems are open since the beginning of May. The reopening of hotels will be progressive based on demand, optimizing profitability and redefining standards to ensure health, safety and social distancing** for both guests and team members.
- **COVID-19 is the biggest challenge we have ever faced and is testing our strength**, but the appropriate operating and financial transformation achieved in previous years together with the measures being implemented, will allow the Group to address the current environment and overcome the situation.

Contingency Plan

- **Workforce**
  - Hotels:
    - Europe: temporary layoffs based on Force Majeure or productive reasons subject to different lockdown mandates.
    - LatAm: voluntary working time and salaries reductions as layoffs are not permitted in emergency periods.
  - Corporate & Headquarters: temporary layoffs and reduction in working hours.
- **Other Opex**
  - Supplier negotiations to reduce procurement costs, search for lower-cost alternative products and achieve improvements in payment terms.
  - All Group staff travel suspended since beginning of March.
  - Suspension of non-priority advisory from third parties as well as employee training.
  - Significant reduction in marketing and advertising costs despite the need to incentivize revenues.
- **Leases**
  - Negotiations in progress with landlords based on the health crisis environment and hotels closures mandates by several European Governments.
  - Temporary rent-free periods or discounts.
- **CapEx**
  - All investments discontinued or canceled except those legally required or in a very advanced stage.
  - 2020 Capex execution (renovations, ordinary, IT and new openings) reduced by c.€80m.
- **Balance and Liquidity**
  - €275m of available credit lines were drawn in March.
  - Withdrawal of 2019 dividend proposal of €0.15 per share, implying an estimated disbursement of c.€59m.
  - Subscription in May of a 3-year syndicated financing amounting €225m.
  - Total liquidity above €675m.

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Focus on preserving liquidity

- As a result of the impact of Covid-19 the Company has fully drawn the €250m RCF for a period of three months (roll-over possible until 2021 subject to compliance of covenants in 2020 or waiver). Additionally, €24.5m of other short-term bilateral credit facilities were also drawn.
- New long-term financing of €225m signed with the possibility of an increase of additional €25m up to €250m through the eventual incorporation of additional financial entities (under negotiation).
- ICO guarantee (up to 70%) already granted for €225m.

	Syndicated Facility
Borrower	NH Hotel Group S.A.
Amount	€225m
Price	Based on leverage (<3%)
Maturity	3 years bullet
Use of Proceeds	General operational needs
Security	Unsecured
Execution	4 Spanish Banks + ICO (Official Credit Institute, Spanish Government program related to COVID-19) ICO guarantee (up to 70%) already granted for €225m

	Liquidity as of 30th April	
Cash at bank	€426m	> €675m
Available credit lines	€39m	
Agreement 5th May 2020		
Syndicated Loan	€225m	

- Strong liquidity position despite the low level of activity (c.95% of the portfolio closed).
- No short-term maturities to refinance, and major debt instruments with long term maturities.

Reopening strategy

- Despite the lack of visibility for the rebound and the speed of the recovery that will be driven initially by domestic demand, **sales channels and reservation systems are open since May** to capture bookings and ensure the flexibility to adapt to demand evolution.
- The prudently **reopening of hotels in main cities will be progressive** according to demand and with a focus on optimizing profitability (minimum revenue level to achieve a profitability improvement).
  - Demand concentration in hotel clusters (location, quality and profitability) not impacting customer perception.
- Global disinfection **assessment seal: Feel Safe at NH**, comprising new health & safety operational protocols in collaboration with leading certification company SGS.
- NH will **take advantage on the strong positioning** in each of the European countries for the initial stabilization and recovery phase and with a focus on the B2C segment that represents c.60-70% of the business.

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Q1 2020 Sales and Results

Madrid, 14th May 2020

Q1 2020 Main Financial Aspects (1)

- **Revenue dropped by -20.8%** (-19.8% at constant exchange rates) **reaching €279m** (-€73m) in the first quarter of the year. In the first two months of the year, revenue grew by +8.0% while in March the reduction was -65.8%.
  - **In like-for-like ("LFL") terms**, excluding refurbishments and perimeter changes, **revenue was down -25.5% (-24.6% at constant exchange rates)**:
    - Because of the deterioration in March, **the reduction in Europe was -25.8%:** Italy (-39.8%), Central Europe (-26.7%), Spain (-21.6%) and Benelux (-20.6%).
  - The changes in the perimeter added +€13m while the negative currency evolution impacted -€3m.

- **-27.1% drop in RevPAR in the quarter due to the lower level of activity in all regions.**
  - The occupancy rate dropped by -29.7% to 46.3%, versus 65.9% in the same period last year.
  - ADR rose by +3.6% (+€3.4) to €96.2.

- **Excluding IFRS 16, recurring EBITDA(2) fell by -€57m to -€36m,** which represents a decremental revenue conversion rate of 77%. This conversion rate does not reflect the cost savings from the implementation of the contingency plan, mainly due to the delay in the negotiation process, and the impact will be shown in the second quarter of the year.
  - Including the accounting impact of IFRS 16, reported EBITDA amounted to €31m (-€53m; -63%).

- **The Reported Net Recurring Income fell by -€41m in the quarter to -€59m** versus -€17m from the same period last year, explained by the negative evolution of the business since March.

- **Reported Total Net Income of -€57m,** -€42m lower than the first quarter of 2019.

- **The Group's financial position remains solid. After drawing €275m of available credit lines, Net Financial Debt reached -€254m together with and a strong cash position of €489m** at 31st March 2020, despite of the operating cash flow consumption for the quarter (-€38m) and the CapEx payments (-€31m), due to works executed in the last part of 2019 and paid in Q1 2020.
  - In May a new €225m unsecured syndicated 3-year financial facility has been signed to further strengthen liquidity and to finance the operating requirements in view of the current global economic scenario.
  - With all this, total available liquidity is above €675m.

(1) IFRS 16 and Hyperinflation (IAS 29) accounting impacts included in business performance figures unless stated
(2) Recurring EBITDA before onerous reversal and capital gains from asset disposals excludes IFRS 16 impacts for comparison purposes

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IFRS 16: Impact of new accounting standard from 1st January 2019

- IFRS 16 establishes the recognition on the balance sheet of operating leases, being added a financial liability equal to the present value of the fixed lease commitments and an asset for the right of use the underlying asset. In the P&L, the interest expense of the liability is recorded separately from the depreciation expense of the right-of-use asset.
- This accounting standard has no cash impact, leverage capacity and current debt financial covenants.

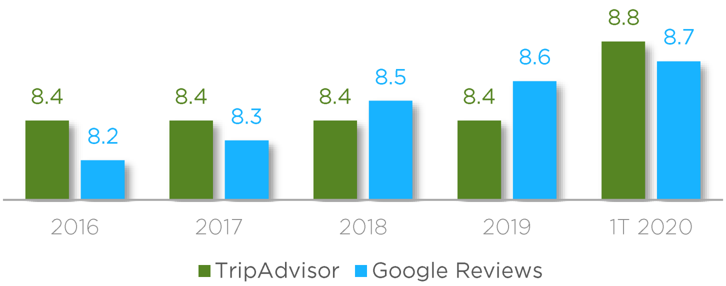
Impact on Balance Sheet 31/03/2020 (€ million)	
Right of Use	**1,781.6**
Deferred tax	**96.6**
Other assets	(47.3)
TOTAL ASSETS	**1,830.9**
Total Equity	**(265.6)**
Operational leases liability	**2,151.3**
Other liabilities	(54.8)
TOTAL LIABILITIES	**1,830.9**

Impact in P&L in 2020 (€ million)	Q1 2020 ex IFRS 16	IFRS 16 Adj.	Q1 2020 Reported
Lease payments and property taxes	(89.0)	66.7	(22.2)
EBITDA BEFORE ONEROUS	**(35.9)**	**66.7**	**30.9**
Onerous contract reversal provision	0.3	(0.3)	-
Depreciation	(29.1)	(44.3)	(73.4)
EBIT	**(64.6)**	**22.1**	**(42.5)**
Interest expense	(5.4)	(22.9)	(28.3)
EBT	**(70.0)**	**(0.8)**	**(70.8)**
Corporate income tax	11.6	1.1	12.8
TOTAL NET INCOME	**(56.7)**	**(0.5)**	**(57.2)**

Other Highlights

- **Repositioning Plan:** In the first quarter of 2020 the following hotels are affected by refurbishments: NH Sants Barcelona, NH Lyon Airport and NH New York Jolly Madison Towers in the BU of Spain. NH Napoli Panorama, NH Palermo, NH Trieste, NHC Roma Vittorio Veneto and NH Milano Touring in Italy. NH Amsterdam Schiller, NH Amsterdam Caransa, NH Brussels Airport, NH Brussels Bloom and NH Luxembourg in Benelux and NH Heidelberg, NH Munchen Airport, NH Frankfurt Airport and NH Salzburg City in Central Europe and NHC Buenos Aires Jousten, NHC Monterrey San Pedro, NH Mexico City Valle Dorado, NH Ciudad de Santiago and NH Montevideo Columbia in Latin America. 2020 refurbishments include the opportunity cost as lower revenues due to renovations, -€13.8m compared with 2019, mainly from refurbishments of hotels in Lyon, Milan, Rome, Brussels, Munich and Santiago de Chile.

