

In compliance with the provisions of Article 227 of the Securities Market Act, approved by Royal Legislative Decree 4/2015, of 23 October, and its complementary regulations, NH Hotel Group, S.A. (hereinafter, “**NH Hotel Group**” or the “**Company**”) hereby notifies the National Securities Market Commission (*Comisión Nacional del Mercado de Valores*)

## OTHER RELEVANT INFORMATION

The Board of Directors held today, has approved, among others, the following agreements:

1. Draw up of the individual and consolidated Annual Accounts and the Director’s Report of the Company, including the report of non-financial information, related to fiscal year 2020, that have been duly submitted to the Stock Market Commission (CNMV), together with the Audit report.
2. Approval of the Annual Corporate Governance Report and the Annual Directors’ Remuneration Report of the Company related to fiscal year 2020, that have been duly submitted to the CNMV.

The Company encloses Press Release, Presentation of Results and Investor’s Presentation, as well as conference call dial in for the conference regarding results presentation.

Madrid, 24 February 2021

Carlos Ulecia Palacios  
General Counsel

-2020 results-

## **COST CONTROL AT NH HOTEL GROUP KEPT RECURRING LOSSES AT €371 MILLION DESPITE THE €1.18 BILLION REVENUE DROP**

- **Operating expenses, excluding lease expenses, were cut by 49%, from €1.07 billion in 2019 to just €549 million in 2020.**
- **The Group's flexible structure enabled it to reopen as many as 80% of its hotels in the third quarter, although that figure fell back to 60% by the end of the year due to the new restrictions imposed to curb the second wave.**
- **The cash shield put in place meant the Group ended the year with €346 million of available liquidity while the monthly net operating cash drain averaged €28 million.**
- **Net debt increased to €685 million in 2020, and no relevant debt maturities until 2023.**
- **“The top priority is to guarantee the Group's sustainability as that is the only valid outcome for our professionals, guests, suppliers, creditors and shareholders”.**

**Madrid, 24 February 2021.** NH Hotel Group reported revenue of €539.7 million in 2020, compared to €1.72 billion in 2019, a year-on-year decline of 68.6%, or €1.18 billion. The contingency plan rolled out by the Company from the onset of the pandemic, focused on cash preservation and cost control, successfully mitigated 60% of the impact of the drastic revenue drop at net result. Specifically, recurring operating expenses declined from €1.07 billion to just €549 million in 2020, a reduction of 48.6%. Thanks to that effort, complemented by agile and flexible reopenings, the Group was able to partially cushion the impact of the pandemic on its financial statements, reporting a net recurring loss of €371 million in 2020.

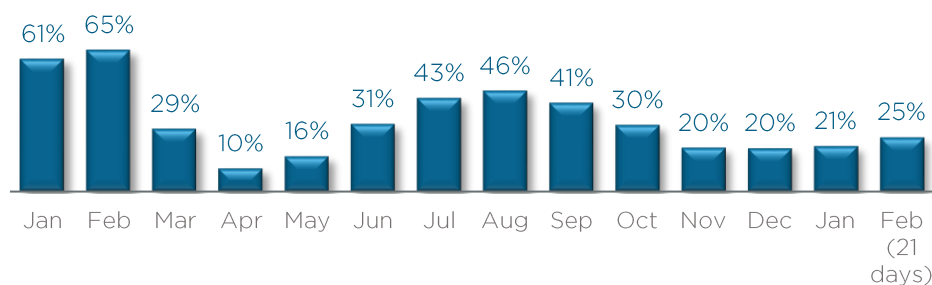
According to Ramón Aragonés, CEO of NH Hotel Group, *“the managerial and cost control efforts made have enabled us to withstand the worst year in our history. We have taken all of the measures needed to get this far and we will continue to implement as many as are necessary to overcome the current situation. Safeguarding liquidity and controlling costs remain the cornerstones of our pandemic strategy. The top priority is to guarantee the sustainability of the Group and its brands as that is the only valid outcome for our professionals, guests, suppliers, creditors and shareholders”.*

NH Group took cost control to an extreme in 2020, renegotiating leases (an effort that translated into a cumulative saving in fixed rents of €63.6 million in 2020, equivalent to a 25% reduction) and reducing staff costs (with an annual decrease of 46.7% as a consequence of the temporary labour adjustment measures and short hour arrangements and pay cuts). The Group's flexible structure is one of its competitive advantages, that enabled to quickly reopen over 300 hotels from June in order to tap the demand from domestic travellers. As many as 80% of its establishments managed to reopen during the third quarter. Due to the impact of the second wave, which ushered in new confinements and mobility restrictions after the summer, many hotels were forced to close once again, with the percentage of hotels open falling back to 60% by the end of the year. By quarter,

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revenue amounted to €279 million in the first quarter, €30 million in the second quarter, €148 million in the third quarter and €82 million in the fourth.

### Occupancy at hotels open in Europe (owned and leased)



Occupancy across the overall portfolio, including the hotels that had to close, fell to 25% in 2020, a record low and down drastically from 71.6% in 2019. Following the widespread closures of the second quarter, occupancy recovered to 30.8% in the third quarter but fell back to 16.9% in the fourth quarter. Those scant occupancy levels also drove revenue per available room (RevPar) 72.2% lower. Cost-cutting was decisive in curtailing the impact on operating profit before lease expense with NH reporting a loss at that level of just €9.6 million in 2020.

### CONSOLIDATED STATEMENT OF PROFIT OR LOSS

(€ million)	12M 2020	12M 2019	Var. 12M	
	Reported	Reported	Reported	
	€ m.	€ m.	€ m.	%
<b>TOTAL REVENUES</b>	<b>539,7</b>	<b>1.718,3</b>	<b>(1.178,5)</b>	<b>(68,6%)</b>
Staff Cost	(306,4)	(574,9)	268,4	(46,7%)
Operating expenses	(242,9)	(493,9)	251,0	(50,8%)
<b>GROSS OPERATING PROFIT</b>	<b>(9,6)</b>	<b>649,5</b>	<b>(659,1)</b>	<b>N/A</b>
Lease payments and property taxes	14,3	(98,1)	112,4	N/A
<b>RECURRING EBITDA</b>	<b>4,6</b>	<b>551,4</b>	<b>(546,8)</b>	<b>(99,2%)</b>
Margin % of Revenues	0,9%	32,1%	-	-31,2 p.p.
Depreciation	(112,3)	(116,6)	4,3	(3,7%)
Depreciation IFRS	(184,6)	(180,9)	(3,7)	2,1%
<b>EBIT</b>	<b>(292,2)</b>	<b>253,9</b>	<b>(546,1)</b>	<b>N/A</b>
Net Interest expenses	(35,9)	(24,5)	(11,5)	(46,8%)
IFRS Financial expenses	(94,1)	(89,6)	(4,5)	(5,0%)
Income from minority equity interests	(7,5)	0,0	(7,5)	N/A
<b>EBT</b>	<b>(429,7)</b>	<b>139,8</b>	<b>(569,6)</b>	<b>N/A</b>
Corporate income tax	55,5	(33,7)	89,2	N/A
<b>NET INCOME before minorities</b>	<b>(374,2)</b>	<b>106,1</b>	<b>(480,4)</b>	<b>N/A</b>
Minority interests	3,2	(2,9)	6,2	N/A
<b>NET RECURRING INCOME</b>	<b>(371,0)</b>	<b>103,2</b>	<b>(474,2)</b>	<b>N/A</b>
Non Recurring EBITDA <sup>(1)</sup>	(8,7)	6,2	(14,9)	N/A
Other Non Recurring items <sup>(2)</sup>	(57,5)	(19,5)	(38,0)	N/A
<b>NET INCOME including Non-Recurring</b>	<b>(437,2)</b>	<b>90,0</b>	<b>(527,1)</b>	<b>N/A</b>

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The Group also prioritised to reinforce and protect liquidity, keeping net operating cash outflows at a monthly average of €28 million. Thanks to that two-fold effort, the Group ended 2020 with an available liquidity of €346 million. NH ended the year with net debt of €685 million, a year-on-year increase of €507 million.

The extension of the maturity on the €236 million syndicated revolving credit facility until 2023 means the Group faces no significant debt maturities until that year. In addition, compliance with the financial covenants on that facility, and on the €250 million state-backed loan, has been waived until the December 2021 assessment.

In the financial report submitted to the market regulator, NH noted that its flexible operating structure, coupled with the cost control and financial resilience demonstrated in 2020 “are reassuring” in terms of overcoming the significant challenges of the first half of 2021, with demand still severely affected by the pandemic. Against that backdrop, the Group underscored that the stringent cost control and efficiency measures rolled out in response to the pandemic will be left in place to protect the business and capital expenditure will remain limited for all of 2021 and in the mid-term, take advantage from its high brand recognition, excellent locations and compelling market positioning once the recovery begins in earnest.

### **Business units**

By business unit, revenue in Spain contracted by 68.7%, with Barcelona (-79.4%) and Madrid (-72.9%) affected more than the secondary cities (-63.4%). Operating expenses were cut by 48.3%, thanks above all to the efficiency measures in place since March. Revenue per available room declined by 71.5%, and occupancy fell by 62.1%.

In the Italian business unit, occupancy declined by 68.2%, while revenue contracted by 74.0%, with Rome (-77.9%) and Milan (-78.1%) similarly hit harder than the secondary cities (-71.0%). Operating expenses declined by 54.5%.

In Benelux, occupancy fell by 65.9%, with Amsterdam (-77.8%) and Brussels (-73.5%) affected more severely than the secondary Dutch destinations (-62.6%). Revenue in that market decreased by 69.8%, while operating expenses were cut by half by comparison with 2019.

In Central Europe, revenue was 64.5% lower and occupancy was down 61.7%. Munich and Frankfurt were the hardest hit cities, partly shaped by strong performances in 2019. Operating expenses declined by 43.1%.

In the Americas, occupancy declined by 70.6% in 2020. Revenue contracted by 75.9% in Argentina, 69.3% in Colombia and Chile and 65.1% in Mexico (all in local currency terms).

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## About NH Hotel Group

NH Hotel Group is a consolidated multinational player and a benchmark urban hotel operator in Europe and the Americas, where it runs more than 360 hotels. In 2019, the Company is working with Minor Hotels on integrating all of its hotel trademarks under a single corporate umbrella brand with a presence in over 50 countries worldwide. A portfolio of over 500 hotels has been articulated around eight brands - NH Hotels, NH Collection, nhow, Tivoli, Anantara, Avani, Elewana and Oaks - to forge a broad and diverse range of hotel propositions in touch with the needs and desires of today's world travellers.

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# 2020 RESULTS PRESENTATION

24<sup>th</sup> of February 2021

nhow Amsterdam RAI, The Netherlands

**nh** | HOTEL GROUP PART OF MINOR  
HOTELS

**nh**  
HOTELS

**nh** COLLECTION  
HOTELS

**nhow**  
HOTELS

**TIVOLI**  
HOTELS & RESORTS

**ANANTARA**  
HOTELS & RESORTS

**AVANI**  
HOTELS & RESORTS

**elewana**  
COLLECTION

**AKS**  
HOTELS

# Message from the CEO

*“Dear Shareholders,*

*The hospitality sector has faced an unprecedented environment in 2020 due to the severe impact of COVID-19. **The appropriate operating and financial transformation achieved in previous years together with the severe contingency measures implemented** have allowed the Group to address this extraordinary complex year and guarantee business sustainability.*

***Our flexible operating structure is a competitive advantage and has endorsed the swift reopening of more than 300 hotels since June, reaching 80% of the portfolio open by end of August, but due to further lockdowns and travel restrictions after summer, the % of hotels open as of December declined to c.60%.***

*The uncertain environment has required to **minimize the fixed cost base**. The tremendous effort on cost control has allowed to report an **almost breakeven result at Operating Profit before rents (EBITDAR)**. Excluding perimeter changes, payroll decreased -48%, other operating expenses -53% and rents -25% (€64m of fixed rent concessions achieved since April). This discipline has allowed to **offset 60% of the revenue fall at Net Recurring Income level**, implying that the **€1.2 billion drop in revenues (-69%) has triggered a decline of -€474m in the bottom line compared to 2019, reporting a Net Recurring Loss of -€371m in 2020**. The Group continues protecting the business with strict control and efficiency measures.*

*The financial resilience during 2020 has been proved with the **liquidity protection and reinforcement**. Excluding financial expenses, debt movements and net investments, average **operating cash burn per month has been €28m in the year**. The Group ended 2020 with an **available liquidity of €346m and Net Financial Debt increased by c.€500m** (from €179m in 2019 to €685m in 2020). Moreover, the maturity extension of the syndicated RCF allows to face **no relevant debt maturities until 2023, financial covenants are waived till December 2021** and capex investments will continue minimized during 2021.*

*Although **demand continues to be severely affected during the start of the year**, the flexible operating structure and financial resilience confirmed during 2020, give us the **confidence to overcome the short-term challenges of the first months of 2021 and lever on our strong brands and market positioning to drive the steep recovery in the mid-term**”.*

Ramón Aragonés  
CEO, NH Hotel Group

# Contingency Plan offset 50% of revenue drop in EBITDA<sup>(1)</sup>

- **In the last 9 months since April**, cost base has been minimized due to strict control and efficiencies:
  - **Non-Rent Cost -60.6%**
  - **Cost including rents -51.8%**
    - Excluding perimeter changes, the decrease in total rents amounted to +€81.4m or -31.8%, explained by the +€63.6m fixed rent concessions achieved since April and lower variable rents

€ million (9M variation YoY)	9M VARIATION YoY	
	Q2 + Q3 + Q4 2020	
	€m.	%.
<b>TOTAL REVENUES</b>	<b>(1,105.2)</b>	<b>-80.9%</b>
Staff Cost	261.0	-59.1%
Operating expenses	237.0	-62.4%
<b>TOTAL OPERATIONAL COSTS EXCL. RENTS</b>	<b>498.0</b>	<b>-60.6%</b>
Lease payments and property taxes <sup>(1)</sup>	68.2	-25.1%
<b>TOTAL COSTS <sup>(1)</sup></b>	<b>566.1</b>	<b>-51.8%</b>
<b>RECURRING EBITDA <sup>(1)</sup></b>	<b>(539.1)</b>	<b>N/A</b>
<b>CONVERSION RATE OF REVENUE DROP TO EBITDA <sup>(1)</sup></b>	<b>49%</b>	

**c.50% of revenue drop offset at EBITDA<sup>(1)</sup> level by cost reduction**

<b>Payroll</b>	▪ Downsized workforce by means of furloughs, shorter working hours and wage cuts extended until mid-2021
<b>Leases</b>	▪ Negotiations with landlords for temporary rent reductions

(1) Excludes IFRS 16 impacts



# Focus on preserving liquidity without relevant maturities until 2023

In addition to the c.€100m capex investments cancelation or postponement and 2019 fiscal year dividend withdrawal representing €59m, the following measures have been implemented to protect liquidity during 2020

## ▪ H1 2020:

- Drawn of RCF (€250m) and short-term bilateral credit (€17m as of Dec. 2020)
- New long-term financing of €250m: 3-year unsecured syndicated loan with ICO guarantee up to 70%
- RCF financial covenants waiver for June and December 2020 testing
- New bilateral unsecured loans raised in different countries, most of them with government guarantee, amounting €39.1m as of Dec. 2020

## ▪ H2 2020:

- Agreement reached to extend the maturity of the €236m RCF from September 2021 to March 2023 (original amount €250m)
- New financial covenants waiver agreement: next testing with December 2021 closing of accounts for both the RCF and the unsecured ICO loan

	Liquidity as of 31 <sup>st</sup> Dec.
Cash	€321m
Available credit lines	€25m

**Available liquidity**  
**€346m**

Financial Debt Detail		
	31/12/2019	31/12/2020
Instrument	€m	€m
High Yield Bond 2023	(356.9)	(356.9)
Other secured Loans	(27.8)	(26.3)
ICO Syndicated Loan	0	(250.0)
Subordinated	(40.0)	(40.0)
Bilateral Unsecured Loans	(1.3)	(39.1)
NY Madison CAPEX	(41.9)	(40.7)
RCF	0	(236.0)
Credit Lines	0	(17.0)
<b>Total Gross Financial Debt</b>	<b>(467.9)</b>	<b>(1,006.0)</b>
<b>Cash &amp; Equivalents</b>	<b>289.3</b>	<b>320.9</b>
<b>Total Net Financial Debt</b>	<b>(178.6)</b>	<b>(685.2)</b>

Net Debt Variation : +€506.6M

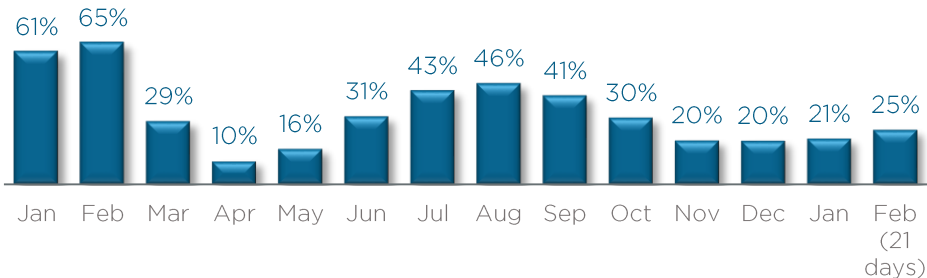
## Reopening

- **Agile reopening in Europe since June**
- The reopening was progressive **according to demand and with a focus on optimizing profitability**
  - Minimum revenue level to achieve a profitability improvement with low incremental fixed cost
- **As of 30<sup>th</sup> September, c.80% of the portfolio was open**
- Since October, several hotels closed again due to the second wave in Europe with further lockdowns and travel restrictions
- **The % of hotels open as of December declined to c.60%**

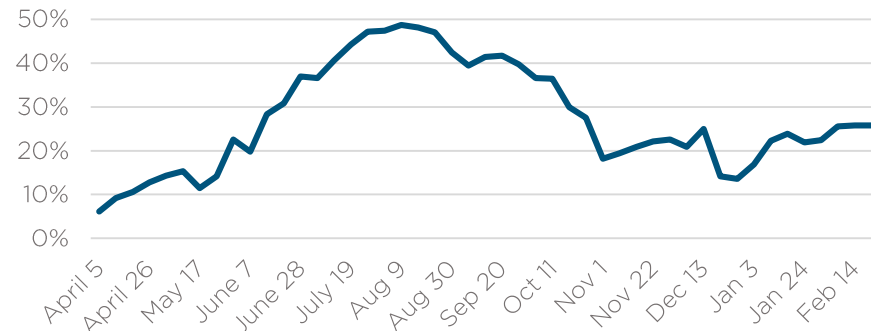
## Recovery

- The Group will benefit from:
  - **Strong market positioning** in the European countries
  - **Excellent locations and high brand awareness**
  - **High domestic demand** (2019: Germany 70%; Spain 60%; Italy and Benelux 50%)
- Recovery phase **driven initially by:**
  - **Domestic + intra-European demand** (2019: c.70-75%), as international mobility remains low
  - **B2C segment (c.60-70%)**. B2B (c.30-40%) will take longer to recover due to macro and initial lower size of events

Occupancy (European open hotels)



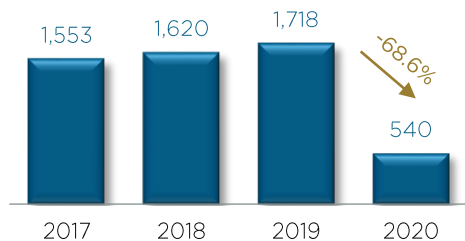
Weekly Occupancy trend (European open owned & leased hotels)



263	261	42	16	46	181	208	213	221	216	165	149	147	153
# hotels (owned & leased)													

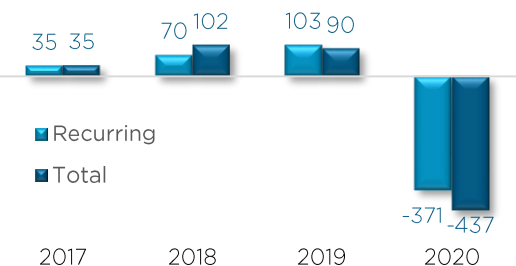
# Key Financial Indicators: 2017-2020

## Revenues (€m)



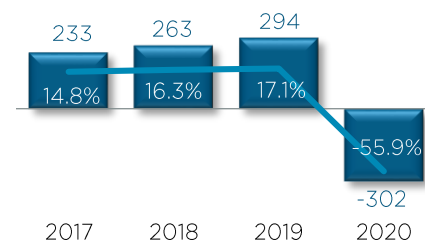
- In 2020 revenue fell -68.6% (-€1,179m) reaching €540m

