

**REPORT BY THE BOARD OF DIRECTORS OF MINOR HOTELS EUROPE &  
AMERICAS, S.A. CONCERNING THE PROPOSED RESOLUTION TO  
DELIST THE COMPANY'S SHARES AND THE MAKING BY MHG  
CONTINENTAL HOLDING (SINGAPORE) PTE. LTD. OF A TAKEOVER BID  
FOR THE DELISTING OF THE COMPANY'S SHARES**

The Board of Directors of Minor Hotels Europe & Americas, S.A. (hereinafter “**MHEA**” or the “**Company**”), at its meeting held on 13 December 2024, resolved to submit for the consideration and approval, if appropriate, of the Extraordinary General Meeting of shareholders of the Company, called for 20 January 2025 on first and sole call (the “**General Meeting**”), among other proposed resolutions, the delisting from trading on the Madrid, Barcelona, Bilbao and Valencia Stock Exchanges (the “**Spanish Stock Exchanges**”) and, consequently, from trading through the Spanish Stock Exchange Interconnection System (the “**SIBE**”), of all the shares representing the share capital of the Company, as well as the approval, for the purposes of the foregoing, that the majority shareholder of the Company, i.e., MHG Continental Holding (Singapore) Pte. (“**MHG**” or the “**Offeror**”) to make a tender offer for the delisting of the said shares (the “**Offer**”) under the terms provided for in article 65 of Law 6/2023, of 17 March, on Securities Markets and Investment Services (“**LMVSI**”), and in article 10 and related provisions of Royal Decree 1066/2007, of 27 July, on the rules governing public takeover bids for securities (“**Royal Decree 1066/2007**”).

Pursuant to the provisions of articles 65.3 of the LMVSI and 10.5 of Royal Decree 1066/2007, the Board of Directors of the Company has resolved to prepare this report, providing detailed justification for the proposed delisting and the price of the Offer (the “**Report**”). It is noted for the record that the proprietary directors appointed by MHG in the Company, namely Messrs Heinecke, Rajakarier, Chantikul and Chojnacki, recused themselves from participating in the discussion and approval of the Report as they held themselves to be subject to a conflict of interest due to their relationship with MHG. Notwithstanding the foregoing, the four proprietary directors appointed by MHG in the Company personally subscribed to the communication from MHG to the Board of Directors mentioned in the following section to signify their support for the delisting, the Offer and its price.

**1. JUSTIFICATION FOR THE PROPOSED DELISTING OF THE COMPANY'S SHARES**

**A. Background.**

On 23 July 2024, MHG informed the Board of Directors of the Company, in the context of a meeting thereof, of its interest in exploring and promoting, if appropriate, a process of delisting the Company's shares from the Spanish Stock Exchanges, which would include the making by MHG itself of a takeover bid for the shares, subject to the applicable legal provisions.

MHG also informed the Board of Directors on 6 December 2024 of the agreements signed by MHG and the shareholders of the Company Global Income, S.A. and Heritage SICAV Plc, dated 17 September 2024, by virtue of which said shareholders irrevocably undertook to sell to MHG the 6,256,053 shares held by them at a price of 6.00 euros per share, which would necessarily be carried out within the framework of a delisting tender offer to be made by MHG, the latter agreeing to take the necessary steps to submit, where appropriate, to the Board of Directors, within the following three months, the passing of the corresponding resolutions so that the delisting and the formulation of the tender offer itself would be put to the vote of the General Shareholders' Meeting of the Company (the "**Irrevocables**"). The 6,256,053 shares held jointly by the two aforementioned shareholders represent approximately 1.44% of the total capital of the Company and represent 34.72% of the total shares of the Company that are not owned by MHG.

As a result of the foregoing, MHG engaged Ernst & Young Servicios Corporativos, S.L. ("**EY**") on 6 May 2024, in its capacity as independent expert, to prepare a valuation report on the Company for the purposes of article 10.5 of Royal Decree 1066/2007, to be made available to MHEA's shareholders in the context of the aforementioned delisting tender offer. In preparing its report, EY has had access to information on MHEA's business and financial prospects provided by the Company's management and approved by the Board of Directors on 21 October 2024. The EY report was issued and made available to the Board of Directors on 9 December 2004 (the "**EY Valuation Report**").