- **Brand:** NH had 362 hotels and 55,500 rooms as of 31st March 2020, out of which 87 hotels and 13,319 rooms are NH Collection (24% of the portfolio), showing their potential both in prices (+40% higher price; ADR NH Collection €118 vs ADR NH €84) and quality (with improvements also in non-refurbished hotels). NH Hotel Group focuses on quality measurement using new sources of information and surveys, thus significantly increasing both the volume of reviews and the evaluations received.



Q1 RevPAR Evolution:

***Note:** The "Like for Like plus Refurbishments" (LFL&R) criteria includes hotels renovated in 2019 and 2020*

NH HOTEL GROUP REVPAR Q1 2020/2019

	AVERAGE ROOMS		OCCUPANCY %			ADR			REVPAR		
	2020	2019	2020	2019	% Var	2020	2019	% Var	2020	2019	% Var
Spain & Others LFL & R (1)	11,231	11,210	51.5%	70.0%	-26.4%	92.0	91.4	0.6%	47.4	64.0	-26.0%
B.U. Spain Consolidated (1)	12,353	11,682	51.1%	70.0%	-27.0%	94.0	90.3	4.1%	48.0	63.2	-24.0%
Italy LFL & R	7,317	7,069	38.0%	62.2%	-38.9%	103.8	105.7	-1.8%	39.4	65.8	-40.0%
B.U. Italy Consolidated	7,472	7,158	38.1%	62.3%	-38.9%	104.0	105.1	-1.0%	39.6	65.5	-39.6%
Benelux LFL & R	8,236	8,007	46.1%	64.1%	-28.1%	108.5	105.4	3.0%	50.0	67.6	-26.0%
B.U. Benelux Consolidated	9,887	8,699	44.4%	64.1%	-30.7%	109.4	102.6	6.6%	48.6	65.8	-26.1%
Central Europe LFL & R	11,753	11,534	47.9%	68.6%	-30.3%	97.8	91.3	7.1%	46.8	62.7	-25.3%
B.U. Central Europe Consolidated	12,317	12,190	47.4%	68.0%	-30.3%	97.3	90.2	7.9%	46.1	61.3	-24.8%
Total Europe LFL & R	38,537	37,820	46.7%	66.9%	-30.2%	99.1	96.7	2.5%	46.3	64.7	-28.5%
Total Europe Consolidated	42,029	39,729	46.1%	66.7%	-30.9%	100.0	95.3	4.8%	46.1	63.6	-27.5%
Latinamerica LFL & R	5,236	5,235	48.6%	60.8%	-20.1%	69.0	72.3	-4.5%	33.5	43.9	-23.7%
B.U. Latinamerica Consolidated	5,496	5,351	48.0%	59.7%	-19.5%	68.8	72.2	-4.7%	33.1	43.1	-23.3%
NH Hotels LFL & R	43,773	43,055	46.9%	66.2%	-29.1%	95.4	94.0	1.5%	44.7	62.2	-28.0%
Total NH Consolidated	47,525	45,079	46.3%	65.9%	-29.7%	96.2	92.8	3.6%	44.6	61.2	-27.1%

(1) Includes France and Portugal

- **-27.1% drop in RevPAR** in the first quarter, fully explained **by a lower occupancy rate** that fell by -29.7% to 46.3% affected by the COVID-19 impact since March. ADR rose by +3.6% (+€3.4) to €96.2. All regions showed a fall in both RevPAR and occupancy.

- **Change in RevPAR** by region:
  - **Spain**: -24.0% drop in RevPAR due to the lower occupancy since the State of Alarm was declared on 14th March. Negative evolution in Barcelona (-31%), Madrid (-27%) and secondary cities (-25%).
  - **Italy**: -39.6%, with significant drops in Milan (-39%) and Rome (-43%) due to lower occupancy levels since mid-February, although the lockdown began on 9th March.
  - **Benelux**: -26.1%, with drops of -20% in Brussels, -24% in Amsterdam, while conference hotels fell by -34% with relevant events cancelled in the quarter.
  - **Central Europe**: -24.8% with higher prices (+7.9%) and lower occupancy (-30.3%). Munich (-53%) affected by a strong Q1 2019, Frankfurt (-31%) with an increase in hotel supply. Berlin fell by -19% and Austria by -23%.
  - **LatAm**: -23.3% with a -4.7% increase in ADR and lower occupancy (-19.5%). Mexico City (-18%), Buenos Aires (-27%) and Bogota (-22%) were also hit by negative currency evolution.

- As for the **drop in activity,** the changes by region were as follows: Italy (-38.9%; -24.3 p.p.), Benelux (-30.7%; -19.7 p.p.), Central Europe (-30.3%; -20.6 p.p.), Spain (-27.0%; -18.9 p.p.) and LatAm (-19.5%; -11.7 p.p.).

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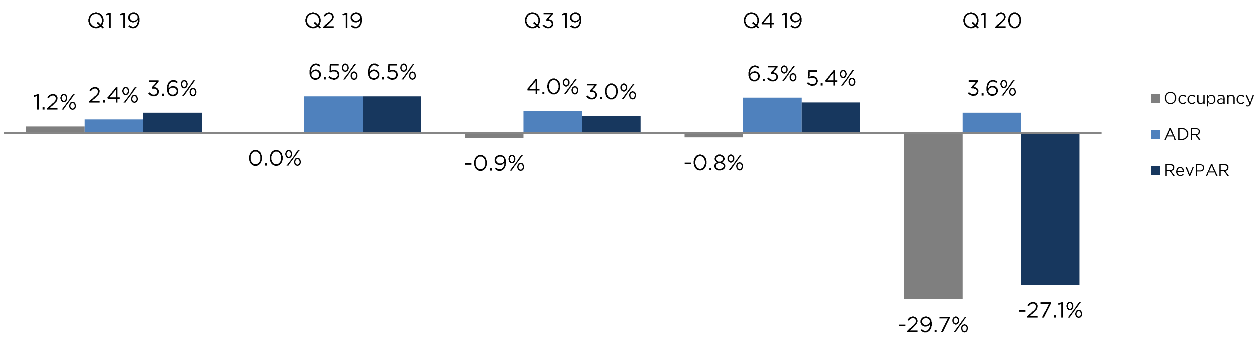
Evolution of Consolidated Ratios by quarter:



Consolidated Ratios	Occupancy					ADR					RevPAR				
% Var	Q1 19	Q2 19	Q3 19	Q4 19	Q1 20	Q1 19	Q2 19	Q3 19	Q4 19	Q1 20	Q1 19	Q2 19	Q3 19	Q4 19	Q1 20
Spain (1)	2.5%	0.0%	1.7%	-1.4%	-27.0%	4.7%	12.5%	13.3%	9.3%	4.1%	7.3%	12.5%	15.3%	7.8%	-24.0%
Italy	0.1%	1.6%	2.0%	2.0%	-38.9%	0.3%	4.5%	2.3%	4.7%	-1.0%	0.4%	6.2%	4.3%	6.8%	-39.6%
Benelux	0.9%	0.8%	-2.5%	0.8%	-30.7%	0.1%	2.9%	4.2%	5.8%	6.6%	1.0%	3.7%	1.6%	6.7%	-26.1%
Central Europe	1.4%	-1.5%	-5.2%	-1.3%	-30.3%	3.3%	4.6%	-0.8%	6.4%	7.9%	4.7%	3.0%	-5.9%	5.0%	-24.8%
TOTAL EUROPE	1.4%	0.0%	-1.3%	-0.3%	-30.9%	2.2%	6.5%	5.0%	6.9%	4.8%	3.7%	6.5%	3.6%	6.6%	-27.5%
Latin America real exc. rate	-1.3%	-1.4%	2.1%	-5.8%	-19.5%	2.4%	5.1%	-11.4%	-3.8%	-4.7%	1.1%	3.6%	-9.5%	-9.4%	-23.3%
NH HOTEL GROUP	**1.2%**	**0.0%**	**-0.9%**	**-0.8%**	**-29.7%**	**2.4%**	**6.5%**	**4.0%**	**6.3%**	**3.6%**	**3.6%**	**6.5%**	**3.0%**	**5.4%**	**-27.1%**

