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Message from the CEO

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"Dear Shareholders,

Following the start of the COVID-19 pandemic since mid-March in Europe, the ***hospitality demand has declined sharply due to lockdowns, travel restrictions and social distancing****. The lockdown was more intense than expected and mobility remains low.*

Nearly ***95% of our hotels were closed during April and May*** *and those that remained open were for solidarity purposes. As a result,* ***Q2 has been the most impacted quarter*** *with an extremely low level of demand.*

The Group implemented a ***relevant contingency plan to adapt operations and guarantee business sustainability*** *with the aim at:*

- ***Minimizing costs during the closure of the portfolio in April and May*** *(total non-rent costs decreased by -70% in Q2)*
- ***Enhancing and preserving the liquidity***
- ***Ensuring that the gradual reactivation of the activity since June is carried out efficiently*** *and under the premise of maximum guarantees in terms of health and safety*

To ensure minimizing the cost base, ***workforce continues adapted to the current situation****, with temporary layoffs and time & salary reduction.* ***Additional temporary reduction of fixed leases*** *to those achieved in Q2 is targeted for the second half.*

To preserve and reinforce liquidity*, apart from the €80m of capex investments cancelation and 2019 dividend withdrawal representing c.€59m,* ***a €250m 3-year unsecured syndicated facility has been signed in May*** *and a* ***waiver for the financial covenants of the €250m RCF*** *has been approved for June and December 2020. As a result,* ***available liquidity is c.€600m as of 30th June 2020.***

The flexible cost structure implemented in previous years has allowed a ***gradual reopening according to demand since June*** *and currently c.70% of the portfolio is open.* ***The recovery is driven initially by B2C domestic demand and July trend continues to show an increase in occupancy.***

To conclude, ***COVID-19 has tested our strength****. The appropriate operating and financial transformation achieved in previous years together with the measures implemented have allowed the Group to overcome the severe lockdown months".*

Ramón Aragonés
CEO, NH Hotel Group

Contingency Plan to mitigate COVID-19 remains in place

Workforce	▪ Hotels: o Europe: temporary layoffs based on Force Majeure or productive reasons extended till end of Q3 o In LatAm voluntary working time and salaries reductions remain active ▪ Corporate & Headquarters: temporary layoffs and reduction in working hours extended till October
Other Opex	▪ Supplier agreements reached for longer payment terms ▪ All Group staff travel continues suspended ▪ Low marketing and advertising costs continues despite the need to incentivize revenues
Leases	▪ Additional negotiations with landlords in progress for fixed rent discounts in H2

Relevant Cost base reduction in Q2

€ million	Q2 2020	Q2 2019	VAR.	
	€m.	€m.	€m.	%.
Staff Cost	(50.6)	(145.3)	94.7	-65.2%
Operating expenses	(32.3)	(126.9)	94.6	-74.6%
TOTAL OPERATIONAL COSTS EXCL. RENTS	**(82.8)**	**(272.2)**	**189.4**	**-69.6%**
Lease payments and property taxes (1) (2)	(64.4)	(86.9)	22.6	-25.9%
TOTAL COSTS (1)	**(147.2)**	**(359.1)**	**211.9**	**-59.0%**

(1) Excludes IFRS 16 impacts for comparison purposes. Includes rent savings for management accounts but pending to be registered in reported figures till accounting rule is endorsed in the EU
(2) Excluding changes of perimeter the decrease amounted €28.3m or -32.8%

Total Non-Rent Cost -70%
Total Cost including rents -59%

Focus on preserving liquidity

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- Apart from the €80m of capex investments cancelation or postponement and 2019 fiscal year dividend withdrawal representing €59m, the following measures have been implemented to reinforce the liquidity:
  - **March:** available credit facilities
    - The €250m RCF was drawn for a 3-month period and repaid in June. On July 8th it was fully drawn again for a 6-month period (roll-over January 2021)
    - Additional €25m of other short-term bilateral credit facilities were also drawn
  - **May:** New long-term financing of €250m
    - 3-year unsecured syndicated facility
    - ICO guarantee (up to 70%)
  - **June:** waiver for the financial covenants of the €250m RCF has been obtained for June and December 2020 (no testing until June 2021)
- No short-term maturities to refinance
- Only legally required investments or in a very advanced stage will be executed in H2

Financial Debt Detail

Instrument	31/12/2019 €mm	31/03/2020 €mm	30/06/2020 €mm
High Yield Bond 2023	(357)	(357)	(357)
Other Secured Loans	(28)	(26)	(25)
ICO Syndicated Loan			(250)
Subordinated	(40)	(40)	(40)
Other Loans	(43)	(46)	(59)
RCF		(250)	(0)*
Credit Lines		(25)	(30)
Total Gross Financial Debt	**(468)**	**(744)**	**(761)**
Cash & Equivalents	**289**	**489**	**326**
Total Net Financial Debt	**(179)**	**(254)**	**(435)**

	Liquidity as of 30th June
Cash at bank	€326m
Available credit lines	€271m(*)

Available liquidity c. €600m

(*) €250m RCF has been drawn again on July 8th 2020

Reopening and Recovery Strategy

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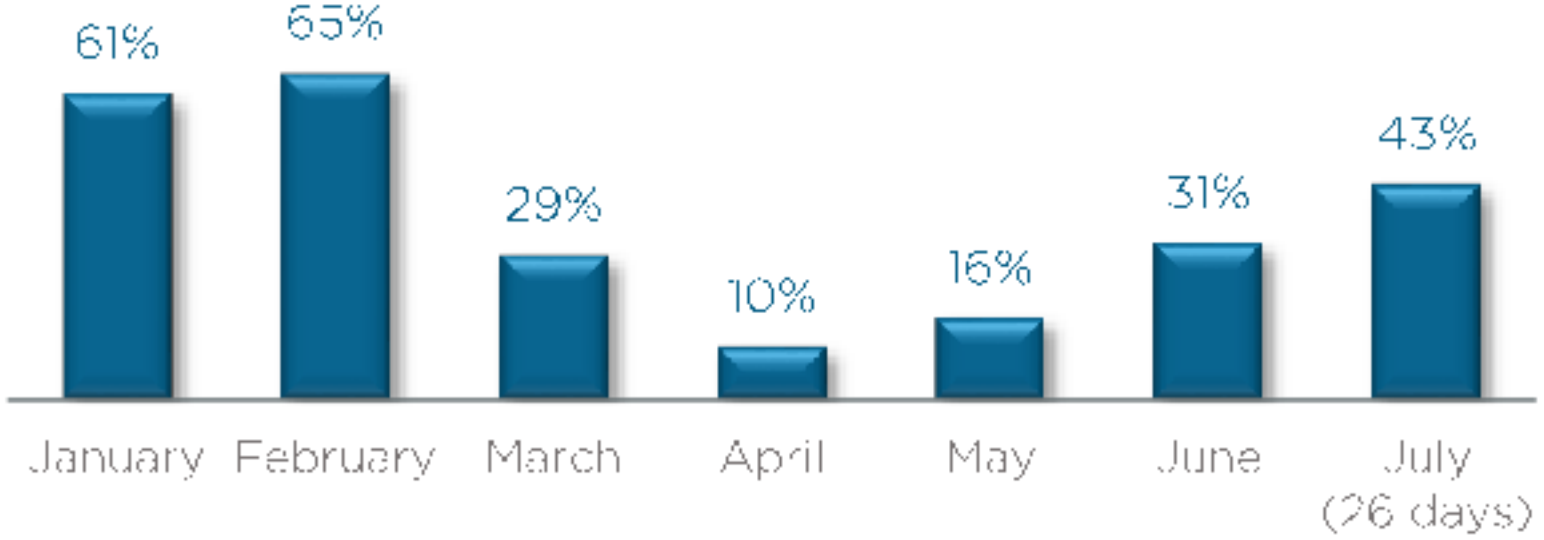
Reopening

- **Started in June in Europe**
- The reopening **is being 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 30th June, c.60% of the portfolio was open**
  - Reaching c.70% by end of July
  - Reopenings will continue during August and September subject to COVID-19 scientific advances

