

## **TO THE *COMISIÓN NACIONAL DEL MERCADO DE VALORES***

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 that was held today has approved the financial information and the results related to the 3Q 2021.

The Company encloses Results Presentation and Press Release.

Madrid, 11th November 2021.

Carlos Ulecia  
General Counsel

## **NH HOTEL GROUP INCREASES REVENUES BY 84.2%, TRIPLES RECURRING EBITDA AND ACCELERATES RECOVERY THANKS TO COST CONTROL AND THE RETURN OF BUSINESS TRAVEL**

- *The Group's revenue jumped 84.2% year-on-year in the third quarter to €273.5 million, compared to €148.4 million in 3Q20 and €215.9 million in 1H21*
- *Recurring third-quarter EBITDA was three times that of 3Q20, at €72.9 million*
- *All markets sustained growth, especially Southern Europe due to an earlier easing of restrictions: Spain and Italy more than doubled revenues from July to September.*
- *Urban tourism and the contribution of the business clients and meetings segments are emerging as differentiating drivers of the Group's recovery. Total average occupancy increased from 42% in July to 55% in September, and has since reached 60% in October.*
- *The average daily rate (ADR) rose nearly 20% in 3Q21 to €91, with growth accelerating in September and October, when this metric topped €100.*
- *Positive cash flow in 3Q21 and the €106m rights issue drove a €125m reduction in net debt. Total available liquidity stood at €501 million at the September close.*

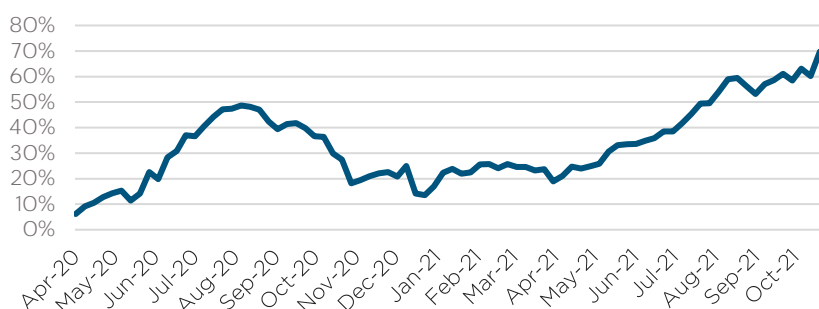
**Madrid, 11 November 2021.** Since July, NH Hotel Group has benefitted in particular from the swift recovery in the European hotel business following the lifting of health restrictions. During the third quarter of 2021, Group revenue amounted to €273.5 million, up 78% from the €153.6 million reported in 2Q21 and growth of 84% by comparison with the €148.4 million recorded in 3Q20.

Revenue growth has remained steady month after month, supported by the fact that over 95% of the Group's hotels are now open as well as by stronger revenue performance in Spain and Italy, which recorded growth of 120% and 127% respectively in the quarter. In September, the Group recorded monthly revenue of over €100 million for the first time since the lockdown (a figure it has since surpassed in October). The revenue recovery is spreading to the major European cities and is beginning to encompass business travellers, corporate events and conferences, very important differential segments for NH.

With this upward trend, Ramón Aragonés, CEO of NH Hotel Group, is confident that the group's recovery will gain momentum in the coming quarters. *“After many months without visibility as to when the recovery would kick off and its intensity, July marked a turning point. The tough measures implemented to control costs, protect liquidity and refinance debt are revealing their real worth today. From here on out, the huge effort put in will allow us to accelerate and lead the sector recovery and define a successful post-pandemic hotel business model. We are already lowering our debt, we have left behind the cash drain due to the significant recovery of our recurring EBITDA and, assuming the health situation normalises, we are poised to revisit our 2019 activity volumes by year-end 2022”.*

Total occupancy across the Group's hotels increased from 42% in July to 55% in September for a quarterly occupancy level of 49%, which is more than twice that of 2Q21 (23%). Southern Europe benefitted from earlier lifting of restrictions, as is evident in the fact that occupancy rates in September reached 68% in Spain and 61% in Italy. Stronger demand also fuelled a price recovery. The third-quarter average daily rate, or ADR, was €91, up from €78 in 2Q21. It went from €85 in July to €97 a night in September and €103 in October.

### Weekly trend in NH hotel occupancy in Europe



### Positive cash flow generation in 3Q

Between July and September 2021, recurring EBITDA amounted to €72.9 million, which is over three times the 3Q20 figure of €22.8 million, supported by strict cost control. NH reined in its net loss for the quarter by 61.1% year-on-year to €29.7 million.

In the first nine months of 2021, recurring EBITDA totalled €66.2 million, compared to the -€11.0 million in 9M20. The 9M21 net loss was 40.6% smaller than that of 9M20.

Business reactivation and cost control have enabled a return to positive cash flow generation after capex and debt servicing. As a result, the Group reported a €125 million reduction in net debt in 3Q21, from €703 million as of the June close to €578 million as of September, of which €106 million is attributable to the rights issue closed on 29 September.

During 9M21, capex amounted to €28 million. The Group plans to continue to keep a lid on capex over the coming quarters. As of 30 September 2021, NH had €501 million of available liquidity, of which €270 million correspond to cash and the rest to available credit lines. The rights issue and asset rotation have enabled the Group to reduce gross debt without impacting on liquidity. As a result, in July it was able to reduce the drawdown of its revolving credit facility (RCF) from €236 million to €36 million.

Taken as a whole, the proactive reinforcement of its capital structure (thanks to the fully subscribed rights issue, asset rotation and debt refinancing through to 2026), has substantially increased the Group's capacity to respond to the reactivation of demand in the markets where it operates.

