

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**

Attached is a Press Release reporting on the measures implemented by the Company to alleviate the effects of the health crisis caused by Covid-19.

Madrid, 24th March 2020

Carlos Ulecia Palacios  
General Counsel

- Covid-19 Update-

## **NH HOTEL GROUP INTENSIFIES THE MEASURES OF ITS CONTINGENCY PLAN TO GUARANTEE BUSINESS VIABILITY AND THE FUTURE OF ITS WORKFORCE**

*"We trust that the initiatives undertaken will help mitigate the impact during this temporary situation, after which we expect a significant recovery in demand"*

*Ramón Aragonés, CEO of NH Hotel Group*

**Madrid, March 24, 2020.** Since the beginning of the health crisis by the Covid-19, NH Hotel Group has been carrying out various contingency plans to preserve the safety of guests and employees, mitigate the impact on its business and ensure the viability and success of the latter when activity returns to normal.

### **-Implemented measures-**

**Ensuring the safety of all its professionals, guests and collaborators** has been a top priority for the Group since the start of the epidemic, following and applying the recommendations of global and local health authorities, implementing action protocols for all members of the Company in all workplaces and intensifying sanitization measures at hotels.

Due to the travel restrictions imposed in various countries, **the Company has been making its policies on commercial conditions more flexible** with the aim of adapting to the complex current context and in order to provide greater flexibility to its customers worldwide.

In addition, NH Hotel Group has been minimizing the impact of the drop in revenue and profitability through several initiatives to **drastically reduce all non-priority expenses**. The initiatives have been implemented in all the hotels of the Group's various Business Units and in all the business support functions.

In this effort, action has been taken on all the Company's fixed and variable costs. Since the beginning of March, **all team travel was suspended; all consultancy agreements and training actions have been left on standby; and a significant reduction in all marketing investments** has been undertaken.

Likewise, **negotiations with hotel owners have been and continue to be carried out in all geographies to minimize the impact of leases and discussions are being held with suppliers** to reduce procurement costs and achieve **better payment conditions**.

In addition, **the members of the Board of Directors and the Management Committee of NH Hotel Group have voluntarily reduced their annual gross remuneration by 50% for four months**, with retroactive effect from March 1.

After the first weeks of a complex global scenario, the **obligation to paralyse hotel activity** imposed by the governments of various countries has resulted in the **closure of 90% of Group's hotels in Spain and Italy and around 50% in the rest of Europe.**

In this sense, the Company has had to carry out **organizational measures to adapt its workforce in the same proportion as the reduction in hotel activity.** To this end, the Group has initiated in Spain a procedure to apply for a temporary layoff. This measure will affect hotel and central services team members, whose occupation has been significantly limited by the stoppage of a large part of the Company's operations. This temporary layoff plan will be adjusted to operational needs in line with the drop in activity. In any event, the Company will monitor developments closely to assess whether an early recovery of employment is possible.

The Group wishes to emphasize that this situation is temporary and that it trusts in a prompt return to normal activity once this situation has been overcome.

**All the measures taken are aimed at ensuring the viability of NH Hotel Group and its greatest asset, its people.** In recent years, the Company has undergone a profound transformation that has allowed it to become increasingly efficient and flexible in dealing with complex scenarios. With this solid base, it will continue to face the difficult current context with maximum responsibility, and with the experience of having successfully overcome numerous adverse situations in the past.

### **NH Hotel Group adds resources to the management of the health crisis caused by the Covid-19**

Aware of the exceptional circumstances that the infectious disease Covid-19 is causing and the state of national alarm resulting from it, **NH Hotel Group has made various resources available to authorities and social organizations in Spain to help manage the crisis.** The Company's usual close contact with national and local authorities has intensified since the beginning of this alarm situation, with the aim of contributing to its resolution.

In order to alleviate the pressure on the healthcare system caused by the increase in the number of people affected in hospitals, **NH Hotel Group has agreed with the health authorities to medicalise some of its hotels. The first agreed upon, which will be medicalised in the coming days, is the NH Parla hotel,** located in the Community of Madrid. The establishment, with 88 rooms, will accommodate the recovery of those patients affected by Coronavirus whose symptoms require medical monitoring in isolation but without the need to be admitted to a hospital. Due to its proximity to the *Hospital Universitario Infanta Cristina*, the NH Parla hotel will serve as support for this centre, which will use one floor of the medicalised hotel to accommodate patients and another for health staff.

In addition, NH Hotel Group has also made other hotels across Spain available to the corresponding authorities in case they are required for similar purposes and some of these collaborations are expected to be confirmed soon. With this initiative, the Company seeks to help decongest hospitals so that they can better deal with the most critical cases of the disease.

On the other hand, the Group has offered to keep approximately ten properties operational during the duration of the state of alarm. **These establishments, located in Spain's main cities, would act as on-call hotels, in order to provide accommodation for those citizens who must cover the basic services of the country,** such as health personnel or other groups that are forced to travel under the current circumstances.

Finally, in order to **support people with fewer resources**, NH Hotel Group has **donated to various charity associations all the food** that was stored in those hotels that have been forced to close due to the government restrictions implemented during the state of alarm. As an example, in the case of Madrid, this initiative has been carried out in collaboration with the Food Bank, which donated the food to the REMAR Foundation.

The entire NH Hotel Group wishes to convey to the people affected by the Covid-19 their desire for a speedy recovery. **The Company also wishes to send a special acknowledgment to the authorities, health personnel and other groups that are dedicating all their efforts to protect society in this situation of uncertainty.** It would also like to thank shareholders, clients, owners and suppliers for their understanding and support during this time, and specially its employees for the responsibility they are demonstrating towards the Company throughout the whole period of the health crisis, particularly the ones who are working currently at the hotels.

*"I want to thank all stakeholders for understanding the extraordinary efforts that we are making at NH Hotel Group for the benefit of the communities in which we operate,"* said Alfredo Fernandez Agras, non-executive Chairman of NH Hotel Group.

## 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 370 hotels. Since 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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