(1) Includes France and Portugal

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Q1 2020 Sales and Results

Madrid, 14th May 2020

RECURRING HOTEL ACTIVITY *				
(€ million)	**2020 Q1**	**2019 Q1**	**DIFF. 19/18**	**%DIFF.**
SPAIN (1)	73.1	95.4	(22.3)	(23.3%)
ITALY	37.2	58.6	(21.4)	(36.5%)
BENELUX	56.4	70.7	(14.3)	(20.2%)
CENTRAL EUROPE	66.0	86.5	(20.5)	(23.7%)
AMERICA	22.2	30.3	(8.0)	(26.6%)
TOTAL RECURRING REVENUE LFL&R	**255.0**	**341.4**	**(86.4)**	**(25.3%)**
OPENINGS, CLOSINGS & OTHERS	**24.4**	**11.2**	**13.1**	**117.0%**
RECURRING REVENUES	**279.4**	**352.7**	**(73.3)**	**(20.8%)**
SPAIN (1)	57.0	66.1	(9.1)	(13.8%)
ITALY	31.0	39.9	(9.0)	(22.5%)
BENELUX	46.2	52.1	(5.9)	(11.3%)
CENTRAL EUROPE	52.5	59.9	(7.4)	(12.3%)
AMERICA	18.4	21.3	(2.9)	(13.8%)
RECURRING OPEX LFL&R	**205.0**	**239.3**	**(34.3)**	**(14.3%)**
OPENINGS, CLOSINGS & OTHERS	**21.3**	**8.4**	**12.9**	**154.1%**
RECURRING OPERATING EXPENSES (2)	**226.3**	**247.7**	**(21.4)**	**(8.6%)**
SPAIN (1)	16.1	29.3	(13.1)	(44.8%)
ITALY	6.3	18.7	(12.4)	(66.5%)
BENELUX	10.2	18.6	(8.4)	(45.2%)
CENTRAL EUROPE	13.6	26.6	(13.1)	(49.1%)
AMERICA	3.9	9.0	(5.1)	(57.0%)
RECURRING GOP LFL&R	**50.0**	**102.2**	**(52.1)**	**(51.0%)**
OPENINGS, CLOSINGS & OTHERS	**3.1**	**2.9**	**0.2**	**8.2%**
RECURRING GOP	**53.1**	**105.0**	**(51.9)**	**(49.4%)**
SPAIN (1)	22.8	24.6	(1.8)	(7.4%)
ITALY	13.4	13.4	0.1	0.5%
BENELUX	14.5	15.6	(1.1)	(6.8%)
CENTRAL EUROPE	26.6	27.1	(0.6)	(2.0%)
AMERICA	2.5	3.1	(0.6)	(18.5%)
RECURRING LEASES&PT LFL&R	**79.8**	**83.7**	**(3.9)**	**(4.7%)**
OPENINGS, CLOSINGS & OTHERS	**9.2**	**0.4**	**8.8**	**N/A**
RECURRING RENTS AND PROPERTY TAXES (3)	**89.0**	**84.1**	**4.8**	**5.8%**
SPAIN (1)	(6.6)	4.7	(11.3)	(241.6%)
ITALY	(7.2)	5.3	(12.5)	(234.9%)
BENELUX	(4.3)	3.0	(7.3)	(241.3%)
CENTRAL EUROPE	(13.0)	(0.5)	(12.5)	N/A
AMERICA	1.4	5.9	(4.5)	(77.0%)
RECURRING EBITDA LFL&R	**(29.8)**	**18.4**	**(48.2)**	**(261.7%)**
OPENINGS, CLOSINGS & OTHERS	**(6.1)**	**2.5**	**(8.5)**	**N/A**
RECURRING EBITDA EX. ONEROUS PROVISION (3)	**(35.9)**	**20.9**	**(56.7)**	**(271.7%)**

(*) IFRS 16 not included in business performance figures

(1) France and Portugal hotels are included in the Business Unit of Spain

(2) For the allocation of central costs, the distribution criterion used is the LFL GOP level of each business unit

(3) Rents and Recurring EBITDA exclude IFRS 16 accounting impact for comparison purposes

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Recurring Results by Business Unit (LFL&R basis) (*)

Spain B.U. (1):

- -26.0% decline in RevPAR in the first quarter due to the -26.4% drop in occupancy, with prices almost stable (+0,6%). Barcelona (-31.2%), Madrid (-26.7%) and secondary cities (-25.0%) affected following the State of Alarm on 14th March.
  - Revenue fell by -23.3% in the first quarter as a result of the lower activity. Barcelona (-27.8%), Madrid (-23.6%) and secondary cities (-24.0%).
  - Operating expenses declined -13.8% (+€9.1m), mainly explained by the fall in occupancy and by certain efficiency measures implemented since March.
  - GOP reached €16.1m, a -44.8% decrease (-€13.1m) and leases dropped by -€1.8m (-7.4%).
  - Therefore, recurring EBITDA reached -€6.6m (-€11.3m), which translates into a decremental revenue conversion ratio of 51%.

(1) Includes France and Portugal

Italy B.U.:

- RevPAR fell by -40.0% with a -38.9% decline in activity and a -1.8% drop in prices. Milan (-38.6%) and Rome (-43.2%) were impacted since February and after the lockdown was established on 9th March.
  - First quarter revenues fell by -36.5% with an impact on the main cities of Milan (-37.5%) and Rome (-41.5%) since mid-February.
  - Operating expenses fell by -22.5% while GOP declined by -66.5% (-€12.4m) to €6.3m.
  - Rents remained practically stable at +€0.1m (+0.5%), mainly explained by the rent increase of a refurbished hotel in Rome at the end of 2018.
  - Thus, EBITDA in the quarter fell by -€12.5m to -€7.2m.

Benelux B.U.:

- RevPAR decreased by -26.0% in Q1 due to lower occupancy (-28.1%) and despite higher prices of +3.0%. Brussels (-20.3%), Amsterdam (-24.1%) and conference centers (-34.1%) due to the cancellation of relevant events in March.
  - Revenue fell by -20.2% in the quarter with declines in Brussels (-15.2%), Amsterdam (-17.0%) and conference hotels (-4.9%).
  - Operating expenses fell by -11.3%.
  - GOP dropped -45.2% (-€8.4m) and rents decreased by -€1.1m (-6.8%).
  - EBITDA fell in the first quarter by -€7.3m to -€4.3m.

(*) IFRS 16 not included in business performance figures

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Central Europe B.U.:

- RevPAR declined -25.3% due to a -30.3% drop in occupancy. Munich (-52.9%), partially explained by the comparison with a strong Q1 2019, Frankfurt (-31.1%), also impacted by increased supply in the city, Berlin (-18.9%) and Austria (-22.8%).
  - Revenue declined by -23.7% in the quarter, with decreases in the main cities: Berlin (-17.3%), Frankfurt (-27.0%; also affected by higher supply in the city), Munich (-48.0%; additionally affected by a comparison with a strong Q1 19) and the secondary cities (-21.9%).
  - Operating expenses fell by -12.3% (+-€7.4m).
  - GOP dropped -49.1% (-€13.1m) to €13.6m and rents decreased by -€0.6m (-2.0%).
  - First quarter EBITDA fell by -€12.5m to -€13.0m.

Americas B.U. (2):

- -23.7% RevPAR decrease in the quarter, with occupancy falling by -20.1% and prices by -4.5%. At constant exchange rates the growth of the BU's LFL&R revenue was -15.1% in the quarter and with real exchange rate revenue declined by -26.6%, additionally affected by the negative currency evolution.
  - By regions, in Mexico revenues in local currency declined -11.2%. Including the currency evolution (-1%), revenues fell by -12.3% at real exchange rate.
  - In Argentina, revenue grew +4.4% at constant exchange rate, mainly due to an increase in average prices due to hyperinflation. Reported revenues fell by -28.0%, including hyperinflation and currency depreciation.
  - In Colombia and Chile, revenue dropped by -14.0% in local currency and including the -9% currency devaluation, revenue dropped by -21.0%.

(2) Includes IAS 29 impact in Argentina

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Consolidated Income Statement

NH HOTEL GROUP P&L ACCOUNT				
(€ million)	Q1 2020 Reported	Q1 2019 Reported	Var. Q1 Reported	
	€ m.	€ m.	€ m.	%
TOTAL REVENUES	**279.4**	**352.7**	**(73.3)**	**(20.8%)**
Staff Cost	(126.1)	(133.6)	7.5	(5.6%)
Operating expenses	(100.2)	(114.1)	14.0	(12.2%)
GROSS OPERATING PROFIT	**53.1**	**105.0**	**(51.9)**	**(49.4%)**
Lease payments and property taxes	(22.2)	(21.5)	(0.7)	3.4%
EBITDA BEFORE ONEROUS	**30.9**	**83.5**	**(52.6)**	**(63.0%)**
Margin % of Revenues	11.1%	23.7%	-	-12.6 p.p.
Onerous contract reversal provision	-	-	-	0.0%
EBITDA AFTER ONEROUS	**30.9**	**83.5**	**(52.6)**	**(63.0%)**
Depreciation	(73.4)	(71.0)	(2.4)	3.4%
EBIT	**(42.5)**	**12.5**	**(55.0)**	**N/A**
Net Interest expense	(28.3)	(28.0)	(0.3)	(1.0%)
Income from minority equity interests	(0.0)	0.1	(0.1)	118.5%
EBT	**(70.8)**	**(15.4)**	**(55.4)**	**N/A**
Corporate income tax	12.8	(0.8)	13.5	N/A
NET INCOME before minorities	**(58.0)**	**(16.2)**	**(41.9)**	**N/A**
Minority interests	(0.5)	(1.1)	0.6	(52.0%)
NET RECURRING INCOME	**(58.6)**	**(17.3)**	**(41.3)**	**N/A**
Non Recurring EBITDA (1)	2.4	3.7	(1.2)	(33.3%)
Other Non Recurring items (2)	(1.1)	(1.1)	0.1	(6.6%)
NET INCOME including Non-Recurring	**(57.2)**	**(14.7)**	**(42.4)**	**N/A**

(1) Includes gross capital gains from asset rotation
(2) Includes taxes from asset rotation

Q1 2020 Comments (1):

- **Revenue dropped by -20.8%** (-19.8% at constant exchange rates) **reaching €279m** (-€73m) in the first quarter. In the first two months of the year, revenue grew by +8.0% while in March the reduction was -65.8%.
  - In like-for-like ("LFL") terms, excluding refurbishments and perimeter changes, revenue was down -25.5% (-24.6% at constant exchange rates):
    - Because of the deterioration in March, the reduction in Europe was -25.8%: Italy (-39.8%), Central Europe (-26.7%), Spain (-21.6%) and Benelux (-20.6%).
  - Changes in the perimeter contributed with +€13m, mainly from the integration of the Tivoli portfolio (+€7m) and the openings of Anantara Villa Padierna, NHOW Amsterdam RAI, Antwerp and Leipzig.