Recovery

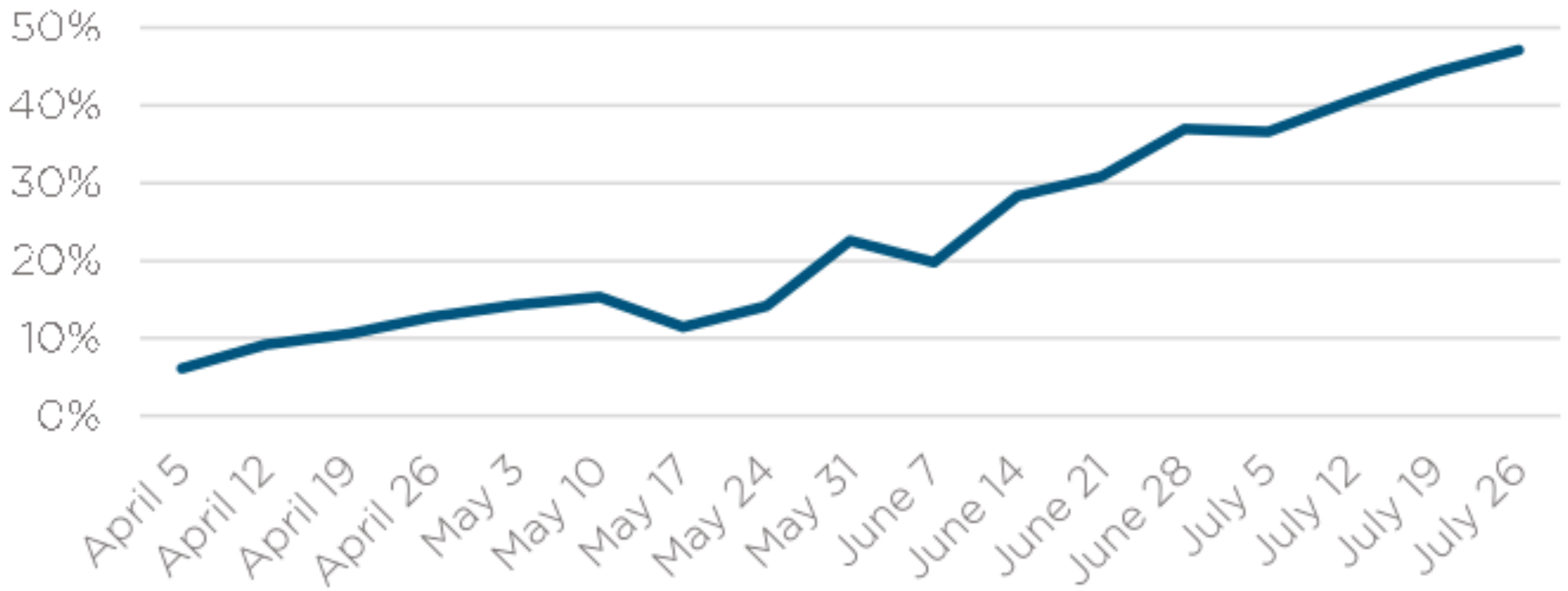
- The Group will benefit from:
  - **Strong market positioning** in the European countries
  - **Excellent locations and high brand awareness**
  - **High domestic demand** (2019: Germany 70%; Spain 60%; Italy and Benelux 50%)
- Recovery phase **driven initially by**:
  - **Domestic + intra-European 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 social distancing restricting the size of events, subject to COVID-19 scientific advances

Occupancy improving since June (European open hotels)



# hotels	263	261	42	16	46	181	210

Weekly Occupancy trend (European open hotels)



H1 2020 RESULTS

NH Porto Jardim

H1 2020: severe impact of COVID-19 since March

- **H1: Revenue declined -62.4% to €309m (-€512m) due to extremely low level of demand in Q2**
  - Revenue Like for Like ("LFL") decreased -64.4%
    - Deterioration started in March with almost all hotels closed in April and May. Consequently, Europe dropped -64.6%: Italy (-74.2%), Spain (-63.6%), Benelux (-62.8%) and Central Europe (-60.8%)
  - RevPAR: -66% on lower occupancy (-63%)

- **Q2 has been the most affected quarter. Revenue declined -93.6% to €30m (-€439m).**
  - April and May had almost zero revenues due to the severe lockdown across all countries
  - Due to the flexible cost structure revenues were resumed in June despite low level of demand
  - RevPAR: -95% on historical low occupancy of 6% (-92%)

- **Excluding IFRS 16, Recurring EBITDA[1] fell -€283.8m reaching -€153.2m**
  - 55% conversion rate of decremental revenue to EBITDA, reflecting the relevant cost base reduction in Q2
  - Reported EBITDA of -€33.8 (-€290.7m; -113.2%)

- **Reported Net Recurring Income amounted to -€202.3m**

- **Reported Total Net Income reached -€218.5m** due to the negative environment since end of February
  - Non-Recurring activity related to impairment provision in Q2

- **Financial metrics: strong liquidity position**
  - Net financial debt reached -€435m with a solid available liquidity c.€600m (cash €326m + available credit lines €271m) as of 30 June 2020
    - In May a €250m 3-year unsecured syndicated facility was signed with ICO guarantee
    - In June a waiver for the financial covenants of the €250m RCF has been obtained for June and December 2020

- **2019 Dividend withdrawal:**
  - AGM approved the proposal not to pay a dividend for 2019 financial year

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

[1] Recurring EBITDA excludes IFRS 16 impacts for comparison purposes. Includes rent savings for management accounts but pending to be registered in reported figures till accounting rule is endorsed in the EU

Key financial metrics: extremely low level of demand in Q2

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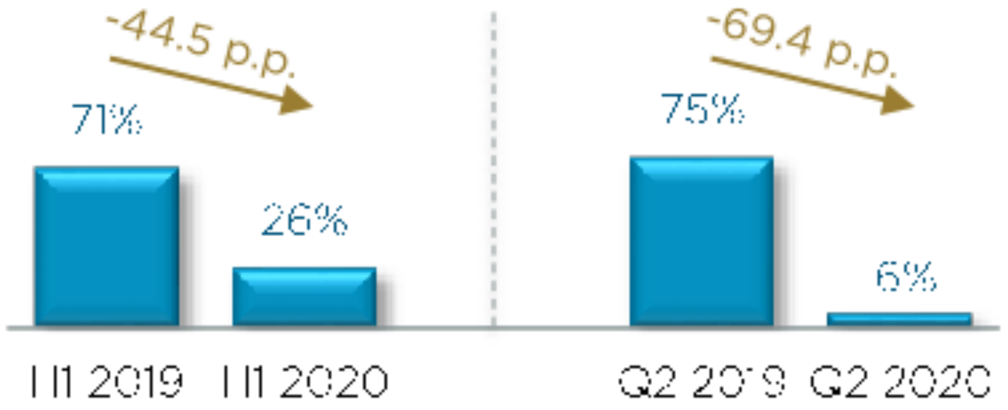
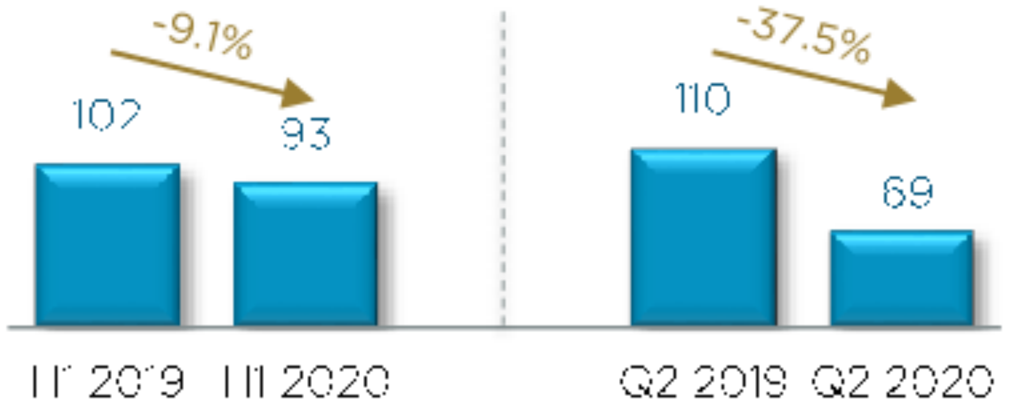
Occupancy (%)

- H1: -63.0% fall in activity (-44.5 p.p.) to 26.1%
- Q2: activity fell -92.2% (-69.4 p.p.) to 5.8% due to the severe lockdown across all countries and closure of the portfolio. In June, occupancy of the re-open hotels in Europe was 31%



