

In compliance with the provisions of information pursuant to Article 17 of Regulation (EU) 596/2014 of 16 April 2014 on Market Abuse and Article 228 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*) the following

RELEVANT EVENT

With regard to the General Shareholders’ meeting held today, the Company discloses the following documents:

- Speech of the Chairman of the Board of Directors, Mr. Alfredo Fernández Agras.
- Presentation of the *Chief Executive Officer (CEO)*, Mr. Ramón Aragonés Marín.

Madrid, 21st June 2018.

Carlos Ulecia Palacios.
General Secretary

SPEECH OF MR ALFREDO FERNÁNDEZ AGRAS, CHAIRMAN OF NH HOTEL GROUP

Dear Shareholders,

A year ago I addressed all of you for the first time as Chairman of NH Hotel Group's Board of Directors. So I have now completed two intense years in which, as you all know, many things happened in the company.

First, I will summarise the prospects for the economy and detail the main aspects of the NH Group's business and Corporate Governance.

During 2017 financial year, global economic activity has grown +3.7%, higher than the +3.0% of the previous year. More specifically, in the eurozone, the growth rate for 2017 was 2.4% (compared to 1.7% in 2016), which suggests a favourable macroeconomic environment for this year and the following. In line with these figures, when comparing the growth rates of the four countries with the greatest proportion of sales and profits of the Group, it is noted that in the Netherlands, Germany and Italy the growth rate increased in 2017 with respect to the previous year, while in Spain it was similar to last's year.

According to the World Tourism Organisation, in 2017, arrivals of international tourists worldwide reached the figure of 1.322 billion, entailing a +7.0% increase with respect to the previous year, a rate far above the sustained trend of close to 4% that had been recorded since 2010 and that represents the best result in seven years. More specifically, arrivals of international tourists in Europe amounted to 671 million in 2017, recording a notable growth of 8% led by the Mediterranean destinations. In this European context, Spain has consolidated as the second most visited country behind France and ahead of the United States, beating its record of 82 million tourists from abroad with an increase of 9% in the number of international arrivals. That said, we all, and in particular our governmental authorities, must be aware that volume disputes with quality. It is necessary to look for high quality tourists who contribute to and enrich the country, rather than being guided by simple growth statistics.

With respect to the main aspects of the NH Group's business, it should be highlighted that the operational and financial transformation of the NH Group in recent years is the result of the following factors:

- Segmentation and strengthening of the positioning of our brands
- Improved product and experience of our guests
- Optimisation of the portfolio of hotels
- Investment in technology systems and price management tools
- Improved operational efficiency
- Reduction of the financial debt

- Re-establishment of a progressive dividend policy

Although the CEO will go through these matters in greater depth, I would like to give you some high level information on some milestones attained over the past 24 months, period in which I have had the honour of chairing the Board of Directors.

Those results lead us to face the near future with great optimism and strength on both an operational and financial level, which will enable us to continue strengthening our leadership position in the main European cities.

- Revenue totalled 1.57 billion in 2017, entailing a 176-million increase in 2 years or a compound annual growth rate of 6%.
- The EBITDA has grown to 233 million, an improvement of 84 million in 2 years, entailing an annual growth rate of 25%.
- 2016 was the first year of recurring Net Profit since 2008 and, in 2017, that figure tripled to 35 million euros.
- This excellent evolution of the results is also reflected in the reduction of the company's financial debt due to the improvement in cash generation, which, in relevant terms, closed 2017 with a net financial debt to EBITDA ratio of 2.8 times, compared with 5.6 times in 2015. Furthermore, following the recent early redemption of the convertible bond, the financial debt reduction objective that will enable us to close the 2018 financial year at levels close to 1.2 times has already been reached.

With respect to the dividend policy, in the second half of 2017, the Board of Directors approved a progressive dividend policy for the coming years. Following the first payment of the gross dividend of 5 cents per share the previous year, the proposal for the 2017 financial year shows that shareholder remuneration is a priority. Therefore, the distribution of a dividend for the financial year 2017 for a gross amount of 10 cents per share is proposed for approval at this General Shareholders' Meeting.

The operational and financial transformation of recent years is reflected both in the evolution of the share price, which, as you can observe in the graph on the screen has been much positive than the evolution of other companies of the sector, with an increase of 45% since the General Shareholders' Meeting of 2016, and in the perception of the analysts who cover the Group, which has translated to an improvement in their recommendations and in the target price. As of 18 June, that average target price is 6.9 euros per share.

As I had the opportunity to detail at this General Meeting a year ago, I would like to highlight the good functioning of the collegiate governing bodies in the 2017 financial year.

Throughout the past year, we have had the opportunity to deepen the commitment of NH in Corporate Governance through different milestones and

measures, as well as through a strong and diverse Board comprising six independent directors, 3 directors representing major shareholders and one executive director. A Corporate Governance policy inspired by and founded on the commitment to ethical principles, transparency and leadership in the application of international best practices in the area of good governance. This system, which is in a constant process of review and improvement, aims to incorporate the main recommendations of the international markets and the most advanced trends in this area.

At NH, in 2017, we have had a Board of Directors integrated with renowned, highly complementary directors with great strength and diverse backgrounds and professional profiles who undoubtedly contributed both to the smooth development of its functions and to the good governance of the company.

Additionally, in 2017, the Board oversaw appointments among the senior management of the company, always with a future vision and seeking to attract the best talent capable of contributing to the corporate growth and, consequently, the defence of the social interest and the creation of sustainable value for society, the population, its workers, its guests and its shareholders.

In 2017, we aligned the management team and all the shareholders by means of a highly attractive variable remuneration, thanks to which we have maintained a proactive engagement with our shareholders, with all of you.

Likewise, the dividend distribution policy is a proof of our commitment to each of you.

For NH in general and for me personally as Chairman of this company and this General Meeting, these good practices in corporate governance constitute a sample of what we want to continue doing in the future in this area. Moreover, they serve as an example of the commitment of the company and its management team to its shareholders.

Finally, ladies and gentlemen, I would like to point out to you that it is not only an honor but also a great responsibility to chair the Board of Directors of NH Hotel Group, the management and representative body of the company, which, needless to say, is made up of all its shareholders. Everyone, from the first to the last, with the same rights and obligations.

Consequently, I manage, represent and am committed to the social interest of NH, which is none other than that of all our shareholders. This dual obligation, and my own desire to be respectful and transparent with all of you, makes me dwell on two aspects that follow on from the exercise that we are submitting for your approval today, but which are equally relevant to our present and future as shareholders.

First of all, I refer to the unsolicited interest shown by the Barceló Group, on which the Board of Directors of NH decided at its meeting on the 10th of January this year. Secondly, I cannot fail to refer to the voluntary takeover bid made by the

Thai company Minor International Public Company Limited, which announcement was published on the 11th of June 2018 by the Spanish Regulator (CNMV).

At that time, the Board was unanimous in its view that the terms of the unsolicited offer from Grupo Barceló were inadequate and in no way reflected the real value of NH, in particular for the following reasons, and I quote literally:

- The exchange ratio does not reflect the two companies relative valuations (even less so adjusting the scope of the transaction to Grupo Barceló's significant hotelier business). Crucially, it does not offer a control premium on NH's market value, nor does it factor in NH's potential for revaluation as a standalone business, which is certainly higher than the relative value of €7.08 per share suggested by the offer.
- The offer presented by Grupo Barceló fails to reflect NH's earnings growth potential or the value of the assets it owns in cities across Europe; as evidenced by the recent sale of the Barbizon Hotel in Amsterdam. The offer also fails to recognise the opportunity to generate profits from its balanced mix of management and lease agreements and steps being taken to optimize its operating and financial structure.
- The Board also took a negative view of the fact that Grupo Barceló's bid failed to offer a cash alternative or similar liquidity event for NH's shareholders.