## About NH Hotel Group

NH Hotel Group is a consolidated multinational player and a benchmark city hotel operator in Europe and the Americas, where it runs more than 350 hotels. Since 2019, the Company has been 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.

### NH Hotel Group's Communication Department

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[www.nh-hotels.com/social-media](http://www.nh-hotels.com/social-media)

Twitter | LinkedIn | YouTube | Instagram



# 9M 2021 RESULTS PRESENTATION

11<sup>th</sup> of November 2021



Anantara The Marker Dublin

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



# Message from the CEO

“Dear Shareholders,

*The lifting of restrictions in **European countries since the end of the second quarter has permitted to accelerate the recovery trend with a continuous monthly improvement.** The % of hotels opened has increased to more than 95% allowing to exceed the €100m monthly revenue in the month of September.*

***Revenues reached €273m in Q3 up +78%** compared to €154m reported in the previous quarter (€115m excluding the subsidies received in Central Europe in Q2). After the leisure summer months, the improvement has continued **supported by business travelers** as well as the gradual reactivation of small business groups, resulting in a relevant recovery in key cities.*

*Occupancy rate increased from 42% in July to 55% in September, resulting in an average occupancy of 49% in Q3 more than double the previous quarter (23% reported in Q2). The earlier easing of restrictions in Southern Europe allowed a faster recovery, reaching in September a 68% occupancy rate in Spain and 61% in Italy. Solid pricing during Q3 has allowed ADR to increase from €85 in July to almost €100 in September, resulting in an average ADR of €91 in Q3 (€78 in Q2). This operating improvement of September has continued also in October and November.*

***Focus on cost control allows to report an EBITDA improvement of +€53m** (ex-IFRS 16) and **+€46m of Net Recurring Income in the third quarter.** This improvement has endorsed to end the cash drain. In July, positive operating cash flow was reached and both in August and September, total free cash flow was positive including capex and financial expenses, allowing to report **€125m Net Debt reduction in the quarter**, from €703m reported in Q2 to €578m as of 30<sup>th</sup> of September, **out of which €106m is explained by the capital increase.***

*Capex invested in the first nine months amounted €28m and will continue limited through the coming quarters. The Group closed September with an **available liquidity of €501m** (€270m of cash). This strong liquidity, reinforced in Q2 with the equity injection and the asset rotation transaction, has permitted to start reducing gross debt not impacting liquidity. As such, the drawn amount of the RCF was reduced from €236m to €36m in July.*

*The **proactive reinforcement of the capital structure in recent months**, including capital increase, asset rotation, debt refinancing until 2026 and covenant holiday for the entire 2021 and 2022, **displays a strong liquidity and relaxed debt maturity profile for the turnaround that has already started with the reactivation of corporate demand.***

Ramón Aragonés  
CEO, NH Hotel Group

# Stronger recovery after summer period due to corporate demand

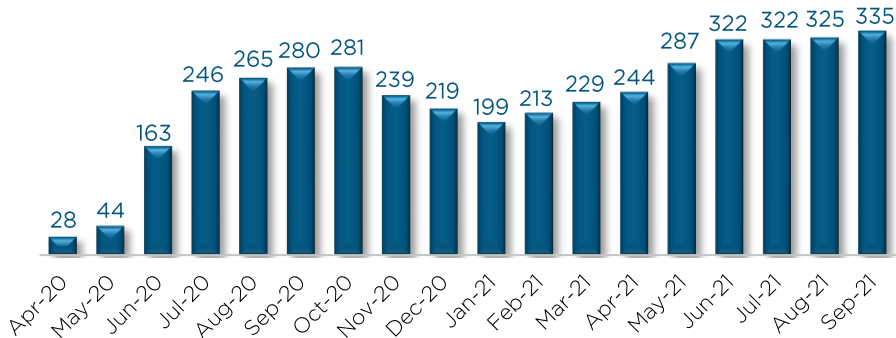
## Reopening

- The % of hotels open as of end-September accounted to ~95% that compares to ~60% at the start of the year and ~90% in June
- The only region with a lower % of the hotels open is LatAm (84%) explained by Argentina (50% of the hotels remain close)
- Average occupancy rate of European hotels continues increasing from 57% in September to 62% in October with the increase of business travelers

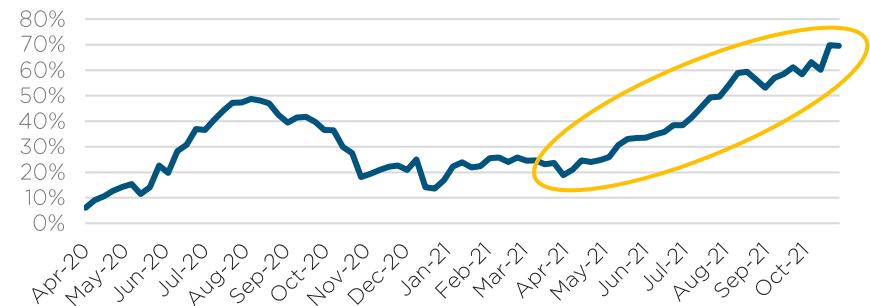
## Recovery

- 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.65%). B2B (c.35%) will take longer to recover due to macro and initial lower size of events

## # Open Hotels



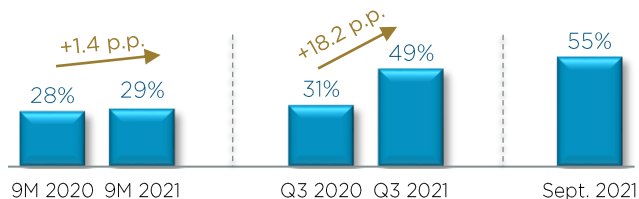
## Weekly Occupancy trend (European open owned & leased hotels)