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- **Cost Evolution:**
  - Cost saving impacts from Contingency Plan, since it was implemented in March and April, will be shown in the second quarter of the year.
  - **Staff costs** fell by -5.6% (+€7.5m) including the -€6.9m from the changes in the perimeter (Tivoli integration, openings and closings). Excluding that impact, staff costs would have dropped by -11.1% (+€14.4m).
  - **Other operating expenses** decreased by -12.2% (+€14.0m). Excluding perimeter changes (-€6.0m), the reduction was -18.1% (+€20.0m).

- **GOP fell by -€51.9m (-49.4%)**. The margin on revenues declined by -10.8 p.p. in the quarter reaching 19.0%.

- **Leases and property taxes** amounted to €22.2m with a -€0.7m increase (+3.4%) including -€3.4m from the changes in perimeter. Excluding the accounting impact of IFRS 16, the figure is €89.0m vs. €84.1m in the first quarter of 2019 due to the changes in the perimeter (-€8.5m) from Tivoli and new openings.

- **Excluding IFRS 16, recurring EBITDA(2) fell by -€57m to -€35.9m**, which represents a decremental revenue conversion rate of 77%. This conversion rate does not reflect the cost savings from the implementation of the contingency plan, mainly due to the delay in the negotiation process, and which impact will be shown in the second quarter of the year.

  - Including the accounting impact of IFRS 16, reported EBITDA amounted to €31m (-€53m; -63%).

- **Depreciation**: increase of -€2.4m due to the impact of the repositioning investments in 2019.

- **Net financial expenses:** excluding -€22.9m impact from IFRS 16, net financial expenses fell by +€0.2m. Including the IFRS 16 impact, the reported figure is -€28.3m.

- **Corporate Income Tax of +€12.8m,** +€13.5 lower than the first quarter of 2019 due to the lower EBT performance.

- **The Reported Net Recurring Income fell by -€41m in the quarter to -€59m** versus -€17m from the same period last year, explained by the negative evolution of business since March.

- **Reported Total Net Income of -€57m,** -€42m lower than the first quarter of 2019.

(1) IFRS 16 and Hyperinflation (IAS 29) accounting impacts included in business performance figures unless stated
(2) Recurring EBITDA before onerous reversal and capital gains from asset disposals excludes IFRS 16 impacts for comparison purposes

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Financial Debt and Liquidity

As of 31/03/2019 Data in Euro million	Maximum Available	Availability	Drawn	Repayment schedule 2020	2021	2022	2023	2024	2025	2026	2027	Rest
Senior Credit Facilities												
Senior Secured Notes due 2023	356.9	-	356.9	-	-	-	356.9	-	-	-	-	-
Senior Secured RCF due in 2021	250.0	-	250.0	-	250.0							
Total debt secured by the same Collateral	**606.9**	**-**	**606.9**	**-**	**250.0**	**-**	**356.9**	**-**	**-**	**-**	**-**	**-**
Other Secured loans (1)	25.6	-	25.6	1.8	2.4	2.0	5.9	1.2	0.8	0.6	0.8	10.0
Total secured debt	**632.5**	**-**	**632.5**	**1.8**	**252.4**	**2.0**	**362.8**	**1.2**	**0.8**	**0.6**	**0.8**	**10.0**
Unsecured loans	46.6	-	46.6	0.1	0.6	0.1	45.8	0.0	-	-	-	
Unsecured credit lines	53.5	29.0	24.5	20.5	4.0	-	-	-	-	-	-	-
Subordinated loans	40.0	-	40.0	-	-	-	-	-	-	-	-	40.0
Total unsecured debt	**140.1**	**29.0**	**111.2**	**20.6**	**4.6**	**0.1**	**45.8**	**0.0**	**0.0**	**0.0**	**0.0**	**40.0**
Total Gross Debt	**772.6**	**29.0**	**743.6**	**22.4**	**257.0**	**2.1**	**408.6**	**1.2**	**0.8**	**0.6**	**0.8**	**50.0**
Cash and cash equivalents (2)			**(489.2)**									
Net debt			**254.5**	**22.4**	**257.0**	**2.1**	**408.6**	**1.2**	**0.8**	**0.6**	**0.8**	**50.0**
Arranging expenses			(9.9)	(2.2)	(2.9)	(2.5)	(2.0)	(0.03)	(0.03)	(0.03)	(0.03)	(0.3)
Accrued interests			7.4	7.4								
IFRS 9 (3)			(5.3)	(1.0)	(1.4)	(1.6)	(1.3)	-	-	-	-	-
Total adjusted net debt			**246.7**									

(1) Bilateral mortgage loans.

(2) Does not include treasury stock shares. As of 31/03/20 the group had 384,683 treasury stock shares with 1.6M€ market value as of 31 March. 2020 (€4.1/share)

(3) IFRS 9 - The new IFRS 9 related to the accounting treatment of financial assets and liabilities with implementation on 1 January 2018. As of 31 March 2020 it had an impact at NH Group of €5,3m of less debt.

- After **drawing down €275m from available credit lines**, **Net Financial Debt reached -€254m** with a **strong cash position of €489m at 31st March 2020** and with €29m in available credit lines, despite the operating cash flow consumption in the quarter (-€38m) and the CapEx payments (-€31m), due to works executed in the last part of 2019 and paid in Q1 2020.

- The change in cash for the quarter was +€200m. Of this change, €275m is explained by the credit lines drawn in March. Therefore, the change in cash excluding this effect was -€75m explained by the impact of COVID-19 on the operating cash flow from March and CapEx payments.

- After March 31st, the Company signed in May a Syndicated Financing Agreement of €225m, for a period of 3 years, which will further strengthen its liquidity to finance operational needs in the current global economic scenario. With all this, the available liquidity is higher than €675m despite the low level of activity in April (c.95% of the portfolio closed).

	Liquidity as of 30th April
Cash at bank	€426m
Available credit lines	€39m
Agreement 5th May 2020	
Syndicated Loan	€225m

> €675m

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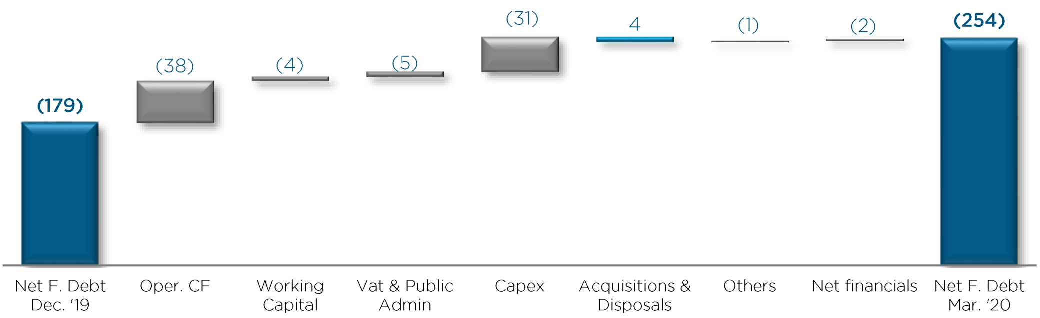
Net Financial Debt Evolution Q1 2020



Financial Position: 31st March 2020
Gross Financial Debt: (€744m)
Cash: €489m
Net Financial Debt: (€254m)(1)
Operating Lease Liability (under IFRS16): (€2,151m)
Total Net Debt with Operating Leases: (€2,405m)

(1) Net Financial Debt excluding accounting adjustments for arrangement expenses €9.9m, accrued interest -€7.4m and IFRS 9 adjustment €5.3m. Including these accounting adjustments, the adjusted net financial debt would be (-€247m) at 31st March 2020 vs. (-€166m) at 31st December 2019.

Cash flow evolution in the first quarter of the year:

- (-) Operating cash flow: -€37.8m, including -€3.5m from credit cards expenses and -€5.1m of taxes paid.
- (-) Working capital: Mainly explained by the effect of seasonality on the first quarter with lower receivables and payments to suppliers.
- (-) CapEx payments: -€31.1m in the first quarter of the year mainly explained to works executed at the end of 2019 and paid in Q1 2020.
- (+) Acquisitions and disposals: +€4.3m, mainly from the sale of a minority stake (+€17.3m), loan termination from a minority stake in a plot of land in the Mexican Caribbean (-€5.7m) and taxes related to the transaction (-€4.2m) and a "Key money" investment (-€2.9m) in a managed hotel.
- (-) Others: Mainly legal provisions and severance payments.
- (-) Net financial and Dividends: -€2.0m including -€1.2m in net financial expenses and -€0.7m dividend payments to minority shareholders.

Appendix

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Appendix I: In accordance with the Directives published by the ESMA in relation to Alternative Performance Measures (APMs), below it has been defined and reconciled the APMs used by the Group within the Results Publication of 3 months of 2020.