Shortly thereafter, on January 19th, 2018, our former largest shareholder, the Chinese group HNA, informed that it was reviewing its stake in NH. The Group's delicate financial situation, its need to divest certain companies and markets, placed our company in a difficult situation. It is always the case when a percentage of shares is put up for sale and representing a 29.5% of the company.

If the company has since then maintained usual business conditions, and has been able to continue increasing its market value until the necessary conditions for the early redemption of the bonds have been met, this is due both to the excellent performance of the business and of the corporate results and to the extraordinary management carried out in those months by both this Board and the management team.

We have been for months living together with various rumors and market speculations about possible interested parties. Finally, the interest of the Minor Group gradually took shape. First, with the purchase of part of Oceanwood's shares and a few days after that acquisition, Minor announced the purchase in two tranches of the Chinese group HNA's shareholding in NH, representing, including future commitments, 38% of the company. Soon after, the Thai group launched a takeover bid at a price of 6.4 euros per share.

I would like to inform you that the Board of Directors of NH is aware of the relevance of this announcement to all shareholders. The Board is also aware of the responsibility it assumes towards all of you, shareholders, and we assume this responsibility in the knowledge that we are aware of our fiduciary duties as

set out in the Spanish Companies Act, and most particularly the duty to maximize value for NH shareholders.

I will now outline the main lines of the roadmap that the Board will follow in order to specify the fulfilment of our duties in relation to the aforementioned takeover bid:

1. At the Board of Directors' meeting to be held this afternoon, an investment bank will be appointed to advise the Board on the takeover bid and to prepare a fairness opinion on the reasonableness of the economic consideration offered by Minor. The Board will also seek legal advice on the various legal issues relating to the Offer.
2. This Board of Directors will be vigilant with respect to compliance with the so-called "duty of passivity" of article 28 of the Royal Decree regulating the rules governing takeover bids, which imposes certain limitations on the Board's actions until the result of the takeover bid is published. Without prejudice to the foregoing, this Board shall seek to improve the terms of the takeover bid.
3. We will rigorously respect the principle of equal information. Minor has submitted its tender offer based solely on public information from NH. It has not accessed any other information. This will continue to be the case throughout the process.
4. As required, this Board shall issue and make public to the Spanish Regulator (CNMV) a detailed and reasoned report on the takeover bid within a maximum period of ten calendar days from the date of commencement of the acceptance period of the takeover bid. This report shall contain, among other information:
 - a. Explanations for or against the Offer and assessment of the same, based on the fairness opinion of the investment bank in order to decide on the reasonableness of the economic consideration offered by Minor. This fairness opinion will be public.
 - b. Board member's opinion of the Offer and whether or not they intend to accept the Offer in respect of the shares held by them.
 - c. Potential impact of the takeover bid and Minor's strategic plans on the overall interests of the NH Hotel Group.

In addition to all of the above, I would like to complement this with a reflection that will help you to understand the situation in which NH, your company, is currently and in relation to the takeover bid.

If we evaluate Minor's current offer with the reasons given by this Board in the case of Barceló's offer, although it does offer liquidity to the shareholders, it does not seem to satisfy the value, nor that it is a better alternative than the one derived from the company's strategic plan. Therefore, it is to be expected that this Board will act accordingly, since there has been nothing in the company's environment

or operations that justifies a change in criteria, although we will have to wait for the formal decision of this Board to which I referred earlier.

This also seems to be reflected in the analysts' recommendations, whose average target price, to which I have also referred, exceeds the price offered in the takeover bid.

Therefore, an alternative that must be considered very seriously; except for an improvement with respect to this offer that does not offer a control premium and which, as I have already said, is our obligation to try to obtain, is to continue being a shareholder of the NH Group. But before the Board takes it into consideration, it is very important to listen to Minor's plans regarding NH, which will be developed in the Prospectus to be filed with the CNMV. Strategic and business aspects that will allow NH to maintain, and even increase, the value creation in NH current plans, as well as its commitment to maximum respect corporate governance issues, will be key in the decision that this Board will make on the proposed offer. The better these commitments are, the more interesting it will be to remain a shareholder of NH, but that is something we will have to clarify in due course.

To conclude, I thank you for your participation in this General Meeting. I hope that the Board continues to be worthy of your support in the coming General Meetings, as there is still much to do.

I assure you that, to achieve it, we have a team comprising 20,000 employees who, each day, with effort and dedication, make NH a better company. I also want to thank all of them very sincerely.

Thank you very much, ladies and gentlemen.

Alfredo Fernández Agras
Chairman of NH Hotel Group



ANNUAL GENERAL MEETING



Madrid, 21st of June 2018

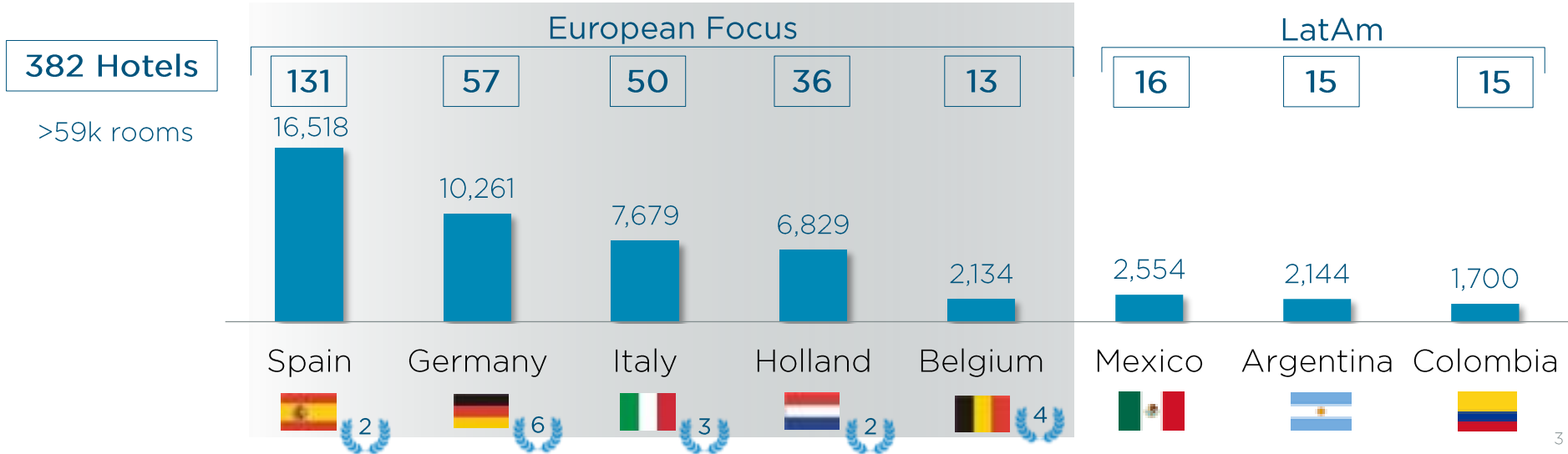
CONTENTS

- **NH TODAY**
- 2017 RESULTS
- STRATEGIC INITIATIVES
- 2018 TARGETS
- CONCLUSION



Leading European urban hotel operator with strong presence in key cities:

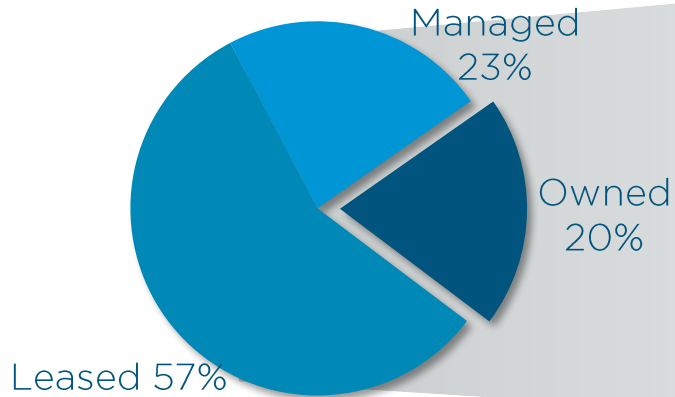
- 6th largest European hotel chain and one of the Top 30 worldwide
- 382 hotels with more than 59,000 rooms
- 29 hotels with more than 5,000 rooms to open in the coming years
- Urban positioning towards the upper segment