# Relevant recovery in Q3 supported by the return of business travelers since September

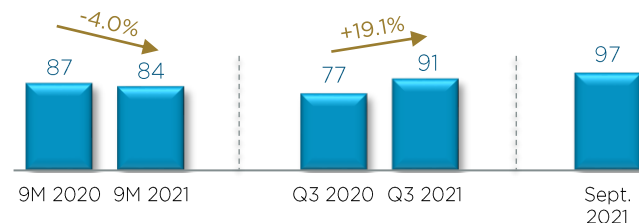
## Occupancy (%)

- Q3: 49.1% in the quarter more than double previous quarter (23.2% in Q2 2021). Compared to 2019, LFL occupancy is -24 p.p. lower (74% in Q3 2019)
- In September occupancy reached 55% and in October 60%



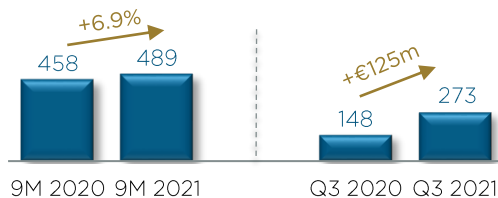
## ADR (€)

- Q3: €91 in the quarter vs. €78 in Q2 2021 and €77 in Q3 2020. Compared to 2019, LFL ADR is down -13.6% (€103 in Q3 2019)
- In September ADR reached €97 and in October €103



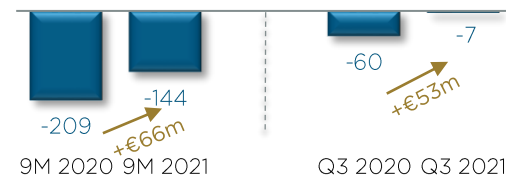
## Revenues (€m)

- 9M: €489m (+€32m or +6.9% vs 2020)
- Q3: increase of +€125m reaching €273m. More than doubled the figure of previous quarter (€115m excluding subsidies in Q2 2021). Still -37% below Q3 2019 reported figure. September was the first month with revenues above €100m



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

- 9M: improvement of +€66m due to lower total operating costs including rents (-€34m) and revenue growth (+€32m)
- Q3: cost control allows to report and EBITDA improvement of +€53m with a 43% conversion rate. Positive EBITDA was reached in the month of September



<sup>(1)</sup> Recurring EBITDA excludes capital gains from asset disposals, IFRS 16 and rent linearization accounting impacts and for comparison purposes applied to 2020 figures

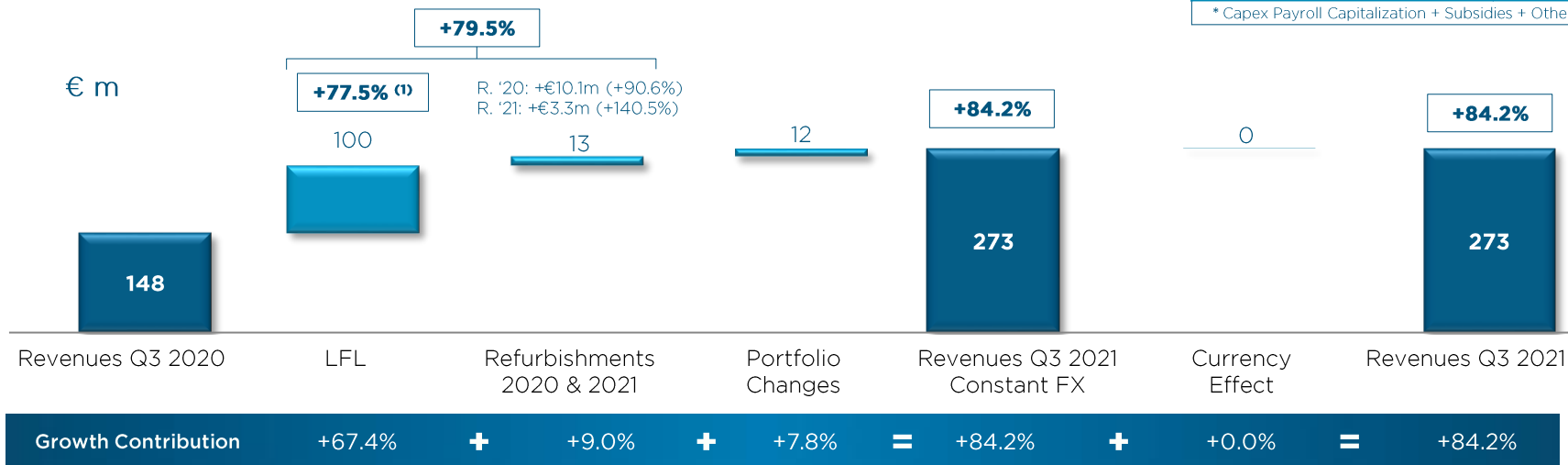


# +84% revenue growth in Q3 up to €273m

- **Total Revenue increased by +€125m to €273m in the third quarter** due to the reactivation of the activity since end of Q2. September was the first month with revenues above €100m
- **Q3 revenue figure more than doubled the one of previous quarter** (€115m in Q2 2021 excluding subsidies) but still -37.3% below 2019 reported figure
  - Revenue Like for Like (“LFL”): increased by +€100m or +78%:
    - Growth in Europe of +71.0%, higher growth in southern countries as lifted restrictions started earlier: Spain (+122.8%), Italy (+117.2%), Central Europe (+36.8%) and Benelux (+23.8%)