## Net Income (€m)



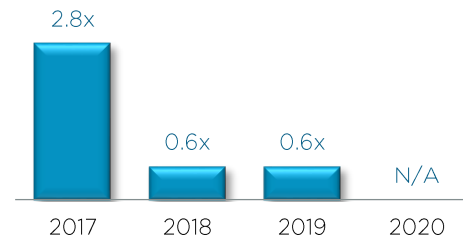
- Recurring Net Income in 2020 declined -€474 (from €103m in 2019 to -€371m in 2020). 60% of revenue fall has been compensated
- Non-recurring activity in 2020 (-€66m) is mainly explained by the impairment provision

## Recurring EBITDA<sup>(1)</sup> (€m) % margin



- Almost -€600m EBITDA drop in 2020, despite the relevant cost reduction offsetting 50% of revenue fall

## Net Financial Debt / Recurring EBITDA<sup>(1)</sup>



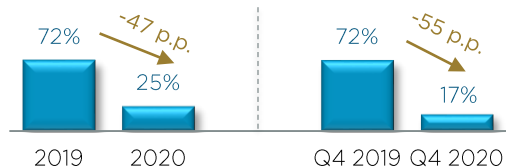
- Net Financial Debt increased +€506 in 2020, from €179m in 2019 to €685m in 2020
- Gross financial debt of €1,006m with a cash position of €321m on 31<sup>st</sup> December 2020. Available liquidity €346m

<sup>(1)</sup> Recurring EBITDA before onerous reversal and capital gains from asset disposals excludes IFRS 16 impacts for comparison purposes

# Extremely low demand since March

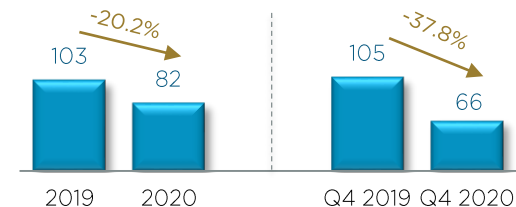
## Occupancy (%)

- 2020: -65.1% fall in activity (-46.6 p.p.) to 25.0%, explained by the closure of the portfolio in Q2 and the lower occupancy in Q4 (17%) compared to Q3 (31%)
- Q4: activity fell -76.3% (-54.6 p.p.) to 16.9% (c.25% occupancy in the open hotels) due to the impact of the second wave since September



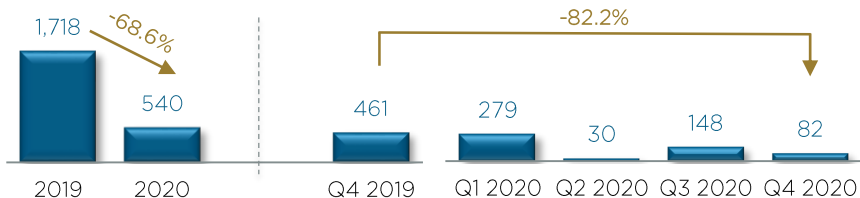
## ADR (€)

- 2020: -20.2% drop in prices (-€20.7) reaching €82 due to the scarcity of ADR driven events since Q2
- Q4: ADR fell -37.8% (-€39.8) reaching €66 due to the lower demand and different business mix with absent B2B demand



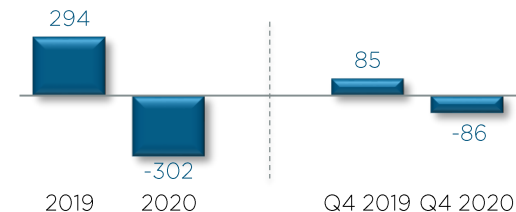
## Revenues (€m)

- 2020: €540m (-€1,179m revenue decline; -68.6%)
- Q4: €82m (-82.2%) compared €148m in Q3 due to further lockdowns, travel restrictions and closing of hotels



## Recurring EBITDA<sup>(1)</sup> (€m; excluding IFRS 16)

- 2020: Reached -€302m, a fall of -€596m, despite the relevant cost reduction offsetting 50% of revenue fall
- Q4: -€171m drop reaching -€86m (55% of revenue fall offset by the -55% reduction of total cost including rents)



<sup>(1)</sup> Recurring EBITDA excludes IFRS 16 impacts

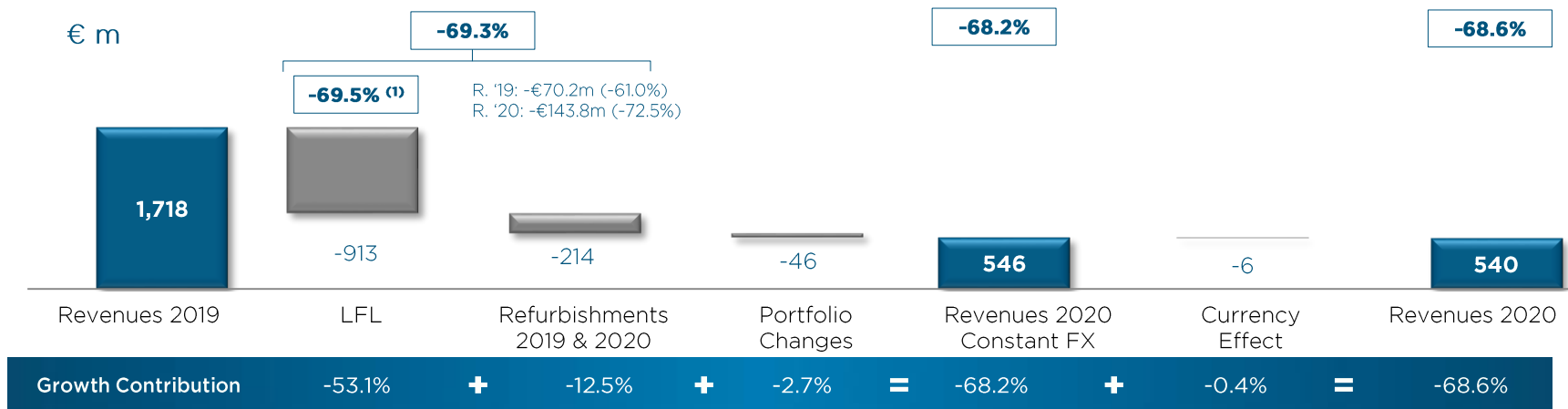
# Revenue evolution in 2020 severely impacted since March

## ▪ Total Revenue declined -68.6% or -€1,179m to €540m

- Revenue Like for Like (“LFL”): -69.5% with constant FX (-69.9% reported):
  - Severe decline in Europe of -69.5%: Italy (-74.7%), Spain (-70.2%), Benelux (-69.2%) and Central Europe (-65.4%)
- Including the refurbished hotels, LFL&R fell -69.3% with constant FX (-69.7% reported) also affected by the opportunity cost of 2020 renovations
- Perimeter changes contributed with -€46m including the revenue loss of hotels exiting the portfolio (-€30m) during 2019 and 2020 and despite the entries of the period, mainly Tivoli portfolio integration, Roma Fori Imperiali, nhow Amsterdam RAI, Anantara The Marker Dublin and Boscolo portfolio since September

Revenue Split	Var. 2020
Available Rooms	+3.5%
RevPAR	-72.2%
Room Revenue	-71.2%
Other Revenue	-62.8%
<b>Total Hotel Revenue</b>	<b>-68.9%</b>
Non-Hotel Revenue*	-€7.7m
<b>Total Revenue</b>	<b>-68.6%</b>

\* Other + Capex Payroll Capitalization



<sup>(1)</sup> On its 2019 own base. With real exchange rate growth is -69.9%

# RevPAR decrease on historical low occupancy in all markets

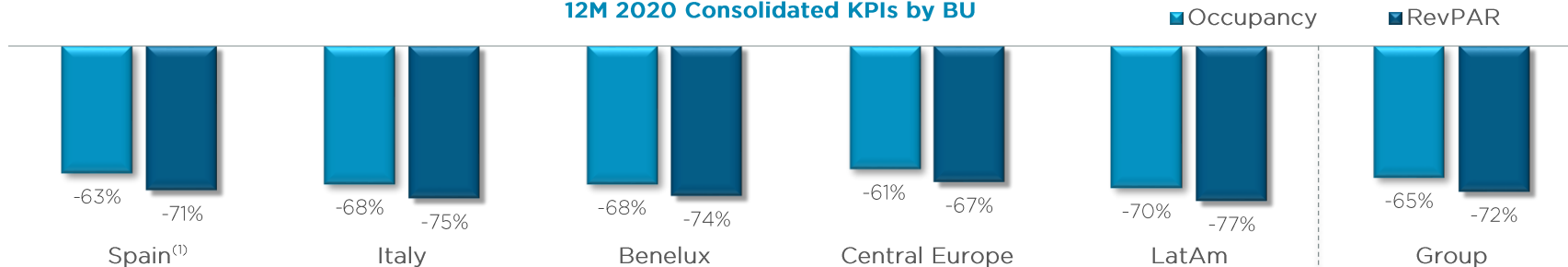
## RevPAR decrease of -72% in 12M 2020

- All regions reported negative RevPAR fully explained by lower activity since March. RevPAR decrease in Central Europe (-67%), Spain (-71%), Benelux (-74%), Italy (-75%) and LatAm (-77%)
- Occupancy: fell -65% or -46.6 p.p. to 25.0% (71.6% in 12M 2019). Historical low demand in all regions
- ADR: -20.2% drop in prices (-€20.7) reaching €81.9 due to the different business mix with absent B2B demand and ADR driven events

## LFL RevPAR performance by region (excluding reforms): lower drop in secondary cities

- Spain (-72%): activity declined since the State of Emergency in March. Barcelona -81%, Madrid -75% and secondary cities -65%
- Italy (-76%): negatively impacted since mid of February. Milan -79%, Rome -80% and secondary cities -73%
- Benelux (-72%): Brussels -73%, Amsterdam -78%, congress centres hotels (-74%) with cancellation of events in the period and Dutch secondary cities (-63%)
- Central Europe (-69%): Munich -81% partially explained by a strong 2019, Frankfurt -68% with higher supply in the city, Berlin -61% and Austria -72%
- LatAm (-76%; real exchange rate): Buenos Aires -86%, Mexico DF -72% and Bogota -76%

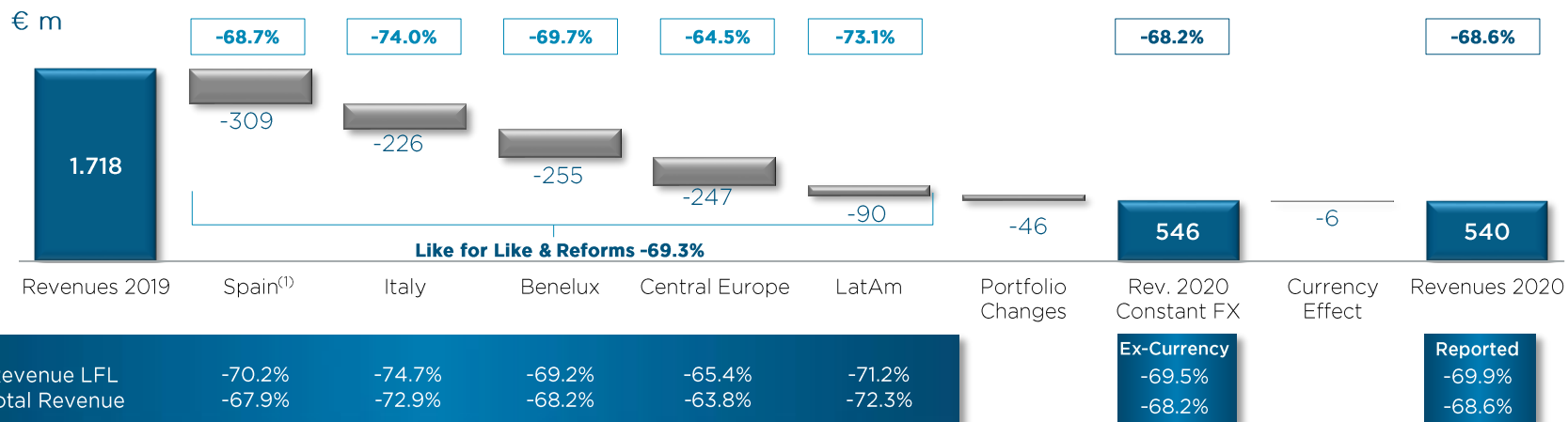
12M 2020 Consolidated KPIs by BU



<sup>(1)</sup> Includes France and Portugal

# Revenue decline in all markets with lower drop in secondary cities

- Spain:** -70.2% LFL decline explained by the activity drop since March. Barcelona (-79.4%), Madrid (-72.9%) and secondary cities (-63.4%). Including the new openings (Tivoli integration, La Coruña and Marbella) total Revenue fell -67.9%
- Italy:** -74.7% decrease in LFL since mid-February with a sharp decline in Milan (-78.1%) and Rome (-77.9%) and a lesser fall in secondary cities (-71.0%). Total revenue dropped -72.9% with the opening of 1 hotel in Rome
- Benelux:** -69.2% LFL with Brussels (-68.6%), Amsterdam (-75.1%) and congress centres hotels (-72.0%). Lower drop in Dutch secondary cities (-59.8%). Total revenues including changes of perimeter (4 exits and openings of 1 hotel in Amsterdam, 1 in Antwerp and 1 in Dublin) fell -68.2%
- Central Europe:** -65.4% LFL fall. Berlin (-63.3%), Frankfurt (-66.5%; also affected by higher supply), Munich (-78.1%; also affected by a strong 2019) and secondary cities (-61.3%). Including refurbished hotels and perimeter changes total revenue fell -63.8%
- LatAm:** -73.1% in LFL&R with constant exchange rate (-77.8% reported). By regions, Mexico revenues fell -65% at constant exchange rate and including the negative currency evolution (-14%) reported revenues decreased -69%. Argentina revenues fell -76% while reported figure is -84% including hyperinflation and currency depreciation. Colombia and Chile revenue decreased -69% in local currency and including the currency evolution (-12%) reported figure fell -73%



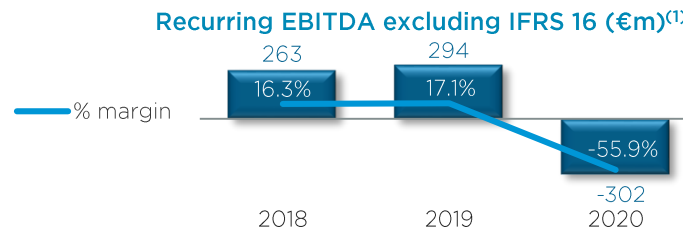
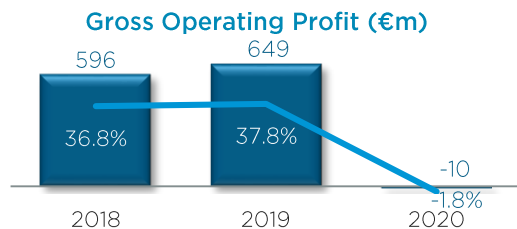
<sup>(1)</sup>Includes France and Portugal

# Slightly positive Reported EBITDA due to the contingency plan

€ million Reported Figures	2020 €m.	2019 €m.	VAR. Reported €m. %.	
<b>TOTAL REVENUES</b>	<b>539.7</b>	<b>1,718.3</b>	<b>(1,178.5)</b>	<b>-68.6%</b>
Staff Cost	(306.4)	(574.9)	268.4	-46.7%
Operating expenses	(242.9)	(493.9)	251.0	-50.8%
<b>GROSS OPERATING PROFIT</b>	<b>(9.6)</b>	<b>649.5</b>	<b>(659.1)</b>	<b>N/A</b>
Lease payments and property taxes	14.3	(98.1)	112.4	N/A
<b>RECURRING EBITDA</b>	<b>4.6</b>	<b>551.4</b>	<b>(546.8)</b>	<b>-99.2%</b>

## Relevant cost base reduction implemented since March

- Payroll cost** decreased -46.7% or €268.4m. Excluding changes of perimeter payroll would have decreased by -48.2%
- Operating Expenses** declined -50.8% or €251.0m. Excluding perimeter changes the decrease -52.8%
- Reported lease payments and property taxes of +€14.3m fell by +€112.4m mainly explained by the fixed rent concessions of +€63.6m agreed since March, the lower variable rents and including +€5.3m of perimeter changes. **Excluding IFRS 16 and changes of perimeter the decrease has been +€85.3m or -25.1% in the year**
- Reported Recurring EBITDA reached +€4.6m**, higher than 9M figure (-€11.0m) due to the fixed rent concessions of 2020 (+€3.6m; +€26.6m registered in Q4). **Excluding IFRS 16, Recurring EBITDA reached -€301.7m with a 51% conversion rate** of decremental revenue to EBITDA



<sup>(1)</sup> Rec. EBITDA excludes IFRS 16 impacts



# 60% absorption rate at Net Recurring Result

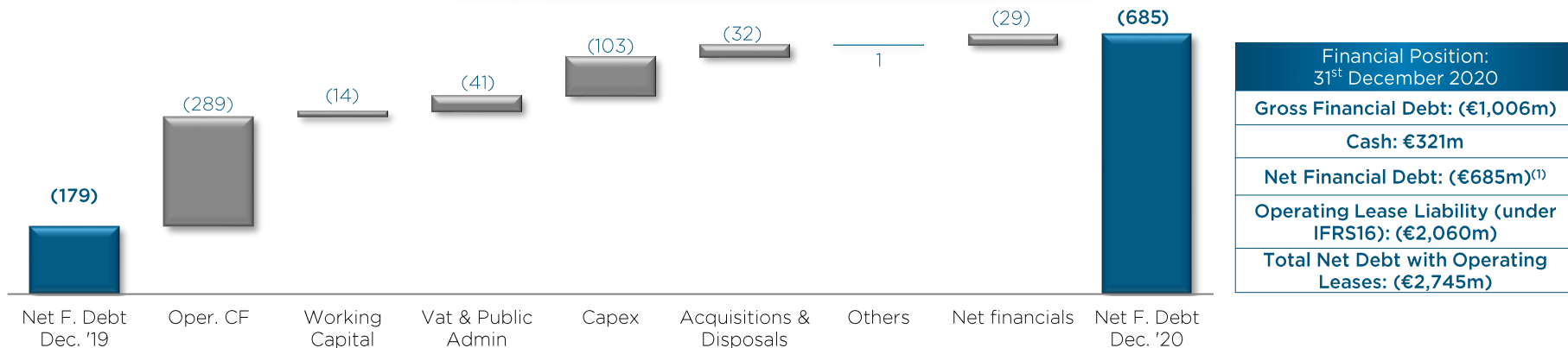
€ million Reported Figures	2020 €m.	2019 €m.	VAR. Reported €m.
<b>RECURRING EBITDA</b>	<b>4.6</b>	<b>551.4</b>	<b>(546.8)</b> <sup>1</sup>
Margin % of Revenues	0.9%	32.1%	-
Depreciation	(112.3)	(116.6)	4.3 <sup>2</sup>
Depreciation IFRS	(184.6)	(180.9)	(3.7)
<b>EBIT</b>	<b>(292.2)</b>	<b>253.9</b>	<b>(546.1)</b>
Net Interest expense	(35.9)	(24.5)	(11.5) <sup>3</sup>
IFRS Financial Expenses	(94.1)	(89.6)	(4.5)
Income from minority equity interest	(7.5)	0.0	(7.5)
<b>EBT</b>	<b>(429.7)</b>	<b>139.8</b>	<b>(569.6)</b>
Corporate income tax	55.5 <sup>4</sup>	(33.7)	89.2
<b>NET INCOME BEFORE MINORITIES</b>	<b>(374.2)</b>	<b>106.1</b>	<b>(480.4)</b>
Minorities interests	3.2	(2.9)	6.2
<b>NET RECURRING INCOME</b>	<b>(371.0)</b> <sup>5</sup>	<b>103.2</b>	<b>(474.2)</b>
Non-Recurring EBITDA <sup>(1)</sup>	(8.7)	6.2	(14.9)
Other Non-Recurring items <sup>(2)</sup>	(57.5)	(19.5)	(38.0)
<b>NET INCOME INCLUDING NON-RECURRING</b>	<b>(437.2)</b> <sup>6</sup>	<b>90.0</b>	<b>(527.1)</b>