In the light of the above, on 9 December 2024, MHG has addressed the Board of Directors of the Company whereby it (i) informs the Company of its decision to make a tender offer for the delisting of the Company's shares, subject to the approval by the General Meeting of Shareholders of the Company of the relevant resolutions relating to the delisting and the Offer, and the relevant authorisation of the Spanish Securities Market Commission, and (ii) formally request the Board of Directors of the Company to call and hold a general meeting of the Company's shareholders at which the corresponding resolutions relating to the delisting of the Company's shares and the Offer are included in the agenda, as well as for the issuance by the Board of Directors of the corresponding directors' report in relation to the aforementioned resolutions and the price of the Offer in accordance with the provisions of Articles 65.3 of the LMVSI and 10.5 of Royal Decree 1066/2007.

In view of the foregoing, the Board of Directors of the Company proposes to submit to the General Meeting of Shareholders of the Company, among other resolutions, the delisting of all the shares representing the share capital of the Company from trading on the Spanish Stock Exchanges and on the SIBE, as well as the making by MHG of the Offer to that effect, and the approval of the Offer price, on the understanding that there

are circumstances and reasons that make it advisable to carry out the delisting as discussed below.

## **B. Rationale for the delisting from trading**

The share capital of MHEA is 871,491,340 euros and is represented by 435,745,670 shares, represented by book entries, with a par value of 2 euros each, belonging to a single series, fully subscribed and paid up, which are admitted for trading on the Spanish Stock Exchanges.

The Company has not issued any subscription rights, convertible or exchangeable debentures, warrants or any other similar instruments that may entitle the holder, directly or indirectly, to acquire or subscribe for MHEA shares, nor are there any non-voting or special class shares.

As of the date hereof MHG, the main shareholder of the Company, holds 417,728,222 shares of the Company, representing 95.865% of its share capital. MHG, in its capacity as controlling shareholder, has decided to delist the Company's shares.

The rationale for the Board of Directors' proposal to delist the Company's shares from trading on the Spanish Stock Exchanges is based on the observation of the low trading volume of the Company's shares, due to a capital composition characterised by a structurally reduced free float volume. In that vein, as a result of there being a shareholder controlling 95.865% of MHEA's share capital, the free float currently distributed among the public is approximately 4.135% of the Company's share capital. This low percentage of free float prevents the shares from reaching adequate levels of shareholder distribution for trading on the Spanish Stock Exchanges and results in limited coverage of the shares by financial research analysts, with commensurate low trading volumes and liquidity in the shares on the Stock Exchange.

On the other hand, as is broadly known, listed companies are subject to multiple obligations on top of those of any other joint stock company, which impose burdens on the Company to comply with the obligations arising from the trading of its shares on a regulated market in the European Union, such as the Spanish Stock Exchanges.

The Board of Directors believes that the delisting of the Company would simplify the Company's operations and decision-making. All this without impairing its ability to continue developing its business and financing its expansion, given that the Company has not raised significant funds in recent years, nor does it envisage raising funds to expand its business in the form of equity or borrowed funds through capital increases or convertible bond issues in the foreseeable future, which would require the Company's shares to continue to be listed on the Spanish Stock Exchanges. Finally, delisting would result in savings for the Company in the fees and charges associated with the listing.

The aforementioned circumstances of low liquidity and the absence of any prospect of raising funds on the equity capital markets, together with the burdens arising from the requirements to be met by listed companies, make it appropriate, from the perspective of the Company's corporate interest, to submit to the General Meeting of Shareholders the delisting from trading the subject of this report.

In view of the situation described above, the Board of Directors considers it appropriate to submit to the consideration of the General Meeting of Shareholders the corresponding delisting resolution by means of the making by MHG of the Offer, under the terms and in accordance with the provisions of article 65 of the LMVSI and article 10 of Royal Decree 1066/2007 for delisting public offers.

The Offer will also provide MHEA's shareholders, other than MHG, with an opportunity to divest from the Company due to the process followed and the guarantees provided, including a price that complies with the provisions of article 10.6 of Royal Decree 1066/2007.

### **C. Delisting procedure**

The delisting of MHEA shares from the Spanish Stock Exchanges and the SIBE will be carried out, in the event of approval of the delisting resolution by the General Shareholders' Meeting, by means of the making of the Offer addressed to all the securities affected by the delisting.

In accordance with the provisions of the second paragraph of article 10.4 of Royal Decree 1066/2007, the Offer shall be made by the majority shareholder of the Company, i.e. MHG. Therefore, the Offer would not involve the acquisition of treasury shares out of the Company's equity.

The Offer will be addressed to all holders of the Company's shares except to those who (i) have voted for the delisting at the General Meeting of Shareholders and (ii) who, in addition, block their securities until the acceptance period referred to in article 23 of Royal Decree 1066/2007 has elapsed.