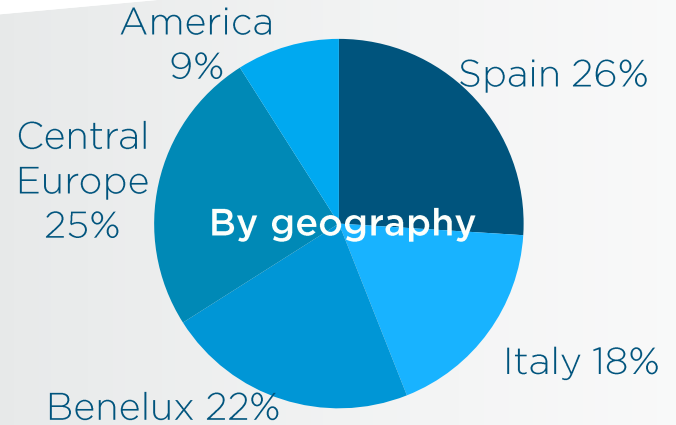
Solid and diversified asset base underpinning the business:

- 227 leased hotels and 81 managed
- 74 owned hotels

% rooms by contract



€ 2017 REVENUES
€1,571m



CONTENTS

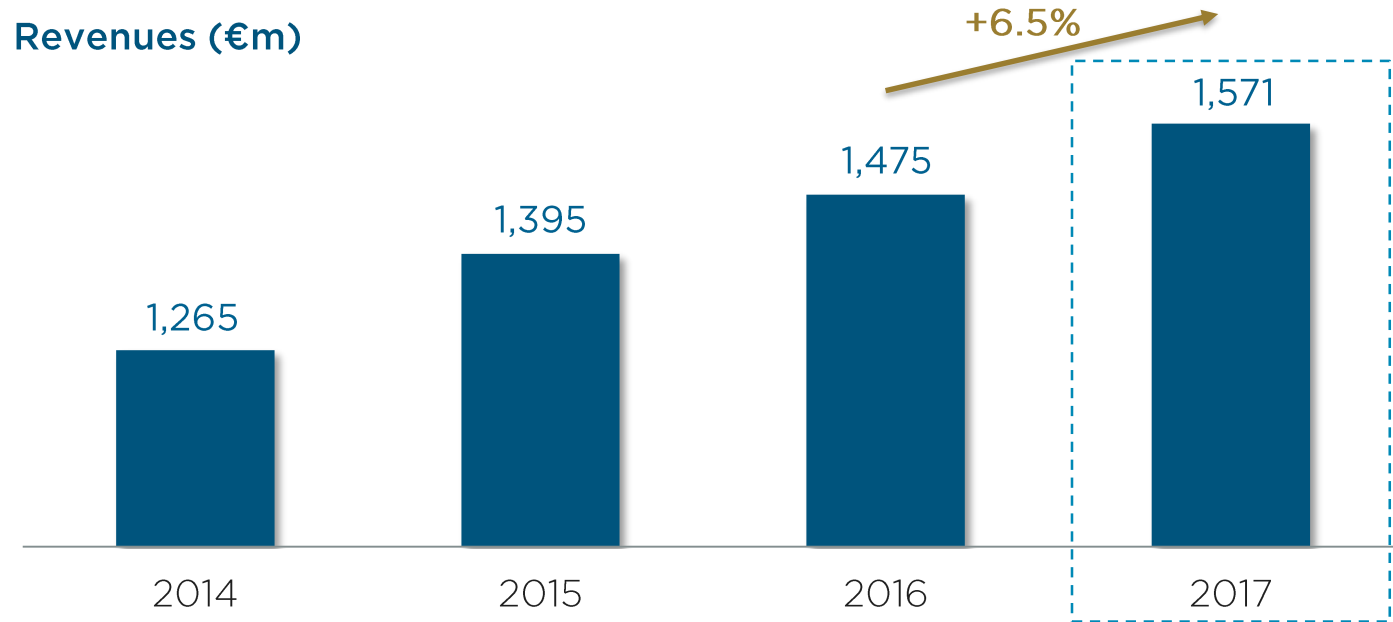
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- **2017 RESULTS**
- STRATEGIC INITIATIVES
- 2018 TARGETS
- CONCLUSION

2017 highlights: targets exceeded

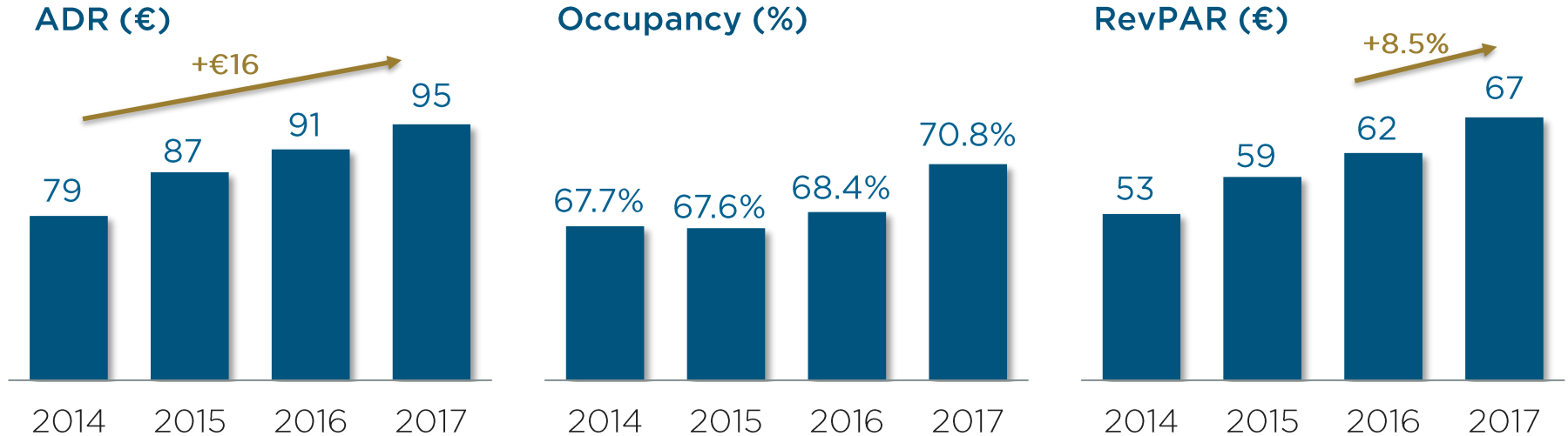
- Solid **revenue** growth of **+6,5%** (+€97m) reaching €1,571m, with an excellent performance in Benelux and Spain
- **Net Recurring Income** tripled last year explained by the improvement of the business reaching **€35m**
- **EBITDA⁽¹⁾** of **€233m** (+€52m): **+29%**; with a margin of 14.8% (+2.6 p.p)
- **Leverage reduction: NFD/EBITDA⁽¹⁾ to 2.8x** vs. 4.1x in 2016

⁽¹⁾ Recurring EBITDA before onerous reversal and capital gains from asset disposals