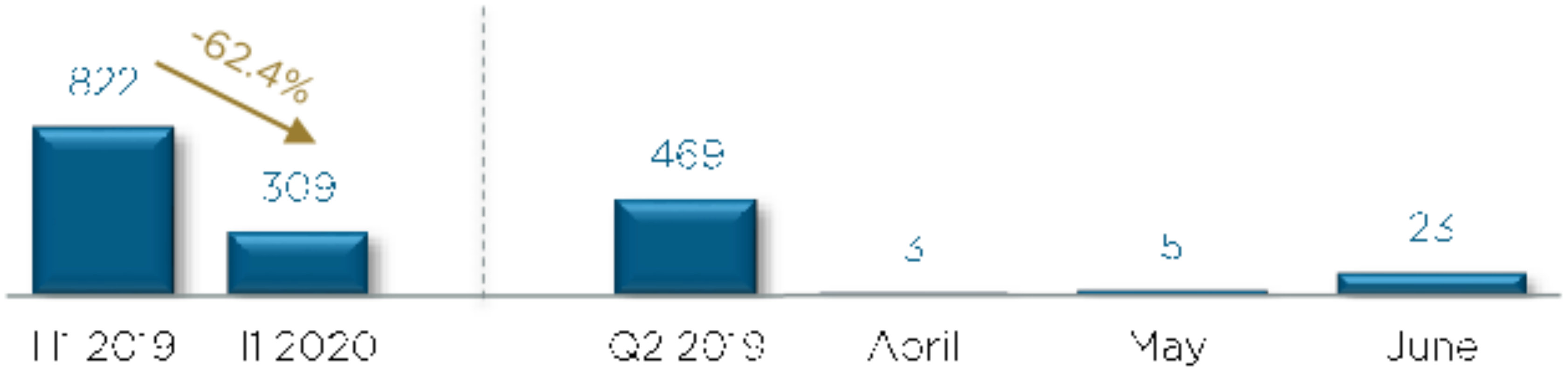
ADR (€)

- H1: -9.1% drop in price (-€9.3) reaching €93, despite the ADR growth of Q1
- Q2: prices fell -37.5% (-€41.4) reaching €69 due to low level of activity and scarcity of ADR driven events



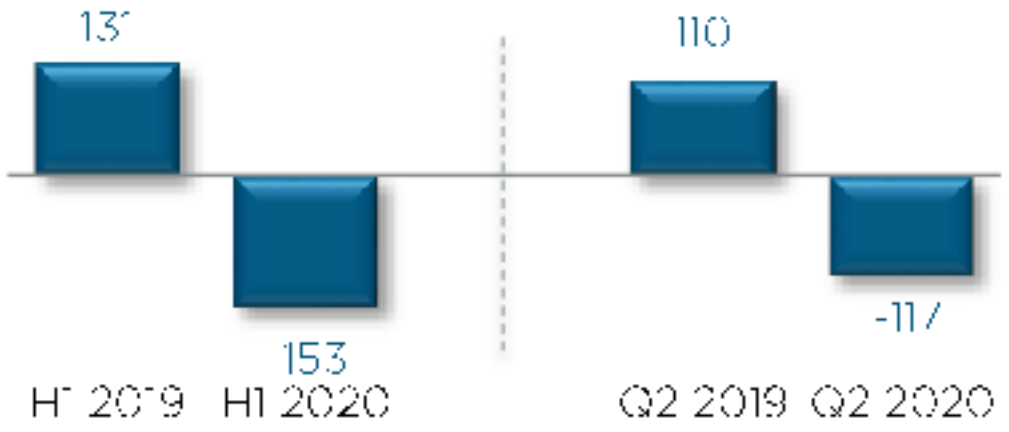
Revenues (€m)

- H1: €309m (-€512m revenue decline; -62.4%)
- Q2: €30m (-93.6%) with almost zero revenues in April and May and slow reactivation of the activity since June that continues to accelerate in July



Recurring EBITDA[(1)] (€m; excluding IFRS 16)

- H1: Reached -€153m (-€284m). 45% of the revenue fall was compensated at EBITDA level due to the contingency plan
- Q2: -€227m reaching -€117m (48% absorption rate due to -59% reduction of total cost including rents)



(1) Rec. EBITDA excludes IFRS 16 impacts for comparison purposes. Includes rent savings for management accounts but pending to be registered in reported figures till accounting rule is endorsed in the EU

Revenue performance in H1 severely impacted since March

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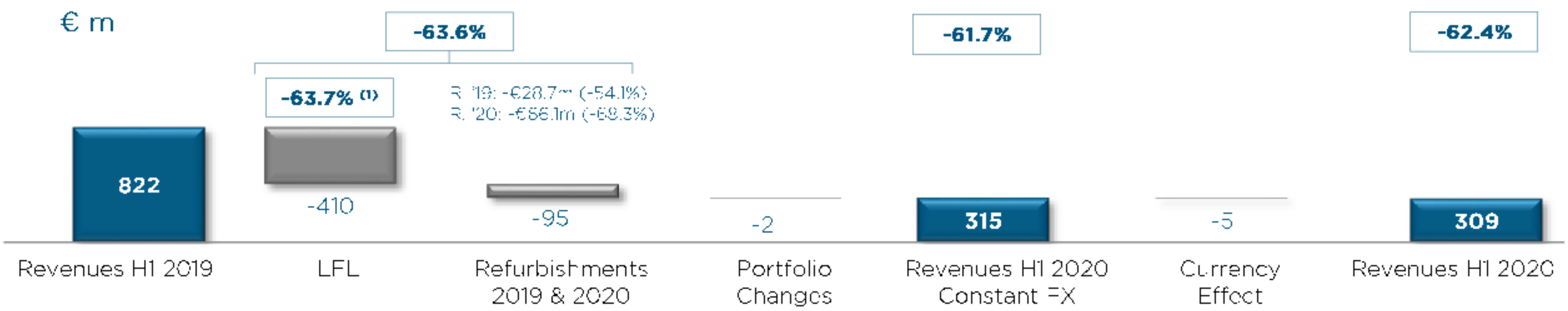
- **Total Revenue declined -62.4% or -€512m to €309m (-61.7% fall at constant exchange rate)**
  - Revenue Like for Like ("LFL"): -63.7% with constant FX (-64.4% reported):
    - Severe decline in Europe of -64.6%: Italy (-74.2%), Spain (-63.6%), Benelux (-62.8%) and Central Europe (-60.8%)
  - Including the refurbished hotels, LFL&R fell -63.6% with constant FX (-64.3% reported) also affected by the opportunity cost of 2020 renovations
  - Perimeter changes contributed with -€2m including the revenue loss of hotels exiting the portfolio and despite the positive contributions from entries of the period, mainly Tivoli portfolio integration, Roma Fori Imperiali, nhow Amsterdam RAI and Anantara The Marker Dublin

Revenue Split	Var. H1 2020
Available Rooms	-4.8%
RevPAR	-66.3%
Room Revenue	-64.7%
Other Revenue	56.9%
Total Hotel Revenue	**-62.6%**
Non-Hotel Revenue*	-€4.2m
Total Revenue	**-62.4%**