- Reported EBITDA amounted +€4.6m (-€546.8m)**
- Depreciation:** decrease of +€4.3m due to lower capex investments
- Financial Expenses:** increased -€11.5m explained by the higher gross financial debt: full drawdown of RCF and short-term bilateral credit lines in addition to the new syndicated loan of €250m since May
- Taxes:** Corporate Income Tax of +€55.5m, +€89.2m vs. 2019 mainly due to the negative EBT which leads to the activation of tax losses in Netherlands, Italy and Germany. In Spain, Austria and part of the tax losses generated in Belgium and LatAm cannot be activated (-€45m)
- Reported Net Recurring Income:** reported figure reached -€371.0m, a decrease of -€474.2m vs. 2019 due to the difficult environment since end of February. 60% of revenue fall has been compensated
- Other Non-Recurring Items:** reached -€57.5m mainly explained by the impairment provision in the year
- Reported Total Net Income reached -€437.2m compared to +€90.0m in 2019,** a decline of -€527.1m

<sup>(1)</sup> Includes gross capital gains from asset rotation

<sup>(2)</sup> Includes taxes from asset rotation and impairment provision

# Cash Flow Evolution

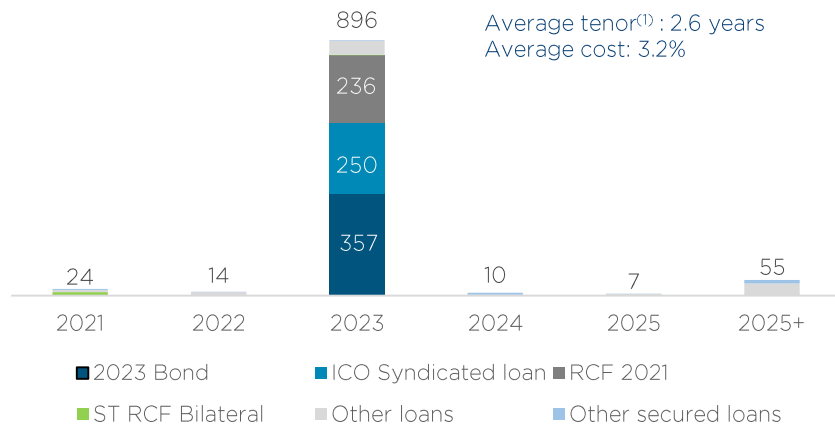


- **(-) Operating Cash Flow:** -€289.5m, including -€6.5m of credit card expenses and corporate income tax of +€7.8m
- **(-) Working Capital:** mainly explained by reduced advance payments from customers due to lower activity, refunds of prepayments and overflow of supplier's invoices from the last months of 2019
- **(-) VAT & Public Admin.:** explained by the timing effect from higher VAT paid (input tax) than charged (output) due to the revenue drop
- **(-) Capex payments:** -€102.6m paid in 2020 mainly due to capex executed in the end of 2019 and pre-COVID months
- **(-) Acquisitions & Disposals:** -€32.5m, mainly from the disposal of a minority stake (+€17.3m) in Dominican Rep. and 3 hotels in Benelux (+€14.8m), Boscolo integration (-€51.2m), loan cancellation of a minority stake in a plot of land in the Mexican Caribbean (-€5.7m) and related taxes (-€4.2m) and an investment (-€2.9m) in a managed hotel
- **(-) Net Financials & Dividends:** -€28.8m, including -€27.6m net interest expense and -€1.2m minority dividend

<sup>(1)</sup> NFD excluding accounting adjustments for arrangement expenses €10.9m, accrued interest -€7.4m and IFRS 9 adjustment €4.3m. Including these accounting adjustments, the Adj. NFD would be (-€677m) at 31<sup>st</sup> Dec. 2020 and (-€166m) at 31<sup>st</sup> Dec. 2019

# Financial position: no relevant debt maturities until 2023

## Debt Maturity Profile 31 December 2020: Gross debt (€1,006m)



## Liquidity as of 31<sup>st</sup> December 2020:

- Cash: **€321m**
- Available credit lines: **€25m**

**Available liquidity  
€346m**

<sup>(1)</sup> Excluding subordinated debt (2024+)

## Rating

Rating	NH	2023 Bond	Outlook
Fitch	B-	B+	Negative
Moody's	B3	B2	Stable

## Fitch Ratings

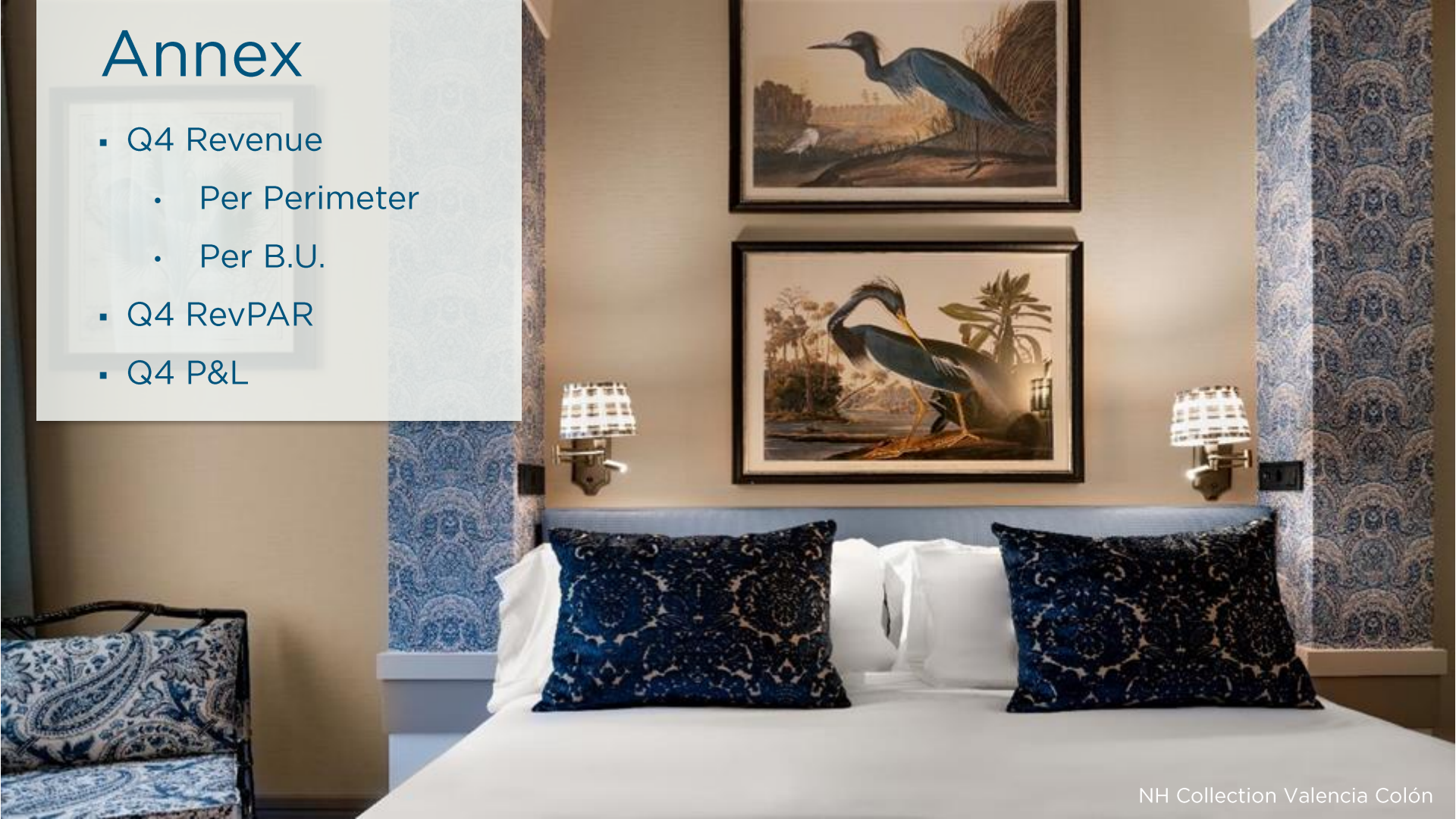
- On 1<sup>st</sup> April 2020 Fitch **downgraded NH Hotel Group's** Long-Term Issuer Default Rating (IDR) **to 'B-' from 'B'**. Fitch's assessment is based on the application of Fitch's Parent Subsidiary Linkage Criteria and the disruption in the lodging sector. The Outlook is Negative
- "Sufficient liquidity cushion to withstand the current crisis"
- Bond rating downgraded to 'B+' from 'BB-'
- In November 2020, Fitch maintains B- with negative outlook

## MOODY'S

- On 23<sup>rd</sup> June 2020, Moody's **downgraded the corporate rating of NH Hotel Group to 'B3' from 'B1'** with Stable outlook reflecting the impact of the coronavirus outbreak
- Moody's stated that the **"strong liquidity position is a key supporting factor** of the B3 rating and the stable outlook"

# Annex

- Q4 Revenue
  - Per Perimeter
  - Per B.U.
- Q4 RevPAR
- Q4 P&L

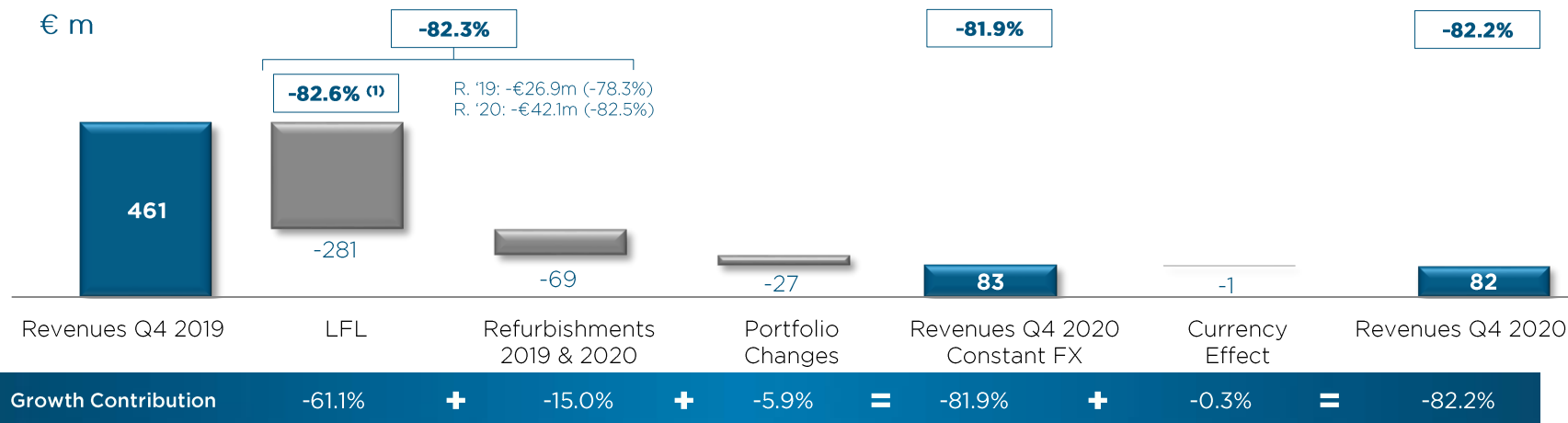


# Revenue performance in Q4 impacted by further lockdowns

- Due to the second wave since September, with further lockdowns and travel restrictions, the % of hotels open in Q4 has declined (from c.80% as of September to c.60% as of December)
- Total Revenue declined -82.2% or -€379m to €82m (€148m in Q3)
  - Revenue Like for Like (“LFL”): -82.6% with constant FX (-82.9% reported):
    - Severe decline in Europe of -83.0% with stricter lockdowns in northern countries: Benelux (-87.0%), Central Europe (-83.1%), Spain (-81.3%) and Italy (-79.7%)
  - Including the refurbished hotels, LFL&R fell -82.3% with constant FX (-82.6% reported) also affected by the opportunity cost of 2020 renovations

Revenue Split	Var. Q4 2020
Available Rooms	+2.2%
RevPAR	-85.3%
Room Revenue	-84.9%
Other Revenue	-77.7%
<b>Total Hotel Revenue</b>	<b>-82.9%</b>
Non-Hotel Revenue*	-€1.6m
<b>Total Revenue</b>	<b>-82.2%</b>

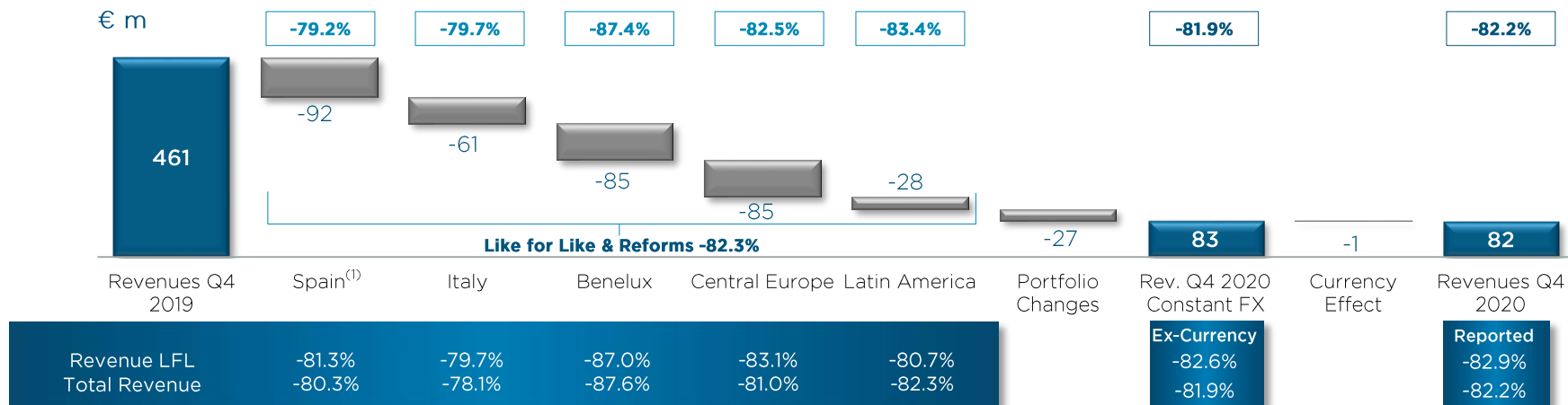
\* Other + Capex Payroll Capitalization



<sup>(1)</sup> On its 2019 own base. With real exchange rate growth is -82.9%

# Revenue decline in all markets with lower drop in secondary cities

- **Spain:** -81.3% LFL decline with a strong impact in Barcelona (-89.7%), Madrid (-86.8%) and secondary cities (-71.7%).
- **Italy:** -79.7% decrease in LFL with a sharp decline in Milan (-89.2%) Rome (-84.8%) and a lesser fall in secondary cities (-72.6%).
- **Benelux:** -87.0% LFL with Brussels (-83.1%), Amsterdam (-91.7%) and congress centres hotels (-92.9%). Lower drop in Dutch secondary cities (-80.1%).
- **Central Europe:** -83.1% LFL fall. Berlin (-84.4%), Frankfurt (-86.4%), Munich (-92.2%); also affected by a strong 2019 and secondary cities (-78.1%)
- **LatAm:** -83.4% in LFL&R with constant exchange rate (-87.1% reported). By regions, Mexico revenues fell -74% at constant exchange rate and including the negative currency evolution (-15%) reported revenues decreased -77%. Argentina revenues were highly impacted by currency depreciation. Colombia and Chile revenue decreased -73% in local currency and including the currency evolution (-11%) reported figure fell -75%



<sup>(1)</sup>Includes France and Portugal

# Second wave affecting RevPAR reactivation in Q4

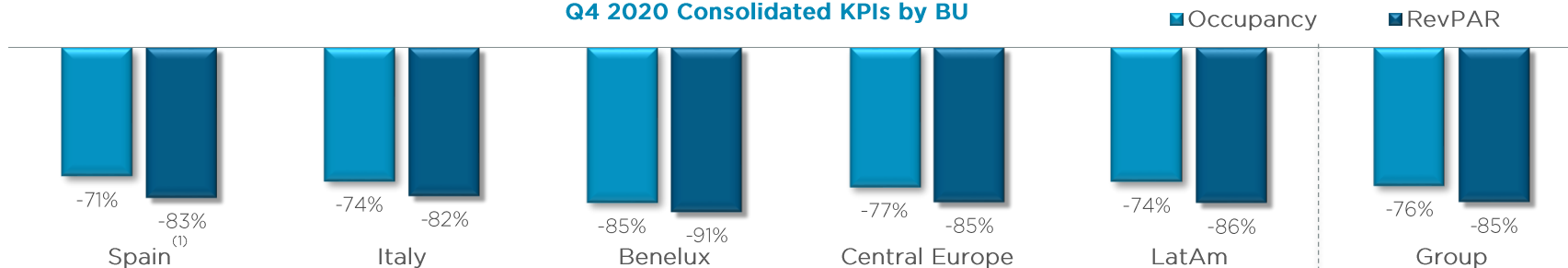
## RevPAR decrease of -85% in Q4 2020 (-70% in Q3; -95% in Q2)

- All regions reported negative RevPAR explained by the lower activity due to further lockdowns in the quarter. RevPAR decrease in Italy (-82%), Spain (-83%), Central Europe (-85%), LatAm (-86%) and Benelux (-91%)
- Occupancy: fell -76% or -54.6 p.p. to 16.9% (71.5% in Q4 2019). Historical low demand in all regions
- ADR: -37.8% drop in prices (-€39.8) reaching €65.6 in absence of ADR driven events and the different business mix compared to 2019

## European LFL RevPAR performance by region (excluding reforms): lower drop in secondary cities

- Spain (-83%): with activity declining since September as a result of the second wave. Barcelona -91%, Madrid -89% and secondary cities (-72%)
- Italy (-82%): with Milan -90%, Rome -88% and secondary cities (-76%)
- Benelux (-89%): Brussels -92%, Amsterdam -92%, congress centres hotels (-91%) and Dutch secondary cities (-83%)
- Central Europe (-87%): Munich -94% partially explained by a strong 2019, Frankfurt -87% with higher supply in the city, secondary cities -86% and Berlin -83%

Q4 2020 Consolidated KPIs by BU



<sup>(1)</sup> Includes France and Portugal

# Cost reduction continued in Q4 with positive impact of rent concessions

€ million Reported Figures	Q4 2020	Q4 2019	VAR. Reported	
	€m.	€m.	€m.	%.
<b>TOTAL REVENUES</b>	<b>82.0</b>	<b>460.9</b>	<b>(378.8)</b>	<b>-82.2%</b>
Staff Cost	(56.4)	(152.2)	95.8	-62.9%
Operating expenses	(43.8)	(128.7)	84.9	-66.0%
<b>GROSS OPERATING PROFIT</b>	<b>(18.2)</b>	<b>180.0</b>	<b>(198.1)</b>	<b>N/A</b>
Lease payments and property taxes	33.8	(29.1)	62.9	N/A
<b>RECURRING EBITDA</b>	<b>15.6</b>	<b>150.9</b>	<b>(135.3)</b>	<b>-89.6%</b>
Margin % of Revenues	19.1%	32.7%	-	-13.7 p.p.
Depreciation	(28.8)	(29.1)	0.3	-1.1%
Depreciation IFRS	(44.7)	(46.4)	1.7	N/A
<b>EBIT</b>	<b>(57.8)</b>	<b>75.4</b>	<b>(133.2)</b>	<b>N/A</b>
Net Interest expense	(12.1)	(7.5)	(4.6)	-62.1%
IFRS Financial Expenses	(23.8)	(22.0)	(1.9)	-8.5%
Income from minority equity interest	(7.0)	0.0	(7.0)	N/A
<b>EBT</b>	<b>(100.8)</b>	<b>46.0</b>	<b>(146.8)</b>	<b>N/A</b>
Corporate income tax	5.5	(4.2)	9.7	N/A
<b>NET INCOME BEFORE MINORITIES</b>	<b>(95.3)</b>	<b>41.8</b>	<b>(137.1)</b>	<b>N/A</b>
Minorities interests	0.5	(0.5)	1.0	N/A
<b>NET RECURRING INCOME</b>	<b>(94.8)</b>	<b>41.2</b>	<b>(136.1)</b>	<b>N/A</b>
Non-Recurring EBITDA <sup>(1)</sup>	(6.2)	(0.4)	(5.9)	N/A
Other Non-Recurring items <sup>(2)</sup>	(41.1)	(16.8)	(24.3)	N/A
<b>NET INCOME INCLUDING NON-RECURRING</b>	<b>(142.2)</b>	<b>24.1</b>	<b>(166.2)</b>	<b>N/A</b>

- Revenue** fell -82.2% reaching €82.0m (-€378.8m)
- Payroll cost decreased -62.9% and Operating expenses -66.0%**
- Reported lease payments and property taxes** of €33.8m, an improvement of +€62.9m due to the fixed rent concessions registered (+€26.6m in Q4). Excluding IFRS 16 and perimeter changes the decrease amounted +€31.3m or -35.8% in Q4 due to lower variable rents and contract renegotiations
- Reported Recurring EBITDA amounted €15.6m (-€135.3m).** Excluding IFRS 16 accounting impact, Recurring EBITDA before onerous reached -€85.5m (-€170.9m) with a 45% conversion rate of decremental revenue to EBITDA reflecting the significant cost base reduction in Q4
- Financial Expenses:** increased -€4.6m explained by the higher debt (€236m RCF + €250m syndicated loan in May)
- Taxes:** Corporate Income Tax of +€5.5m, +€9.7m vs. Q4 2019 mainly due to negative EBT which leads to the activation of tax losses in Netherlands, Italy and Germany. In Spain, Austria and part of the tax losses generated in Belgium and LatAm cannot be activated (-€19m)
- Reported Net Recurring Income:** reported figure reached -€94.8m due to the difficult environment since end of February
- Other Non-Recurring Items:** reached -€41.1m mainly explained by an impairment provision
- Reported Total Net Income reached -€142.2m compared to +€24.1m in Q4 2019**

<sup>(1)</sup> Includes gross capital gains from asset rotation

<sup>(2)</sup> Includes taxes from asset rotation and impairment provision



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# SALES AND RESULTS 2020

24<sup>th</sup> February 2021



**NH** | HOTEL GROUP PART OF **MINOR**  
HOTELS



**Sales and Results 2020**  
Madrid, 24<sup>th</sup> February 2021

**COVID-19 Update**

The hospitality sector has faced an unprecedented environment in 2020 due to the severe impact of COVID-19. **The adequate operating and financial transformation achieved in previous years together with the severe contingency measures implemented** have enabled the Group to address this extraordinary complex year and guarantee business sustainability.