Significant Revenue improvement

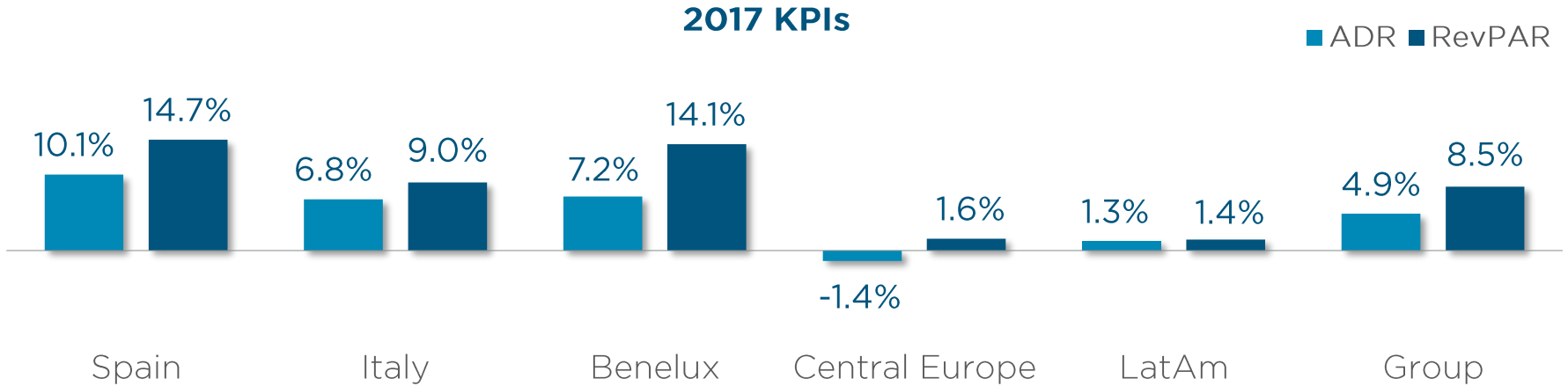


Solid RevPAR growth



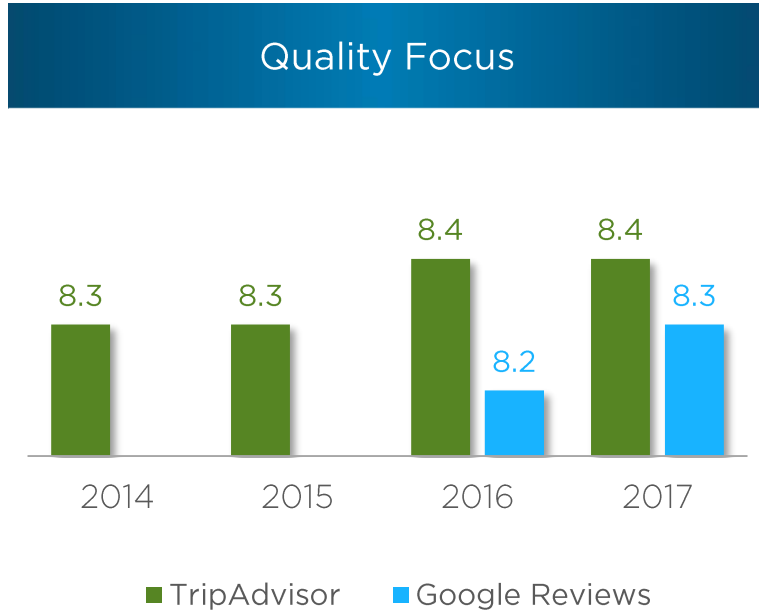
- +4.9% price increase (+€4; reaching €95) contributing with 58% of RevPAR growth in 2017

Growth in key markets



- Extraordinary performance of Spain and Benelux
- Repositioning investment completed in Benelux and Central Europe
 - Recovery continues in Brussels after security concerns
- Difficult comparison in Germany due to trade fair calendar and LatAm due to currency depreciation

And above our competitors supported by the quality improvement

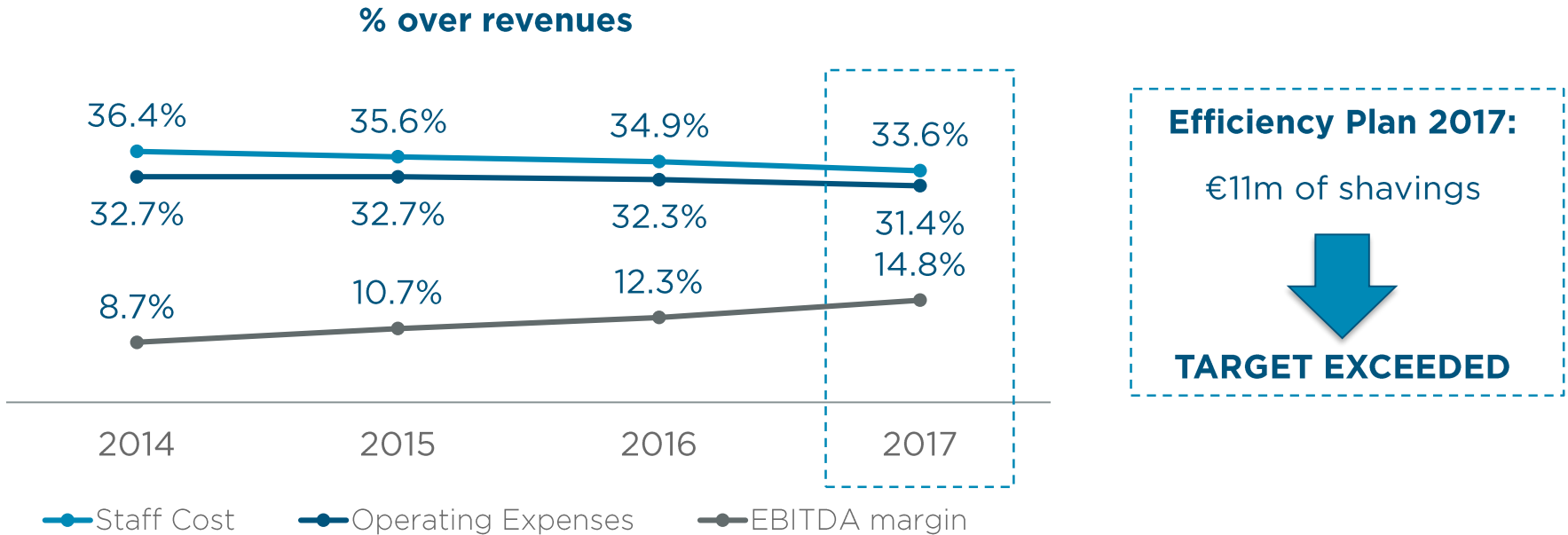


2017	RevPAR NH	RevPAR Comp. Set
Barcelona	+17.4%	+13.0%
Madrid	+24.3%	+14.3%
Roma	+7.3%	+1.0%
Milán	+7.2%	+6.8%
Ámsterdam	+15.5%	+3.7%
Bruselas	+19.5%	+19.6%
Frankfurt	+0.5%	+2.8%
Múnich	-11.0%	-5.5%
NH*	+10.2%	+6.6%