* Other + Capex Payroll Capitalization

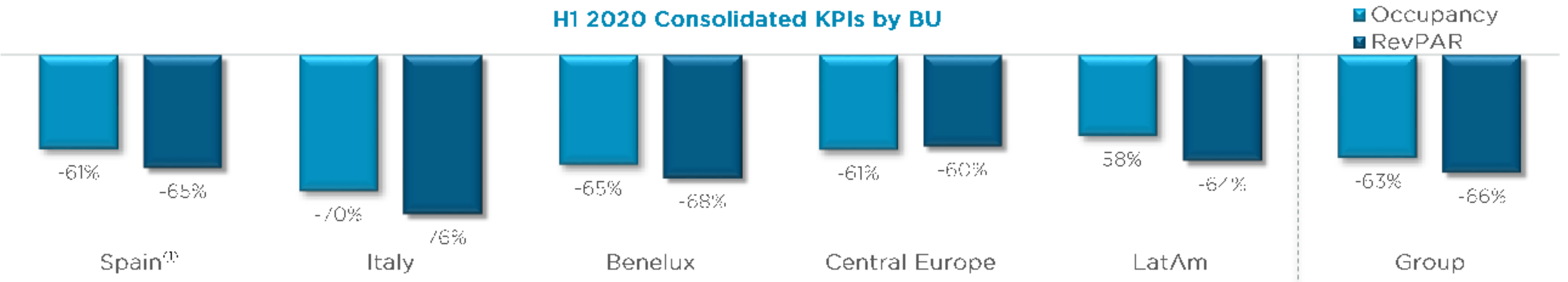


Growth Contribution -49.9% + -11.5% + -0.3% = -61.7% + -0.6% = -62.4%

(1) On its 2019 own base. With real exchange rate growth is -64.4%

RevPAR decrease on historical low occupancy in all markets

- **RevPAR decrease of -66% in H1 2020**
  - All regions reported negative RevPAR fully explained by lower activity since March. RevPAR decrease in Central Europe (-60%), LatAm (-64%), Spain (-65%), Benelux (-68%) and Italy (-76%)
  - Occupancy: fell -63% or -44.5 p.p. to 26.1% (70.6% in H1 2019). Historical low demand in all regions
  - ADR: -9.1% drop in prices (-€9.3) reaching €93.0 despite the ADR growth in Q1
- **LFL RevPAR performance by region (excluding reforms):**
  - Spain (-66%): activity declined since the State of Emergency of the 14^{th} of March. Barcelona -71%, Madrid -66% and secondary cities -65%
  - Italy (-76%): negatively impacted since mid of February although the lockdown started the 9^{th} of March. Milan -72% and Rome -76%
  - Benelux (-66%): Brussels -62%, Amsterdam -68% and higher drop in congress centres hotels (-79%) due to cancellations of events
  - Central Europe (-61%): Munich -78% partially explained by a strong H1 19, Frankfurt -61% with higher supply in the city, Berlin -58% and Austria -68%
  - LatAm (-62%; real exchange rate): Buenos Aires -69%, Mexico DF -59% and Bogota -62%



[1] Includes France and Portugal. Spain Occupancy -60.5% and RevPAR -65.8%

Revenue decline in all markets

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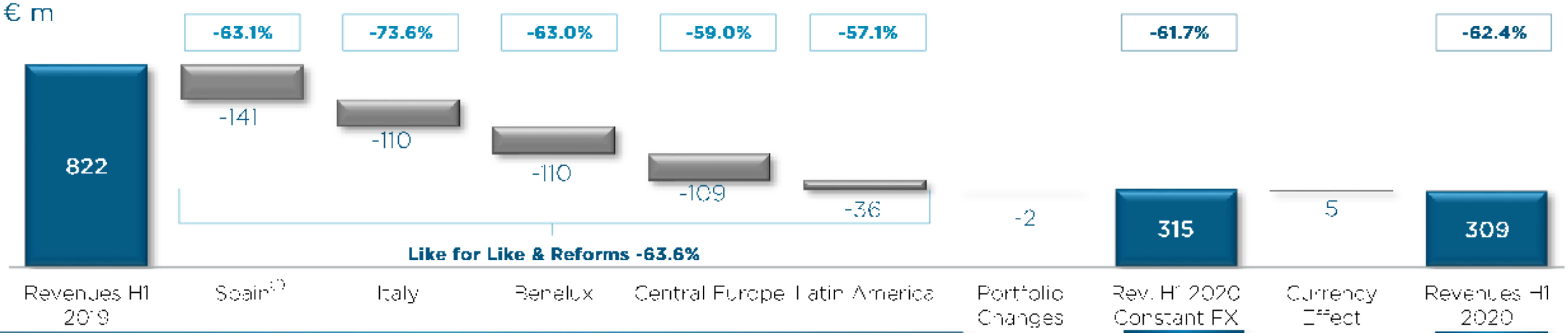
- **Spain:** -63.6% LFL decline explained by the activity drop since March. Barcelona (-68.1%), Madrid (-63.1%) and secondary cities (-63.8%). Including the new openings (Tivoli integration, La Coruña and Marbella) total Revenue fell -59.9%

- **Italy:** -74.2% decrease in LFL with a sharp decline in Milan (-70.7%) and Rome (-73.9%) since mid-February. Including the refurbished hotels revenue fell -73.6% while total revenue dropped -73.1% with the opening of 1 hotel in Rome

- **Benelux:** -62.8% LFL with Brussels (-59.3%). Amsterdam (-64.0%) and congress centres hotels (-59.1%). Including the openings of 1 hotel in Amsterdam, 1 in Antwerp and 1 in Dublin total revenue fell -59.2%

- **Central Europe:** -60.8% LFL fall. Berlin (-57.7%). Frankfurt (-58.5%; also affected by higher supply), Munich (-74.5%; also affected by a strong H1 19) and secondary cities (-56.8%). Including refurbished hotels and perimeter changes (1 hotel opened and 3 closed) total revenue fell -59.1%

- **LatAm:** -57.1% in LFL&R with constant exchange rate (-65.5% reported). By regions, Mexico revenues fell -53% at constant exchange rate and including the negative currency evolution (-10%) reported revenues decreased -57%. Argentina revenues fell -48% while reported figure is -69% including hyperinflation and currency depreciation. Colombia and Chile revenue decreased -56% in local currency and including the currency evolution (-12%) reported figure fell -61%



	Spain	Italy	Benelux	Central Europe	Latin America	Ex-Currency	Reported
Revenue LFL	-63.6%	-74.2%	-62.8%	-60.8%	-55.5%	-63.7%	-64.4%
Total Revenue	-59.9%	-73.1%	-59.2%	-59.1%	-56.3%	-61.7%	-62.4%

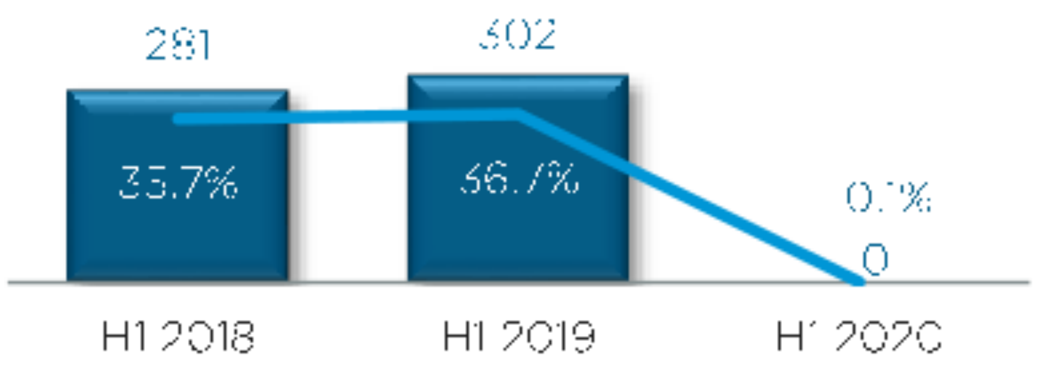
(1) Includes France and Portugal

Negative H1 Reported EBITDA despite contingency plan

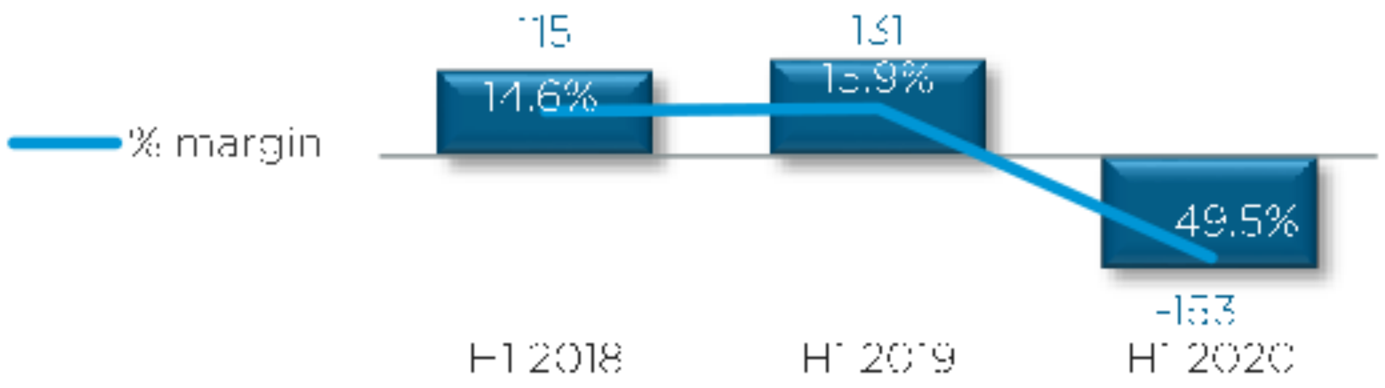
€ million Reported Figures	H1 2020 €m.	H1 2019 €m.	VAR. Reported €m.	 %.
TOTAL REVENUES	**309.3**	**821.5**	**(512.3)**	**-62.4%**
Staff Cost	(176.7)	(278.9)	102.2	-36.7%
Operating expenses	(132.4)	(241.0)	108.6	-45.0%
GROSS OPERATING PROFIT	**0.2**	**301.7**	**(301.5)**	**-99.9%**
Lease payments and property taxes	(34.0)	(44.8)	10.8	-24.1%
RECURRING EBITDA	**(33.8)**	**256.9**	**(290.7)**	**N/A**