Revenue Split	Var. Q3 2021
Available Rooms	+0.5%
RevPAR	+89.6%
Room Revenue	+96.5%
Other Hotel Revenue	+52.8%
<b>Total Hotel Revenue</b>	<b>+82.2%</b>
Other Revenue*	+€4.5m
<b>Total Revenue</b>	<b>+84.2%</b>

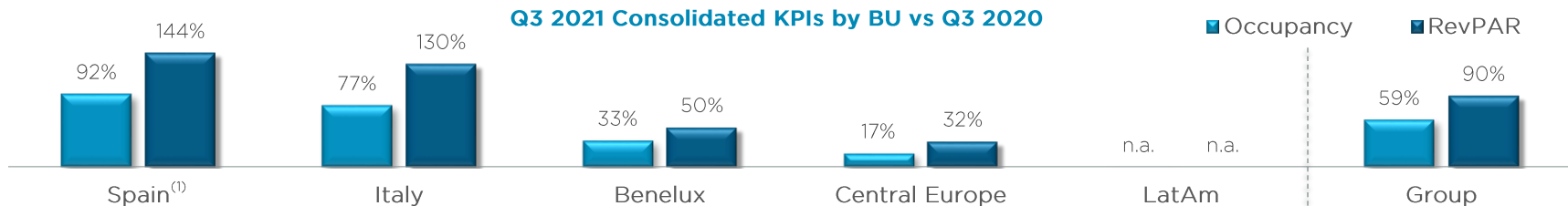
\* Capex Payroll Capitalization + Subsidies + Other



<sup>(1)</sup> On its 2020 own base. With real exchange rate growth is +77.5%

# Higher RevPAR growth in Southern Europe due to lifting of restrictions

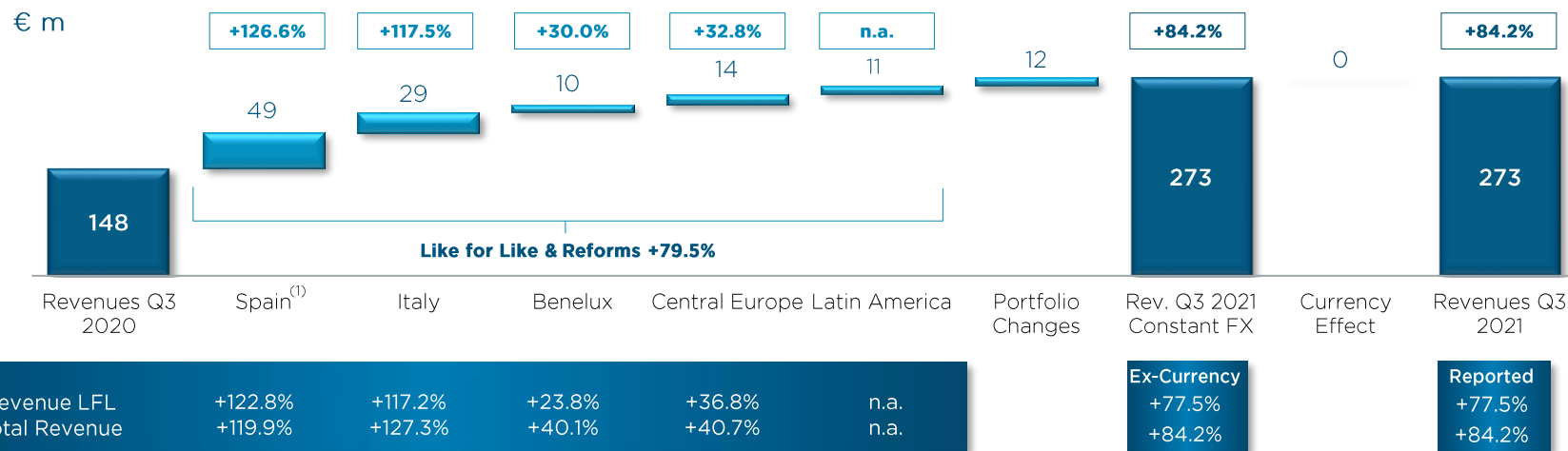
- RevPAR increase by +90% in Q3 2021 (€45) compared to Q3 2020 (€24) and €18 in the previous quarter, but still -41% against LFL Q3 2019 (€76). 2/3 from RevPAR growth coming from activity increase and 1/3 from ADR recovery**
  - All regions reported RevPAR growth, more substantial in those countries with earlier lifting of restrictions that allowed to travel again
  - Occupancy: grew +18.2 p.p. to 49.1% (30.8% in Q3 2020 and 23.2% in Q2 2021). Compared to 2019, LFL occupancy is -24 p.p. lower (73.9% in Q3 2019). In the month of September occupancy reached 55% (Spain 68% and Italy 61%) and in October 60%
  - ADR: +19.1% increase in prices (+€14.7) reaching €91 compared to €77 in Q3 2020. Compared to the previous quarter (€78 in Q2 2021) the improvement is +€13.4 or +17.2%. Against 2019, LFL ADR is down -13.6% (€103 in Q3 2019). In the month of September ADR reached €97 (from €85 in July) and in October €103
- LFL RevPAR performance by region: more substantial recovery in southern European countries. Higher activity during summer months in secondary cities and key cities performance improving since September**
  - Spain: +147% vs 2020 and -31% vs LFL Q3 2019. Solid ADR in secondary cities during summer. Key cities above 60% occupancy rate in September
  - Italy: +124% vs 2020 and -34% vs LFL Q3 2019. Strong pricing resulting only in a -5% against LFL Q3 2019
  - Benelux: +31% vs 2020 and -58% vs LFL Q3 2019. Higher activity in secondary cities compared to Amsterdam and Brussels more dependant on international travellers
  - Central Europe: +30% vs 2020 and -40% vs LFL Q3 2019. Better performance in Berlin, Hamburg and secondary cities
  - LatAm -57% vs LFL Q3 2019. Higher activity in Chile, Colombia and Mexico compared to Argentina