In addition, the abridged consolidated financial statements as at 31 March 2020 are shown below: which includes the effects of the business unit of Argentina; and IFRS 16, new accounting standard for leases:

	3/31/2020	12/31/2019		3/31/2020	12/31/2019
NON-CURRENT ASSETS:			**TOTAL EQUITY:**	**1,193,261**	**1,275,493**
Goodwill	101,546	106,577			
Assets for rights of use	79,706	83,807	**NON-CURRENT LIABILITIES**		
Intangible assets	2,939	2,964	Debt instruments and other marketable securities	346,782	345,652
Real estate investment	1,717,796	1,713,123	Debts with credit institutions	358,380	106,695
Property, plant and equipment	1,781,552	1,701,499	Liabilities for operating leases	1,887,297	1,814,399
Investments accounted for using the equity method	6,472	7,517	Other financial liabilities	1,122	1,160
Non-current financial investments-	37,483	37,402	Other non-current liabilities	8,215	7,637
Loans and accounts receivable not available for trading	*35,408*	*35,327*	Provisions for contingencies and charges	46,241	48,241
Other non-current financial investments	*2,075*	*2,075*	Deferred tax liabilities	177,786	180,082
Deferred tax assets	229,621	220,040	**Total non-current liabilities**	**2,825,823**	**2,503,866**
Total non-current assets	**3,957,115**	**3,872,929**			
			CURRENT LIABILITIES:		
CURRENT ASSETS:			Liabilities associated with non-current assets classified as held for sale	2,649	2,584
Non-current assets classified as held for sale	49,282	47,811	Debt instruments and other marketable securities	3,173	141
Inventories	10,294	11,123	Debts with credit institutions	27,553	3,111
Trade receivables	74,577	106,496	Liabilities for operating leases	263,955	252,970
Non-trade receivables-	58,518	55,928	Other financial liabilities	198	251
Tax receivables	*47,741*	*28,961*	Trade and other payables	252,804	257,499
Other non-trade debtors	*10,777*	*26,967*	Account payable with related entities	762	1,050
Account receivable with related entities	479	2,493	Tax payables	50,429	40,875
Cash and cash equivalents	489,151	289,345	Provisions for contingencies and charges	568	5,021
Other current assets	9,810	5,771	Other current liabilities	28,051	49,035
Total current assets	**692,111**	**518,967**	**Total current liabilities**	**630,142**	**612,537**
TOTAL ASSETS	**4,649,226**	**4,391,896**	**NET ASSETS AND LIABILITIES**	**4,649,226**	**4,391,896**

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NH HOTEL GROUP, S.A. AND SUBSIDIARIES

CONSOLIDATED COMPREHENSIVE PROFIT AND LOSS STATEMENT AT 2019 AND 2018

(Thousands of euros)

	31/03/2020	31/03/2019 (*)
Revenues	276,996	350,076
Other operating income	4,446	2,372
Net gains on disposal of non-current assets	(93)	2,810
Procurements	(13,356)	(17,399)
Staff costs	(103,705)	(105,956)
Depreciation and amortisation charges	(74,599)	(71,617)
Net Profits/(Losses) from asset impairment	1,212	639
Other operating expenses	(127,853)	(140,550)
Variation in the provision for onerous contracts	-	
Other operating expenses	*(127,853)*	*(140,550)*
Gains on financial assets and liabilities and other		
Profit (Loss) from entities valued through the equity method	(13)	68
Financial income	519	444
Change in fair value of financial instruments	76	48
Financial expenses	(32,749)	(32,664)
Result	(50)	(18)
Net exchange differences (Income/(Expense))	445	(1)
PROFIT BEFORE TAX FROM CONTINUING OPERATIONS	**(68,724)**	**(11,748)**
Income tax	12,070	(1,559)
PROFIT FOR THE PERIOD - CONTINUING	**(56,654)**	**(13,307)**
Profit (loss) for the year from discontinued operations net of tax		(347)
PROFIT FOR THE PERIOD	**(56,654)**	**(13,654)**
Exchange differences	(27,172)	5,102
Income and expenses recognised directly in equity	**(27,172)**	**5,102**
TOTAL COMPREHENSIVE PROFIT	**(83,826)**	**(8,552)**
Profit / (Loss) for the year attributable to:		
Parent Company Shareholders	(57,178)	(14,743)
Non-controlling interests	524	1,089
Non-controlling interests in discontinued operations		
Comprehensive Profit / (Loss) attributable to:		
Parent Company Shareholders	(81,632)	(10,818)
Non-controlling interests	(2,195)	2,266

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ABRIDGED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

FOR THE PERIOD ENDED

31 MARCH 2020 AND 31 DECEMBER 2019

(Thousands of euros)

	Equity attributed to the Parent Company					
	Own Funds					
	Share Capital	Issue premium and reserves	Treasury shares and shareholdings	Profit for the year attributable to the Parent Company	Non-controlling interest	Total Equity
Ending Balance at 31/12/2019	**784,361**	**345,576**	**(1,647)**	**89,964**	**57,239**	**1,275,493**
Net profit (loss) for 2020	-	-	-	(57,178)	524	(56,654)
Exchange differences	-	(24,453)	-	-	(2,719)	(27,172)
Total recognised income / (expense)	-	**(24,453)**	-	**(57,178)**	**(2,195)**	**(83,826)**
Other changes in equity	-	**91,891**	**(58)**	**(89,964)**	**(275)**	**1,594**
Transfers between equity items	-	89,964	-	(89,964)	(750)	**(750)**
Application NIC 29	-	-	-	-	275	275
Other changes	-	1,927	(58)	-	200	2,069
Ending balance at 31/03/2020	**784,361**	**413,014**	**(1,705)**	**(57,178)**	**(2,470)**	**1,193,261**

	Equity attributed to the Parent Company					
	Own Funds					
	Share Capital	Issue premium and reserves	Treasury shares and shareholdings	Profit for the year attributable to the Parent Company	Non-controlling interest	Total Equity
Ending Balance at 31/12/2018	**784,361**	**552,055**	**(2,530)**	**117,785**	**52,351**	**1,504,022**
Accounting correction	-	16,212	-	(16,212)	-	-
Ending Balance at 31/12/2018	**784,361**	**568,267**	**(2,530)**	**101,573**	**52,351**	**1,504,022**
Adjustment for changes in accounting policies (IFRS 16)	-	(254,705)	-	-	(1,098)	(255,803)
Changes in accounting criteria	-	(11,729)	-	-	3,761	(7,968)
Adjusted balance at 01/01/2019	**784,361**	**301,833**	**(2,530)**	**101,573**	**55,014**	**1,240,251**
Net profit (loss) for 2019	-	-	-	89,964	2,937	92,901
Exchange differences	-	2,281	-	-	1,255	3,536
Total recognised income / (expense)	-	2,281	-	**89,964**	**4,192**	**96,437**
Transactions with shareholders or owners	**-**	**(59,769)**	**970**	**-**	**(2,720)**	**(61,519)**
Distribution of dividends	-	(58,771)	-	-	(2,720)	(61,491)
Remuneration Scheme in shares	-	(998)	970	-	-	(28)
Other changes in equity	**-**	**101,231**	**(87)**	**(101,573)**	**753**	**324**
Transfers between equity items	-	101,573	-	(101,573)	-	-
Application NIC 29	-	1,151	-	-	777	1,928
Other changes	-	(1,493)	(87)	-	(24)	(1,604)
Ending balance at 31/12/2019	**784,361**	**345,576**	**(1,647)**	**89,964**	**57,239**	**1,275,493**

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NH HOTEL GROUP, S.A. AND SUBSIDIARIES

ABRIDGED CONSOLIDATED CASH FLOW STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2020 AND 2019

(Thousands of euros)

	31.03.2020	31.03.2019
1. OPERATING ACTIVITIES		
Consolidated profit before tax:	**(68,724)**	**(11,747)**
Adjustments:		
Depreciation of tangible and amortisation of intangible assets (+)	74,599	71,617
Impairment losses (net) (+/-)	(1,212)	(639)
Gains/Losses on the sale of tangible and intangible assets (+/-)	93	(2,810)
Gains/Losses on investments valued using the equity method (+/-)	13	(68)
Financial income (-)	(519)	(444)
Variation in fair value of financial instruments (+)	*(76)*	*(48)*
Financial expenses (+)	32,749	32,664
Results from exposure to hyperinflation (IAS 29)	50	18
Net exchange differences (Income/(Expense))	(445)	1
Other non-monetary items (+/-)	(866)	916
Adjusted profit	**35,662**	**89,460**
Net variation in assets / liabilities:		
(Increase)/Decrease in inventories	829	544
(Increase)/Decrease in trade debtors and other accounts receivable	31,707	797
(Increase)/Decrease in other current assets	(1,038)	(9,446)
Increase/(Decrease) in trade payables	(20,977)	10,397
Increase/(Decrease) in other current liabilities	(19,383)	6,495
Increase/(Decrease) in provisions for contingencies and expenses	(2,268)	(1,096)
(Increase)/Decrease in non-current assets	(5)	(55)
Increase/(Decrease) in non-current liabilities	*644*	*(6)*
Income tax paid	(5,095)	(5,420)
Total net cash flow from operating activities (I)	**20,076**	**91,670.00**
2. INVESTMENT ACTIVITIES		
Other financial incomes/collected dividends	**73**	**79**
Investments (-):		
Group companies, joint ventures and associates	(10,078)	-
Tangible and intangible assets and investments in property	(33,951)	(39,554)
	(44,029)	**(39,554)**
Disinvestment (+):		
Group companies, joint ventures and associates	17,298	1,903
Tangible and intangible assets and investments in property	-	16,847
	17,298	**18,750**
Total net cash flow from investment activities (II)	**(26,658)**	**(20,725)**
3. FINANCING ACTIVITIES		
Dividends paid out (-)	(750)	(449)
Interest paid on debts (-)	(4,809)	(5,657)
Financial expenses for means of payment	(3,486)	(4,200)
Interest paid on debts and other interest	(1,323)	(1,457)
Variations in (+/-):		
Debt instruments:		
- Loans from credit institutions (+)	277,189	5,971
- Loans from credit institutions (-)	(833)	(1,098)
- Principal elements of lease payments (-)	(64,853)	(61,902)
- Other financial liabilities (+/-)	(15)	(168)
Total net cash flow from financing activities (III)	**205,929**	**(63,303)**
4. GROSS INCREASE/DECREASE IN CASH AND CASH EQUIVALENTS (I+II+III)	199,347	7,642
5. Effect of exchange rate variations on cash and cash equivalents (IV)	459	398
6. Effect of variations in the scope of consolidation (V)	-	-
7. NET INCREASE/DECREASE IN CASH AND CASH EQUIVALENTS (I+II+III+IV+VI)	199,806	8,040
8. Cash and cash equivalents at the start of the financial year	**289,345**	**265,869**
9. Cash and cash equivalents at the end of the financial year	**489,151**	**273,909**