- **Relevant cost base reduction implemented during March and beginning of April**
  - **Payroll cost** decreased -36.7% or €102.2m. Excluding the increase of -€4.1m from the changes of perimeter, payroll would have decreased by €106.3m or -39.6%
  - **Operating Expenses** declined -45.0% or €108.6m. Excluding perimeter changes (-€2.8m), the decrease was €111.4m (-48.1%)
- Reported lease payments and property taxes of €34.0m fell by +€10.8m (-24.1%) including -€4.5m of the perimeter changes. **Excluding IFRS 16 and changes of perimeter the decrease has been +€32.2m or -19.0% vs H1 2019 due to lower variable rents and contract renegotiations** that include rent savings for management accounts but pending to be registered in reported figures till accounting rule is endorsed in the EU.
- **Reported Recurring EBITDA reached -€33.8m. Excluding IFRS 16 and including rent savings, Recurring EBITDA reached -€153.2m with a 55% conversion rate** of decremental revenue to EBITDA reflecting the cost base reduction in Q2

Gross Operating Profit (€m)



Recurring EBITDA excluding IFRS 16 (€m)[1]



[1] Rec. EBITDA excludes IFRS 16 impacts for comparison purposes. Includes rent savings for management accounts but pending to be registered in reported figures till accounting rule is endorsed in the EU

Net losses increase with the most negative quarter

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€ million Reported Figures (1)	H1 2020 €m.	H1 2019 €m.	VAR. Reported €m.
RECURRING EBITDA	**(33.8)**	**256.9**	**(290.7)** 1
Margin % of Revenues	-10.9%	31.3%	-
Depreciation	(149.4)	(144.8)	(4.6) 2
EBIT	**(183.2)**	**112.0**	**(295.3)**
Net Interest expense	(60.0)	(56.8)	(3.2) 3
Income from minority equity interests	(0.3)	0.0	(0.3)
EBT	**(243.5)**	**55.2**	**(298.7)**
Corporate income tax	39.3 4	(17.3)	56.6
NET INCOME BEFORE MINORITIES	**(204.2)**	**37.9**	**(242.1)**
Minorities interests	1.9	(1.8)	3.7
NET RECURRING INCOME	**(202.3)** 5	**36.1**	**(238.4)**
Non-Recurring EBITDA (2)	0.7	6.3	(5.6)
Other Non-Recurring items (3)	(17.0) 6	(2.6)	(14.4)
NET INCOME INCLUDING NON-RECURRING	**(218.5)** 7	**39.9**	**(258.4)**

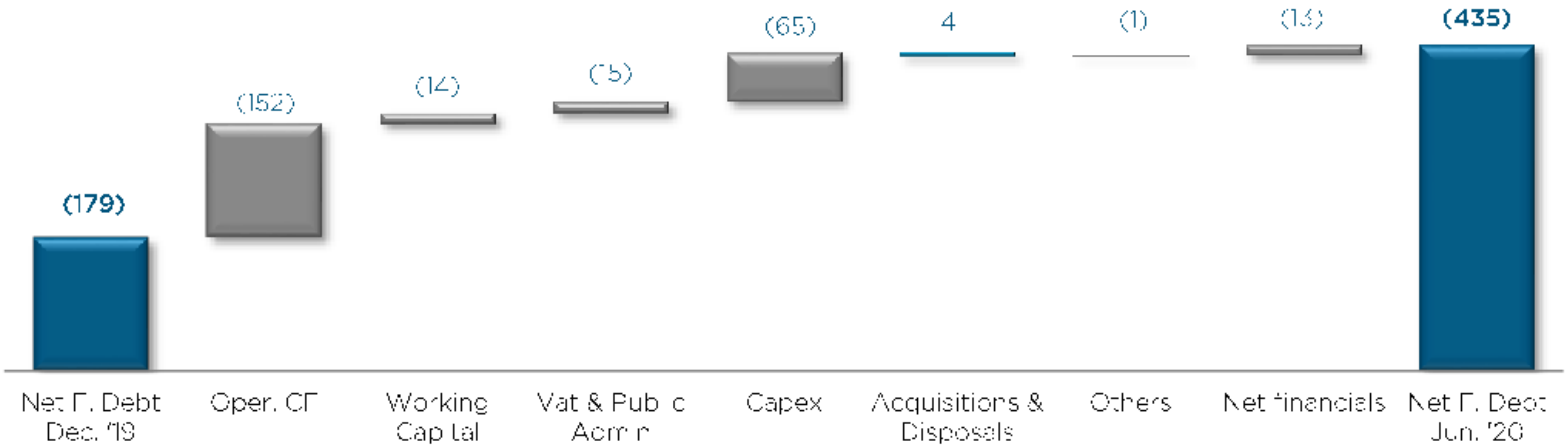
(1) Exclude rent savings pending to be registered in reported figures till accounting rule is endorsed in the EU

(2) Includes gross capital gains from asset rotation

(3) Includes taxes from asset rotation

1. **Reported EBITDA amounted -€33.8m (-€290.7m)**
2. **Depreciation:** increase of -€4.6m mainly due to the impact of repositioning capex in 2019 and not reflecting COVID-19 related rent concessions
3. **Financial Expenses:** excluding -€46.4m impact from IFRS 16 net financial expenses increased -€2.1m mainly explained by the full drawdown of €250m RCF and new syndicated loan of €250m drawn in May
4. **Taxes:** Corporate Income Tax of +€39.3m, +€56.6m vs. H1 2019 mainly due to the negative EBT which leads to the activation of tax losses in all countries except in Spain, Austria, Switzerland, France, USA and LatAm (total non-capitalized -€15m)
5. **Reported Net Recurring Income:** reported figure reached -€202.3m, a decrease of -€238.4m vs. H1 2019 due to the difficult environment since end of February
6. **Non-Recurring Items:** reached -€16.2m mainly explained by an impairment provision in Q2
7. **Reported Total Net Income reached -€218.5m compared to +€39.9m in H1 2019**, a decline of -€258.4m

Cash Flow Evolution



Financial Position: 30th June 2020
Gross Financial Debt: (€761m)
Cash: €326m
Net Financial Debt: (€435m)(1)
Operating Lease Liability (under IFRS16): (€2,175m)
Total Net Debt with Operating Leases: (€2,610m)

- **(-) Operating Cash Flow:** -€151.8m, including -€4.1m of credit card expenses and corporate income tax paid of -€3.4m
- **(-) Working Capital:** mainly explained by i) revenue drop reduces significantly the balance of accounts receivables, creating a positive effect, but partially offset by reduced advance payments from customers due to lower activity and refunds of certain prepayments ii) payments of invoices to suppliers from services in the months preceding the lockdown
- **(-) Capex payments:** -€65.2m paid during H1 2020 due to capex executed at the end of 2019 and pre-COVID months
- **(+) Acquisitions & Disposals:** +€4.0m, mainly from the disposal of a minority stake (+€17.3m), 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
- **(-) Other:** mainly severance payments and legal provisions
- **(-) Net Financials & Dividends:** -€13.2m, including -€12.0m net interest expense and -€1.2m minority dividend

(1) NFD excluding accounting adjustments for arrangement expenses €11.1m, accrued interest -€4.6m and IFRS 9 adjustment €5.0m. Including these accounting adjustments, the Adj. NFD would be (-€424m) at 30th Jun. 2020 and (-€166m) at 31st Dec. 2019

IFRS 16 Accounting Impacts

- The application of IFRS 16 started on January 1st, 2019 and establishes the recognition of operating leases as an asset for the right of use and a financial liability. An amortization expense of the asset is recorded separately from the interest expense of the lease liability. NH adopted the Modified Retrospective method, recording in the equity reserves the difference between Asset & Liability