Insofar as the Offeror would block the 417,728,222 shares in the Company that it holds, representing 95.865% of its share capital, until the end of the Offer acceptance period, these shares would be excluded from the Offer. Consequently, the Offer shall be effectively aimed at the acquisition of a maximum of the 18,017,448 remaining shares, representing 4.135% of the share capital.

As noted above, by virtue of the Irrevocables, the shareholders of Global Income SA - SPF and Heritage SICAV Plc undertook to transfer to MHG, by tendering them into the Offer, the 6,256,053 shares in aggregate held by the two aforementioned shareholders, representing approximately 1.44% of the total share capital of the

Company, representing 34.72% of the total shares of the Company not owned by MHG.

## **2. JUSTIFICATION OF THE TENDER PRICE**

As indicated in the EY Valuation Report, the valuation ranges resulting from the methodologies provided therein are as follows: (a) discounted cash flows: between 5.88 and 6.97 euros per share, (b) multiples of comparable companies: between 6.01 and 6.80 euros per share, (c) multiples of comparable transactions: between 6.62 and 7.33 euros per share, (d) individual underlying book value as at 31 December 2023: 5.13 euros per share, (e) volume weighted average share price (CET): between 6.62 and 7.33 euros per share, (d) individual underlying book value as at 31 December 2024: EUR 5.13 per share, (e) volume weighted average share price (VWAP) during the six months preceding 9 December 2024: EUR 4.27 per share. On this basis, EY concludes that the discounted cash flow is the driving valuation method, whereby the value range of the shares is between EUR 5.88 and EUR 6.97 per share, such that the price of EUR 6.37 per share of the Company proposed by MHG for the Offer complies with the provisions of article 10.6 of Royal Decree 1066/2007.

Notwithstanding the foregoing, the Board of Directors of the Company engaged Bank of America Securities (“BAS”) to prepare a valuation report on the Company, which was issued on 11 November 2024, reaching conclusions substantially in line with those of the EY Valuation Report as to the range of value of the Company’s shares.

Regarding the final price of the Offer, the independent directors consider that it would be more appropriate for the price offered to have been in the range between the mid-point and the top-end of the range of the EY Valuation Report, as this approach would take into account two important factors: 1) the results presented by the Company after the financial projections prepared in September 2024, and 2) any expansion scenario not considered in the mid-range of the EY Valuation Report.

The independent directors also wish to place on record that they have noted that MHG has expressed that 6.37 euros per share is the price at which it would be willing to make the Offer, and therefore these directors have considered that, given that the EY Valuation Report has not been the subject of a pre-review by the CNMV, voting in favor of submitting to the General Shareholders’ Meeting the proposed resolution to delist the Company’s shares and to approve the Offer and its price is probably the only option to provide an exit from the Company’s capital to those minority shareholders who wish to do so.

Furthermore, the Board of Directors is not aware that MHG, its directors, its group companies (including the Company itself) and their respective directors, or persons acting in concert with them, have entered into or agreed transactions in the Company’s

shares at a price higher than the price contemplated in the Offer in the twelve months preceding the date of this report.

In view of the foregoing, the Board of Directors of the Company considers that the Offer price proposed by MHG (6.37 euros per share) complies with the provisions of articles 9 and 10 of Royal Decree 1066/2007. In particular, and in compliance with article 10.6 of Royal Decree 1066/2007, it is considered that such price (i) is higher than the price of 6.00 euros per share agreed by MHG with Global Income S.A. and Heritage SICAV Plc in the framework of the Irrevocables, which constitutes the equitable price for the purposes of the provisions of article 9 of Royal Decree 1066/2007, and (ii) is not lower than the price that results from taking into account, jointly and giving each of them the relevance that corresponds to them, the methods contained in article 10.5 of Royal Decree 1066/2007, as derived from the EY Valuation Report. Notwithstanding the foregoing, it is the responsibility of the *Comisión Nacional del Mercado de Valores* (the "CNMV"), in the process of authorising the Offer, to confirm whether it considers the said price of 6.37 euros per share to be sufficiently justified in accordance with the provisions of articles 9 and 10 of Royal Decree 1066/2007.

### **3. TERMS AND CONDITIONS OF THE OFFER**

As mentioned above, in accordance with the provisions of article 10.4 of Royal Decree 1066/2007, the Offer would be made by MHG without implying, therefore, the acquisition by the Company of treasury shares out of the Company's equity.

As MHG has informed the Company, the main terms of the Offer, which would be subject to the provisions of article 10 of Royal Decree 1066/2007, are as follows.