**The flexible cost structure is one of the Group's competitive advantages, which allowed for the swift reopening of more than 300 hotels** since June to capture domestic customers' demand, reaching 80% of the portfolio open in August. Due to the impact of the second wave, with new perimeter closures and mobility restrictions after the summer, many hotels closed again, and **the % of hotels open at year-end dropped to 60%**.

The high level of uncertainty required **minimizing the fixed cost structure** and adjusting operations. The tremendous effort in efficiency and cost control has allowed to **cover nearly all the operating costs before rents (EBITDAR)**. Excluding perimeter changes due to hotel openings and exits, staff costs dropped by -48% and other operating expenses by -53%. Rents decreased by -25%, after achieving €64m in fixed rent savings since April.

This operational discipline has allowed to **mitigate 60% of the drop in revenues in terms of the Net Recurring Income**. That is, **the -€1,179m revenue drop in the year (-69%) implied a reduction in the Net Recurring Income of -€474m vs. the previous year, reporting a loss of -€371m in 2020**. These measures of strict control and efficiency continue to be implemented to protect the business.

The Group's financial resilience was proven with the **reinforcement and protection of liquidity**. Excluding interests and financial debt movements, as well as the net investments, **the average monthly operating cash drain was €28m in the year, with an available liquidity of €346m at 31 December**. **The net debt increased by a bit more than €500m**, from €179m at end of 2019 to €686m at 31 December 2020. Furthermore, the extension of the RCF syndicated facility maturity allows to **avoid any relevant debt maturity until 2023, the financial covenants have been waived until the December 2021 testing**, and the investments in the year will continue to be minimized.

**Although demand continues to be severely affected at the start of the year**, the flexible operating structure and financial resilience showed in 2020 give us the **confidence to overcome the short-term challenges in the first half of 2021 to benefit from our brand awareness, excellent locations, and strong market positioning once recovery is boosted in the mid-term**.

**Sales and Results 2020**  
Madrid, 24<sup>th</sup> February 2021

**2020 Main Financial Aspects <sup>(1)</sup>**

- **Reported revenues of €540m in the year represent a drop of -68.6% (-€1,179 million)** due to the extremely low demand since March.
  - **In the Like for Like (“LFL”) perimeter**, excluding refurbishments and perimeter changes, **revenues fell by -69.9%:**
    - As a result of the slump since late February, **the reduction in Europe was -69.5%: Italy (-74.7%), Spain (-70.2%), Benelux (-69.2%), and Central Europe (-65.4%).**
- **RevPAR dropped by -72.2% in the year due to the low level of occupancy since late February** in all regions.
  - Occupancy showed a historical drop of -65.1% (-46.6 p.p.) to 25.0%, partly explained by the closure of the portfolio in Q2 and the lower activity level in 4Q (16.9% compared to 30.8% in Q3).
  - ADR fell by -20.2% (-€20.7) to €81.9, affected by a different business mix due to the absence of the corporate segment and high-demand events.
- **The great effort made to contain costs** (staff costs decreased by -46.7% and other operating expenses decreased by -50.8%) **allowed to report a nearly neutral GOP in the year (-€9.6m)**, despite the drastic drop in revenues.
- **It should be highlighted the reduction in rents** (savings in fixed rents and lower variable rents) **and property taxes of -€85.3m or -25.1% in the year, excluding the accounting impact of IFRS 16 and perimeter changes.** Including IFRS 16, the fixed rent savings reported in the year were +€63.6m (+€26.6m in Q4).
- **Excluding IFRS 16, the recurring EBITDA <sup>(2)</sup> fell by -€596m to -€302m**, representing a decremental revenue to EBITDA conversion rate of 51%.
  - Including IFRS 16, the reported EBITDA is +€5m, higher than the figure reported in the first nine months (-€11m), due to the additional savings in fixed rents achieved in Q4.
- **Reported Net Recurring Income in the year reached -€371m** vs +€103m in the previous year, implying a drop of -€474m, due to the negative business evolution since late February and despite having mitigated 60% of the revenue drop.
- **Reported Total Net Income totalled -€437m**, vs +€90m in 2019, including non-recurring items mainly from the impairment provision.
- **Financial position: Net Financial Debt of -€685m**, an increase of +€507m, and an **available liquidity of €346m** (€321m in cash and €25m in available credit facilities) at 31 December 2020 despite an average monthly cash drain of €28m in the year, the Capex payments (-€103m, mainly due to the works executed in late 2019 and in the months prior to COVID-19) and the investment of c. €50m due to the formalization in September of the agreement previously reached with Covivio for the acquisition of the operating companies of eight high-end hotels under lease contracts.

(1) IFRS 16 and Hyperinflation (IAS 29) accounting impacts included in business performance figures unless stated

(2) Recurring EBITDA excludes IFRS 16 impact

**Sales and Results 2020**  
Madrid, 24<sup>th</sup> February 2021

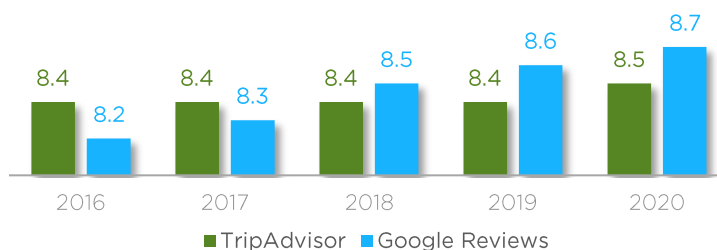
**Main figures of Q4 2020 <sup>(1)</sup>**

- **Revenues fell by -82.2%** in the quarter, **reaching €82m vs €148m in Q3 (-65.9%)** due to the impact of the second wave since September with additional mobility restrictions. The decrease in the reported LFL was -82.9% with a drop in Europe of -83.0%: Benelux (-87.0%), Central Europe (-83.1%), Spain (-81.3%) and Italy (-79.7%).
- **RevPAR dropped by -85.3%** in the fourth quarter, **due to the low occupancy level**, which fell by -76.3% to 16.9% (occupancy in open hotels was close to 25% in Q4 compared to 40% in Q3) and a drop of -37.8% in ADR (-€39.8) due to the different business mix (absence of the corporate segment and high-demand events). Secondary cities show a lower decrease than the main cities.
- **Excluding IFRS 16, the recurring EBITDA<sup>(2)</sup> fell by -€171m to -€86m**, representing a decremental revenue to EBITDA conversion rate of 45%, reflecting the strong reduction in the cost base and the operational discipline.
  - Including IFRS 16, the reported EBITDA was €16m, due to the fixed rent savings registered in the fourth quarter (+€26.6m).
- **The Reported Net Recurring Income in the quarter reached -€95m vs +€41 million** in the same period of previous year.
- **Reported Total Net Income of -€142m**, vs +€24m in the fourth quarter of 2019, including non-recurring items mainly from the impairment provision.

(1) IFRS 16 and Hyperinflation (IAS 29) accounting impacts included in business performance figures unless stated  
(2) Recurring EBITDA excludes IFRS 16 impact

**Other Highlights**

- **Repositioning Plan:** In 2020 the main hotels that have been affected by refurbishments are: NH Lyon Airport, NHC New York Madison Avenue, NHC Roma Vittorio Veneto, NH Milano Touring, NH Munchen Airport, NHC Monterrey San Pedro and NH Ciudad de Santiago.
- **Brand:** NH had 361 hotels and 55,371 rooms as of 31<sup>st</sup> December 2020, out of which 90 hotels and 13,615 rooms are NH Collection (25% of the portfolio), showing their potential both in prices (+42% higher price) 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.



- **New Agreements:** In 2020 the Company signed 1 hotel with 394 rooms in Copenhagen that will be operated under a lease contract with NH Collection brand and foreseen opening in 2021. In addition, the Company signed 1 hotel in Tunisia with 93 rooms under a management contract with Anantara brand which is already open.

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**2020 RevPAR Evolution:**

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

NH HOTEL GROUP REVPAR 12M 2020/2019											
	AVERAGE ROOMS		OCCUPANCY %			ADR			REVPAR		
	2020	2019	2020	2019	% Var	2020	2019	% Var	2020	2019	% Var
<b>Spain &amp; Others LFL &amp; R <sup>(1)</sup></b>	<b>11,370</b>	<b>11,233</b>	<b>28.4%</b>	<b>74.9%</b>	<b>-62.1%</b>	<b>77.4</b>	<b>102.8</b>	<b>-24.7%</b>	<b>22.0</b>	<b>77.0</b>	<b>-71.5%</b>
B.U. Spain Consolidated <sup>(1)</sup>	12,349	12,124	27.7%	74.8%	-63.0%	80.3	104.1	-22.9%	22.2	77.9	-71.4%
<b>Italy LFL &amp; R</b>	<b>7,330</b>	<b>7,309</b>	<b>22.3%</b>	<b>70.2%</b>	<b>-68.2%</b>	<b>94.8</b>	<b>123.6</b>	<b>-23.3%</b>	<b>21.2</b>	<b>86.7</b>	<b>-75.6%</b>
B.U. Italy Consolidated	7,674	7,417	22.2%	70.2%	-68.3%	95.8	123.3	-22.3%	21.3	86.5	-75.4%
<b>Benelux LFL &amp; R</b>	<b>8,260</b>	<b>8,165</b>	<b>24.9%</b>	<b>73.2%</b>	<b>-65.9%</b>	<b>92.6</b>	<b>117.7</b>	<b>-21.3%</b>	<b>23.1</b>	<b>86.1</b>	<b>-73.2%</b>
B.U. Benelux Consolidated	9,825	8,952	22.9%	72.5%	-68.4%	94.0	114.9	-18.2%	21.5	83.3	-74.2%
<b>Central Europe LFL &amp; R</b>	<b>11,672</b>	<b>11,626</b>	<b>28.3%</b>	<b>73.8%</b>	<b>-61.7%</b>	<b>76.9</b>	<b>92.1</b>	<b>-16.6%</b>	<b>21.7</b>	<b>68.0</b>	<b>-68.0%</b>
B.U. Central Europe Consolidated	12,387	12,295	28.6%	73.1%	-60.9%	76.4	91.4	-16.4%	21.9	66.8	-67.3%
<b>Total Europe LFL &amp; R</b>	<b>38,632</b>	<b>38,332</b>	<b>26.5%</b>	<b>73.3%</b>	<b>-63.9%</b>	<b>83.1</b>	<b>106.5</b>	<b>-22.0%</b>	<b>22.0</b>	<b>78.1</b>	<b>-71.8%</b>
Total Europe Consolidated	42,236	40,789	25.9%	72.9%	-64.6%	84.3	106.0	-20.5%	21.8	77.3	-71.8%
<b>Latinamerica LFL &amp; R</b>	<b>5,247</b>	<b>5,235</b>	<b>18.2%</b>	<b>62.0%</b>	<b>-70.6%</b>	<b>56.8</b>	<b>72.3</b>	<b>-21.4%</b>	<b>10.3</b>	<b>44.8</b>	<b>-76.9%</b>
B.U. Latinamerica Consolidated	5,508	5,360	18.2%	61.4%	-70.3%	56.5	72.2	-21.7%	10.3	44.3	-76.7%
<b>NH Hotels LFL &amp; R</b>	<b>43,879</b>	<b>43,568</b>	<b>25.5%</b>	<b>72.0%</b>	<b>-64.6%</b>	<b>80.8</b>	<b>103.0</b>	<b>-21.5%</b>	<b>20.6</b>	<b>74.1</b>	<b>-72.2%</b>
Total NH Consolidated	47,743	46,149	25.0%	71.6%	-65.1%	81.9	102.6	-20.2%	20.5	73.5	-72.2%

(1) Includes France and Portugal

- **RevPAR fell by -72.2%** in the year, explained by the **historically low level of occupancy** since late February in all regions (-65.1% to 25.0%), partly explained by the closure of the portfolio in Q2 and a lower level of activity in Q4. ADR dropped by -20.2% (-€20.7) to €81.9 due to the absence of the corporate segment and high-demand events.
- **LFL RevPAR growth** by region:
  - **Spain:** RevPAR fell by -72.5% due to the lower occupancy since the State of Emergency was declared on 14<sup>th</sup> March. Greater decrease in Barcelona (-81%) and Madrid (-75%) than in secondary cities (-65%).
  - **Italy:** -76.3%, with significant decreases in Milan (-79%) and Rome (-80%) due to the lower occupancy levels since mid-February. Lower drop in secondary cities (-73%).
  - **Benelux:** -72.0%, with a decrease in Brussels (-73%), Amsterdam (-78%) and conference hotels (-74%) due to event cancellations in the period. Secondary Dutch cities showed a decrease of -63%.
  - **Central Europe:** -68.7% with decreases in Munich (-81%), partly affected by a strong 2019, Frankfurt (-68%) with an increase in hotel supply, Berlin by -61%, and Austria by -72%.
  - **LatAm:** -76.1% with ADR falling by -21.9% and occupancy by -69.4%. Mexico DF (-72%), Buenos Aires (-86%) and Bogota (-76%) additionally impacted by the negative effect of currency.
- As for the decrease in **activity level**, evolution by region is as follows: Spain (-63.0%; -47.1 p.p.), Italy (-68.3%; -47.9 p.p.), Benelux (-68.4%; -49.6 p.p.), Central Europe (-60.9%; -44.5 p.p.) and LatAm (-70.3%; -43.1 p.p.).

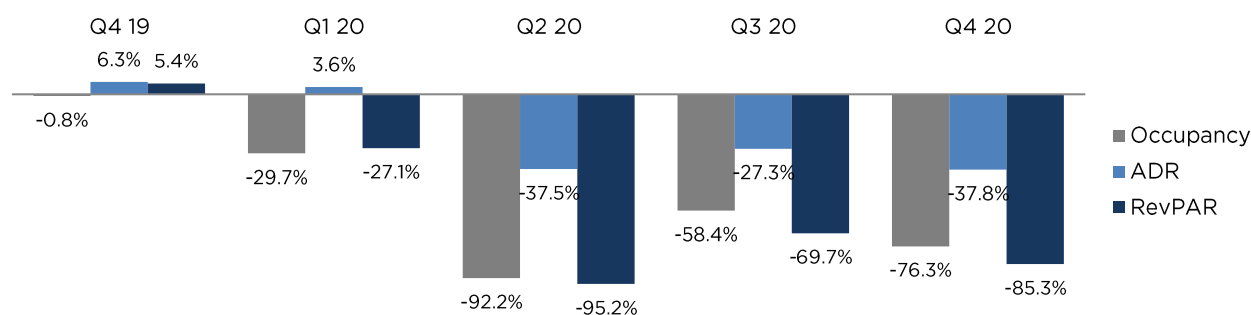
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Q4 RevPAR Evolution:

NH HOTEL GROUP REVPAR Q4 2020/2019											
	AVERAGE ROOMS		OCCUPANCY %			ADR			REVPAR		
	2020	2019	2020	2019	% Var	2020	2019	% Var	2020	2019	% Var
<b>Spain &amp; Others LFL &amp; R <sup>(1)</sup></b>	<b>11,658</b>	<b>11,367</b>	<b>22.1%</b>	<b>73.6%</b>	<b>-70.0%</b>	<b>61.3</b>	<b>104.2</b>	<b>-41.2%</b>	<b>13.5</b>	<b>76.7</b>	<b>-82.3%</b>
B.U. Spain Consolidated <sup>(1)</sup>	12,575	12,715	21.3%	73.3%	-71.0%	63.1	106.7	-40.8%	13.4	78.2	-82.8%
<b>Italy LFL &amp; R</b>	<b>7,394</b>	<b>7,397</b>	<b>18.8%</b>	<b>69.8%</b>	<b>-73.1%</b>	<b>80.4</b>	<b>120.3</b>	<b>-33.2%</b>	<b>15.1</b>	<b>83.9</b>	<b>-82.0%</b>
B.U. Italy Consolidated	8,091	7,530	18.3%	69.7%	-73.7%	83.3	120.6	-30.9%	15.2	84.1	-81.9%
<b>Benelux LFL &amp; R</b>	<b>8,330</b>	<b>8,327</b>	<b>11.8%</b>	<b>72.6%</b>	<b>-83.8%</b>	<b>73.0</b>	<b>119.6</b>	<b>-38.9%</b>	<b>8.6</b>	<b>86.8</b>	<b>-90.1%</b>
B.U. Benelux Consolidated	9,716	9,349	10.5%	72.1%	-85.5%	75.4	118.1	-36.1%	7.9	85.1	-90.7%
<b>Central Europe LFL &amp; R</b>	<b>11,591</b>	<b>11,882</b>	<b>16.2%</b>	<b>74.3%</b>	<b>-78.2%</b>	<b>60.6</b>	<b>97.1</b>	<b>-37.7%</b>	<b>9.8</b>	<b>72.2</b>	<b>-86.4%</b>
B.U. Central Europe Consolidated	12,642	12,485	17.0%	73.8%	-77.0%	61.5	96.6	-36.3%	10.4	71.3	-85.4%
<b>Total Europe LFL &amp; R</b>	<b>38,973</b>	<b>38,973</b>	<b>17.5%</b>	<b>72.9%</b>	<b>-76.0%</b>	<b>66.7</b>	<b>108.2</b>	<b>-38.4%</b>	<b>11.7</b>	<b>78.8</b>	<b>-85.2%</b>
Total Europe Consolidated	43,023	42,078	17.0%	72.5%	-76.5%	68.4	108.5	-36.9%	11.6	78.7	-85.2%
<b>Latinamerica LFL &amp; R</b>	<b>5,293</b>	<b>5,294</b>	<b>15.9%</b>	<b>64.1%</b>	<b>-75.1%</b>	<b>42.4</b>	<b>77.5</b>	<b>-45.2%</b>	<b>6.8</b>	<b>49.7</b>	<b>-86.4%</b>
B.U. Latinamerica Consolidated	5,555	5,439	16.4%	63.7%	-74.2%	42.8	77.4	-44.8%	7.0	49.3	-85.7%
<b>NH Hotels LFL &amp; R</b>	<b>44,265</b>	<b>44,267</b>	<b>17.3%</b>	<b>71.8%</b>	<b>-75.9%</b>	<b>64.0</b>	<b>104.9</b>	<b>-39.0%</b>	<b>11.1</b>	<b>75.4</b>	<b>-85.3%</b>
Total NH Consolidated	48,579	47,517	16.9%	71.5%	-76.3%	65.6	105.4	-37.8%	11.1	75.4	-85.3%

- **RevPAR decrease of -85.3%** in the fourth quarter **due to the low occupancy level**, which fell by -76.3% to 16,9% (open hotels occupancy close to 25% vs 40% in Q3). In addition, ADR declined -37.8% (-€39.8) to €65.6 due to the different business mix compared to 2019 as a result of the absence of the corporate segment and high-demand events. Secondary cities showed a lower drop than main cities.