- An amendment to IFRS 16 was approved on 28th May 2020 to account for changes in leases resulting from the pandemic caused by COVID-19. In this regard, the new wording states an exemption whereby the rent concessions arising from COVID-19 could be registered as less rent expense, as long as it does not include, as a consequence, a related substantial change to the contract. Currently the aforementioned modification was not approved by European Union, but it is expected to happen in the second half of the year. In case endorsement by the EU would had taken place on the terms defined by the IASB, the Group would have recorded lower expenses for rent concessions of €17.9m (before taxes) due to all renegotiation already agreed or formalized. This amount will be increased with the rest of ongoing renegotiations pending to be formalized

Impact on Balance Sheet 30/06/2020 (€ million)	
Right of Use	**1,773.9**
Deferred tax	**96.4**
Other assets	(40.6)
TOTAL ASSETS	**1,829.7**
Total Equity	**(280.5)**
Operational leases liability	**2,175.0**
Other liabilities	(64.8)
TOTAL LIABILITIES	**1,829.7**

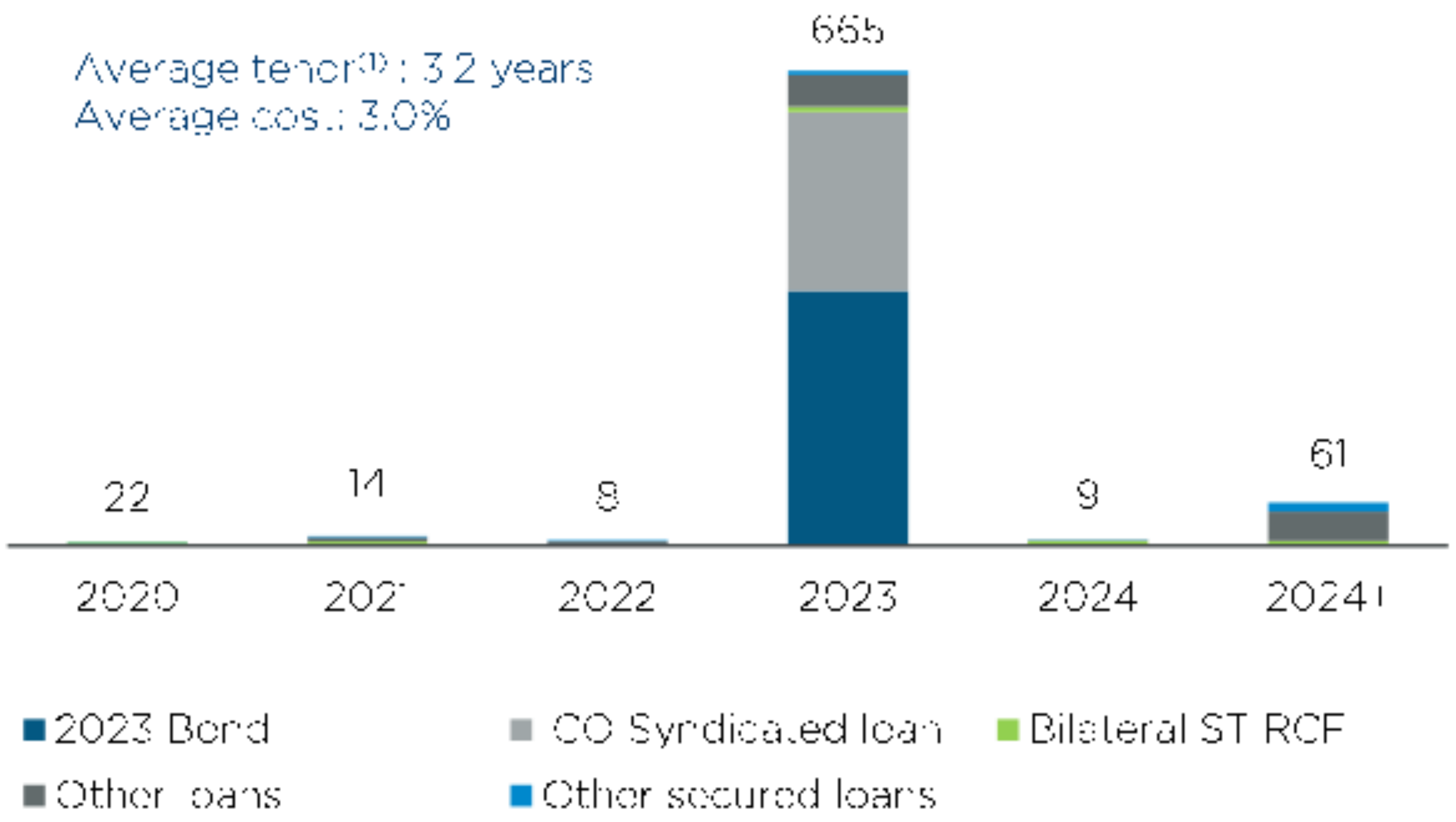
- No cash impact, leverage capacity or debt financial covenant

Impact in P&L in 2020 (€ million)	H1 2020 ex IFRS 16	IFRS 16 Adj.	COVID-19 Rent Concessions*	H1 2020 Reported
Lease payments and property taxes	(153.3)	137.2	(17.9)	(34.0)
EBITDA BEFORE ONEROUS	**(153.2)**	**137.2**	**(17.9)**	**(33.8)**
Onerous contract reversal provision	0.9	(0.9)	-	-
Depreciation	(57.8)	(91.5)		(149.4)
EBIT	**(210.1)**	**44.8**	**(17.9)**	**(183.2)**
Interest expense	(13.6)	(46.4)		(60.0)
EBT	**(224.0)**	**(1.6)**	**(17.9)**	**(243.5)**
Corporate income tax	33.0	1.7	4.5	39.3
TOTAL NET INCOME	**(202.7)**	**(2.5)**	**(13.4)**	**(218.5)**

(*) NIIF 16 amendment related to fixed rent concessions due to renegotiation of contracts and pending of endorsement in the EU

Strong liquidity position

Debt Maturity Profile
30 June 2020: Gross debt (€761m)



Liquidity as of 30th June 2020:

- Cash: **€326m**
- Available credit lines: **€271m**
  - The €250m RCF was initially drawn in March for a 3-month period and repaid in June. On July 8th it was fully drawn again for a 6-month period (roll-over January 2021)

Available liquidity c. €600m

Rating

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

FitchRatings

- On 1st 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-'

MOODY'S

- On 23rd 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"

(1) Excluding subordinated debt (2024+)

Annex

- Q2 Revenue:
  - Per Perimeter
  - Per B.U.
- Q2 RevPAR
- Q2 P&L

Q2 the most affected quarter due to lockdown and portfolio closure

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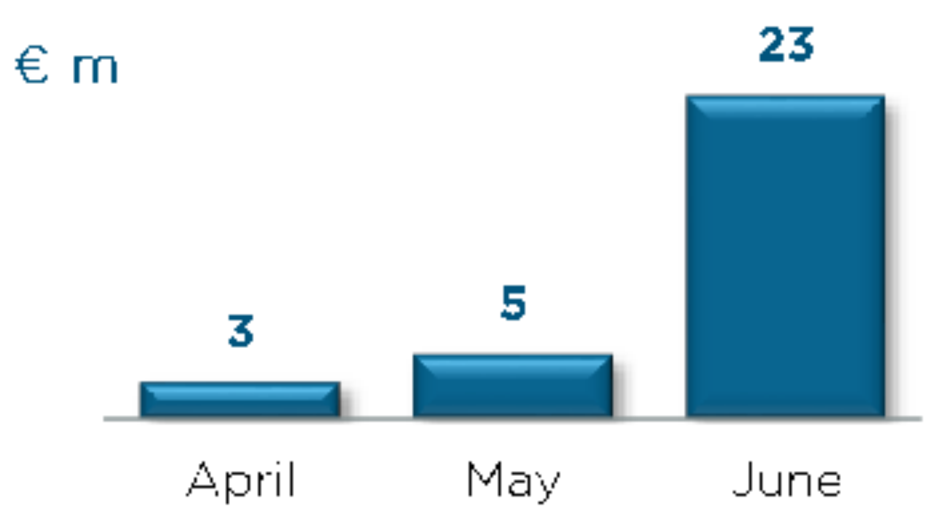
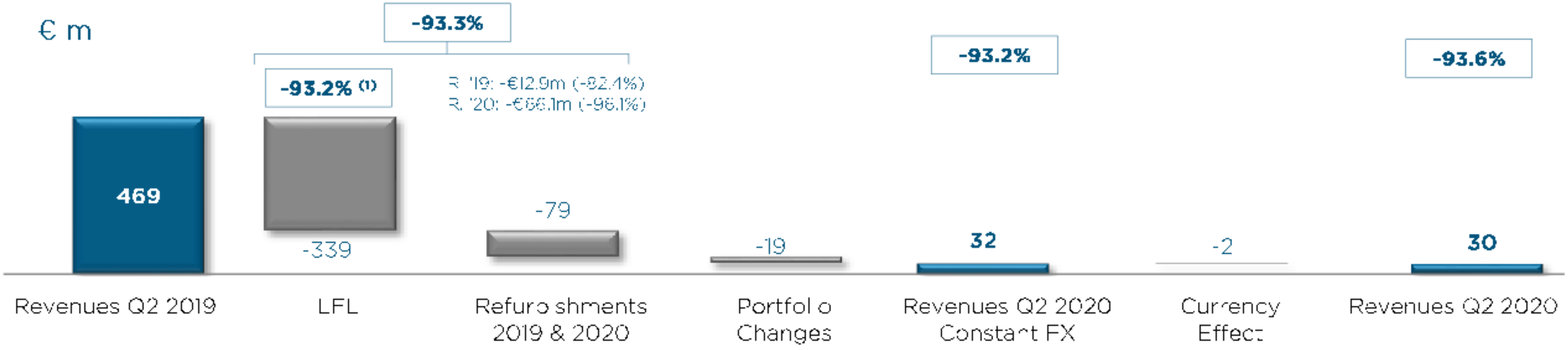
- **Total Revenue declined -93.6% or -€439m to €30m** (-93.2% fall at constant exchange rate) **as a result of extremely low level of demand in Q2**
  - Revenue Like for Like ("LFL"): -93.2% with constant FX (-93.7% reported):
    - Severe decline in Europe of -93.3%: Italy (-97.3%), Central Europe (-91.5%), Spain (-93.4%) and Benelux (-91.7%)
- **April and May had almost zero revenues** due to the severe lockdown across all countries
- **The flexible cost structure has allowed us to resume revenues in June despite low level of demand. July trend continues to show an acceleration in the recovery**