Source: STR

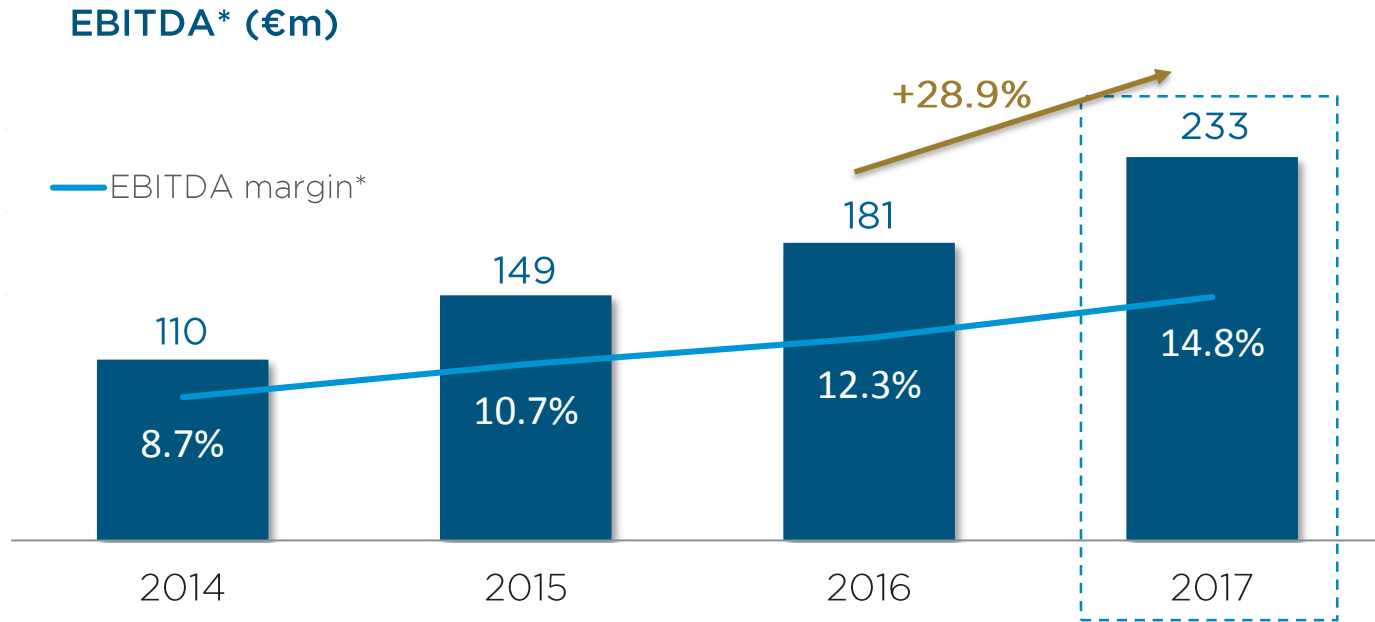
*NH Top Cities includes 85 Hotels

Good cost control despite occupancy increases



- EBITDA margin improved +6.1 percentage points since 2014 to 14.8% in 2017
- Launch of the Efficiency Plan for 2017 & 2018

Strong Growth of EBITDA



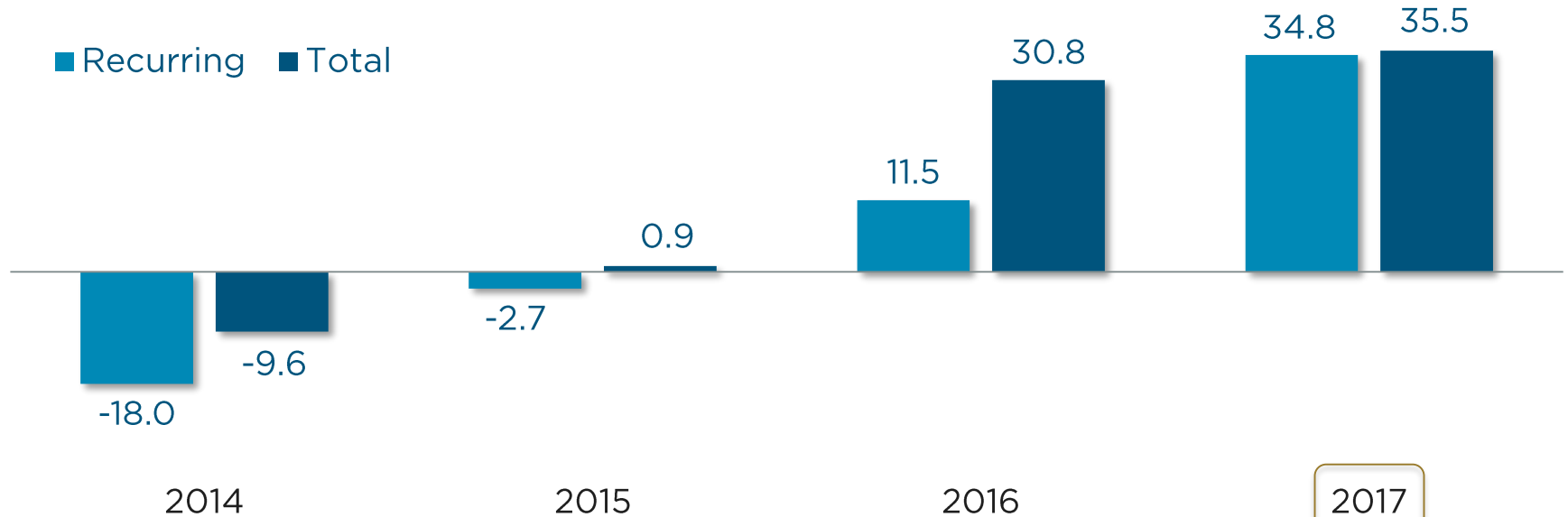
- Since 2014 EBITDA more than doubled, implying a growth of +€123m or an average annual growth of 28.4% in the period, with a similar number of rooms

* Recurring EBITDA before onerous reversal and capital gains from asset disposals

Net Recurring Income tripled last year

Net Income (€m)

■ Recurring ■ Total



*Dividend distribution proposal:
€0.10 per outstanding share*

CONTENTS

- NH TODAY
- 2017 RESULTS
- **STRATEGIC INITIATIVES**
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- CONCLUSION



2017-2019: Build in our strengths

Strong preferred brands

**Focus on guest
experience and quality**

**Advanced pricing with
focus on net ADR**



Asset Management

Efficiency in the DNA

**Cash generation &
efficient balance sheet to
drive shareholder return**

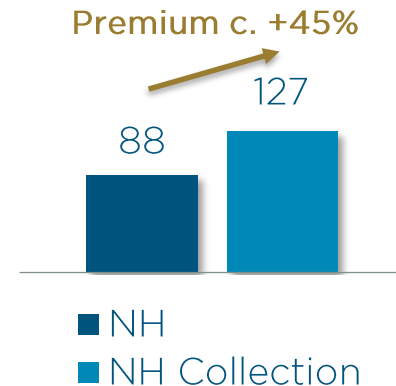
NH Collection: a reality with potential



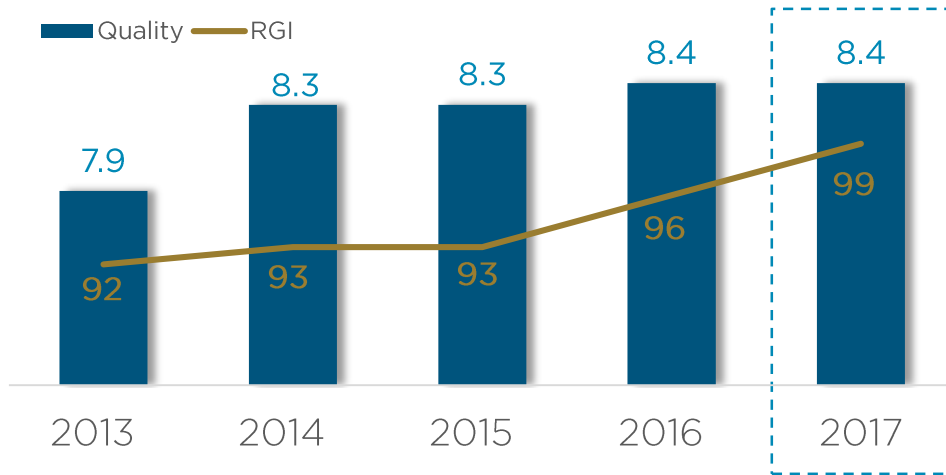
March 2018	# Hotels
Spain	29
Italy	10
Benelux	6
Central Europe	9
Latin America	21
Total NH Collection	75

c.20% of the rooms

ADR 2017 (€) per brand



Successful commercial strategy based on quality improvement



Source: TripAdvisor & STR (NH Top Cities includes 85 Hotels)