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A) Definitions

EBITDA (excl. IFRS 16): Result before tax of continuing operations and before: net result from the disposal of non-current assets, depreciation, net loss from asset impairment, the result on disposal of financial investments, the result of entities valued by the equity method, financial income, change in the fair value of financial instruments, financing costs (except for credit card costs, which are considered to be operating cost) and net exchange differences. This APM is used to measure the purely operating results of the Group.

RevPAR: The result of multiplying the average daily price for a specific period by the occupancy in that period. This APM is used for comparison of average income per hotel room with other companies in the sector.

Average Daily Rate (ADR): The ratio of total room revenue for a specific period divided by the rooms sold in that specific period. This APM is used to compare average hotel room prices with those of other companies in the ***sector.***

LFL&R (Like for like with refurbishments): We define LFL with refurbishments as the group of fully operated hotels in a 24-month period plus the refurbishments made in the last two years. It excludes those hotels that have just been opened or closed and that have therefore not been fully operational for 24 months. This APM is used to analyse operating results for the year in a manner comparable with those of previous periods excluding the impact of hotel refurbishments.

Below it has been provided a breakdown of the “Total Revenues” line split into “LFL and refurbishments” and “Openings, closings and other effects” to illustrate the above explanation:

		3M 2020 M Eur.	3M 2019 M Eur.
Total revenues	A+B	**279.4**	**352.7**
Total recurring revenue LFL & Refurbishment	A	255.0	341.5
Openings, closing & others	B	24.4	11.2

It has been provided a reconciliation for the “Total Revenues” line in Point II for the period of 3 months ended 31 March 2020.

Net Financial Debt (excl. IFRS 16): Gross financial debt less cash and other equivalent liquid assets, excluding accounting adjustments for the portion of the convertible bond treated as equity, arrangement expenses and accrued interest. Gross financial debt includes both non-current liabilities and current obligations for bonds and other negotiable securities and debt to lending institutions.

Capex: Investments made on assets for improvement and development that have meant a cash outflow during the year. Obtained from the investments in fixed and intangible assets and property investments shown on the statement of cash flows on the consolidated financial statements.

GOP (Gross operating profit): The gross operating profit obtained from EBITDA plus costs of leases and property taxes, as follows:

Conversion Rate: This measures the proportion of revenue that has been transferred to EBITDA. It is calculated by dividing the change in EBITDA by the change in total revenue.

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B) Reconciliation of the APM to the most directly reconcilable item, subtotal or total in the financial statements:

The following significant APMs are contained in the Earnings Report of 3 months of 2020:

I. ADR and RevPAR

Earnings Report of 3 months of 2020 details the cumulative evolution of RevPAR and ADR in the following tables:

	AVERAGE ROOMS		OCCUPANCY %			ADR			REVPAR		
	2020	2019	2020	2019	% Var	2020	2019	% Var	2020	2019	% Var
Spain & Others LFL & R (1)	11,231	11,210	51.5%	70.0%	-26.4%	92.0	91.4	0.6%	47.4	64.0	-26.0%
B.U. Spain Consolidated (1)	12,353	11,682	51.1%	70.0%	-27.0%	94.0	90.3	4.1%	48.0	63.2	-24.0%
Italy LFL & R	7,317	7,069	38.0%	62.2%	-38.9%	103.8	105.7	-1.8%	39.4	65.8	-40.0%
B.U. Italy Consolidated	7,472	7,158	38.1%	62.3%	-38.9%	104.0	105.1	-1.0%	39.6	65.5	-39.6%
Benelux LFL & R	8,236	8,007	46.1%	64.1%	-28.1%	108.5	105.4	3.0%	50.0	67.6	-26.0%
B.U. Benelux Consolidated	9,887	8,699	44.4%	64.1%	-30.7%	109.4	102.6	6.6%	48.6	65.8	-26.1%
Central Europe LFL & R	11,753	11,534	47.9%	68.6%	-30.3%	97.8	91.3	7.1%	46.8	62.7	-25.3%
B.U. Central Europe Consolidated	12,317	12,190	47.4%	68.0%	-30.3%	97.3	90.2	7.9%	46.1	61.3	-24.8%
Total Europe LFL & R	38,537	37,820	46.7%	66.9%	-30.2%	99.1	96.7	2.5%	46.3	64.7	-28.5%
Total Europe Consolidated	42,029	39,729	46.1%	66.7%	-30.9%	100.0	95.3	4.8%	46.1	63.6	-27.5%
Latinamerica LFL & R	5,236	5,235	48.6%	60.8%	-20.1%	69.0	72.3	-4.5%	33.5	43.9	-23.7%
B.U. Latinamerica Consolidated	5,496	5,351	48.0%	59.7%	-19.5%	68.8	72.2	-4.7%	33.1	43.1	-23.3%
NH Hotels LFL & R	43,773	43,055	46.9%	66.2%	-29.1%	95.4	94.0	1.5%	44.7	62.2	-28.0%
Total NH Consolidated	47,525	45,079	46.3%	65.9%	-29.7%	96.2	92.8	3.6%	44.6	61.2	-27.1%

Below it is explained how the aforementioned data has been calculated:

		3M 2020 € Thousand	3M 2019 € Thousand
A	Room revenues	182,247	244,351
	Other revenues	94,749	105,725
	Revenues according to profit & loss statement	**276,996**	**350,076**
B	Thousand of room nights	1,894	2,632
A / B = C	**ADR**	**96.2**	**92.8**
D	Occupancy	46.3%	65.9%
C x D	**RevPAR**	**44.6**	**61.2**

II. INCOME STATEMENT 3 MONTHS OF 2020 AND 2019

The Earnings Report of 3 months of breaks down the table entitled “Recurring hotel activity” obtained from the “Consolidated Income Statement” appearing in the same Earnings Report.

Below it has been provided a conciliation between the consolidated income statement and the abridged consolidated comprehensive income statements:

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3 months 2020

	Income Statements	Reclassification according to the Financial Statements	Financial expenses for means of payment	Oursourcing	Scrapping and non recurring depreciation	Claims, severance payments and other non recurring	P&L according to the Financial Statements	
APM Total revenues	279.4	(279.4)	-	-	-	-		
Revenues	-	277.0	-	-	-	-	277.0	Revenues
Other operating income	-	4.4	-	-	-	-	4.4	Other operating income
APM TOTAL REVENUES	**279.4**	**2.0**	**-**	**-**	**-**	**-**	**281.4**	
Net gains on disposal of non-current assets	-	-	-	-	(0.1)	-	(0.1)	Net gains on disposal of non-current assets
APM Staff Cost	(126.1)	-	-	22.5	-	(0.1)	(103.7)	Staff costs
APM Operating expenses	(100.2)	(8.0)	3.5	(22.5)	-	(0.6)	(127.9)	Other operating expenses
Procurements	-	(13.4)	-	-	-	-	(13.4)	Procurements
APM GROSS OPERATING PROFIT	**53.1**	**(19.4)**	**3.5**	**-**	**(0.1)**	**(0.7)**	**36.4**	
APM Lease payments and property taxes	(22.2)	22.2	-	-	-	-	-	
APM EBITDA	**30.9**	**2.9**	**3.5**	**-**	**(0.1)**	**(0.7)**	**36.4**	
Net Profits/(Losses) from asset impairment	-	1.2	-	-	0.0	-	1.2	Net Profits/(Losses) from asset impairment
APM Depreciation	(73.4)	(1.2)	-	-	-	-	(74.6)	Depreciation and amortisation charges
APM EBIT	**(42.5)**	**2.9**	**3.5**	**-**	**(0.1)**	**(0.7)**	**(37.0)**	
Gains on financial assets and liabilities and liabilities and other	-	-	-	-	-	-	-	Gains on financial assets and liabilities and other
Impairment Financial Investments	-	-	-	-	-	-	-	Impairment Financial investments
APM Interest expense	(28.3)	(1.0)	(3.5)	-	-	-	(32.8)	Finance costs
Finance Income	-	0.5	-	-	-	-	0.5	Finance income
Change in fair value of financial instruments	-	0.1	-	-	-	-	0.1	Change in fair value of financial instruments
Net exchange differences (Income/(Expense))	-	0.4	-	-	-	-	0.4	Net exchange differences (Income/(Expemse))
APM Income from minority equity interests	(0.0)	-	-	-	-	-	(0.0)	Profit (loss) from companies accounted for using the equity method
APM EBT	**(70.8)**	**2.9**	**-**	**-**	**(0.1)**	**(0.7)**	**(68.7)**	**Profit (loss) before tax from continuing operations**
APM Corporate Income Tax	12.8	(0.7)	-	-	-	-	12.1	Income tax
APM Net Income before minorities	**(58.0)**	**2.2**	**-**	**-**	**(0.1)**	**(0.7)**	**(56.7)**	**Profit for the financial year - continuing**
Profit/ (Loss) for the year from discontinued operations net of tax	-	-	-	-	-	-	-	Profit (loss) for the year form discontinued operations net of tax
APM NET INCOME before minorities	**(58.0)**	**2.2**	**-**	**-**	**(0.1)**	**(0.7)**	**(56.7)**	**Profit for the financial year - continuing**
APM Minority interests	(0.5)	-	-	-	-	-	(0.5)	Non-controlling interests
APM Net Recurring Income	**(58.6)**	**2.2**	**-**	**-**	**(0.1)**	**(0.7)**	**(57.2)**	**Profits for the year attibutable to Parent Company Shareholders**
APM Non Recurring EBITDA	2.4	(2.9)	-	-	(0.3)	0.7		
APM Other Non Recurring items	(1.1)	0.7	-	-	0.4	-		
APM NET INCOME including Non-Recurring	**(57.2)**	**-**	**-**	**-**	**-**	**-**	**(57.2)**	**Profits for the year attibutable to Parent Company Shareholders**