Q2 Monthly Revenues



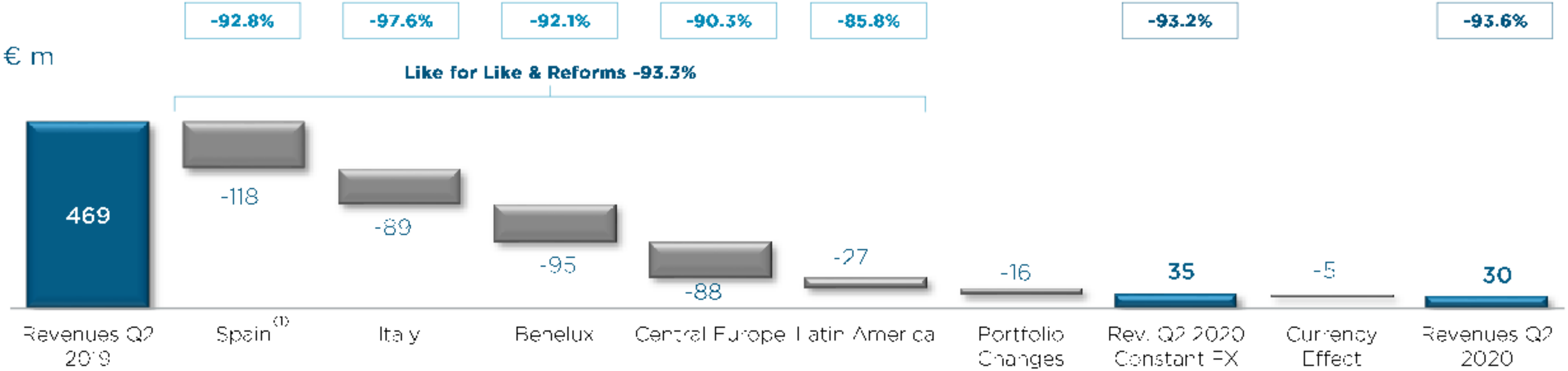


Growth Contribution	-72.4%	+	-16.9%	+	-4.0%	=	-93.2%	+	-0.4%	=	-93.6%

(1) On its 2019 own base. With real exchange rate growth is -93.7%

Historical low performance in all markets

- **Spain:** -93.4% LFL decline with most hotels closed in April and May. Barcelona (-97.4%), Madrid (-94.5%) and secondary cities (-91.7%). Including the new openings (Tivoli integration, La Coruña and Marbella) total Revenue fell -92.7%
- **Italy:** -97.3% decrease in LFL with a sharp decline in Milan (-97.7%) and Rome (-93.3%). Including the refurbished hotels revenue fell -97.6%
- **Benelux:** -91.7% LFL with Brussels (-95.2%), Amsterdam (-95.1%) and congress centres hotels (-89.7%). Including the openings of 1 hotel in Amsterdam, 1 in Antwerp and 1 in Dublin total revenue fell -92.2%
- **Central Europe:** -91.5% LFL fall. Berlin (-90.3%), Frankfurt (-90.6%), Munich (-96.1%; also affected by a strong Q2 19) and secondary cities (-90.8%). Including refurbished hotels and perimeter changes (1 hotel opened and 3 closed) total revenue fell -90.1%
- **LatAm:** -85.8% in LFL&R with constant exchange rate, reported figures also affected by the negative currency evolution of the year. By regions, Mexico revenues fell -94% at constant exchange rate. Argentina revenues fell -92% in local currency. Colombia and Chile revenue decreased -97% in local currency and including the currency evolution (-9%) reported figure fell -99%



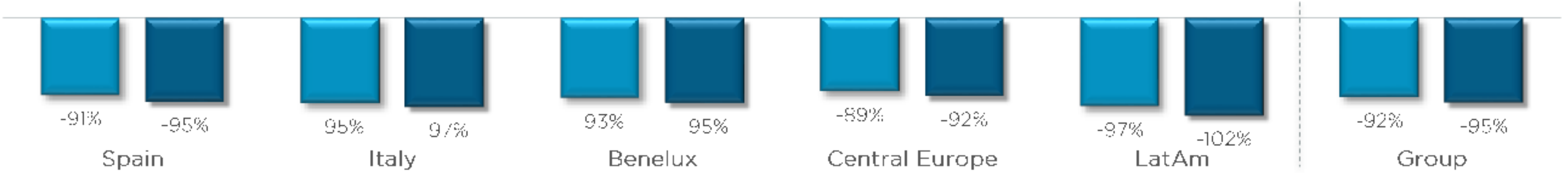
	Spain	Italy	Benelux	Central Europe	Latin America	Ex-Currency	Reported
Revenue LFL	-93.4%	-97.3%	-91.7%	-91.5%	-94.3%	-93.2%	-93.7%
Total Revenue	-92.7%	-97.4%	-92.2%	-90.1%	-86.2%	-93.2%	-93.6%

(1) Includes France and Portugal

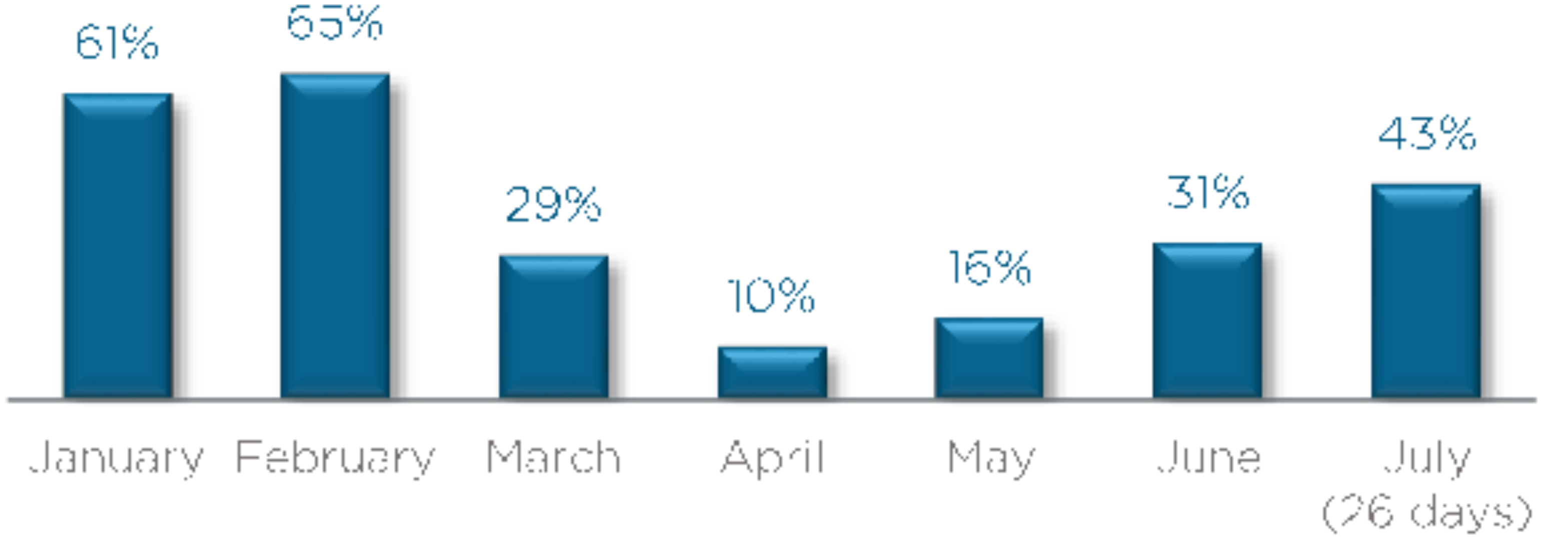
RevPAR decrease on extremely low demand in Q2 but recovery started