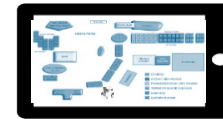
2016-2017

- New Revenue Management tool
- Dynamic pricing strategy
- Automation of functions
- Better predictability

2018-2019



**Check-in
Online**



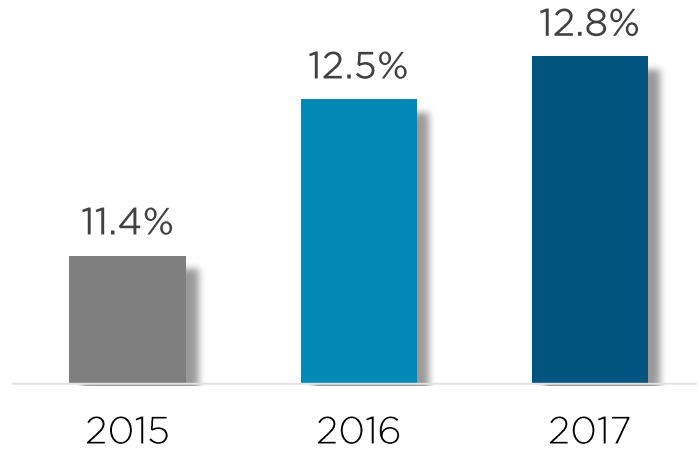
**Choose your
room**



**Check-out
Express**

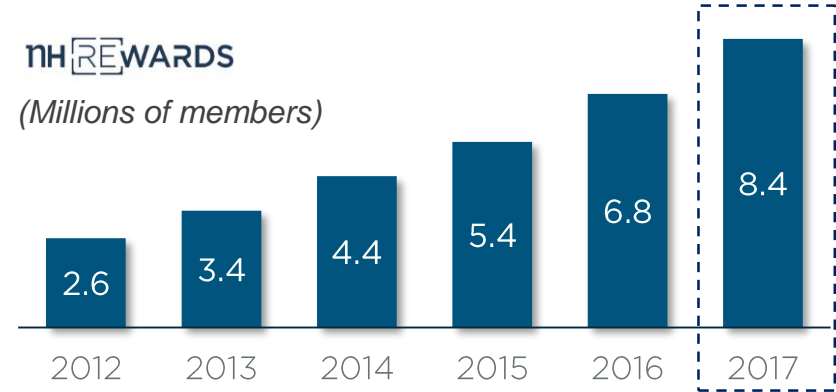
In 2017 the web achieved a double digit growth and relaunch of NH Rewards

Web revenues share
(% NH room revenues)



NH REWARDS

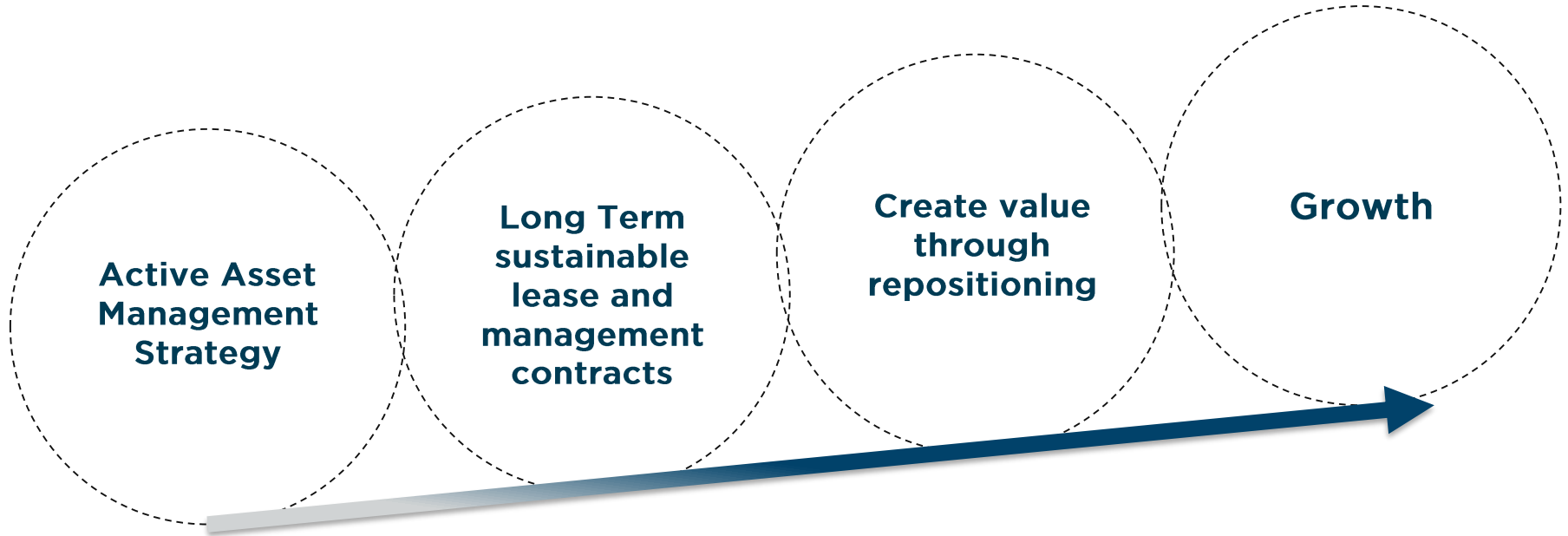
(Millions of members)



More than 8 million members in 2017 reaching 40% of NH revenues

Relaunch of loyalty program in 2018: more attractive, more points and more recurrent

Create value through an improved portfolio



Asset Management: NHC Amsterdam Barbizon Palace

- **Disposal of the hotel for €155.5m in February 2018**
 - Net cash after taxes: €122.4m
 - Net capital gain estimated: c.€55m

- **Additional value creation through the leased agreement:**
 - Maintaining the operation of the asset through a long term lease contract with a minimum guaranteed and sustainable ratios
 - Length: 20 years with 2 renewals for NH of 20 years each



NH Torino Centro



BEFORE



AFTER

NH Hamburg Mitte



BEFORE



AFTER

NH Geneva City



BEFORE



AFTER

Openings in 2017: c.800 rooms (37% in NH Collection)

NH Marseille Palm-Beach



NH San Luis Potosí - México

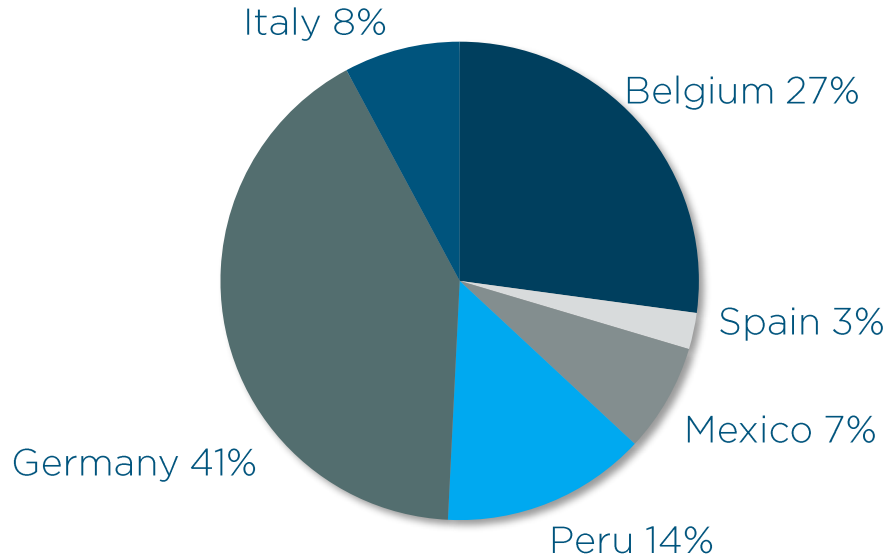


NH Collection
Eindhoven Centre

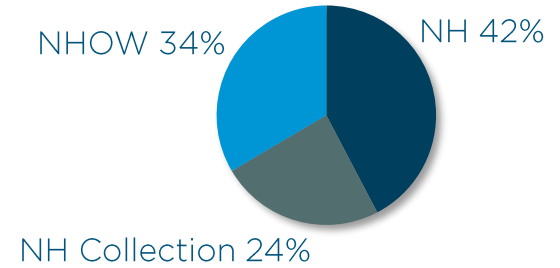


8 new contracts signed in 2017 (+1,900 rooms)

