

**MESSAGE FROM THE
CHAIRMAN AND CEO**

Message from the Chairman

Dear stakeholders:

NH Hotel Group, part of Minor Hotels, has completed in 2023 what was probably the best year in its history. The integration and global homologation of the eight brands of the two companies, as well as the operational, strategic and management streamlining in the respective geographic areas of influence of NH and Minor, have been decisive in achieving this success. Working together in excellent coordination has given us considerable resilience during the worst years of the pandemic. Since April 2022, and especially over the past year, we have also been able to maintain a unified approach and high standards to strengthen our offering in the luxury and resorts segments.

These strategic objectives, unity and coordination, have become important levers for accelerating corporate growth over the past twelve months. Thanks to them, we have also managed to gain positions among the world's major hotel groups, and we have also significantly increased the recognition and appreciation of our brands around the world.

A lot has been achieved so far and I am convinced that further integration between NH and Minor's capabilities will bring us much more value in the future. The Minor platform is an international benchmark for innovative lifestyle experiences for different businesses such as restaurants, beach clubs, trains, luxury ships and much more, in addition to hotels. This, together with operational synergies and economies of scale, will create new business opportunities.

Last year's results, of which we should all feel legitimately proud, have been possible thanks to the dedication, enthusiasm and excellence of the management team and the group's professionals, together with the supervision and commitment of NH Hotel Group's Board of Directors. Quarter after quarter, the company has been able to lead the recovery of the sector, optimise commercial policy and revenues and maintain a cost control that has become another differential attribute in how we understand the hotel business. The sector seems to be evolving towards concentration and greater international dimension, a process that we were able to anticipate at the time, and which now places us in the best starting conditions to consolidate our leadership in the face of the changes of substance and form that are coming in the sector.

The various reports on the sector agree that tourism consolidated its position in 2023 as a key driver of an economic recovery that continued to be weighed down by the Russian invasion of Ukraine and the abrupt rise in the cost of living. The latest [World Economic Forum](#) report, published a few weeks ago by the International Monetary Fund, finds that the economies of those countries with large travel and tourism sectors have recovered more and better than those of other nations in 2023. Southern Europe has been a particularly clear example of this stronger recovery, with revenues higher than their 2019 equivalents despite the fact that international tourism will end last year at around 90% of the figures achieved



four years earlier, according to the latest World Tourism Barometer produced by the World Tourism Organisation. Looking ahead to 2024, expectations are even better should demand and air connectivity recover in Asia and the Pacific, which could take the lead towards a much more uniform revival and finally above the record traveller figures achieved in the last pre-pandemic year.

For the strategic alliance and the integration of NH Hotel Group into Minor Hotels, the forecasts of the International Monetary Fund and the World Tourism Organisation make us moderately optimistic for 2024. Since Minor gained control of NH through the successful takeover bid in 2018, the two companies have established a partnership agreement that is as transparent as it is ambitious. Now that the pandemic has been solved with the extraordinary efforts of the professionals and the utmost rigour in management, the principles we agreed then are now fully relevant. It is clear that the integration of the brands, the well-coordinated and efficient management in the respective areas of influence and the management rigour of all the teams have strengthened the position and expectations of NH Hotel Group, which has undoubtedly reverted and will revert to the benefit of the company's shareholders as a whole.

I am particularly honoured to have assumed the chairmanship of the Board of Directors of the company as of 22 May 2023. It is also an important responsibility, which I face with the loyalty expected of a proprietary director, with a firm commitment to transparency and the best governance criteria, and also to sustainability and inclusion as guiding principles of any business policy. Once I had gained the confidence of the Board, my first mandate was to coordinate the process of renewing the three independent directors of the company, which was necessary after the resignation of their predecessors and was completed in record time. I am convinced that the three co-opted appointments finally approved by the Board, following the selection of an independent consultant and the mandatory deliberations and nominations proposed by the Nomination, Remuneration and Corporate Governance Committee, have met the most demanding and accredited criteria among Spanish listed companies.

Since the new corporate stage initiated by NH in October 2018, the Board of Directors has always acted with due diligence, transparency, and respect in matters of governance, where it has at all times applied the best corporate practices. It has set the number of independent directors at a high level of proportionality, and they chair the two existing Committees. The three new independent directors, who must be ratified at the next General Meeting of Shareholders, meet the optimum conditions of personal and professional prestige, proven track record and exhaustive knowledge of the market required for their position. María Segimón, Míriam González-Amezqueta and Tomás López Fernebrand all have proven experience as managers and independent directors in matters of real estate management, ESG and diversity and inclusion in leading Spanish and international companies.

Their incorporation will also allow us to come closer to complying with the principles of inclusion and gender equality, in accordance both with current regulations and recommendations and with the future draft Organic Law on equal representation and balanced presence of men and women, if it finally goes ahead. Likewise, the recognition and prestige of the governance and corporate policy of NH Hotel Group's Board have been endorsed for years by the main international indicators.