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

# 65% of the revenue increase coming from Spain and Italy

- **Spain:** +€49m LFL&R with a higher contribution from secondary cities and Madrid
- **Italy:** +€29m in LFL&R with a strong growth in Milan since September. Solid evolution in secondary cities
- **Benelux:** +€10m LFL&R with a good performance in secondary cities. Amsterdam and Brussels demand growing since September
- **Central Europe:** +€14m in LFL&R. Austria, Munich and Berlin performed better than secondary cities and Frankfurt
- **LatAm:** +€11m LFL&R with constant exchange rate. By regions, higher revenue growth in Colombia and Chile (+€5m) compared to Mexico (+€3m) and Argentina (+€2m)



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

# Revenue growth and cost control allows an EBITDA improvement of +€53m in Q3

- **Cost containment in Q3 2021** together with revenue growth (+€125.0m), allowed to report an EBITDA improvement of +€53.3m in Q3 2021, implying a 43% conversion rate from incremental revenues to EBITDA in Q3 explained by the higher weight of occupancy in the RevPAR recovery
- **In 9M 2021**, revenue improvement (+€31.6m) and the decrease in operating costs including rents (-€34.0m excluding IFRS 16) allows to report an EBITDA improvement of +€65.6m
  - Excluding perimeter changes and IFRS 16, fixed rent savings amounted to +€39.5m in 9M 2021 compared to +€37.0m in 9M 2020

€ million <b>(2021 variation YoY)</b>	H1 2021	Q3 2021	9M 2021	
		€m.		%
<b>TOTAL REVENUES</b>	<b>(93.4)</b>	<b>125.0</b>	<b>31.6</b>	<b>6.9%</b>
Staff Cost	58.0	(22.9)	35.2	-14.1%
Operating expenses	34.2	(27.1)	7.0	-3.5%
<b>TOTAL OPERATIONAL COSTS EXCL. RENTS</b>	<b>92.2</b>	<b>(50.0)</b>	<b>42.2</b>	<b>-9.4%</b>
Lease payments and property taxes <sup>(1)</sup>	13.5	(21.8)	(8.2)	3.8%
<b>TOTAL COSTS <sup>(1)</sup></b>	<b>105.7</b>	<b>(71.7)</b>	<b>34.0</b>	<b>-5.1%</b>
<b>RECURRING EBITDA <sup>(1)</sup></b>	<b>12.4</b>	<b>53.3</b>	<b>65.6</b>	<b>-31.3%</b>
<b>CONVERSION RATE OF REVENUE TO EBITDA <sup>(1)</sup></b>	<b>n.a.</b>	<b>43%</b>	<b>n.a.</b>	

## Payroll

- Downsized workforce by means of furloughs and collective dismissal implemented in Corporate Services

## Leases

- Continued negotiations with landlords for temporary rent reductions

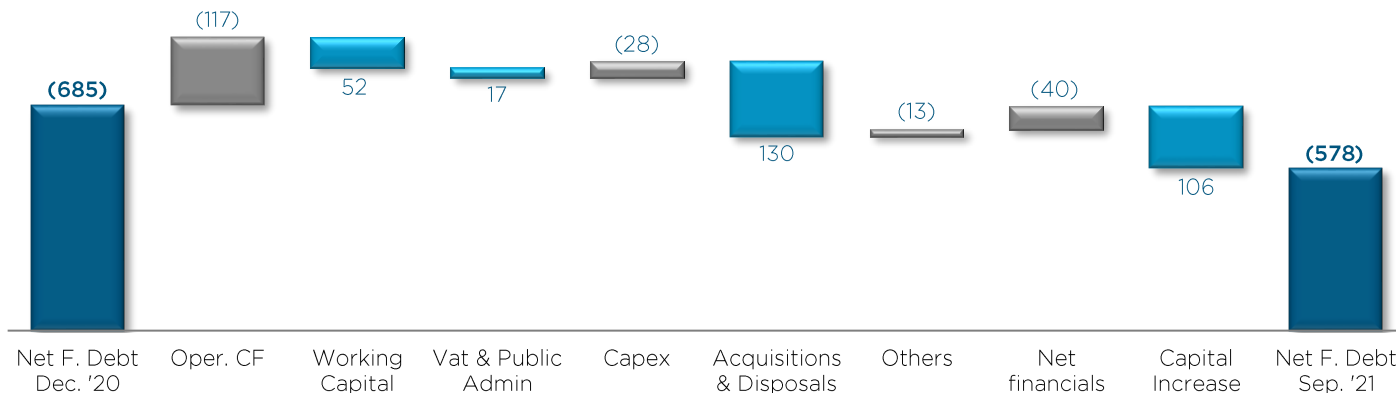
(1) Excludes capital gains from asset disposals, IFRS 16 and rent linearization accounting impacts