3 months 2019

Q1 2020 Sales and Results

Madrid, 14th May 2020

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	Income Statements	Reclasification according to the Financial Statements	Financial expenses for means of payment	Oursourcing	Assets Disposal	Claims, severance payments and other non recurring	P&L according to the Financial Statements	
APM Total revenues	352.7	(352.7)	-	-	-	-		
Revenues	-	349.1	-	-	0.8	0.2	350.1	Revenues
Other operating income	-	2.4	-	-	-	-	2.4	Other operating income
APM TOTAL REVENUES	**352.7**	**(1.2)**	**-**	**-**	**0.8**	**0.2**	**352.4**	
Net gains on disposal of non-current assets	-	-	-	-	2.8	-	2.8	Net gains on disposal of non-current assets
APM Staff Cost	(133.6)	-	-	29.3	-	-	(106.0)	Staff costs
APM Operating expenses	(114.1)	(2.9)	4.2	(29.3)	-	(0.2)	(140.5)	Other operating expenses
Procurements	-	(17.4)	-	-	-	-	(17.4)	Procurements
APM GROSS OPERATING PROFIT	**105.0**	**(21.5)**	**4.2**	**-**	**3.7**	**-**	**91.4**	
APM Lease payments and property taxes	(21.5)	21.5	-	-	-	-	-	
APM EBITDA	**83.5**	**-**	**4.2**	**-**	**3.7**	**-**	**91.4**	
Net Profits/(Losses) from asset impairment	-	0.6	-	-	-	-	0.6	Net Profits/(Losses) from asset impairment
APM Depreciation	(71.0)	(0.7)	-	-	-	-	(71.6)	Depreciation and amortisation charges
APM EBIT	**12.5**	**-**	**4.2**	**-**	**3.7**	**-**	**20.4**	
Gains on financial assets and liabilities and liabilities and other	-	-	-	-	-	-	-	Gains on financial assets and liabilities and other
APM Interest expense	(28.0)	(0.5)	(4.2)	-	-	-	(32.7)	Finance costs
Finance Income	-	0.4	-	-	-	-	0.4	Finance income
Change in fair value of financial instruments	-	-	-	-	-	-	0.0	Change in fair value of financial instruments
Net exchange differences (Income/(Expense))	-	-	-	-	-	-	(0.0)	Net exchange differences (Income/(Expemse))
APM Income from minority equity interests	0.1	-	-	-	-	-	0.1	Profit (loss) from companies accounted for using the equity method
APM EBT	**(15.4)**	**0.0**	**-**	**-**	**3.7**	**-**	**(11.7)**	**Profit (loss) before tax from continuing operations**
APM Corporate Income Tax	(0.8)	(0.8)	-	-	-	-	(1.6)	Income tax
APM Net Income before minorities	**(16.2)**	**(0.8)**	**-**	**-**	**3.7**	**-**	**(13.3)**	**Profit for the financial year - continuing**
Profit/ (Loss) for the year from discontinued operations net of tax	-	(0.3)	-	-	-	-	(0.3)	Profit (loss) for the year form discontinued operations net of tax
APM NET INCOME before minorities	**(16.2)**	**(1.1)**	**-**	**-**	**3.7**	**-**	**(13.7)**	**Profit for the financial year - continuing**
APM Minority interests	(1.1)	0.0	-	-	-	-	(1.1)	Non-controlling interests
APM Net Recurring Income	**(17.3)**	**(1.1)**	**-**	**-**	**3.7**	**-**	**(14.7)**	**Profits for the year attibutable to Parent Company Shareholders**
APM Non Recurring EBITDA	3.7	-	-	-	(3.7)	-		
APM Other Non Recurring items	(1.1)	1.1	-	-	-	-		
APM NET INCOME including Non-Recurring	**(14.7)**	**-**	**-**	**-**	**-**	**-**	**(14.7)**	**Profits for the year attibutable to Parent Company Shareholders**

III. DEBT AND STATEMENT OF CASH FLOWS AS AT 31 MARCH 2020 AND 31 DECEMBER 2019

III.1 Debt presented in the earnings report of 3 months of 2020.

As of 31/03/2020 Data in Euro million	Maximum Available	Availability	Drawn	Maturities Year 1	Year 2	Year 3	Year 4	Year 5	
Mortgage loans	**25,630**	**-**	**25,630**	**2,436**	**2,418**	**2,021**	**5,728**	**1,240**	**11,786**
Fixed rate	21,576	-	21,576	1,301	1,366	1,408	5,106	609	11,786
Variable rate	4,054	-	4,054	1,136	1,052	613	622	632	-
Subordinated loans	**40,000**	**-**	**40,000**	**-**	**-**	**-**	**-**	**-**	**40,000**
Variable rate	40,000	-	40,000	-	-	-	-	-	40,000
Guaranteed senior notes mat. in 2023	**356,850**	**-**	**356,850**	**-**	**-**	**-**	**356,850**	**-**	**-**
Fixed rate	356,850	-	356,850	-	-		356,850	-	-
Unsecured loans	**46,617**	**-**	**46,617**	**581**	**141**	**141**	**45,754**	**-**	**-**
Variable rate	46,617	-	46,617	581	141	141	45,754	-	-
Secured credit line	**250,000**	**-**	**250,000**		**250,000**	**-**	**-**	**-**	**-**
Variable rate	250,000	-	250,000		250,000	-	-	-	-
Credit lines	**53,500**	**28,955**	**24,545**	**24,545**	**-**	**-**	**-**	**-**	**-**
Variabel rate	53,500	28,955	24,545	24,545	-	-	-	-	-
Borrowing at 31/03/2020	**772,597**	**28,955**	**743,643**	**27,562**	**252,559**	**2,162**	**408,333**	**1,240**	**51,786**
Arrangement expenses	(9,912)		a (9,912)	(2,976)	(2,730)	(2,493)	(1,332)	(30)	(349)
IFRS 9	(5,277)		b (5,277)	(1,298)	(1,455)	(1,634)	(890)	-	-
Accrued interests	7,434		c 7,434	7,434	-	-	-	-	-
Adjusted total debt at 31/03/2020	**764,842**	**28,955**	**735,888**	**30,723**	**248,373**	**(1,965)**	**406,111**	**1,210**	**51,437**
Adjusted total debt at 31/12/2019	**761,694**	**306,095**	**455,599**	**-**	**3,252**	**(1,664)**	**(1,816)**	**401,419**	**54,408**

III.2 Statement of cash flows included in the earnings report of 3 months of 2020.