Evolution of Consolidated Ratios by quarter:



Consolidated Ratios % Var	Occupancy					ADR					RevPAR				
	Q4 19	Q1 20	Q2 20	Q3 20	Q4 20	Q4 19	Q1 20	Q2 20	Q3 20	Q4 20	Q4 19	Q1 20	Q2 20	Q3 20	Q4 20
Spain <sup>(1)</sup>	-1.4%	-27.0%	-91.2%	-58.9%	-71.0%	9.3%	4.1%	-38.9%	-31.5%	-40.8%	7.8%	-24.0%	-94.6%	-71.9%	-82.8%
Italy	2.0%	-38.9%	-95.4%	-60.3%	-73.7%	4.7%	-1.0%	-43.5%	-24.1%	-30.9%	6.8%	-39.6%	-97.4%	-69.9%	-81.9%
Benelux	0.8%	-30.7%	-92.8%	-59.6%	-85.5%	5.8%	6.6%	-35.9%	-27.3%	-36.1%	6.7%	-26.1%	-95.4%	-70.6%	-90.7%
Central Europe	-1.3%	-30.3%	-89.2%	-44.3%	-77.0%	6.4%	7.9%	-22.4%	-27.8%	-36.3%	5.0%	-24.8%	-91.6%	-59.8%	-85.4%
TOTAL EUROPE	-0.3%	-30.9%	-91.8%	-55.0%	-76.5%	6.9%	4.8%	-35.7%	-29.1%	-36.9%	6.6%	-27.5%	-94.7%	-68.1%	-85.2%
Latin America real exc. rate	-5.8%	-19.5%	-97.2%	-89.0%	-74.2%	-3.8%	-4.7%	-170.4%	-50.2%	-44.8%	-9.4%	-23.3%	-102.0%	-94.5%	-85.7%
<b>NH HOTEL GROUP</b>	<b>-0.8%</b>	<b>-29.7%</b>	<b>-92.2%</b>	<b>-58.4%</b>	<b>-76.3%</b>	<b>6.3%</b>	<b>3.6%</b>	<b>-37.5%</b>	<b>-27.3%</b>	<b>-37.8%</b>	<b>5.4%</b>	<b>-27.1%</b>	<b>-95.2%</b>	<b>-69.7%</b>	<b>-85.3%</b>

(1) Includes France and Portugal

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RECURRING HOTEL ACTIVITY *								
(€ million)	2020 Q4	2019 Q4	DIFF. 20/19	%DIFF.	2020 12M	2019 12M	DIFF. 20/19	%DIFF.
SPAIN <sup>(1)</sup>	24.1	116.0	(91.9)	(79.2%)	140.7	450.1	(309.4)	(68.7%)
ITALY	15.4	76.3	(60.8)	(79.7%)	79.1	304.9	(225.7)	(74.0%)
BENELUX	12.2	96.7	(84.6)	(87.4%)	110.4	365.1	(254.7)	(69.8%)
CENTRAL EUROPE	18.1	103.2	(85.1)	(82.5%)	135.7	382.2	(246.5)	(64.5%)
AMERICA	4.4	33.7	(29.4)	(87.1%)	27.4	123.6	(96.2)	(77.8%)
<b>TOTAL RECURRING REVENUE LFL&amp;R</b>	<b>74.2</b>	<b>425.9</b>	<b>(351.8)</b>	<b>(82.6%)</b>	<b>493.4</b>	<b>1,625.9</b>	<b>(1,132.6)</b>	<b>(69.7%)</b>
<b>OPENINGS, CLOSINGS &amp; OTHERS</b>	<b>7.9</b>	<b>34.9</b>	<b>(27.1)</b>	<b>(77.5%)</b>	<b>46.4</b>	<b>92.3</b>	<b>(45.9)</b>	<b>(49.8%)</b>
<b>RECURRING REVENUES</b>	<b>82.0</b>	<b>460.9</b>	<b>(378.8)</b>	<b>(82.2%)</b>	<b>539.7</b>	<b>1,718.3</b>	<b>(1,178.5)</b>	<b>(68.6%)</b>
	0.00	0.00	0.00	0.0%				
SPAIN <sup>(1)</sup>	31.0	77.8	(46.8)	(60.2%)	143.7	277.9	(134.2)	(48.3%)
ITALY	17.4	45.1	(27.6)	(61.3%)	80.0	175.9	(95.9)	(54.5%)
BENELUX	17.1	55.5	(38.4)	(69.2%)	112.2	224.6	(112.4)	(50.0%)
CENTRAL EUROPE	23.6	62.4	(38.7)	(62.1%)	137.6	242.0	(104.4)	(43.1%)
AMERICA	1.1	22.7	(21.6)	(95.1%)	25.9	84.5	(58.6)	(69.4%)
<b>RECURRING OPEX LFL&amp;R</b>	<b>90.3</b>	<b>263.5</b>	<b>(173.2)</b>	<b>(65.7%)</b>	<b>499.4</b>	<b>1,005.0</b>	<b>(505.6)</b>	<b>(50.3%)</b>
<b>OPENINGS, CLOSINGS &amp; OTHERS</b>	<b>9.9</b>	<b>17.4</b>	<b>(7.5)</b>	<b>(43.2%)</b>	<b>50.0</b>	<b>63.8</b>	<b>(13.8)</b>	<b>(21.6%)</b>
<b>RECURRING OPERATING EXPENSES <sup>(2)</sup></b>	<b>100.2</b>	<b>280.9</b>	<b>(180.7)</b>	<b>(64.3%)</b>	<b>549.4</b>	<b>1,068.8</b>	<b>(519.4)</b>	<b>(48.6%)</b>
SPAIN <sup>(1)</sup>	(6.9)	47.5	(54.4)	N/A	(3.0)	172.2	(175.2)	N/A
ITALY	(2.0)	34.6	(36.5)	N/A	(0.9)	128.9	(129.8)	N/A
BENELUX	(5.0)	42.4	(47.4)	N/A	(1.8)	140.5	(142.3)	N/A
CENTRAL EUROPE	(5.5)	43.5	(49.0)	N/A	(1.9)	140.2	(142.1)	N/A
AMERICA	3.2	12.7	(9.4)	N/A	1.5	39.2	(37.6)	N/A
<b>RECURRING GOP LFL&amp;R</b>	<b>(16.2)</b>	<b>180.7</b>	<b>(196.8)</b>	<b>N/A</b>	<b>(6.0)</b>	<b>620.9</b>	<b>(627.0)</b>	<b>N/A</b>
<b>OPENINGS, CLOSINGS &amp; OTHERS</b>	<b>(2.0)</b>	<b>(0.7)</b>	<b>(1.3)</b>	<b>N/A</b>	<b>(3.6)</b>	<b>28.6</b>	<b>(32.1)</b>	<b>N/A</b>
<b>RECURRING GOP</b>	<b>(18.2)</b>	<b>180.0</b>	<b>(198.1)</b>	<b>N/A</b>	<b>(9.6)</b>	<b>649.5</b>	<b>(659.1)</b>	<b>N/A</b>
SPAIN <sup>(1)</sup>	17.4	25.6	(8.2)	(32.0%)	69.5	99.0	(29.5)	(29.8%)
ITALY	9.0	14.9	(5.8)	(39.3%)	44.0	57.7	(13.7)	(23.8%)
BENELUX	8.4	16.5	(8.0)	(48.7%)	46.5	64.4	(18.0)	(27.9%)
CENTRAL EUROPE	20.7	27.6	(7.0)	(25.1%)	91.1	106.8	(15.7)	(14.7%)
AMERICA	0.7	3.1	(2.3)	(75.8%)	3.4	11.9	(8.5)	(71.3%)
<b>RECURRING LEASES&amp;PT LFL&amp;R</b>	<b>56.3</b>	<b>87.6</b>	<b>(31.3)</b>	<b>(35.8%)</b>	<b>254.4</b>	<b>339.7</b>	<b>(85.3)</b>	<b>(25.1%)</b>
<b>OPENINGS, CLOSINGS &amp; OTHERS</b>	<b>11.1</b>	<b>6.9</b>	<b>4.1</b>	<b>59.6%</b>	<b>37.7</b>	<b>15.7</b>	<b>22.0</b>	<b>N/A</b>
<b>RECURRING RENTS AND PROPERTY TAXES <sup>(3)</sup></b>	<b>67.4</b>	<b>94.5</b>	<b>(27.2)</b>	<b>(28.8%)</b>	<b>292.1</b>	<b>355.4</b>	<b>(63.3)</b>	<b>(17.8%)</b>
SPAIN <sup>(1)</sup>	(24.3)	14.1	(38.4)	N/A	(72.5)	69.0	(141.4)	N/A
ITALY	(11.0)	17.1	(28.1)	N/A	(44.8)	71.2	(116.1)	N/A
BENELUX	(13.4)	23.4	(36.9)	N/A	(48.3)	75.6	(123.8)	N/A
CENTRAL EUROPE	(26.2)	10.8	(37.0)	N/A	(93.0)	30.5	(123.5)	N/A
AMERICA	2.5	8.9	(6.4)	N/A	(1.9)	27.3	(29.2)	N/A
<b>RECURRING EBITDA LFL&amp;R</b>	<b>(72.5)</b>	<b>81.9</b>	<b>(154.4)</b>	<b>N/A</b>	<b>(260.5)</b>	<b>281.2</b>	<b>(541.7)</b>	<b>N/A</b>
<b>OPENINGS, CLOSINGS &amp; OTHERS</b>	<b>(13.1)</b>	<b>3.5</b>	<b>(16.6)</b>	<b>N/A</b>	<b>(41.3)</b>	<b>12.9</b>	<b>(54.1)</b>	<b>N/A</b>
<b>RECURRING EBITDA EX. ONEROUS PROVISION <sup>(3)</sup></b>	<b>(85.5)</b>	<b>85.4</b>	<b>(170.9)</b>	<b>N/A</b>	<b>(301.7)</b>	<b>294.1</b>	<b>(595.8)</b>	<b>N/A</b>

<sup>(1)</sup> IFRS 16 not included in business performance figures

<sup>(1)</sup> France and Portugal hotels are included in the Business Unit of Spain

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

<sup>(3)</sup> Rents and Recurring EBITDA exclude IFRS 16 accounting impact



## Recurring Results by Business Unit (LFL&R basis) <sup>(\*)</sup>

### Spain B.U. <sup>(1)</sup>:

- Q4: RevPAR fell -82.3% in the quarter, explained by the sharp drop in occupancy (-70.0%) and ADR (-41.2%). As a result, revenues fell -79.2%.
- 12M: RevPAR decreased by -71.5% in the year after the drop in occupancy (-62.1%) since late February. Barcelona (-81.5%), Madrid (-75.4%) and secondary cities (-64.8%) after State of Emergency was declared on 14<sup>th</sup> March.
  - Revenues fell -68.7% in the year due to the decline in activity. Barcelona (-79.4%), Madrid (-72.9%) and secondary cities (-63.4%).
  - Operating expenses declined -48.3% (+€134.2m), mainly explained by the efficiency measures implemented since March and the lower activity level.
  - GOP reached -€3.0m, a fall of -€175.2m, and rents decreased by +29.5m (-29.8%).
  - The EBITDA loss in 2020 reached -€72.5m (a decline of -€141.4m vs 2019), representing a conversion ratio for the decrease in revenues to EBITDA of 46%.

<sup>(1)</sup> Includes France and Portugal

### Italy B.U.:

- Q4: RevPAR declined -82.0% in the fourth quarter due to the severe drop in occupancy (-73.1%) and ADR (-33.2%). Revenues fell -79.7% in the quarter.
- 12M: RevPAR decreased -75.6% with a drop in activity of -68.2% and in prices of -23.3%. Milan (-79.3%), Rome (-80.5%) and secondary cities (-72.6%).
  - Revenues fell -74.0% in the year with a greater impact on the main cities of Milan (-78.1%) and Rome (-77.9%), and to a lesser extent on secondary cities (-71.0%).
  - Operating expenses were down -54.5% (+€95.9m).
  - GOP slumped -€129.8m to -€0.9m and rents decreased +€13.7m (-23.8%).
  - Thus, EBITDA in the year dropped -€116.1m to -€44.8m, which implies a decremental revenue to EBITDA conversion rate of 51%.

### Benelux B.U.:

- Q4: RevPAR fell -90.1% in the quarter with a drop in activity of -83.8% and in ADR (-38.9%). Revenues decreased -87.4%.
- 12M: RevPAR fell -73.2% in the year due to lower occupancy (-65.9%) and lower prices (-21.3%). Brussels (-73.5%), Amsterdam (-77.8%) and conference centres (-73.7%) due to the cancellation of relevant events. Lower drop in Dutch secondary cities (-62.6%).
  - Revenues fell -69.8% in the year with drops in Brussels (-68.6%), Amsterdam (-75.1%) and conference hotels (-72.0%). Lower decline in Dutch secondary cities (-59.8%).
  - Operating expenses were down -50.0% (+€112.4m).
  - GOP decreased by -€142.3m to -€1.8m and rents decreased +€18.0m (-27.9%).
  - EBITDA dropped -€123.8m to -€48.3m, which represents a decremental revenue to EBITDA conversion rate of 49%.

<sup>(\*)</sup> IFRS 16 not included in business performance figures

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### Central Europe B.U.:

- Q4: RevPAR declined -86.4% in the fourth quarter with a fall in occupancy of -78.2% and in prices of -37.7%. Revenues fell -82.5% in the quarter.
- 12M: RevPAR fell -68.0% with occupancy down -61.7%. Munich (-81.1%), partly explained by a strong 2019, Frankfurt (-67.6%) also affected by the increased supply in the city, Berlin (-60.8%), and Austria (-72.2%).
  - Revenues fell -64.5% in the year with higher declines in the main cities: Berlin (-63.3%), Frankfurt (-66.5%), Munich (-78.1%) and secondary cities (-61.3%).
  - Operating expenses decreased -43.1% (+€104.4m).
  - GOP fell by -€142.1m to -€1.9m and rents were reduced by +€15.7m (-14.7%).
  - Thus, EBITDA decreased by -€123.5m to -€93.0m, representing a decremental revenue to EBITDA conversion rate of 50%.

### Americas B.U. <sup>(2)</sup>:

- Q4: RevPAR fell -86.4% in the fourth quarter, with a lower occupancy of -75.1% and the currency impact. At constant exchange rate, the decline of the BU's LFL&R revenues is -83.4% in the quarter (-87.1% reported).
- 12M: RevPAR declined -76.9% in the year due to lower occupancy (-70.6%) and lower prices (-21.4%). At constant exchange rate, the decline of the BU's LFL&R revenues was -73.1% in the period, and at real exchange rate, revenues fell -77.8%, also affected by the negative evolution of the currency.
  - By region, Mexico's revenues decreased -65.1% in local currency. Including the currency evolution (-14%), revenue fell -69.3% at real exchange rate.
  - In Argentina, revenue fell -75.9% at constant exchange rate, while reported revenue fell by -84.3% including hyperinflation and currency depreciation.
  - In Colombia and Chile, revenue fell -69.3% in local currency and including the -12% currency devaluation, revenue dropped -72.7%.

<sup>(2)</sup> Includes IAS 29 impact in Argentina

## Consolidated Income Statement 2020

NH HOTEL GROUP P&L ACCOUNT				
( <i>€ million</i> )	12M 2020	12M 2019	Var. 12M	
	Reported	Reported	Reported	
	€ m.	€ m.	€ m.	%
<b>TOTAL REVENUES</b>	<b>539.7</b>	<b>1,718.3</b>	<b>(1,178.5)</b>	<b>(68.6%)</b>
Staff Cost	(306.4)	(574.9)	268.4	(46.7%)
Operating expenses	(242.9)	(493.9)	251.0	(50.8%)
<b>GROSS OPERATING PROFIT</b>	<b>(9.6)</b>	<b>649.5</b>	<b>(659.1)</b>	<b>N/A</b>
Lease payments and property taxes	14.3	(98.1)	112.4	N/A
<b>RECURRING EBITDA</b>	<b>4.6</b>	<b>551.4</b>	<b>(546.8)</b>	<b>(99.2%)</b>
Margin % of Revenues	0.9%	32.1%	-	-31.2 p.p.
Depreciation	(112.3)	(116.6)	4.3	(3.7%)
Depreciation IFRS	(184.6)	(180.9)	(3.7)	2.1%
<b>EBIT</b>	<b>(292.2)</b>	<b>253.9</b>	<b>(546.1)</b>	<b>N/A</b>
Net Interest expenses	(35.9)	(24.5)	(11.5)	(46.8%)
IFRS Financial expenses	(94.1)	(89.6)	(4.5)	(5.0%)
Income from minority equity interestss	(7.5)	0.0	(7.5)	N/A
<b>EBT</b>	<b>(429.7)</b>	<b>139.8</b>	<b>(569.6)</b>	<b>N/A</b>
Corporate income tax	55.5	(33.7)	89.2	N/A
<b>NET INCOME before minorities</b>	<b>(374.2)</b>	<b>106.1</b>	<b>(480.4)</b>	<b>N/A</b>
Minority interests	3.2	(2.9)	6.2	N/A
<b>NET RECURRING INCOME</b>	<b>(371.0)</b>	<b>103.2</b>	<b>(474.2)</b>	<b>N/A</b>
Non Recurring EBITDA <sup>(1)</sup>	(8.7)	6.2	(14.9)	N/A
Other Non Recurring items <sup>(2)</sup>	(57.5)	(19.5)	(38.0)	N/A
<b>NET INCOME including Non-Recurring</b>	<b>(437.2)</b>	<b>90.0</b>	<b>(527.1)</b>	<b>N/A</b>

<sup>(1)</sup> Includes gross capital gains from asset rotation

<sup>(2)</sup> Includes taxes from asset rotation and impairment provision

### 2020 Comments <sup>(1)</sup>:

- **Reported revenues of €539.7m in the year represent a drop of -68.6%** (-69.5% at constant exchange rate) due to the extremely low demand level since March.
  - In the Like for Like ("LFL") perimeter, excluding refurbishments and perimeter changes, revenues fell -69.9% (-69.5% at constant exchange rate):
    - As a result of the slump since late February, the reduction in Europe was -69.5%: Italy (-74.7%), Spain (-70.2%), Benelux (-69.2%), and Central Europe (-65.4%).
  - Perimeter changes contributed with -€46m, including the revenue loss from hotels exiting the portfolio (-€30m) in 2019 and 2020 and despite the contribution from openings in the period, mainly the integration of the Tivoli portfolio, Roma Fori Imperiali, nhow Amsterdam RAI, Anantara The Marker Dublin, and Boscolo portfolio since September.
- **Cost evolution:**
  - Relevant cost savings due to the implementation of the contingency plan since the start of the pandemic that continued throughout the year.
  - **Staff costs** fell -46.7% (+€268.4m). Excluding perimeter changes, staff costs would have dropped +€261.3 m or -48.2%.