# Relevant EBITDA and Net Income improvement in Q3 due to business reactivation

€ million Reported Figures	Q3 2021	Q3 2020	VAR. Reported	
	€m.	€m.	€m.	%.
<b>TOTAL REVENUES</b>	<b>273.5</b>	<b>148.4</b>	<b>125.0</b>	<b>84.2%</b>
Staff Cost	(96.2)	(73.4)	(22.9)	31.2%
Operating expenses	(93.8)	(66.7)	(27.1)	40.7%
<b>GROSS OPERATING PROFIT</b>	<b>83.4</b>	<b>8.4</b>	<b>75.0</b>	<b>N/A</b>
Lease payments and property taxes	(10.5)	14.4	(24.9)	N/A
<b>RECURRING EBITDA</b>	<b>72.9</b>	<b>22.8</b>	<b>50.1</b>	<b>N/A</b>
Margin % of Revenues	26.7%	15.4%	-	11.3 p.p.
Depreciation	(27.0)	(27.5)	0.5	-1.8%
Depreciation IFRS	(43.5)	(46.6)	3.1	-6.6%
<b>EBIT</b>	<b>2.4</b>	<b>(51.2)</b>	<b>53.7</b>	<b>N/A</b>
Net Interest expense	(8.3)	(10.3)	2.0	19.7%
IFRS Financial Expenses	(20.9)	(23.7)	2.9	12.1%
Income from minority equity interest	(0.5)	(0.2)	(0.3)	N/A
<b>EBT</b>	<b>(27.2)</b>	<b>(85.5)</b>	<b>58.3</b>	<b>68.2%</b>
Corporate income tax	(0.7)	10.7	(11.4)	N/A
<b>NET INCOME BEFORE MINORITIES</b>	<b>(27.9)</b>	<b>(74.8)</b>	<b>46.9</b>	<b>62.7%</b>
Minorities interests	0.1	0.9	(0.8)	-88.3%
<b>NET RECURRING INCOME</b>	<b>(27.8)</b>	<b>(73.9)</b>	<b>46.1</b>	<b>62.4%</b>
Non-Recurring EBITDA	(2.3)	(3.2)	0.9	28.4%
Other Non-Recurring items	(0.4)	0.6	(0.3)	-40.6%
<b>NET INCOME INCLUDING NON-RECURRING</b>	<b>(29.7)</b>	<b>(76.5)</b>	<b>46.8</b>	<b>61.1%</b>

- Revenue** reached €273.5m (+€125.0m). More than doubled the figure of previous quarter (€115m excluding subsidies in Q2 2021)
- Payroll cost increased +31.2% and Operating expenses +40.7%** due to higher activity
- Reported lease payments and property taxes** grew by +€24.9m mainly explained by the 9M fixed rent concessions registered in Q3 2020 (+€32.4m, out of which +€17.9m related to H1 2020). **Excluding perimeter changes and IFRS 16, fixed rent savings amounted to +€7.3m in Q3 2021 compared to +€14.4m in Q3 2020**
- Reported Recurring EBITDA improved by +€50.1m reaching €72.9m.** Excluding IFRS 16 accounting impact, Recurring EBITDA improved +€53.3m reaching -€7.1m
- Financial Expenses:** decreased +€2.0m due to positive non-cash accounting impacts (exchange result and embedded derivative from shareholder loan conversion) more than offsetting the higher financial expense related to debt instruments (new Bond and shareholder loan up to September)
- Taxes:** Corporate Income Tax of -€0.7m, -€11.4m vs. Q3 2020 mainly explained by the better EBT performance and the non-activation of tax losses in Germany
- Reported Net Recurring Income improved by +€46.1m** reaching -€27.8m compared to -€73.9m in Q3 2020 due to the business reactivation
- Non-Recurring Items:** reached -€1.9m mainly explained by severance costs
- Reported Total Net Income improved by +€46.8m reaching -€29.7m,** compared to -€76.5m in Q3 2020

# Positive cash flow generation in Q3 and the €106m capital increase reduce Net Debt in the quarter by €125m



Financial Position: 30 <sup>th</sup> September 2021	
Gross Financial Debt:	(€848m)
Cash:	€270m
Net Financial Debt:	(€578m) <sup>(1)</sup>
Operating Lease Liability (under IFRS16):	(€1,981m)
Total Net Debt with Operating Leases:	(€2,559m)

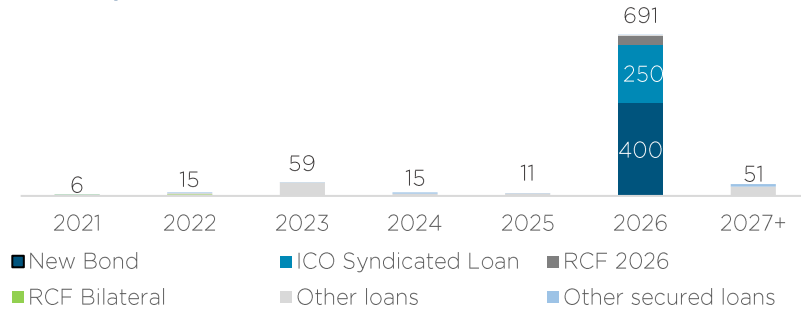
- **(-) Operating Cash Flow:** -€117.3m, including -€4.6m of credit card expenses and corporate income tax of +€5.9m due to a refund received in January 2021 from fiscal year 2019
- **(+) Working Capital:** +€52.1, mainly explained by the supply chain management, extended payment terms, improvement in receivable balances and increase of business
- **(+) VAT & Public Admin.:** +€17.1, due to the timing effect of the business improvement and some postponement facilities of taxes in Benelux
- **(-) Capex payments:** -€28.2m paid in 9M 2021, vs -€88.9m in the same period of last year. Capex will continue limited in the coming quarters
- **(+) Acquisitions & Disposals:** +€129.6m, mainly from the S&LB of NH Collection Barcelona Calderon (+€122.3m net of taxes)
- **(-) Others:** mainly due to a financial investment pledges for bank guarantees in reference to lease contracts, prepaid expenses, payment of provisions and debt FX effect
- **(-) Net Financials & Dividends:** -€40.0m, out of which -€26.0m relates to debt interest expense and -€13.9m to refinancing fees and expenses
- **(+) Capital Increase:** +€106.3m, from the capitalization of the Shareholder Loan and the capital increase addressed to minority shareholders