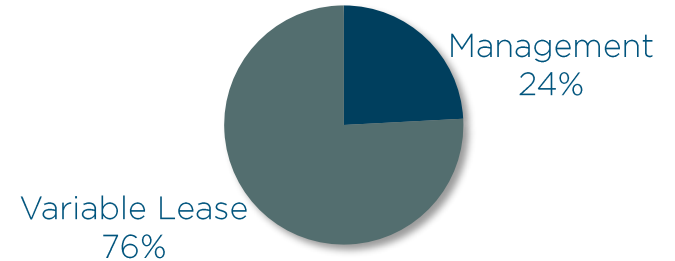
Distribution by country*



By brand*



By contract*



Focus on management or variable lease contracts in markets with presence

* By number of rooms

2017 signings examples

NH Collection
Frankfurt



NH Brussels Bloom



NH Collection Valencia Colón



Growth with improvement in efficiency

➤ Phase I: €11m shavings in 2017:

- **Administration:** greater efficiency levers
- **IT migration** with Back & Front-office integrated in a single system
- **Commercial:** teams optimization following implementation of Revenue Management tools

➤ Phase II: Additional shavings of c.€5m in 2018:

- **New Operating Model:** geographic reorganization of the different management levels of the Business Units and at Corporate level

Without forgetting the improved cash generation and debt reduction

	2015	2016	2017
Net Financial Debt (€m)	838	747	655
NFD / EBITDA*	5.6x	4.1x	2.8x

→ 2018E: 1.2x

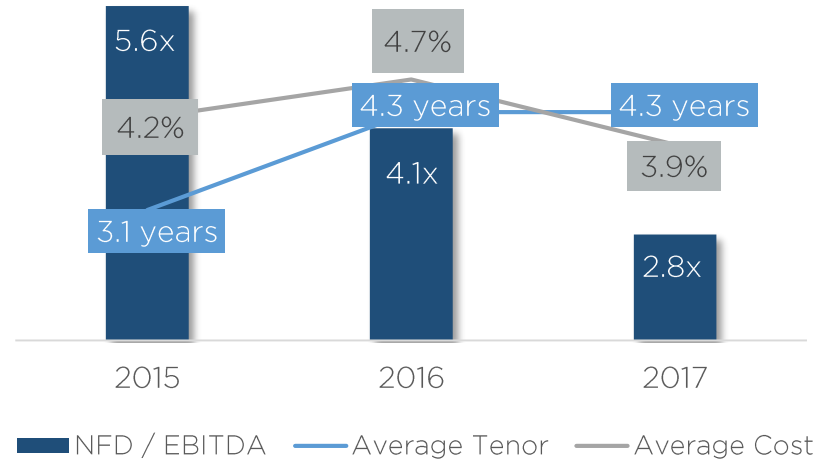
Financial leverage target of 2017 exceeded:

The favorable cash generation more than offset the capex, financial expenses and dividends paid

Targets:

1. Reduce **average cost**
2. Extend **average maturity**
3. Reduce **gross debt**
4. Gain **flexibility**

Improving main debt parameters



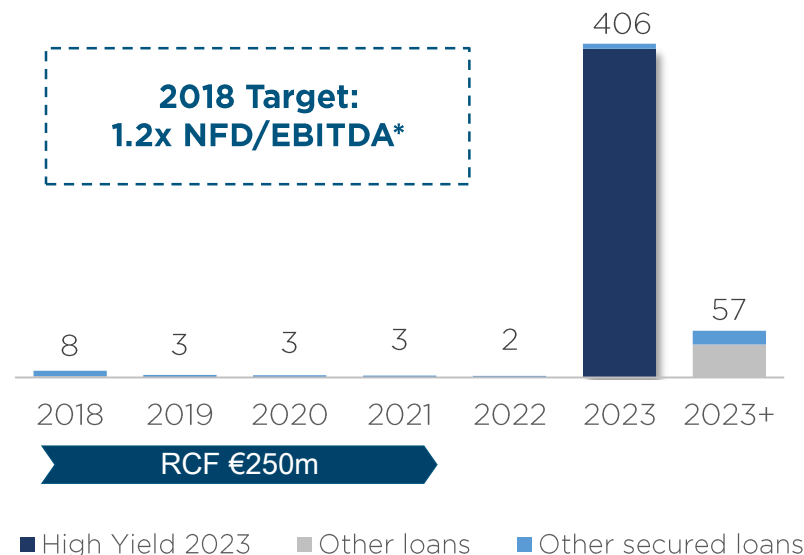
Early Redemption Convertible Bond

Convertible Bond Description

Size	€250m
Conversion price	4.919€ / share
Issue date	Nov. 2013
Maturity date	Nov. 2018
Number of shares delivered	50.5m
Treasury shares delivered	-8.6m
New shares issued	41.9m
Existing number of shares pre conversion	350.3m
Total number of shares	392.2m

- Out of the total nominal value of €250m, €248.3m have been converted into shares and €1.7m have been amortised with cash
- Available Treasury Shares post conversion: 0.6m shares

Pro-forma maturity profile as of 31st March 18: Gross Financial Debt €482m



* Recurring EBITDA before onerous reversal and capital gains from asset disposals

Corporate Rating Improvement

Rating	NHH	HY'23
S&P	B ↑	BB-
Fitch	B+ ↑	BB
Moody's	B1	Ba3

↑ **Positive Outlook**

MOODY'S Improvement of the rating to 'B1' from 'B2' reflecting strong record of performance and resulting significant deleveraging, as well as improved liquidity (11th May 2018)

Fitch Ratings Upgraded the Corporate rating to 'B+' from 'B' maintaining the positive outlook due to the marked improvement in operating performance and leverage metrics (28th March 2018)

S&P Revised the outlook on NH Hotel Group to positive from stable on expected debt reduction and sound cash flow generation (23rd March 2018)

Our Responsible Commitment Plan 2017 - 2019

“Wherever we are, we strive to have the most positive economic, social and environmental impact”

nH ROOM 4 PEOPLE

We look after our employees and clients by involving them in our CSR commitment and we aim to create a positive impact in the communities in which we are present

nH ROOM 4 PLANET

We work to minimize our impact on climate change, to increase efficiency of resources and to develop more sustainable products

nH ROOM 4 RESPONSIBLE BUSINESS

We operate our hospitality business based on a responsible value chain, partnerships, dialogue with stakeholder groups and ethical commitment

Indexes and Responsible Alliances 2017



Our Employees, key in the success in NH

- *Global Leadership and Talent Management*
 - *Maximum Performance and Best Place to Work*
 - *Transformation and Reinvention*
- Continuity to the identification and promotion of talent: key positions and succession plans
 - Strengthen the level of commitment through the Engagement Plan
 - Campaign as an Employer Brand: Passion, Challenge and 100% People
 - Remuneration and payment for performance correlation
 - Internal communication and management change of the Transformation Plan and Operating Model

The screenshot shows a LinkedIn post from NH Hotel Group. The post title is "The TraNHSformation Commitment" and it is dated "#21 February 2018". The post content includes a video thumbnail with a play button, a text block, and another video thumbnail. The text block reads: "Passion isn't always something you can learn, but it is something that you can foster. That's why at NH Hotel Group, we nurture our employees' talents and help them expand on their natural abilities, often surprising us and themselves in the process. #furthertogether <https://nhhotel.to/2s1ES0s>". The second video thumbnail features the text "WE NURTURE TALENT #furthertogether" and identifies "FIONA KONIETZ, Food & Beverage, NH Ossession City". The post has 22 likes and includes options for Like, Comment, and Share.