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- **Other operating expenses** decreased -50.8% (+€251.0m). Excluding the contribution of perimeter changes, the decline reached +€244.3m (-52.8%).
- The **great effort made to contain costs** allowed to report a **nearly neutral GOP** in the year **(-€9.6m)**.
- Reported **leases and property taxes** reached +€14.3m with a reduction of +€112.4m, mainly explained by fixed rent savings of +€63.6m agreed since March, the lower variable rents and including +€5.3m of perimeter changes.
  - Excluding the IFRS16 accounting impact and perimeter changes, the reduction is +€85.3m or -25.1% in the year and +€81.4m or -31.8% since April.
- **Excluding IFRS 16, the recurring EBITDA<sup>(2)</sup> fell by -€595.8m to -€301.7m**, representing a decremental revenue to EBITDA conversion rate of 51%, reflecting the strong decrease in the cost base since the second quarter after the implementation of the contingency plan.
  - Including IFRS 16, the reported EBITDA is +€4.6m, higher than the figure reported in the first nine months (-€11.0m), due to the fixed rent savings of 2020 that continued in Q4 (+€63.6m in the year and +€26.6m in Q4).
- **Depreciation:** decrease of +€4.3m, mainly due to lower Capex investments.
- **Net Financial Expenses:** increased by -€11.5m mainly explained by the higher gross financial debt: full drawdown of RCF, short-term bilateral credit lines and the new syndicated loan of €250m signed in May.
- **Corporate Income Tax of +€55.5m**, +€89.2m lower than 2019 due to the negative EBT, which leads to the activation of tax losses in the Netherlands, Italy, and Germany. In Spain, Austria and part of the tax losses generated in Belgium and LatAm cannot be activated (-€45m).
- **Reported Net Recurring Income in the year reached -€371.0m** vs +€103.2m in the previous year, implying a drop of -€474.2m, due to the negative evolution of the business since late February and despite having mitigated 60% of the decrease in revenues.
- **Reported Total Net Income of -€437.2m**, vs +€90.0m in 2019, including non-recurring items mainly from the impairment provision.

(1) IFRS 16 and Hyperinflation (IAS 29) accounting impacts included in business performance figures unless stated

(2) Recurring EBITDA excludes IFRS 16 impact

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### Consolidated Income Statement Q4 2020

NH HOTEL GROUP P&L ACCOUNT				
(€ million)	Q4 2020	Q4 2019	Var. Q4	
	Reported	Reported	Reported	
	€ m.	€ m.	€ m.	%
<b>TOTAL REVENUES</b>	<b>82.0</b>	<b>460.9</b>	<b>(378.8)</b>	<b>(82.2%)</b>
Staff Cost	(56.4)	(152.2)	95.8	(62.9%)
Operating expenses	(43.8)	(128.7)	84.9	(66.0%)
<b>GROSS OPERATING PROFIT</b>	<b>(18.2)</b>	<b>180.0</b>	<b>(198.1)</b>	<b>N/A</b>
Lease payments and property taxes	33.8	(29.1)	62.9	N/A
<b>RECURRING EBITDA</b>	<b>15.6</b>	<b>150.9</b>	<b>(135.3)</b>	<b>(89.6%)</b>
Margin % of Revenues	19.1%	32.7%	-	-13.7 p.p.
Depreciation	(28.8)	(29.1)	0.3	(1.1%)
Depreciation IFRS	(44.7)	(46.4)	1.7	N/A
<b>EBIT</b>	<b>(57.8)</b>	<b>75.4</b>	<b>(133.2)</b>	<b>N/A</b>
Net Interest expenses	(12.1)	(7.5)	(4.6)	(62.1%)
IFRS Financial expenses	(23.8)	(22.0)	(1.9)	(8.5%)
Income from minority equity interestss	(7.0)	0.0	(7.0)	N/A
<b>EBT</b>	<b>(100.8)</b>	<b>46.0</b>	<b>(146.8)</b>	<b>N/A</b>
Corporate income tax	5.5	(4.2)	9.7	N/A
<b>NET INCOME before minorities</b>	<b>(95.3)</b>	<b>41.8</b>	<b>(137.1)</b>	<b>N/A</b>
Minority interests	0.5	(0.5)	1.0	N/A
<b>NET RECURRING INCOME</b>	<b>(94.8)</b>	<b>41.2</b>	<b>(136.1)</b>	<b>N/A</b>
Non Recurring EBITDA <sup>(1)</sup>	(6.2)	(0.4)	(5.9)	N/A
Other Non Recurring items <sup>(2)</sup>	(41.1)	(16.8)	(24.3)	N/A
<b>NET INCOME including Non-Recurring</b>	<b>(142.2)</b>	<b>24.1</b>	<b>(166.2)</b>	<b>N/A</b>

<sup>(1)</sup> Includes gross capital gains from asset rotation

<sup>(2)</sup> Includes taxes from asset rotation and impairment provision

#### Q4 2020 Comments <sup>(1)</sup>:

- **Revenues fell by -82.2%** in the quarter (-81.9% at constant exchange rate), **reaching €82m** vs €148m in Q3 (-65.9%) due to the impact of the second wave since September with additional mobility restrictions.
  - In the Like for Like ("LFL") perimeter, excluding refurbishments and perimeter changes, revenues fell -82.9% (-82.6% at constant exchange rate):
    - Deep drop in Europe of -83.0%, with greater restrictions in Northern countries: Benelux (-87.0%), Central Europe (-83.1%), Spain (-81.3%), and Italy (-79.7%).
- **Cost evolution:**
  - Relevant savings were maintained in the quarter due to the discipline in cost control and efficiency measures. Operational costs, excluding rents, were reduced by -64%.
    - **Staff costs** fell -62.9% (+€95.9m).
    - **Other operating expenses** declined by -66.0% (+€84.9m).
- Reported **leases and property taxes** reached +€33.8m with an improvement of +€62.9m, mainly explained by the savings in fixed rents agreed in the quarter (+€26.6m in Q4), lower variable rents and the stop-loss mechanism of contracts with baskets.

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- Excluding IFRS 16 accounting impact and perimeter changes, the reduction is +€31.3m or -35.8% in the quarter due to the fixed rent savings achieved and the lower variable rents.
- **Excluding IFRS 16, recurring EBITDA<sup>(2)</sup> fell by -€170.9m to -€85.5m**, representing a decremental revenue to EBITDA conversion rate of 45%, reflecting the strong effort in costs effort of the contingency plan that continued during the quarter.
  - Including IFRS 16, the reported EBITDA was €15.6m (-€135.3m) boosted by the fixed rent savings registered in the fourth quarter (+€26.6m), lower variable rents and the stop-loss mechanism of contracts with baskets.
- **Net Financial Expenses:** increased by -€4.6m, mainly explained by the higher financial debt: RCF drawdown and the new syndicated loan of €250m drawn in May.
- **Corporate Income Tax of +€5.5m**, +€9.7m lower than Q4 2019 due to the worse evolution of the EBT which leads to the activation of tax losses in Netherlands, Italy and Germany. In Spain, Austria and part of the tax losses generated in Belgium and LatAm cannot be activated (-€19m).
- **The Reported Net Recurring Income in the quarter reached -€94.8m** vs +€41.2m in the same period of previous year, due to the negative business evolution.
- **Reported Total Net Income of -€142.2m**, compared to +€24.1m in the fourth quarter of 2019, including non-recurring items mainly from the impairment provision.

(1) IFRS 16 and Hyperinflation (IAS 29) accounting impacts included in business performance figures unless stated

(2) Recurring EBITDA excludes IFRS 16 impact

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**Financial Debt and Liquidity**

As of 31/12/2020 Data in Euro million	Maximum Available	Availability	Drawn	Repayment schedule								
				2021	2022	2023	2024	2025	2026	2027	2028	Rest
<b>Senior Credit Facilities</b>												
Senior Secured Notes due 2023	356.9	-	356.9	-	-	356.9	-	-	-	-	-	-
Senior Secured RCF due in 2021	236.0	-	236.0	-	-	236.0	-	-	-	-	-	-
<b>Total debt secured by the same Collateral</b>	<b>592.9</b>	<b>-</b>	<b>592.9</b>	<b>-</b>	<b>-</b>	<b>592.9</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Other Secured loans <sup>(1)</sup>	26.3	-	26.3	2.4	2.0	2.1	6.0	1.3	0.8	0.8	0.8	9.9
<b>Total secured debt</b>	<b>619.1</b>	<b>-</b>	<b>619.1</b>	<b>2.4</b>	<b>2.0</b>	<b>594.9</b>	<b>6.0</b>	<b>1.3</b>	<b>0.8</b>	<b>0.8</b>	<b>0.8</b>	<b>9.9</b>
Unsecured loans	79.9	-	79.9	9.2	11.6	47.7	4.3	4.2	3.0	-	-	-
Unsecured credit lines	42.0	25.0	17.0	12.0	-	3.0	-	2.0	-	-	-	-
Subordinated loans	40.0	-	40.0	-	-	-	-	-	-	-	-	40.0
ICO syndicated loan	250.0	-	250.0	-	-	250.0	-	-	-	-	-	-
<b>Total unsecured debt</b>	<b>411.9</b>	<b>25.0</b>	<b>386.9</b>	<b>21.2</b>	<b>11.6</b>	<b>300.7</b>	<b>4.3</b>	<b>6.2</b>	<b>3.0</b>	<b>0.0</b>	<b>0.0</b>	<b>40.0</b>
<b>Total Gross Debt</b>	<b>1,031.0</b>	<b>25.0</b>	<b>1,006.0</b>	<b>23.6</b>	<b>13.6</b>	<b>895.6</b>	<b>10.3</b>	<b>7.5</b>	<b>3.9</b>	<b>0.8</b>	<b>0.8</b>	<b>49.9</b>
Cash and cash equivalents <sup>(2)</sup>			(320.9)									
<b>Net debt</b>			<b>685.2</b>	<b>23.6</b>	<b>13.6</b>	<b>895.6</b>	<b>10.3</b>	<b>7.5</b>	<b>3.9</b>	<b>0.8</b>	<b>0.8</b>	<b>49.9</b>
Arranging expenses			(10.9)	(3.4)	(4.1)	(3.0)	(0.03)	(0.03)	(0.03)	(0.03)	(0.3)	-
Accrued interests			7.4	7.4								
IFRS 9 <sup>(3)</sup>			(4.3)	(1.4)	(1.6)	(1.3)	-	-	-	-	-	-
<b>Total adjusted net debt</b>			<b>677.3</b>									

<sup>(1)</sup> Bilateral mortgage loans.

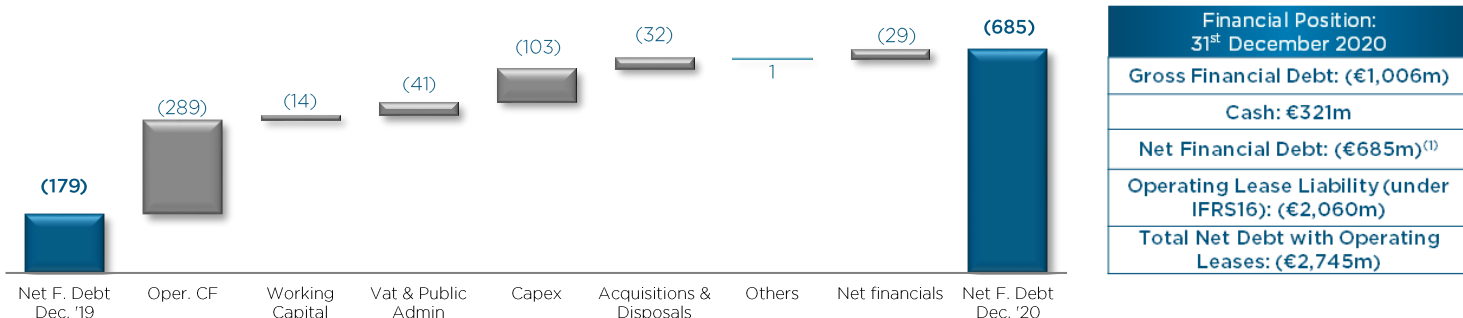
<sup>(2)</sup> Does not include treasury stock shares. As of 31/12/20 the group had 103,947 treasury stock shares with €0.357m market value as of 31 December 2020 (€3.44/share).

<sup>(3)</sup> IFRS 9 - The new IFRS 9 related to the accounting treatment of financial assets and liabilities with implementation on 1 January 2018. As of December 31st there is an impact on NH Hotel Group of €4.3m.

- **Financial position: Net Financial Debt of -€685m, an increase of +€507m, and an available liquidity of €346m** (€321m in cash and €25m in available credit facilities) at 31 December 2020 despite an average monthly cash drain of €28m in the year, the Capex payments (-€103m, mainly due to the works executed in late 2019 and in the months prior to COVID-19) and the investment of c. €50m due to the formalization in September of the agreement previously reached with Covivio for the acquisition of the operating companies of eight high-end hotels under lease contracts.
- The extension of the RCF syndicated facility maturity allows to **avoid any relevant debt maturity until 2023 and the financial covenants have been waived until the December 2021 testing.**

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**2020 Net Financial Debt Evolution**



(1) Net Financial Debt excluding accounting adjustments for arrangement expenses €10.9m, accrued interest -€7.4m and IFRS 9 adjustment €4.3m. Including these accounting adjustments, the adjusted net financial debt would be (-€677m) at 31<sup>st</sup> December 2020 vs. (-€166m) at 31<sup>st</sup> December 2019.

Cash flow evolution in the year:

- (-) Operating cash flow: -€289.5m, including -€6.5m of credit card expenses and corporate income tax paid of +€7.8m.
- (-) Working capital: mainly explained by reduced advance payments from customers due to lower activity, refunds of prepayments and overflow of supplier's invoices from the last months of 2019.
- (-) VAT and Public Administration: explained by the temporary effect of the greater VAT paid (input tax) than charged (output) as a result of the revenue drop.
- (-) CapEx payments: -€102.6m in the year mainly due to capex executed in the end of 2019 and pre-COVID months.
- (-) Acquisitions and disposals: -€32.5m, mainly from the disposal of a minority stake (+€17.3m) in Dominican Republic, the sale of 3 hotels in Benelux (+€14.8m), Boscolo integration (-€51.2m), loan cancellation of a minority stake in a plot of land in the Mexican Caribbean (-€5.7m) and related taxes (-€4.2m) and an investment (-€2.9m) in a managed hotel.
- (+) Others: mainly due to the impact of the currency in non-euro financial debt.
- (-) Net financial and Dividends: -€28.8m including -€27.6m net interest expense and -€1.2m minority dividend.



# Appendix

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## Sales and Results 2020

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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 12 months of 2020.

In addition, the abridged consolidated financial statements as at 31 December 2020 are shown below:

	31/12/2020	31/12/2019		31/12/2020	31/12/2019
<b>NON-CURRENT ASSETS:</b>			<b>EQUITY:</b>		
Tangible assets	1,615,924	1,713,123	Share capital	784,361	784,361
Assets for right of use	1,693,820	1,701,499	Reserves of the parent company	933,173	777,089
Real estate investment	2,950	2,964	Reserves of fully consolidated companies	(349,898)	(278,348)
Goodwill	101,069	106,577	Reserves of company consolidated using equity method	(18,176)	(18,198)
Other intangible assets	128,137	83,807	Exchange differences	(162,932)	(134,967)
Deferred tax assets	273,013	220,040	Treasury shares and shareholdings	(367)	(1,647)
Investments accounted for using the equity method	41,773	7,517	Consolidated profit for the period	(437,159)	89,964
Financial assets at as fair value with changes in the results	1,985	2,075	<b>Equity attributable to the shareholders of the Parent Company</b>	<b>749,002</b>	<b>1,218,254</b>
Other financial assets measured at amortised cost	35,664	35,327	Non-controlling interests	49,582	57,239
<b>Total non-current assets</b>	<b>3,894,335</b>	<b>3,872,929</b>	<b>Total equity</b>	<b>798,584</b>	<b>1,275,493</b>
			<b>PASIVO NO CORRIENTE:</b>		
			Debt instruments and other marketable securities	349,062	345,652
			Debts with credit institutions	623,011	106,695
			Liabilities for operating leases	1,809,120	1,814,399
			Deferred tax liabilities	171,519	180,082
			Other financial liabilities	904	1,160
			Other non-current liabilities	10,601	7,637
			Provisions for contingencies and charges	47,255	48,241
			<b>Total non-current liabilities</b>	<b>3,011,472</b>	<b>2,503,866</b>
			<b>CURRENT LIABILITIES:</b>		
<b>ACTIVO CORRIENTE:</b>			Trade and other payables	188,493	257,499
Inventories	7,957	11,123	Account payables with related entities	613	1,050
Other current assets	5,383	5,771	Tax payables	22,589	40,875
Trade receivables	29,937	106,496	Debts with credit institutions	25,927	3,111
Other non-trade debtors	19,952	26,967	Liabilities for operating leases	250,619	252,970
Tax receivables	50,547	28,961	Debt instruments and other marketable securities	143	141
Account receivable with related entities	955	2,493	Other financial liabilities	105	251
Cash and cash equivalents	320,851	289,345	Other current liabilities	25,095	49,035
Non-current assets classified as held for sale	—	47,811	Provisions for contingencies and charges	6,277	5,021
<b>Total current assets:</b>	<b>435,582</b>	<b>518,967</b>	Liabilities associated with non-current assets classified as held for sale	—	2,584
<b>TOTAL ASSETS</b>	<b>4,329,917</b>	<b>4,391,896</b>	<b>Total current liabilities</b>	<b>519,861</b>	<b>612,537</b>
			<b>NET ASSETS AND LIABILITIES</b>	<b>4,329,917</b>	<b>4,391,896</b>

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**NH HOTEL GROUP, S.A. AND SUBSIDIARIES**

**CONSOLIDATED COMPREHENSIVE PROFIT AND LOSS STATEMENT AT 31 DECEMBER 2020 AND 31 DECEMBER 2019**  
(Thousands of euros)

	<b>2020</b>	<b>2019</b>
Revenues	536,150	1,708,078
Other operating income	7,852	9,352
Net gains on disposal of non-current assets	(475)	(709)
Procurements	(25,378)	(76,765)
Staff costs	(268,174)	(448,762)
Depreciation and amortisation assets for right of use	(186,310)	(181,079)
Depreciation and amortisation charges tangible assets and other intangible assets	(116,167)	(116,079)
Net Profits/(Losses) from asset impairment	(76,258)	4,889
Other operating expenses	(249,481)	(624,175)
Gains on financial assets and liabilities and other	(222)	8,529
Profit (Loss) from entities valued through the equity method	(7,468)	22
Financial income	1,716	4,204
Change in fair value of financial instruments	323	306
Financial expenses for operating leases	(94,106)	(89,620)
Other financial expenses	(41,439)	(45,852)
Result from exposure to hyperinflation (IAS29)	796	(85)
Net exchange differences (Income/(Expense))	(3,774)	(2,341)
Impairment of financial investments	6,926	(18,572)
<b>PROFIT BEFORE TAX FROM CONTINUING OPERATIONS</b>	<b>(515,489)</b>	<b>131,419</b>
Income Tax	75,154	(38,568)
<b>PROFIT FOR THE PERIOD - CONTINUING</b>	<b>(440,335)</b>	<b>92,851</b>
<i>Profit (loss) for the year from discontinued operations net of tax</i>	(66)	50
<b>PROFIT FOR THE PERIOD</b>	<b>(440,401)</b>	<b>92,901</b>
Exchange differences	(21,779)	3,536
<b>Income and expenses recognised directly in equity</b>	<b>(21,779)</b>	<b>3,536</b>
<b>TOTAL COMPREHENSIVE PROFIT</b>	<b>(462,200)</b>	<b>96,437</b>
Profit / (Loss) for the year attributable to:		
<i>Parent Company Shareholders</i>	(437,159)	89,964
<i>Non-controlling interests</i>	(3,242)	2,937
Comprehensive Profit / (Loss) attributable to:		
<i>Parent Company Shareholders</i>	(456,829)	92,245
<i>Non-controlling interests</i>	(5,371)	4,192