<sup>(1)</sup> NFD excluding accounting adjustments for arrangement expenses €13.4m, accrued interest -€8.1m and IFRS 9 adjustment -€4.9m. Including these accounting adjustments, the Adj. NFD would be (-€578m) at 30<sup>th</sup> Sep. 2021 and (-€677m) at 31<sup>st</sup> Dec. 2020

# Financial position: strong liquidity with no relevant debt maturities until 2026

## Debt Maturity Profile 30 September 2021: Gross debt (€848m)

Average tenor<sup>(1)</sup>: 4.4 years  
Average cost<sup>(1)</sup>: 3.5%



- €300m of gross debt reduction in Q3:
  - Drawn amount of RCF reduced from €236m to €36m in July
  - €100m shareholder loan capitalized in September

### Liquidity<sup>(2)</sup> as of 30<sup>th</sup> September 2021:

- Cash: **€270m**
- Available credit lines: **€231m**
  - €206m RCF
  - €25m of bilateral credit lines

**Available liquidity<sup>(2)</sup>  
€501m**

## Rating

Rating	NH	2026 Bond	Outlook
Fitch	B-	B+	Negative
Moody's	B3	B2	Negative

## Fitch Ratings

- In June 2021, Fitch **affirmed 'B-' with negative outlook**
- The affirmation reflects NH's satisfactory financial flexibility and deleveraging capacity
- NH's Standalone Credit Profile remains at 'B'. It reflects satisfactory liquidity with leverage metrics expected to return in 2022-2023

## MOODY'S

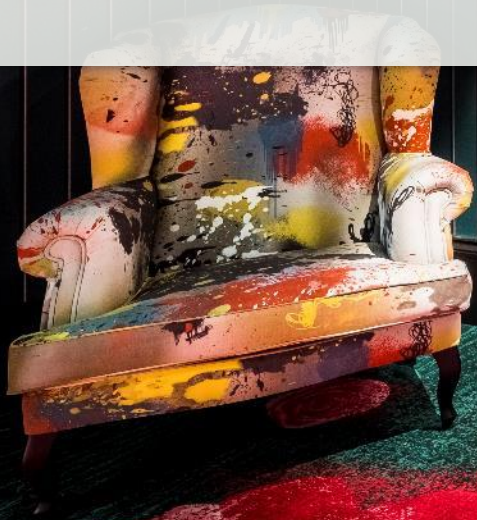
- In June 2021, Moody's **affirmed the 'B3' corporate rating of NH Hotel Group with negative outlook** based on that a meaningful recovery has not yet happened
- NH has a significant pool of fully owned unencumbered assets which increases financial flexibility

<sup>(1)</sup> Excludes subordinated debt (2027+)

<sup>(2)</sup> Excludes €7.5m escrow account pledge for a bank guarantee in reference to 2 lease contracts

# Annex

- Q3 + Q2 P&L
- 9M P&L



ROOMS **FL1**  
↑ 105 - 121  
Visual Lab / Audio Lab / Tech Loft





# Business reactivation and cost control allow to report an improvement of +€139m at Net Recurring Income in the last 6 months excluding asset rotation

€ million Reported Figures	Q3+Q2 2021	Q3+Q2 2020	VAR. Reported	
	€m.	€m.	€m.	%.
<b>TOTAL REVENUES</b>	<b>427.1</b>	<b>178.3</b>	<b>248.7</b>	<b>139.5%</b>
Staff Cost	(160.4)	(123.9)	(36.5)	29.4%
Operating expenses	(148.3)	(99.0)	(49.4)	49.9%
<b>GROSS OPERATING PROFIT</b>	<b>118.3</b>	<b>(44.5)</b>	<b>162.9</b>	<b>N/A</b>
Lease payments and property taxes	(14.0)	2.6	(16.7)	N/A
<b>RECURRING EBITDA</b>	<b>104.3</b>	<b>(41.9)</b>	<b>146.2</b>	<b>N/A</b>
Margin % of Revenues	47.1%	-201.0%	-	N/A
Depreciation	(53.9)	(55.3)	1.4	-2.6%
Depreciation IFRS	(87.0)	(94.7)	7.7	-8.1%
<b>EBIT</b>	<b>(36.6)</b>	<b>(191.9)</b>	<b>155.4</b>	<b>80.9%</b>
Net Interest expense	(17.1)	(18.5)	1.5	7.9%
IFRS Financial Expenses	(42.0)	(47.3)	5.3	11.2%
Income from minority equity interest	(0.9)	(0.4)	(0.5)	N/A
<b>EBT</b>	<b>(96.6)</b>	<b>(258.2)</b>	<b>161.6</b>	<b>62.6%</b>
Corporate income tax	17.1	37.3	(20.2)	54.2%
<b>NET INCOME BEFORE MINORITIES</b>	<b>(79.5)</b>	<b>(220.9)</b>	<b>141.4</b>	<b>64.0%</b>
Minorities interests	0.9	3.3	(2.4)	-71.5%
<b>NET RECURRING INCOME</b>	<b>(78.6)</b>	<b>(217.6)</b>	<b>139.0</b>	<b>63.9%</b>
Non-Recurring EBITDA	55.7	(4.9)	60.7	N/A
Other Non-Recurring items	(28.2)	(15.3)	(12.9)	-84.5%
<b>NET INCOME INCLUDING NON-RECURRING</b>	<b>(51.0)</b>	<b>(237.8)</b>	<b>186.8</b>	<b>78.5%</b>