In recent weeks, the new Board has had the opportunity to resume and deepen the framework agreement signed by NH and Minor in February 2019, where both undertook to take over the management of the Group's hotels in their respective geographic areas, and also to carry out those operations that would allow the development of business opportunities. By virtue of this agreement, and once the adverse effects of the pandemic had been overcome, on 18 December 2023, NH's Board of Directors, with the favourable vote of all its executive and independent directors, and without the participation in the deliberation and voting of the proprietary directors representing Minor, approved the purchase from Minor Hotels of the ownership, concession and lease of five of the group's hotels in Portugal, through the acquisition for 133.2 million euros from the holding company. Apart from the benefit derived for NH from the rationalisation of assets in a key market such as Portugal, in 2024 alone the acquisition will contribute an additional 11 million euros to the company's EBITDA, which in turn will result in higher profitability for all its shareholders.

I would like to end this letter with an important reference to the second rating upgrade Moody's made to NH Hotel Group's rating last year. On 20 December, the agency upgraded our rating by a further notch, from B2 to B1, and improved the outlook from stable to positive. It positively assessed the increases in the group's average room rate and daily room revenue, the gradual shift towards a specialisation in the more profitable luxury segment and the sustained effect of cost reduction measures. It also highlights the significant reduction in debt and the lower weight of fixed rent leases. As a result, it expects the Group to maintain solid reserve trends in the short and medium term, with low leverage and no significant maturities until 2026. Moody's itself recognises that NH's evolution has clearly improved its expectations, a significant achievement due to the excellent performance and commitment of NH's management and its more than twelve thousand professionals, who once again this year represent the main corporate asset and our best guarantee of providing the best service and the most exclusive offer on a daily basis to our ever-growing portfolio of customers around the world. With your strong contribution and your trust, NH's future will always be one step ahead, as will the satisfaction, profitability, and efficiency that we are able to offer to our different stakeholders and to each one of you.

Dillip Rajakarier
Chairman of NH Hotel Group

Message from the CEO

Dear stakeholders,

I am pleased to be able to give you the news that in 2023 the company achieved the highest revenues and profits in its history. As I write to you, no official figures have been published yet, so I encourage you to check them on our website once they have been submitted to the regulator. I can however tell you now that our results improved quarter by quarter, and that we are confident of maintaining the main aspects of that upward trend throughout 2024.

For those of us who are involved in the day-to-day management of NH Hotel Group, part of Minor Hotels, after suffering in 2020 what was also the most difficult situation in the history of the sector, completing this successful cycle in just three years is a source of special joy and pride. We have to give very specific thanks firstly to the more than twelve thousand professionals who work in Europe and America and who bring us their great enthusiasm and know-how every day. We also have to thank the trust and loyalty that customers, suppliers, agents in the sector, investors and shareholders place in us every day.

In my opinion, much of that success lies in our collaboration with Minor Hotels, which reached the milestone of October 2023. In just five years, this strategic alliance has allowed us to consolidate our position as a benchmark in the luxury sector, thanks to the rise of Anantara, and also in quality leisure through the expansion of the Avani and Tivoli brands. After the pandemic, this dual positioning in luxury and leisure has proved to be crucial in activating our group's recovery. Integration has been a determining factor in this process. NH Hotel Group acts in practice and in fact as Minor Europe & Americas, which gives us a worldwide reach and a substantially higher degree of recognition and engagement around the world.

The dynamic effects and benefits of this integration will continue to be seen in the coming years, as global tourism consolidates its recovery and the international travel figures of 2019 (a milestone that, today, still seems distant) are surpassed. In any case, the greater focus on the upscale and luxury segment, together with a better-balanced structure of our offering between leisure and business travel, has allowed us to increase the average revenue per room per night to a relevant extent over the past year.

In this way, we have offset at least in part the sharp rise in various costs that has reduced the profitability of many companies in the sector. In 2024, with the solid leisure demand and the sustained recovery of business customers and international travel, the operating trend of our hotels continues to be very healthy, which makes us moderately optimistic for the year as a whole.

This underlying strength, together with strict control and the reduction of our gross finance debt by 21% and of our net debt by 14% (54% if we eliminate the impact of the acquisition of Minor's hotels in Portugal) during the past year, allowed us to lead investments and



operational growth during the past twelve months. There are many examples I could cite of this recurrent and vigorous activity.