## NH HOTEL GROUP, S.A. AND SUBSIDIARIES

### ABRIDGED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

#### FOR THE PERIOD ENDED

30 DECEMBER 2020 AND 31 DECEMBER 2019

(Thousands of euros)

	Equity attributed to the Parent Company					Non-controlling interest	Total Equity
	Own Funds						
	Share Capital	Issue premium and reserves	Treasury shares and shareholdings	Profit for the year attributable to the Parent Company	Valuation adjustments		
<b>Ending Balance at 31/12/2019</b>	<b>784,361</b>	<b>403,983</b>	<b>(1,647)</b>	<b>89,964</b>	<b>(58,407)</b>	<b>57,239</b>	<b>1,275,493</b>
<b>Adjusted balance at 31/12/2019</b>	<b>784,361</b>	<b>403,983</b>	<b>(1,647)</b>	<b>89,964</b>	<b>(58,407)</b>	<b>57,239</b>	<b>1,275,493</b>
Net profit (loss) for 2020	-	-	-	(437,159)	-	(3,242)	(440,401)
Exchange differences	-	-	-	-	(19,670)	(2,129)	(21,799)
<b>Total recognised income / (expense)</b>	-	-	-	<b>(437,159)</b>	<b>(19,670)</b>	<b>(5,371)</b>	<b>(462,200)</b>
<b>Transactions with shareholders or owners</b>	-	(2,724)	1,525	-	-	(1,179)	(2,378)
Distribution of dividends	-	-	-	-	-	(1,179)	(1,179)
Remuneration Scheme in shares	-	(2,724)	1,525	-	-	-	(1,199)
<b>Other changes in equity</b>	-	<b>87,280</b>	<b>(245)</b>	<b>(89,964)</b>	<b>(8,295)</b>	<b>(1,107)</b>	<b>(12,331)</b>
Transfers between equity items	-	89,964	-	(89,964)	-	-	-
Application NIC 29	-	-	-	-	(8,295)	(1,383)	(9,678)
Other changes	-	(2,684)	(245)	-	-	276	(2,653)
<b>Ending balance at 31/12/2020</b>	<b>784,361</b>	<b>488,539</b>	<b>(367)</b>	<b>(437,159)</b>	<b>(86,372)</b>	<b>49,582</b>	<b>798,584</b>

	Equity attributed to the Parent Company					Non-controlling interest	Total Equity
	Own Funds						
	Share Capital	Issue premium and reserves	Treasury shares and shareholdings	Profit for the year attributable to the Parent Company	Currency translation reserve		
<b>Ending Balance at 31/12/2018</b>	<b>784,361</b>	<b>612,909</b>	<b>(2,530)</b>	<b>117,785</b>	<b>(60,854)</b>	<b>52,351</b>	<b>1,504,022</b>
IAS 29 Accounting reclassification	-	93,923	-	-	(93,923)	-	-
Accounting correction	-	16,212	-	-	(16,212)	-	-
<b>Ending Balance at 31/12/2018</b>	<b>784,361</b>	<b>629,121</b>	<b>(2,530)</b>	<b>101,573</b>	<b>(60,854)</b>	<b>52,351</b>	<b>1,504,022</b>
Adjustment for changes in accounting policies	-	(254,705)	-	-	-	(1,098)	(255,803)
Other adjustments	-	(11,895)	-	-	166	3,761	(7,968)
<b>Adjusted balance at 31/12/2018</b>	<b>784,361</b>	<b>362,521</b>	<b>(2,530)</b>	<b>101,573</b>	<b>(60,688)</b>	<b>55,014</b>	<b>1,240,251</b>
Net profit (loss) for 2019	-	-	-	89,964	-	2,937	92,901
Exchange differences	-	-	-	-	2,281	1,255	3,536
<b>Total recognised income / (expense)</b>	-	-	-	<b>89,964</b>	<b>2,281</b>	<b>4,192</b>	<b>96,437</b>
<b>Transactions with shareholders or owners</b>	-	<b>(59,769)</b>	<b>970</b>	-	-	<b>(2,720)</b>	<b>(61,519)</b>
Distribution of dividends	-	(58,771)	-	-	-	(2,720)	(61,491)
Remuneration Scheme in shares	-	(998)	970	-	-	-	(28)
<b>Other changes in equity</b>	-	<b>101,231</b>	<b>(87)</b>	<b>(101,573)</b>	-	<b>753</b>	<b>324</b>
Transfers between equity items	-	101,573	-	(101,573)	-	-	-
Application NIC 29	-	1,151	-	-	-	777	1,928
Other changes	-	(1,493)	(87)	-	-	(24)	(1,604)
<b>Ending balance at 31/12/2019</b>	<b>784,361</b>	<b>403,983</b>	<b>(1,647)</b>	<b>89,964</b>	<b>(58,407)</b>	<b>57,239</b>	<b>1,275,493</b>

Sales and Results 2020

Madrid, 24<sup>th</sup> February 2021

**NH HOTEL GROUP, S.A. AND SUBSIDIARIES**

**ABRIDGED CONSOLIDATED CASH FLOW STATEMENTS FOR THE PERIOD ENDED**

**31 DECEMBER 2020 AND 2019**

(Thousands of euros)

	2020	2019
<b>1. OPERATING ACTIVITIES</b>		
Consolidated profit (loss) before tax and discontinued operations:	<b>(515,489)</b>	<b>131,419</b>
<b>Adjustments:</b>		
Amortisation of use rights (+)	186,310	181,079
Impairment to tangible and intangible fixed assets (+)	116,167	116,001
(Profits)/Losses for impairment (net) (+/-)	76,258	(4,889)
Gains/Losses on the sale of tangible and intangible assets (+/-)	475	709
Gains/Losses on investments valued using the equity method (+/-)	7,468	(22)
Financial income (-)	(1,716)	(4,204)
Change in fair value of financial instruments	(323)	(306)
Financial expenses (+)	135,545	135,472
Results from exposure to hyperinflation (NIC 29)	(796)	85
Net exchange differences (Income/(Expense))	3,774	2,341
Profit (loss) on disposal of financial investments	222	(8,529)
Impairment on financial investments (+/-)	(6,926)	18,572
Other non-monetary items (+/-)	(47,047)	5,841
<b>Adjusted profit (loss)</b>	<b>(46,078)</b>	<b>573,569</b>
Net variation in assets / liabilities:		
(Increase)/Decrease in inventories	3,410	(144)
(Increase)/Decrease in trade debtors and other accounts receivable	70,024	(405)
(Increase)/Decrease in other current assets	(28,015)	(764)
Increase/(Decrease) in trade payables	(68,586)	5,466
Increase/(Decrease) in other current liabilities	(30,875)	(4,745)
Increase/(Decrease) in provisions for contingencies and expenses	(2,579)	(12,923)
(Increase)/Decrease in non-current assets	254	1,312
Increase/(Decrease) in non-current liabilities	518	(146)
Income tax paid	7,834	(55,959)
<b>Total net cash flow from operating activities (I)</b>	<b>(94,093)</b>	<b>505,261</b>
<b>2. INVESTMENT ACTIVITIES</b>		
<b>Other interest/dividends received</b>	<b>155</b>	<b>716</b>
Investments (-):		
Group companies, joint ventures and associates	(64,057)	(1,297)
Tangible and intangible assets and investments in property	(105,464)	(190,813)
	<b>(169,521)</b>	<b>(192,110)</b>
Disinvestment (+):		
Group companies, joint ventures and associates	26,918	1,903
Tangible and intangible assets and investments in property	4,798	23,532
	<b>31,716</b>	<b>25,435</b>
<b>Total net cash flow from investment activities (II)</b>	<b>(137,650)</b>	<b>(165,959)</b>
<b>3. FINANCING ACTIVITIES</b>		
Dividends paid out (-)	(1,176)	(60,580)
Interest paid on debts (-)	(34,250)	(38,726)
Interest paid by means of payment	(6,459)	(19,304)
Interest paid by financing and other	(27,791)	(19,422)
Variations in (+/-):		
Equity instruments:		
- Treasury shares	(298)	—
Debt instruments:		
- Loans from credit institutions (+)	821,700	36,544
- Loans from credit institutions (-)	(278,900)	(3,974)
- Principal elements on payment for leasing (-)	(244,785)	(252,296)
- Other financial liabilities (+/-)	(79)	(755)
<b>Total net cash flow from financing activities (III)</b>	<b>262,212</b>	<b>(319,787)</b>
<b>4. GROSS INCREASE/DECREASE IN CASH AND CASH EQUIVALENTS (I+II+III)</b>	<b>30,469</b>	<b>19,515</b>
<b>5. Effect of exchange rate variations on cash and cash equivalents (IV)</b>	<b>(1,726)</b>	<b>2</b>
<b>6. Effect of variations in the scope of consolidation (V)</b>	<b>2,763</b>	<b>3,959</b>
<b>7. NET INCREASE/DECREASE IN CASH AND CASH EQUIVALENTS (I+II+III-IV+VI)</b>	<b>31,506</b>	<b>23,476</b>
<b>8. Cash and cash equivalents at the start of the financial year</b>	<b>289,345</b>	<b>265,869</b>
<b>9. Cash and cash equivalents at end of year</b>	<b>320,851</b>	<b>289,345</b>

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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:

		12M 2020	12M 2019
		M Eur.	M Eur.
<b>Total revenues</b>	A+B	<b>539.7</b>	<b>1.718.3</b>
Total recurring revenue LFL & Refurbishment	A	493.3	1,625.9
Openings, closing & others	B	46.4	92.4

It has been provided a reconciliation for the “Total Revenues” line in Point II for the period of 12 months ended 31 December 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.

## 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 12 months of 2020:

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## I. ADR and RevPAR

Earnings Report of 12 months of 2020 details the cumulative evolution of RevPAR and ADR in the following tables:

	NH HOTEL GROUP REVPAR 12M 2020/2019										
	AVERAGE ROOMS		OCCUPANCY %			ADR			REVPAR		
	2020	2019	2020	2019	% Var	2020	2019	% Var	2020	2019	% Var
<b>Spain &amp; Others LFL &amp; R <sup>(1)</sup></b>	<b>11,370</b>	<b>11,233</b>	<b>28.4%</b>	<b>74.9%</b>	<b>-62.1%</b>	<b>77.4</b>	<b>102.8</b>	<b>-24.7%</b>	<b>22.0</b>	<b>77.0</b>	<b>-71.5%</b>
B.U. Spain Consolidated <sup>(1)</sup>	12,349	12,124	27.7%	74.8%	-63.0%	80.3	104.1	-22.9%	22.2	77.9	-71.4%
<b>Italy LFL &amp; R</b>	<b>7,330</b>	<b>7,309</b>	<b>22.3%</b>	<b>70.2%</b>	<b>-68.2%</b>	<b>94.8</b>	<b>123.6</b>	<b>-23.3%</b>	<b>21.2</b>	<b>86.7</b>	<b>-75.6%</b>
B.U. Italy Consolidated	7,674	7,417	22.2%	70.2%	-68.3%	95.8	123.3	-22.3%	21.3	86.5	-75.4%
<b>Benelux LFL &amp; R</b>	<b>8,260</b>	<b>8,165</b>	<b>24.9%</b>	<b>73.2%</b>	<b>-65.9%</b>	<b>92.6</b>	<b>117.7</b>	<b>-21.3%</b>	<b>23.1</b>	<b>86.1</b>	<b>-73.2%</b>
B.U. Benelux Consolidated	9,825	8,952	22.9%	72.5%	-68.4%	94.0	114.9	-18.2%	21.5	83.3	-74.2%
<b>Central Europe LFL &amp; R</b>	<b>11,672</b>	<b>11,626</b>	<b>28.3%</b>	<b>73.8%</b>	<b>-61.7%</b>	<b>76.9</b>	<b>92.1</b>	<b>-16.6%</b>	<b>21.7</b>	<b>68.0</b>	<b>-68.0%</b>
B.U. Central Europe Consolidated	12,387	12,295	28.6%	73.1%	-60.9%	76.4	91.4	-16.4%	21.9	66.8	-67.3%
<b>Total Europe LFL &amp; R</b>	<b>38,632</b>	<b>38,332</b>	<b>26.5%</b>	<b>73.3%</b>	<b>-63.9%</b>	<b>83.1</b>	<b>106.5</b>	<b>-22.0%</b>	<b>22.0</b>	<b>78.1</b>	<b>-71.8%</b>
Total Europe Consolidated	42,236	40,789	25.9%	72.9%	-64.6%	84.3	106.0	-20.5%	21.8	77.3	-71.8%
<b>Latinamerica LFL &amp; R</b>	<b>5,247</b>	<b>5,235</b>	<b>18.2%</b>	<b>62.0%</b>	<b>-70.6%</b>	<b>56.8</b>	<b>72.3</b>	<b>-21.4%</b>	<b>10.3</b>	<b>44.8</b>	<b>-76.9%</b>
B.U. Latinamerica Consolidated	5,508	5,360	18.2%	61.4%	-70.3%	56.5	72.2	-21.7%	10.3	44.3	-76.7%
<b>NH Hotels LFL &amp; R</b>	<b>43,879</b>	<b>43,568</b>	<b>25.5%</b>	<b>72.0%</b>	<b>-64.6%</b>	<b>80.8</b>	<b>103.0</b>	<b>-21.5%</b>	<b>20.5</b>	<b>74.1</b>	<b>-72.2%</b>
Total NH Consolidated	47,743	46,149	25.0%	71.6%	-65.1%	81.9	102.6	-20.2%	20.5	73.5	-72.2%

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

	12M 2020 € Thousand	12M 2019 € Thousand
<b>A</b> Room revenues	348,180	1,222,859
Other revenues	187,970	485,219
<b>Revenues according to profit &amp; loss statement</b>	<b>536,150</b>	<b>1,708,078</b>
<b>B</b> Thousand of room nights	4,250	11,916
<b>A / B = C</b> <b>ADR</b>	<b>81.9</b>	<b>102.6</b>
<b>D</b> Occupancy	25.0%	71.6%
<b>C x D</b> <b>RevPAR</b>	<b>20.5</b>	<b>73.5</b>

## II. INCOME STATEMENT 12 MONTHS OF 2020 AND 2019

The Earnings Report of 12 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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12 months 2020

	Income Statements	Reclassification according to the Financial Statements	Financial expenses for means of payment	Oursourcing	Assets Disposal	Scrapping and non recurring depreciation	Claims, severance payments and other non recurring	P&L according to the Financial Statements	
APM Total revenues	539.7	(539.7)	-	-	-	-	-	-	
Revenues	-	535.9	-	-	0.3	-	-	536.2	Revenues
Other operating income	-	7.9	-	-	-	-	-	7.9	Other operating income
<b>APM TOTAL REVENUES</b>	<b>539.7</b>	<b>4.0</b>	<b>-</b>	<b>-</b>	<b>0.3</b>	<b>-</b>	<b>-</b>	<b>544.0</b>	
Net gains on disposal of non-current assets	-	-	-	-	0.6	(1.1)	-	(0.5)	Net gains on disposal of non-current assets
APM Staff Cost	(306.4)	-	-	44.4	-	-	(6.2)	(268.2)	Staff costs
APM Operating expenses	(242.9)	38.5	6.5	(44.4)	-	-	(7.1)	(249.5)	Other operating expenses
Procurements	-	(25.4)	-	-	-	-	-	(25.4)	Procurements
<b>APM GROSS OPERATING PROFIT</b>	<b>(9.6)</b>	<b>17.2</b>	<b>6.5</b>	<b>-</b>	<b>0.9</b>	<b>(1.1)</b>	<b>(13.3)</b>	<b>0.5</b>	
APM Lease payments and property taxes	14.3	(14.3)	-	-	-	-	-	-	
<b>APMEBITDA</b>	<b>4.6</b>	<b>2.9</b>	<b>6.5</b>	<b>-</b>	<b>0.9</b>	<b>(1.1)</b>	<b>(13.3)</b>	<b>0.5</b>	
Net Profits/(Losses) from asset impairment	-	5.6	-	-	-	(81.9)	-	(76.3)	Net Profits/(Losses) from asset impairment
APM Depreciation	(296.9)	(5.6)	-	-	-	-	-	(302.5)	Depreciation and amortisation charges
<b>APMEBIT</b>	<b>(292.2)</b>	<b>2.9</b>	<b>6.5</b>	<b>-</b>	<b>0.9</b>	<b>(83.0)</b>	<b>(13.3)</b>	<b>(378.2)</b>	
Gains on financial assets and liabilities and other	-	(0.2)	-	-	-	-	-	(0.2)	Gains on financial assets and liabilities and other
Impairment Financial Investments	-	6.9	-	-	-	-	-	6.9	Impairment Financial investments
APM Interest expense	(130.0)	1.7	(6.5)	-	-	-	-	(134.7)	Finance costs
Finance Income	-	1.7	-	-	-	-	-	1.7	Finance income
Change in fair value of financial instruments	-	0.3	-	-	-	-	-	0.3	Change in fair value of financial instruments
Net exchange differences (Income/(Expense))	-	(3.8)	-	-	-	-	-	(3.8)	Net exchange differences (Income/(Expense))
APM Income from minority equity interests	(7.5)	-	-	-	-	-	-	(7.5)	Profit (loss) from companies accounted for using the equity method
<b>APMEBT</b>	<b>(429.7)</b>	<b>9.6</b>	<b>-</b>	<b>-</b>	<b>0.9</b>	<b>(83.0)</b>	<b>(13.3)</b>	<b>(515.5)</b>	<b>Profit (loss) before tax from continuing operations</b>
APM Corporate Income Tax	55.5	0.9	-	-	-	18.8	-	75.2	Income tax
<b>APM Net Income before minorities</b>	<b>(374.2)</b>	<b>10.5</b>	<b>-</b>	<b>-</b>	<b>0.9</b>	<b>(64.2)</b>	<b>(13.3)</b>	<b>(440.3)</b>	<b>Profit for the financial year - continuing</b>
Profit/ (Loss) for the year from discontinued operations net of tax	-	(0.1)	-	-	-	-	-	(0.1)	Profit (loss) for the year from discontinued operations net of tax
<b>APM NET INCOME before minorities</b>	<b>(374.2)</b>	<b>10.4</b>	<b>-</b>	<b>-</b>	<b>0.9</b>	<b>(64.2)</b>	<b>(13.3)</b>	<b>(440.4)</b>	<b>Profit for the financial year - continuing</b>
APM Minority interests	3.2	-	-	-	-	-	-	3.2	Non-controlling interests
<b>APM Net Recurring Income</b>	<b>(371.0)</b>	<b>10.4</b>	<b>-</b>	<b>-</b>	<b>0.9</b>	<b>(64.2)</b>	<b>(13.3)</b>	<b>(437.2)</b>	<b>Profits for the year attributable to Parent Company Shareholders</b>
APM Non Recurring EBITDA	(8.7)	(2.9)	-	-	(0.9)	(0.8)	13.3		
APM Other Non Recurring items	(57.5)	(7.5)	-	-	-	65.0	-		
<b>APM NET INCOME including Non-Recurring</b>	<b>(437.2)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(437.2)</b>	<b>Profits for the year attributable to Parent Company Shareholders</b>