#### **A. Offeror**

The bidder would be MHG Continental Holding (Singapore) Pte Ltd., a Singapore company with registered office at 80 Robinson Road # 02-00 Singapore (068898). MHG holds 417,728,222 shares in the Company, representing approximately 95.865% of its share capital. MHG is indirectly wholly owned by Minor International Public Company Limited ("**MINT**"), a Thai company with registered office at 88 The Parq Building 12th Fl., Ratchadaphisek Road, Klongtoey Subdistrict, Klongtoey District, Bangkok 10110. MINT is the parent company of the Minor Group and its shares are listed on the Bangkok Stock Exchange.

#### **B. Securities to which the Offer extends**

The Offer would be addressed to all the shares of the Company, except to those who have voted for the delisting at the General Meeting, and who, in addition, block their MHEA shares until the Offer acceptance period referred to in article 23 of Royal Decree 1066/2007 has elapsed.

The Offeror would block the shares it holds in the Company at that time until the end of the Offer acceptance period and, therefore, these shares would be excluded from the Offer.

As there are no subscription rights, debentures convertible or exchangeable into shares, warrants or any other securities or instruments that may directly or indirectly entitle the holder to subscribe for or acquire shares in the Company, the Offer would not be directed at such securities or instruments.

### **C. Consideration**

As provided in article 10.3 of Royal Decree 1066/2007, the Offer would be made as a sale and purchase, the entire consideration consisting of cash, which would be paid at the time of settlement of the Offer.

The Offer price would be EUR 6.37 per share.

### **D. Purpose**

The Offer would be made with the aim of delisting the Company's shares from trading on the Spanish Stock Exchanges and, consequently, from trading through the SIBE.

### **E. Absence of conditions**

The effectiveness of the Offer would not be subject to any condition. In any event, (a) the making of the Offer requires the prior approval of the General Meeting in the terms set out in the proposed resolution that the Board of Directors of the Company submits for the consideration and approval of its shareholders, and (b) the Offer and its price would be subject to the mandatory authorisation of the CNMV, and may be rendered ineffective in the event that the CNMV denies such authorization, in accordance with the provisions of Article 21 of Royal Decree 1066/2007.

### **F. Compulsory sale and purchase**

In the event that, as a consequence of the Offer, on the settlement date of the Offer, the conditions set out in article 47.1 of Royal Decree 1066/2007 are fulfilled, MHG intends to demand the holders of shares in the Company to whom the Offer would be addressed and who have not tendered their shares in the Offer, to sell them compulsorily to it at the same price as the Offer, i.e. at a price of 6.37 euros per share. Likewise, if the aforementioned conditions are fulfilled, any of the shareholders of MHEA who so wish may demand MHG to compulsorily purchase all of their shares in MHEA at the same Offer price indicated above.

#### 4. CONCLUSIONS

The Board of Directors of MHEA considers that, in view of (i) the request of the controlling shareholder of the Company (MHG), (ii) criteria of efficiency in the development of the business in view of the burdens involved in the listing of the Company's shares, (iii) the low trading volume and liquidity of the Company's shares on the Spanish Stock Exchanges due to the current low percentage of free float (i.e. 4.135% of MHEA's share capital), and (iv) the lack of any expectation that the Company will raise funds in the equity securities markets, the delisting of the Company's shares is considered justified in the corporate interest.

The Board of Directors of the Company also considers that the price of the Offer complies with the provisions of articles 9 and 10 of Royal Decree 1066/2007, which must nevertheless be authorized by the CNMV.

Thus, in compliance with article 65 of the LMVSI and article 10 of Royal Decree 1066/2007, the following is submitted to the consideration and, if applicable, approval of the General Meeting: (i) the delisting of all the Company's shares from trading on the Spanish Stock Exchanges, (ii) the making by MHG of the Offer at a price of 6.37 euros per share, and (iii) the delegation of the powers to execute these resolutions, as appropriate, to the Chairperson, the Vicechairperson and the Secretary-non Director of the Board of Directors of the Company, all of the above in accordance with the terms and conditions set out in the proposed resolutions submitted for the consideration of the General Meeting.

Shareholders of the Company are reminded that, in accordance with article 201.1 of Royal Legislative Decree 1/2010, of 2 July, approving the recast Capital Companies Act, approval of the delisting of the Company's shares from trading on the Spanish Stock Exchanges requires a simple majority of the votes cast by the shares present or represented at the General Meeting.

And for the record, this report is issued by the Board of Directors of Minor Hotels Europe & Americas, S.A. in Madrid, on 13 December 2024.