I would like to highlight two. First of all, the opening this year of our first three hotels in Paris, of the NH Hotels & Resorts and NH Collection Hotels & Resorts brands. We enter an emblematic city through the front door, which will allow us to participate in the accommodation for an event as special as this summer's Olympic Games. This completes our hotel offering in France, where we already have hotels in cities as important as Nice, Marseille, Lyon and Toulouse. Secondly, we have also announced the arrival of our first hotel in China, the NH Zhengzhou Jinshui, at an optimal time for the arrival of visa-free European tourists for stays of fifteen days or less. It joins previous additions to the NH brand in Asia and the Middle East, such as the NH Boat Lagoon Pkuket Resort in Thailand or the NH Collection Maldives Havodda Resort and Dubai The Palm.

Between now and 2026, we will also open new hotels in equally emblematic destinations for tourism such as Finland, Thailand, Maldives, United Arab Emirates or Australia, among others. Both these and the rest of the examples of our current expansion process share the common goal of continuing to improve and differentiate the experience of our customers for each brand through digitalization, innovative concepts and the most advanced personalization. In the post-pandemic world, without a well-organized portfolio, there is no future. We are in the best position to stand out in this area. Our management style makes it possible for us to fulfill almost one hundred per cent of the business cases we sign with owners.

As part of Minor Hotels, we continue to develop an ambitious plan with three priority objectives: to strengthen our position in the luxury segment, with our Anantara brand and Minor's extensive experience in that segment; to strengthen our leading role in the luxury resort segment, especially with our Tivoli brand, and to continue growing strategically in the urban sector in major cities in France, the United Kingdom, the Nordic countries, and the United States, without neglecting southern and central Europe.

We are deeply engaged in a policy of growth and development of the Anantara Hotels, Resorts & Spas, Tivoli Hotels & Resorts and Avani Hotels & Resorts brands, as well as in the consolidation and expansion into new markets of the H Hotels & Resorts, NH Collection & Resorts and nhow Hotels & Resorts brands.

We have opened the Anantara Convento di Amalfi Grand Hotel, located in a 13th-century Capuchin convent, the Anantara Plaza Nice and the Anantara The Marker Dublin, and we have also completed the renovations of the Anantara Grand Hotel Krasnapolsky Amsterdam and the Anantara Palazzo Naiadi Rome. We have also announced the Anantara Royal Vila Viçosa, the chain's second hotel in Portugal, which will open its doors in 2026; and the Anantara Palais Hansen Vienna, which will be opened this year.

As far as Tivoli is concerned, the brand is growing especially in southern Europe, with recent openings such as the Tivoli Alvor Algarve Resort, the Tivoli Portopiccolo Sistiana Wellness

Resort & Spa or the Tivoli La Caleta Tenerife Resort. In the Netherlands, the Tivoli Doelen Amsterdam has been added.

In addition, the latest nhow openings in major European cities such as Frankfurt and Brussels, were added to previous openings in London, Amsterdam or Marseille, all of which were very well received. We want to continue to push nhow as the disruptive, lifestyle brand. And we intend to do the same with Avani, a lifestyle brand aimed at travelers with a millennial mindset. We have already opened the Avani Alonso Martínez in Madrid; the Avani Palazzo Moscova in Milan; the Avani Rio Novo in Venecia; the Avani Cancún Airport in Mexico; and the Avani Royal Zona T in Bogota. We are also going to introduce other brands in the resort segment, as we have already done with NH Hotels & Resorts with the NH Marina Portimão Resort in the Algarve and with the NH Boat Lagoon Phuket Resort in Thailand, or with the NH Collection brand in the recently opened NH Collection Maldives Havodda Resort¹.

Of course, we also intend to continue working this year on generating commitment and leadership in our professionals, as well as on developing their digital skills, providing them with decision-making capacity and opportunities to grow. Encouraging talent forces us to focus more and more on quality. In the collective imagination, hotels represent an aspirational factor almost as important as the city you want to go to. Achieving this attractiveness can only be achieved through the best talent in each hotel and a highly qualified and tailored digital offering.

In short, we are witnessing accelerated changes in the tourist sector where the qualification and personalization of what is offered are gaining relevance. The companies whose talent evolves most quickly towards this scenario will have competitive advantages. At NH Hotel Group, part of Minor Hotels, we have the best resources and a successful and proven track record in managing the different cycles of expansion and contraction in the market. Every year we try to grow in a complementary and flexible way, always in line with strict management criteria where profitability and efficiency are prioritized. We know that success in the hotel sector can only come from the trust and pride of our professionals, and from a differential and exclusive offer for the best range of customers. It is the ideal that moves us, that motivates us on a daily basis and, of course, that also requires us to achieve the best results and expectations for each and every one of our investors, partners and shareholders. .

Additionally, as a member of the Spanish Network of the United Nations Global Compact, we are committed to continuing to show its contribution to the Sustainable Development Goals focusing especially on those directly related to our activity, through the different pages of this Report.

Thank you very much.

Ramón Aragonés
CEO NH Hotel Group

¹ The named hotels are outside the scope of this report.