- **RevPAR decrease of -95% in Q2 2020**
  - All regions reported negative RevPAR explained by almost zero activity in April and May due to the severe lockdown across all countries
  - Occupancy: fell -92% to 5.8% (75.3% in Q2 2019). Lower demand in Central Europe (-89%; -67 p.p.), Spain (-91%; -73 p.p.), Benelux (-93%; -72 p.p.), Italy (-95%; -74 p.p.) and LatAm (-97%; -58 p.p.)
  - ADR: -37.5% fall in prices (-€41.4) reaching €69.0

Q2 2020 Consolidated KPIs by BU

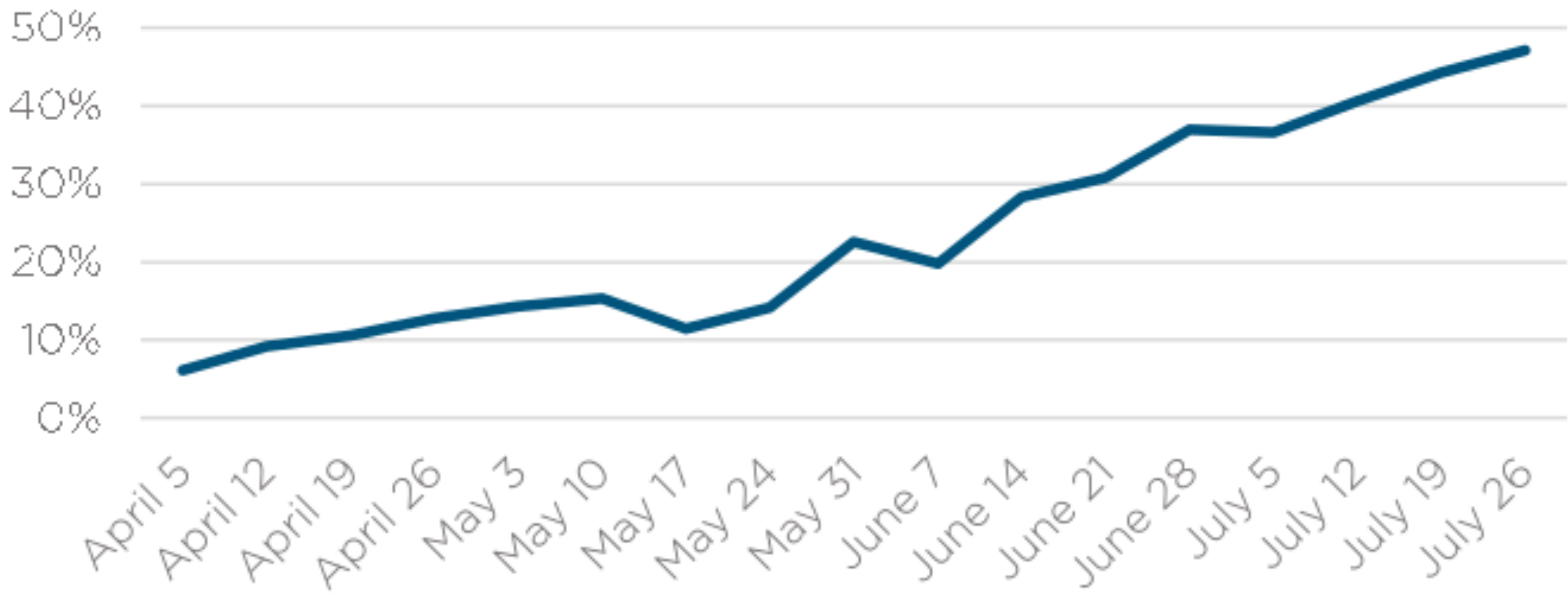


Occupancy improving since June (European open hotels)



# hotels	263	261	42	16	46	181	210

Weekly Occupancy trend (European open hotels)



Relevant Cost base reduction in Q2

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€ million Reported Figures [1]	Q2 2020	Q2 2019	VAR. Reported	
	€m.	€m.	€m.	%.
TOTAL REVENUES	**29.9**	**468.9**	**(439.0)**	**-93.6%**
Staff Cost	(50.6)	(145.3)	94.7	-65.2%
Operating expenses	(32.3)	(126.9)	94.6	-74.6%
GROSS OPERATING PROFIT	**(52.9)**	**196.7**	**(249.6)**	**N/A**
Lease payments and property taxes	(11.8)	(23.3)	11.5	49.5%
RECURRING EBITDA	**(64.7)**	**173.4**	**(238.1)**	**N/A**
Margin % of Revenues	216.4%	37.0%		n.a.
Depreciation	(76.0)	(73.9)	(2.1)	2.9%
EBIT	**(140.7)**	**99.5**	**(240.2)**	**N/A**
Net Interest expense	(31.7)	(28.8)	(2.9)	-10.2%
Income from minority equity interest	(0.2)	(0.1)	(0.2)	N/A
EBT	**(172.7)**	**70.6**	**(243.3)**	**N/A**
Corporate income tax	26.5	(16.5)	43.1	N/A
NET INCOME BEFORE MINORITIES	**(146.1)**	**54.1**	**(200.2)**	**N/A**
Minorities interests	2.4	(0.7)	3.1	N/A
NET RECURRING INCOME	**(143.7)**	**53.4**	**(197.1)**	**N/A**
Non Recurring EBITDA	(1.7)	2.7	(4.4)	-164.4%
Other Non Recurring items	(15.9)	(1.4)	(14.5)	N/A
NET INCOME INCLUDING NON-RECURRING	**(161.3)**	**54.6**	**(215.9)**	**N/A**

[1] Exclude rent savings pending to be registered in reported figures till accounting rule is endorsed in the EU

1. **Revenue** fell -93.6% reaching €29.9m (-€438.9m) due to almost zero revenues in April and May
2. **Payroll cost decreased -65.2% and Operating expenses -74.6%**
3. **Reported lease payments and property taxes** of -€11.8m fell by +€11.5m (-49.5%). Excluding IFRS 16 and perimeter changes the decrease amounted +€28.3m or -32.8% in Q2 due to lower variable rents and contract renegotiations
4. **Reported Recurring EBITDA amounted -€64.7m (-€238.1m).** Excluding IFRS 16 accounting impact, Recurring EBITDA before onerous reached -€117.3m (-€227.0m) with a 52% conversion rate of decremental revenue to EBITDA reflecting the significant cost base reduction in Q2
5. **Depreciation:** increase of -€2.1m mainly due to the impact of repositioning capex in 2019 and not reflecting COVID-19 Related rent concessions
6. **Financial Expenses:** excluding -€23.5m impact from IFRS 16 net financial expenses increased -€2.4m mainly explained by new debt drawn (€250m RCF + €250m syndicated loan in May)
7. **Taxes:** Corporate Income Tax of +€26.5m, +€43.1m vs. Q2 2019 mainly due to the negative EBT which leads to the activation of tax losses in all countries except in Spain, Austria, Switzerland, France, USA and LatAm (total non-capitalized -€12m)
8. **Reported Net Recurring Income:** reported figure reached -€143.7m due to the difficult environment since end of February
9. **Non-Recurring Items:** reached -€17.6m mainly explained by an impairment provision in Q2
10. **Reported Total Net Income reached -€161.3m compared to +€54.6m**

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