12 months 2019

	Income Statements	Reclassification according to the Financial Statements	Financial expenses for means of payment	Oursourcing	Assets Disposal	Scrapping and non recurring depreciation	Claims, severance payments and other non recurring	P&L according to the Financial Statements	
APM Total revenues	1,718.3	(1,718.3)	-	-	-	-	-	-	
Revenues	-	1,707.8	-	-	0.3	-	-	1,708.1	Importe neto de la cifra de negocios
Other operating income	-	9.4	-	-	-	-	-	9.4	Otros ingresos de explotación
<b>APM TOTAL REVENUES</b>	<b>1,718.3</b>	<b>(1.1)</b>	<b>-</b>	<b>-</b>	<b>0.3</b>	<b>-</b>	<b>-</b>	<b>1,717.4</b>	
Net gains on disposal of non-current assets	-	1.0	-	-	4.0	(5.7)	-	(0.7)	Rdo neto de la enajenación de activos no corrientes
APM Staff Cost	(574.9)	-	-	128.1	-	-	(1.5)	(448.8)	Gastos de personal
APM Operating expenses	(493.9)	(18.5)	19.3	(128.1)	(0.5)	-	(3.0)	(624.2)	Otros gastos de explotación
Procurements	-	(76.8)	-	-	-	-	-	(76.8)	Aprovisionamientos
<b>APM GROSS OPERATING PROFIT</b>	<b>649.5</b>	<b>(95.3)</b>	<b>19.3</b>	<b>-</b>	<b>3.7</b>	<b>(5.7)</b>	<b>(4.5)</b>	<b>567.0</b>	
APM Lease payments and property taxes	(98.1)	98.1	-	-	-	-	-	-	
lease payments and property taxes nr									
<b>APM EBITDA BEFORE ONEROUS</b>	<b>551.4</b>	<b>2.8</b>	<b>19.3</b>	<b>-</b>	<b>3.7</b>	<b>(5.7)</b>	<b>(4.5)</b>	<b>567.0</b>	
APM Onerous contract reversal provision	-	-	-	-	-	-	-	-	Variación de la provisión de onerosos
<b>APM EBITDA AFTER ONEROUS</b>	<b>551.4</b>	<b>2.8</b>	<b>19.3</b>	<b>-</b>	<b>3.7</b>	<b>(5.7)</b>	<b>(4.5)</b>	<b>567.0</b>	
Net Profits/(Losses) from asset impairment	-	3.8	-	-	-	1.1	-	4.9	Beneficios/(Pérdidas) netas por deterioro de activos
APM Depreciation	(297.5)	(3.8)	-	-	4.2	-	-	(297.1)	Dotación a la amortización
<b>APM EBIT</b>	<b>253.9</b>	<b>2.8</b>	<b>19.3</b>	<b>-</b>	<b>7.9</b>	<b>(4.6)</b>	<b>(4.5)</b>	<b>274.8</b>	
Gains on financial assets and liabilities and other	-	8.5	-	-	-	-	-	8.5	Resultado enajenación inversiones financieras
Impairment Financial Investments	-	(18.6)	-	-	-	-	-	(18.6)	Deterioro de inversiones financieras
APM Interest expense	(114.1)	(2.2)	(19.3)	-	-	-	-	(135.6)	Gastos financieros
Finance Income	-	4.2	-	-	-	-	-	4.2	Ingresos financieros
Change in fair value of financial instruments	-	0.3	-	-	-	-	-	0.3	Variación de valor razonable en instrumentos financieros
Net exchange differences (Income)/(Expense))	-	(2.3)	-	-	-	-	-	(2.3)	Diferencias netas de cambio (Ingresos/(Gastos))
APM Income from minority equity interests	0.0	-	-	-	-	-	-	0.0	Resultado de entidades valoradas por el método
<b>APM EBT</b>	<b>139.8</b>	<b>(7.3)</b>	<b>-</b>	<b>-</b>	<b>7.9</b>	<b>(4.6)</b>	<b>(4.5)</b>	<b>131.4</b>	<b>Beneficio antes de impuestos</b>
APM Corporate Income Tax	(33.7)	(4.4)	-	-	-	(0.5)	-	(38.6)	Impuesto sobre Sociedades
<b>APM Net Income before minorities</b>	<b>106.1</b>	<b>(11.7)</b>	<b>-</b>	<b>-</b>	<b>7.9</b>	<b>(5.1)</b>	<b>(4.5)</b>	<b>92.9</b>	<b>Beneficio del ejercicio actividad continuada</b>
Profit/ (Loss) for the year from discontinued operations net of tax	-	0.1	-	-	-	-	-	0.1	Rdos operaciones interrumpidas neto de impuestos
<b>APM NET INCOME before minorities</b>	<b>106.1</b>	<b>(11.6)</b>	<b>-</b>	<b>-</b>	<b>7.9</b>	<b>(5.1)</b>	<b>(4.5)</b>	<b>92.9</b>	<b>Beneficio Integral Total</b>
APM Minority interests	(2.9)	0.0	-	-	-	-	-	(2.9)	Intereses minoritarios
<b>APM Net Recurring Income</b>	<b>103.2</b>	<b>(11.6)</b>	<b>-</b>	<b>-</b>	<b>7.9</b>	<b>(5.1)</b>	<b>(4.5)</b>	<b>90.0</b>	<b>Beneficio atribuible a la Sociedad Dominante</b>
APM Non Recurring EBITDA	6.2	(2.8)	-	-	(7.9)	-	4.5		
APM Other Non Recurring items	(19.5)	14.4	-	-	-	5.1	-		
<b>APM NET INCOME including Non-Recurring</b>	<b>90.0</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>90.0</b>	<b>Beneficio atribuible a la Sociedad Dominante</b>

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**III. DEBT AND STATEMENT OF CASH FLOWS AS AT 30 DECEMBER 2020 AND 31 DECEMBER 2019**

**III.1 Debt presented in the earnings report of 12 months of 2020.**

As of 30/09/2020 Data in Euro million	Maximum Available	Availability	Drawn		Maturities					
					Year 1	Year 2	Year 3	Year 4	Year 5	Remainder
<b>Mortgage loans</b>	<b>26,252</b>	-	<b>26,252</b>	-	<b>2,398</b>	<b>2,002</b>	<b>2,072</b>	<b>5,985</b>	<b>1,308</b>	<b>12,487</b>
Fixed rate	22,887	-	22,887	-	1,652	1,401	1,462	5,365	679	12,328
Variable rate	3,366	-	3,366	-	746	602	611	620	629	159
<b>Subordinated loans</b>	<b>40,000</b>	-	<b>40,000</b>	-	-	-	-	-	-	<b>40,000</b>
Variable rate	40,000	-	40,000	-	-	-	-	-	-	40,000
<b>Guaranteed senior notes mat. in 2023</b>	<b>356,850</b>	-	<b>356,850</b>	-	-	-	<b>356,850</b>	-	-	-
Fixed rate	356,850	-	356,850	-	-	-	356,850	-	-	-
<b>Unsecured loans</b>	<b>329,919</b>	-	<b>329,919</b>	-	<b>9,177</b>	<b>11,572</b>	<b>297,657</b>	<b>4,284</b>	<b>4,194</b>	<b>3,035</b>
Variable rate	8,716	-	8,716	-	2,074	4,080	2,562	-	-	-
Fixed rate	321,203	-	321,203	-	7,103	7,492	295,095	4,284	4,194	3,035
<b>Secured credit line</b>	<b>236,000</b>	-	<b>236,000</b>	-	-	-	<b>236,000</b>	-	-	-
Variable rate	236,000	-	236,000	-	-	-	236,000	-	-	-
<b>Credit lines</b>	<b>42,000</b>	<b>25,000</b>	<b>17,000</b>	-	<b>12,000</b>	-	<b>3,000</b>	-	<b>2,000</b>	-
Variable rate	42,000	25,000	17,000	-	12,000	-	3,000	-	2,000	-
<b>Borrowing at 31/12/2020</b>	<b>1,031,021</b>	<b>25,000</b>	<b>1,006,021</b>	<b>0</b>	<b>23,575</b>	<b>13,574</b>	<b>895,579</b>	<b>10,269</b>	<b>7,502</b>	<b>55,522</b>
Arrangement expenses	(10,917)	-	(10,917)	-	(3,447)	(4,126)	(2,958)	(30)	(30)	(327)
IFRS 9	(4,316)	-	(4,316)	-	(1,414)	(1,588)	(1,315)	-	-	-
Accrued interests	7,357	-	7,357	-	7,357	-	-	-	-	-
<b>Adjusted total debt at 31/12/2020</b>	<b>1,023,145</b>	<b>25,000</b>	<b>998,145</b>	-	<b>26,071</b>	<b>7,860</b>	<b>891,306</b>	<b>10,239</b>	<b>7,472</b>	<b>55,195</b>
<b>Adjusted total debt at 31/12/2019</b>	<b>761,694</b>	<b>306,095</b>	<b>455,599</b>	<b>3,252</b>	<b>(1,666)</b>	<b>(1,816)</b>	<b>401,420</b>	<b>1,259</b>	<b>826</b>	<b>52,324</b>

**III.2 Statement of cash flows included in the earnings report of 12 months of 2020.**

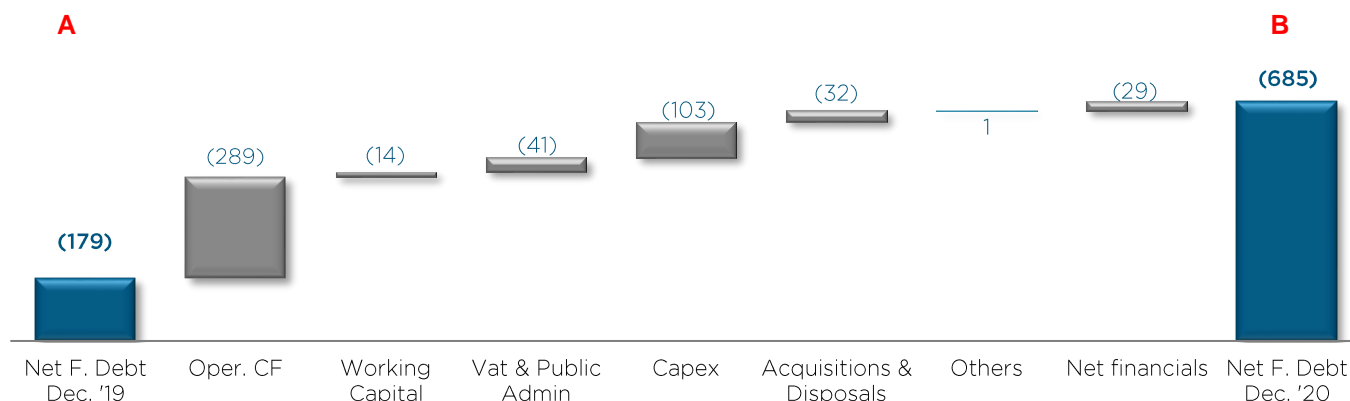
Net financial debt as at 31 December 2020 and 31 December 2019 has been obtained from the consolidated balance sheet at 31 December 2020 and from the consolidated financial statements for 31 December 2019 and is as follows:

	31/12/2020	31/12/2019	VAR.
<i>Debt instruments and other marketable securities according to financial statements</i>	349,062	345,652	
<i>Bank borrowings according to financial statements</i>	623,011	106,695	
<b><i>Bank borrowings and debt instruments and other marketable securities according to financial statements</i></b>	<b>972,073</b>	<b>452,347</b>	
<i>Debt instruments and other marketable securities according to financial statements</i>	143	141	
<i>Bank borrowings according to financial statements</i>	25,927	3,111	
<b><i>Bank borrowings and debt instruments and other marketable securities according to financial statements</i></b>	<b>26,070</b>	<b>3,252</b>	
<b><i>Total Bank borrowings and debt instruments and other marketable securities according to financial statements</i></b>	<b>998,143</b>	<b>455,599</b>	
<i>Arrangement expenses</i>	<b>a</b> 10,917	10,628	
<i>IFRS 9</i>	<b>b</b> 4,316	5,573	
<i>Borrowing costs</i>	<b>c</b> (7,357)	(3,855)	
<b><i>APM Gross debt</i></b>	<b>1,006,019</b>	<b>467,944</b>	
<i>Cash and cash equivalents according to financial statements</i>	(320,851)	(289,345)	
<b><i>APM Net Debt</i></b>	<b>B 685,168</b>	<b>A 178,599</b>	<b>506,569</b>
<i>Liabilities for operating leases (Current and non current)</i>	2,059,739	2,067,369	
<b><i>APM Net with Debt IFRS 16</i></b>	<b>2,744,907</b>	<b>2,245,968</b>	<b>498,939</b>

The following chart reconciles the change in net financial debt shown in the earnings report of 12 months of 2020:

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**2020 Net Financial Debt Evolution**



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

	Oper. CF	Working capital	VAT & Public Admin	Capex	Acquisitions & Disposals	Others	Net Financials	Redemption Convertible Bond	Total
<b>Total</b>	289.5	13.9	40.8	102.6	32.5	(1.4)	28.8	-	506.7
Adjusted profit (loss)	(290.9)								(290.9)
Income tax paid	7.8								7.8
Financial expenses for means of payments	(6.5)								(6.5)
(Increase)/Decrease in inventories		3.4							3.4
(Increase)/Decrease in trade debtors and other accounts receivable		70.0							70.0
(Increase)/Decrease in trade payables		(87.3)							(87.3)
(Increase)/Decrease in VAT & public Administration			(40.8)						(40.8)
Tangible and intangible assets and investments in property				(102.6)					(102.6)
Group companies, join ventures and associates					(37.3)				(37.3)
Tangible and intangible assets and investments in property					4.8				4.8
(Increase)/Decrease in current assets						0.7			0.7
(Increase)/Decrease in provision for contingencies and expenses						(2.6)			(2.6)
Treasury shares						(0.3)			(0.3)
Other financial liabilities (+/-)						(0.1)			(0.1)
5. Effect of exchange rate variations on cash and cash equivalents (IV)						2.9			2.9
Increase/(Decrease) in other non current assets and liabilities and others						0.8			0.8
Interests paid in debts and other interests (without means of payments)							(27.8)		(27.8)
Dividends paid							(1.2)		(1.2)
Finance Income							0.2		0.2

All of the aforementioned information has been obtained from the condensed consolidated statement of cash flows from 31 December 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

#### New agreements, openings and exits

##### Hotels signed from 1<sup>st</sup> January to 31<sup>st</sup> December 2020

City / Country	Contract	# Rooms	Opening
Copenhagen / Denmark	Leased	394	2021
Tozeur / Tunisia	Management	93	2020
<b>TOTAL SIGNED HOTELS</b>		<b>487</b>	

##### Hotels opened from 1<sup>st</sup> January to 31<sup>st</sup> December 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 / Italy	Leased	70
Anantara Palazzo Naiadi Rome Hotel	Rome / Italy	Leased	238
NH Collection Firenze Palazzo Gaddi	Florence / Italy	Leased	86
NH Collection Venezia Grand Hotel Palazzo Dei Dogi	Venice / Italy	Leased	64
NH Venezia Santa Lucia	Venice / Italy	Leased	100
Anantara New York Palace Budapest Hotel	Budapest / Hungary	Leased	185
NH Collection Budapest City Center	Budapest / Hungary	Leased	138
NH Collection Prague Carlo IV	Prague / Czech Rep	Leased	152
Anantara Sahara Tozeur Resort & Villas	Tozeur / Tunisia	Management	93
<b>TOTAL OPENINGS</b>			<b>1,966</b>

##### Hotels exiting from 1<sup>st</sup> January to 31<sup>st</sup> December 2020

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
NH Parla	Madrid / Spain	June	Leased	88
NH Gent Sint Pieters	Ghent / Belgium	June	Owned	49
NH Berlin Potsdam Conf. Center	Berlin / Germany	June	Leased	243
NH Best	Best / The Netherlands	July	Owned	68
NH Collection Guadalajara Centro Histórico	Guadalajara / Mexico	August	Management	142
NH Berlin City West	Berlin / Germany	November	Leased	136
NH Geldrop	Geldrop / The Netherlands	December	Owned	131
NH Ciudad de Almeria	Almeria / Spain	December	Leased	138
NH Barcelona Campus	Barcelona / Spain	December	Management	180
<b>TOTAL EXITS</b>				<b>3,866</b>

### HOTELS OPENED BY COUNTRY AT 31<sup>ST</sup> DECEMBER 2020

Business Unit	Country	TOTAL		Leased			Owned		Management		Franchised	
		Hotels	Rooms	Call Option	Hotels	Rooms	Hotels	Rooms	Hotels	Rooms	Hotels	Rooms
BU Benelux	Belgium	13	2,265		6	1,197	7	1,068				
	Luxembourg	1	148				1	148				
	The Netherlands	34	7,233	2	21	4,012	12	2,770	1	451		
	United Kingdom	2	311		1	121			1	190		
	Ireland	1	187		1	187						
<b>BU Benelux</b>		<b>51</b>	<b>10,144</b>	<b>2</b>	<b>29</b>	<b>5,517</b>	<b>20</b>	<b>3,986</b>	<b>2</b>	<b>641</b>		
BU Central Europe	Austria	7	1,340	1	7	1,340						
	Czech Republic	4	733		1	152			3	581		
	Germany	54	10,046	2	49	9,046	5	1,000				
	Hungary	3	483		3	483						
	Poland	1	93								1	93
	Romania	2	159		1	83			1	76		
	Slovakia	1	117						1	117		
Switzerland	3	382		2	260					1	122	
<b>BU Central Europe</b>		<b>75</b>	<b>13,353</b>	<b>3</b>	<b>63</b>	<b>11,364</b>	<b>5</b>	<b>1,000</b>	<b>5</b>	<b>774</b>	<b>2</b>	<b>215</b>
BU Italy	Italy	57	8,495	1	41	6,134	13	1,872	3	489		
<b>BU Italy</b>		<b>57</b>	<b>8,495</b>	<b>1</b>	<b>41</b>	<b>6,134</b>	<b>13</b>	<b>1,872</b>	<b>3</b>	<b>489</b>		
BU Spain	Andorra	1	60						1	60		
	Spain	97	11,787		68	8,459	13	1,977	11	959	5	392
	Portugal	17	2,809		5	854			11	1,899	1	56
	France	5	871		4	721			1	150		
	Tunisia	1	93						1	93		
	USA	1	242				1	242				
<b>BU Spain</b>		<b>122</b>	<b>15,862</b>		<b>77</b>	<b>10,034</b>	<b>14</b>	<b>2,219</b>	<b>25</b>	<b>3,161</b>	<b>6</b>	<b>448</b>
BU America	Argentina	15	2,144				12	1,524	3	620		
	Brazil	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	17	2,672		7	993	4	685	6	994		
	Uruguay	1	136				1	136				
<b>BU America</b>		<b>56</b>	<b>7,517</b>		<b>22</b>	<b>2,652</b>	<b>21</b>	<b>2,843</b>	<b>13</b>	<b>2,022</b>		
<b>TOTAL OPEN</b>		<b>361</b>	<b>55,371</b>	<b>6</b>	<b>232</b>	<b>35,701</b>	<b>73</b>	<b>11,920</b>	<b>48</b>	<b>7,087</b>	<b>8</b>	<b>663</b>

### SIGNED PROJECTS AS OF 31<sup>ST</sup> DECEMBER 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	Germany	5	1,292	5	1,292		
	Denmark	1	394	1	394		
<b>BU Central Europe</b>		<b>6</b>	<b>1,686</b>	<b>6</b>	<b>1,686</b>		
BU Italy	Italy	4	609	3	467	1	142
<b>BU Italy</b>		<b>4</b>	<b>609</b>	<b>3</b>	<b>467</b>	<b>1</b>	<b>142</b>
BU Spain	Spain	2	127	2	127		
	Portugal	1	150			1	150
	France	1	152	1	152		
<b>BU Spain</b>		<b>4</b>	<b>429</b>	<b>3</b>	<b>279</b>	<b>1</b>	<b>150</b>
BU America	Chile	2	281			2	281
	Mexico	3	369			3	369
	Peru	2	429			2	429
<b>BU America</b>		<b>7</b>	<b>1,079</b>			<b>7</b>	<b>1,079</b>
<b>TOTAL SIGNED</b>		<b>21</b>	<b>3,803</b>	<b>12</b>	<b>2,432</b>	<b>9</b>	<b>1,371</b>

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

	2021	2022
Expected Investment (€ millions)	15.5	19.8

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## 2020 Results Presentation Conference Call

Thursday 25<sup>th</sup> of February 2021, 13.00 (CET)

NH Hotel Group invites you to take part in a conference call to discuss its results presentation:

**Speakers**     **Mr. Ramón Aragonés (CEO) and  
Mr. Luis Martínez (CFO)**

**Date**             **25/02/2021**

**Time**             **13.00 (CET)**

**TELEPHONE NUMBER & PIN CODE FOR THE CONFERENCE**  
Participant's access - 10 minutes before the conference starts

**SPAIN**

**+34 91 114 01 01**  
**PIN CODE: 37541258#**

### PLAYBACK

Telephone number for the playback:     **+34 91 038 74 91**  
Conference reference:                     **425002477#**