Net financial debt as at 31 March 2020 and 31 December 2019 has been obtained from the consolidated balance sheet at 31 March 2020 and from the consolidated financial statements for 31 December 2019 and is as follows:

	31/03/2020	31/12/2019	VAR.
Debt instruments and other marketable securities according to financial statements	346,782	345,652	
Bank borrowings according to financial statements	358,380	106,695	
Bank borrowings and debt instruments ans other marketable securities according to financial statements	**705,162**	**452,347**	
Debt instruments and other marketable securities according to financial statements	3,173	141	
Bank borrowings according to financial statements	27,553	3,111	
Bank borrowings and debt instruments ans other marketable securities according to financial statements	**30,726**	**3,252**	
Total Bank borrowings and debt instruments ans other marketable securities according to financial statements	**735,888**	**455,599**	
Arrangement expenses	a 9,912	10,628	
IFRS 9	b 5,277	5,573	
Borrowing costs	c (7,434)	(3,855)	
APM Gross debt	**743,643**	**467,944**	
Cash and cash equivalents according to financial statements	(489,151)	(289,345)	
APM Net Debt	B **254,492**	A**178,599**	**75,893**
Liabilities for operating leases (Current and non current)	2,151,252	2,067,369	
APM Net with Debt IFRS 16	**2,405,744**	**2,245,968**	**159,776**

The following chart reconciles the change in net financial debt shown in the earnings report of 3 months of 2020:

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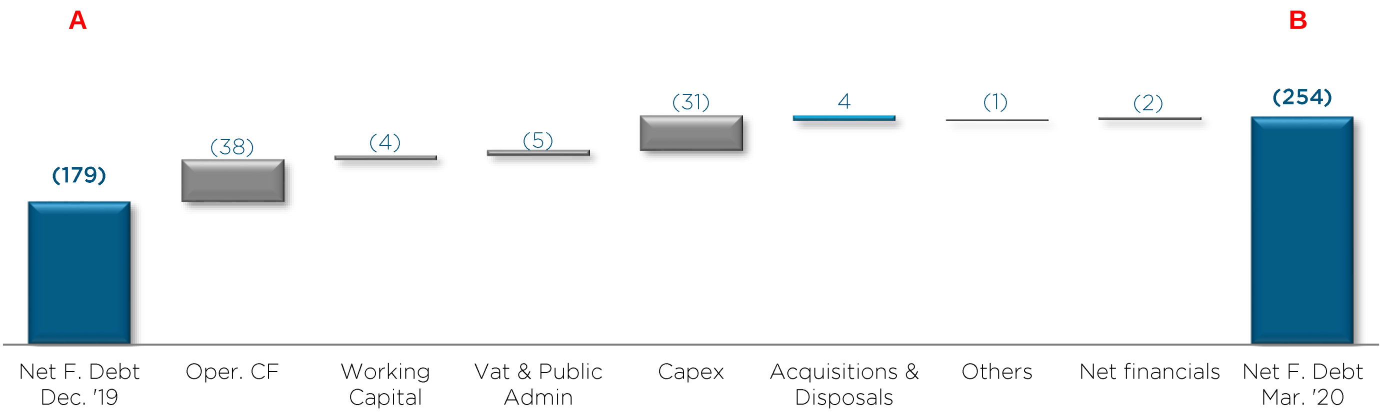
Net Financial Debt Evolution 3M 2020



To do so, it has been taken each heading from the statement of cash flows in the financial statements as at 31 March 2020 and shown the grouping:

	Oper. CF	Working capital	VAT & Public Admin	Capex	Acquistions & Disposals	Others	Net Financials	Total
Total	37.8	3.8	4.7	31.1	(4.3)	0.9	2.0	75.9
Adjusted profit (loss)	(26.9)							(26.9)
Income tax paid	(5.1)							(5.1)
Financial expenses for means of payments	(3.5)							(3.5)
(Increase)/Decrease in inventories		0.8						0.8
(Increase)/Decrease in trade debtors and other accounts receivable		31.7						31.7
(Increase)/Decrease in trade payables		(36.4)						(36.4)
(Increase)/Decrease in VAT & public Administration			(4.7)					(4.7)
Tangible and intangible assets and investments in property				(31.1)				(31.1)
Group companies, join ventures and associates					4.3			4.3
(Increase)/Decrease in current assets						(0.4)		(0.4)
(Increase)/Decrease in provision for contingencies and expenses						(2.3)		(2.3)
Exchange rates variation on cash or equivalents						1.1		1.1
Increase/(Decrease) in other non current assets and liabilities and others						0.6		0.6
Interests paid in debts and other interests (without means of payments)							(1.3)	(1.3)
Dividends paid							(0.8)	(0.8)
Finance Income							0.1	0.1

All of the aforementioned information has been obtained from the condensed consolidated statement of cash flows from 31 March 2020 which we include at the beginning of this appendix.

The aforementioned APMs have been defined and used from the standpoint of analysing the management of the business and the sector; the measures arising from the financial statements can be interpreted and are directly comparable to those of other groups in the sector and, therefore, APMs are not more relevant than the financial statements themselves. The earnings report, which includes the aforementioned APMs, is published at the end of each quarter to provide periodic information on the business' evolution and management to investors and analysts. In addition, half-yearly and annual financial statements are published complying with the filing requirements established in the applicable accounting regulations.

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Appendix II: Portfolio changes & Current portfolio

Openings and Exits

Hotels opened from 1st January to 31st March 2020

Hotels	City / Country	Contract	# Rooms
nhow London	London / United Kingdom	Management	190
nhow Amsterdam RAI	Amsterdam / The Netherlands	Leased	650
NH Collection Palazzo Verona	Verona / Italia	Leased	70
TOTAL OPENINGS			**910**

Hotels exiting from 1st January to 31st March 2019

Hotels	City / Country	Month	Contract	# Rooms
NH La Maquinista	Barcelona / Spain	January	Leased	92
Breathless Punta Cana	Punta Cana / Dominican Republic	January	Management	750
NH Punta Cana	Punta Cana / Dominican Republic	January	Management	66
Now Garden Punta Cana	Punta Cana / Dominican Republic	January	Management	180
Now Larimar Punta Cana	Punta Cana / Dominican Republic	January	Management	540
Now Onyx Punta Cana	Punta Cana / Dominican Republic	January	Management	502
Secrets Royal Beach Punta Cana	Punta Cana / Dominican Republic	January	Management	465
NH Viapol	Seville / Spain	March	Leased	96
TOTAL EXITS				**2,691**

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HOTELS OPENED BY COUNTRY AT 31ST MARCH 2020

Business Unit	Country	TOTAL		Leased			Owned		Management		Franchised	
		Hotels	Rooms	Call Option	Hotels	Rooms	Hotels	Rooms	Hotels	Rooms	Hotels	Rooms
BU Benelux	Belgium	14	2,314		6	1,197	8	1,117				
	Luxembourg	1	148				1	148				
	The Netherlands	36	7,432	2	21	4,012	14	2,969	1	451		
	United Kingdom	2	311		1	121			1	190		
	Ireland	1	187		1	187						
BU Benelux		**54**	**10,392**	**2**	**29**	**5,517**	**23**	**4,234**	**2**	**641**		
BU Central Europe	Austria	7	1,340	1	7	1,340						
	Czech Republic	3	581						3	581		
	Germany	56	10,425	3	51	9,425	5	1,000				
	Hungary	1	160		1	160						
	Poland	1	93								1	93
	Romania	2	159		1	83			1	76		
	Slovakia	1	117						1	117		
	Switzerland	3	382		2	260					1	122
BU Central Europe		**74**	**13,257**	**4**	**62**	**11,268**	**5**	**1,000**	**5**	**774**	**2**	**215**
BU Italy	Italy	53	8,017	1	37	5,656	13	1,872	3	489		
BU Italy		**53**	**8,017**	**1**	**37**	**5,656**	**13**	**1,872**	**3**	**489**		
BU Spain	Andorra	1	60						1	60		
	Spain	100	12,193		70	8,685	13	1,977	12	1,139	5	392
	Portugal	17	2,809		5	854			11	1,899	1	56
	France	5	871		4	721			1	150		
	USA	1	242				1	242				
BU Spain		**124**	**16,175**		**79**	**10,260**	**14**	**2,219**	**25**	**3,248**	**6**	**448**
BU America	Argentina	15	2,144				12	1,524	3	620		
	Brasil	1	180		1	180						
	Colombia	13	1,355		13	1,355						
	Cuba	2	251						2	251		
	Chile	5	583				4	498	1	85		
	Ecuador	1	124		1	124						
	Haiti	1	72						1	72		
	Mexico	18	2,814		7	993	4	685	7	1,136		
	Uruguay	1	136				1	136				
BU America		**57**	**7,659**		**22**	**2,652**	**21**	**2,843**	**14**	**2,164**		
TOTAL OPEN		**362**	**55,500**	**7**	**229**	**35,353**	**76**	**12,168**	**49**	**7,316**	**8**	**663**

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SIGNED PROJECTS AS OF 31ST MARCH 2020

After the latest negotiations and cancellation of signed projects, the following hotels and rooms are still to be opened:

Business Unit	Country	TOTAL		Leased		Management	
		Hotels	Rooms	Hotels	Rooms	Hotels	Rooms
BU Central Europe	Czech Republic	1	152	1	152		
	Germany	5	1,292	5	1,292		
	Hungary	2	323	2	323		
BU Central Europe		**8**	**1,767**	**8**	**1,767**		
BU Italy	Italy	9	1,097	8	955	1	142
BU Italy		**9**	**1,097**	**8**	**955**	**1**	**142**
BU Spain	Spain	3	170	2	127	1	43
	Portugal	1	150			1	150
	France	1	152	1	152		
BU Spain		**5**	**472**	**3**	**279**	**2**	**193**
BU America	Chile	2	281			2	281
	Mexico	4	489	1	120	3	369
	Panama	1	83			1	83
	Peru	2	429			2	429
BU America		**9**	**1,282**	**1**	**120**	**8**	**1,162**
TOTAL SIGNED		**31**	**4,618**	**20**	**3,121**	**11**	**1,497**

Details of committed investment for the hotels indicated above by year of execution :

	2020	2021
Expected Investment (€ millions)	6.9	17.2

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