- Revenue** increased by +€249m in the last six months (+€124m in Q2 and +€125m in Q3) due to the reactivation of the activity since May. Only €30m of revenues in Q2 2020 due to portfolio closure
- Payroll cost increased +29.4% and Operating expenses +49.9%** due to higher activity (occupancy grew +17p.p in Q2 to 23% and +18p.p in Q3 to 49%). Cost control allows to reach a GOP conversion rate of 65% from incremental revenues
- Reported lease payments and property taxes** grew by +€16.7m mainly explained by the +€18.1m higher fixed rent concessions registered last year (+€37.0m in Q2+Q3 2020 and +€18.9m in 2021). **Excluding perimeter changes and IFRS 16, fixed rent savings amounted +€37.0m in Q2 + Q3 2020 compared to +€23.6m in 2021**
- Reported Recurring EBITDA improved by +€146.2m reaching €104.3m.** Excluding IFRS 16 accounting impact, Recurring EBITDA improved +€132m (from -€175m in Q2+Q3 2020 to -€43m in 2021)
- Financial Expenses:** decreased +€1.5m explained due to positive non-cash accounting impacts (exchange result and embedded derivative from shareholder loan conversion) more than offsetting the higher financial expense related to debt instruments (shareholder loan from May to September)
- Taxes:** -€20.2m vs. Q2+Q3 2020 mainly explained by the better EBT performance and the non-activation of tax losses in Germany
- Reported Net Recurring Income improved by +€139.0m** reaching -€78.6m compared to -€217.6m in Q2+Q3 2020
- Non-Recurring Items:** improvement of +€47.8m mainly explained by the net capital gain from the sale & leaseback of NHC Barcelona Calderón (+€47m)
- Reported Total Net Income improved by +€186.8m reaching -€51.0m** compared to -€237.8m in Q2+Q3 2020

# Strict cost control and asset rotation allow to report an improvement of +€120m at Net Income in 9M

€ million Reported Figures	9M 2021	9M 2020	VAR. Reported	
	€m.	€m.	€m.	%.
<b>TOTAL REVENUES</b>	<b>489.3</b>	<b>457.7</b>	<b>31.6</b>	<b>6.9%</b>
Staff Cost	(214.9)	(250.0)	35.2	-14.1%
Operating expenses	(192.1)	(199.1)	7.0	-3.5%
<b>GROSS OPERATING PROFIT</b>	<b>82.4</b>	<b>8.6</b>	<b>73.9</b>	<b>N/A</b>
Lease payments and property taxes	(16.3)	(19.6)	3.3	-16.9%
<b>RECURRING EBITDA</b>	<b>66.2</b>	<b>(11.0)</b>	<b>77.2</b>	<b>N/A</b>
Margin % of Revenues	13.5%	-2.4%	-	15.9 p.p.
Depreciation	(80.6)	(83.5)	2.9	-3.5%
Depreciation IFRS	(130.0)	(139.9)	10.0	-7.1%
<b>EBIT</b>	<b>(144.4)</b>	<b>(234.4)</b>	<b>90.0</b>	<b>38.4%</b>
Net Interest expense	(25.2)	(23.8)	(1.4)	5.9%
IFRS Financial Expenses	(63.7)	(70.3)	6.5	-9.3%
Income from minority equity interest	(0.9)	(0.4)	(0.5)	N/A
<b>EBT</b>	<b>(234.3)</b>	<b>(328.9)</b>	<b>94.7</b>	<b>28.8%</b>
Corporate income tax	32.5	50.0	(17.5)	-35.0%
<b>NET INCOME BEFORE MINORITIES</b>	<b>(201.8)</b>	<b>(278.9)</b>	<b>77.2</b>	<b>27.7%</b>
Minorities interests	1.8	2.8	(1.0)	-35.6%
<b>NET RECURRING INCOME</b>	<b>(200.0)</b>	<b>(276.2)</b>	<b>76.2</b>	<b>27.6%</b>
Non-Recurring EBITDA	53.1	(2.5)	55.6	N/A
Other Non-Recurring items	(28.3)	(16.4)	(11.9)	72.9%
<b>NET INCOME INCLUDING NON-RECURRING</b>	<b>(175.1)</b>	<b>(295.0)</b>	<b>119.9</b>	<b>40.6%</b>

- Revenue** reached €489.3m (+6.9% or +€31.6m) as countries started to lift restrictions allowing to accelerate the recovery since end of Q2
- Payroll cost decreased -14.1% and Operating expenses -3.5%**
- Reported lease payments and property taxes** fell by +€3.3m or -16.9% mainly explained by the fixed rent concessions achieved in the first nine months of the year. **Excluding perimeter changes and IFRS 16, fixed rent savings amounted to +€39.5m in 9M 2021 compared to +€37.0m in 9M 2020**
- Reported EBITDA improved by +€77.2m reaching €66.2m.** Excluding IFRS 16, Recurring EBITDA improved by +€65.6m reaching -€143.8m
- Financial Expenses:** increased -€1.4m explained by the higher gross financial debt compared to 9M 2020 (drawdown of RCF, ICO covid related loan, new Bond and shareholder loan) partially offset by non-cash accounting impacts (exchange result and embedded derivative from shareholder loan conversion)
- Taxes:** Corporate Income Tax of +€32.5m, -€17.5m vs. 9M 2020 mainly explained by the better EBT compared to last year
- Reported Net Recurring Income improved by +€76.2m** reaching -€200.0m compared to -€276.2m in 9M 2020
- Non-Recurring Items:** reached +€24.8m mainly explained by the net capital gain from the sale & leaseback of NHC Barcelona Calderón (+€47m) partially offset by the one-off refinancing impacts and severance costs
- Reported Total Net Income improved by +€119.9m reaching -€175.1m** compared to -€295.0m in 9M 2020

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