CONTENTS

- NH TODAY
- 2017 RESULTS
- STRATEGIC INITIATIVES
- **2018 TARGETS**
- CONCLUSION

P&L 2018E	Revenue growth	c.+5%
	Efficiency Plan	€5m of cost savings (€3m anticipated in 2017)
	EBITDA margin	+1.0 p.p., from 15% to 16%
	Conversion Rate	c.35% flow through from incremental revenues to EBITDA
	EBITDA 2018E⁽¹⁾	c.€260m (c.+12%)

Leverage 2018E	NFD / Recurring EBITDA⁽¹⁾	1.2x, after the early redemption of the Convertible Bond
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* Recurring EBITDA before onerous reversal and capital gains from asset disposals

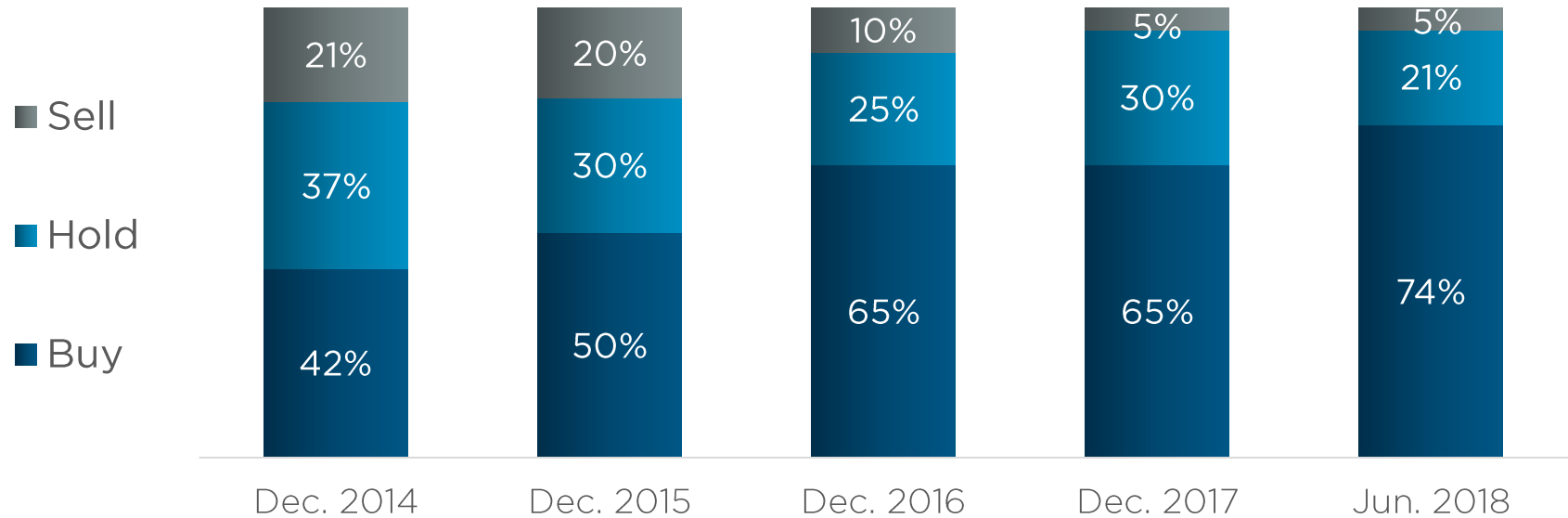
Positive share price performance



% chg.	NH Hotel Group	STOXX® Europe 600 T&L
1 Jan. 2017 – 19 Jun. 2018	+66.2%	+11.1%
1 Jan. 2017 – 31 Dec. 2017	+56.0%	+13.2%
1 Jan. 2018 – 19 Jun. 2018	+6.5%	-1.8%

Positive evolution of market perception

Evolution of Analyst's Recommendations

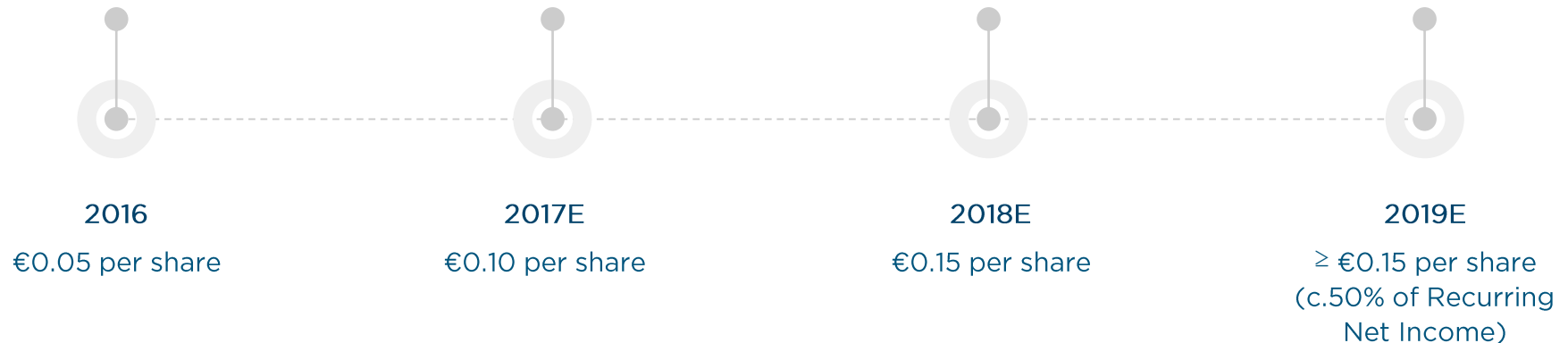


Source: Bloomberg. 2018 data: 19th June

Dividend Proposal

Remuneration to shareholders:

- Focus on **generating value for shareholders**
- **Proposal for approval:** distribution of a dividend for the financial year 2017 for a maximum gross amount of **€0.10 per outstanding share**
- Estimated **disbursement** of approximately **€39m**



CONTENTS

- NH TODAY
- 2017 RESULTS
- STRATEGIC INITIATIVES
- 2018 TARGETS
- **CONCLUSION**

We face the future with great optimism

- Leading **European urban hotel operator** with a strong presence in key cities and a **positioning towards the upper segment**
- **Solid asset base** with increasing value
- Consolidating the value of the **commercial and pricing strategy**, adapting them to new market trends with **focus on quality**
- Focus on **cash generation** and continued **efficiency improvement**
- Good positioning to face **growth opportunities** in the sector
- **Remuneration to shareholders**: implementation of a progressive dividend policy



THANK YOU VERY MUCH TO OUR

EMPLOYEES

You are the soul of the Company and your service vocation is what differentiate us

SHAREHOLDERS AND INVESTORS

Your trust is the basis that allows us to generate value day by day

LANDLORDS

Together we have expanded horizons

SUPPLIERS

Your excellence helps us to be more competitive

AND CUSTOMERS

You are our reason for being and your loyalty impels us to continue innovating

**YOUR COMMITMENT IS THE MOST SOLID GUARANTEE OF
FUTURE FOR NH HOTEL GROUP**



ANNUAL GENERAL MEETING



Madrid, 21st of June 2018