

Pursuant to articles 17 of Regulation (EU) 596/2014 of the European Parliament and of the Council of 16 April, on Market Abuse, and 226 of the consolidated text of the Spanish Stock Market Act, approved by Royal Legislative Decree 4/2015 of 23 October and its concordant provisions, NH Hotel Group, S.A. (hereinafter, “**NH Hotel Group**” or the “**Company**”) hereby notifies the following

### **INSIDE INFORMATION**

Further to the inside information notices dated 14 June 2021 and 16 June 2021, with registry numbers 933 and 937, respectively, NH Hotel Group announces that:

- (i) Senior secured notes: it has completed the closing and settlement of the issuance of its senior secured notes due 2 July 2026 for an aggregate principal amount of €400,000,000 which will bear interest at a fixed annual rate of 4.00% payable semi-annually (the “**Notes**”). The proceeds of the Notes have been applied to, among others, redeem the Company’s outstanding €356,850,000 in principal amount of 3.750% senior secured notes due 2023.
- (ii) Senior secured revolving credit facility: all the conditions for the effectiveness of the amendment and restatement agreement of the €250,000,000 senior secured revolving credit facility agreement, which, among others, extends its maturity date to 31 March 2026 and amends certain terms and conditions of such credit facility agreement to align them with the terms and conditions of the Notes, have been satisfied.

With the completion of these milestones the Company achieves its objective of extending the maturity of its main sources of financing until 2026 and setting a more flexible financing structure to continue developing its strategic plan.

Lazard has acted as financial advisor of the Company in respect of the issuance of the senior secured notes and the amendment and restatement of the senior secured revolving credit facility.

Investor presentation follows.

Madrid, 29 June 2021.

Carlos Ulecia  
General Counsel and Secretary to the Board

### Relevant legal information

This announcement does not constitute or form part of any offer or solicitation to purchase or subscribe for securities in the United States of America or in any other jurisdiction. The Notes and the guarantees aforementioned have not been, and will not be, registered under the Securities Act. The Notes and the guarantees may not be offered or sold in the United States of America absent registration or an applicable exemption from the registration requirements of the Securities Act. There will be no public offer of the Notes or the guarantees in the United States of America. Copies of this announcement are not being, and should not be, distributed in or sent into the United States of America.

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# NH Hotel Group Refinancing Presentation

29<sup>th</sup> June 2021



**nh** | HOTEL GROUP PART OF MINOR  
HOTELS

**nh**  
HOTELS

 **NH COLLECTION**  
HOTELS

**nhow**  
HOTELS

**TIVOLI**  
HOTELS & RESORTS

 **ANANTARA**  
HOTELS, RESORTS & SPAS

**AVANI**  
HOTELS & RESORTS

 **elerana**  
COLLECTION

 **DAKS**



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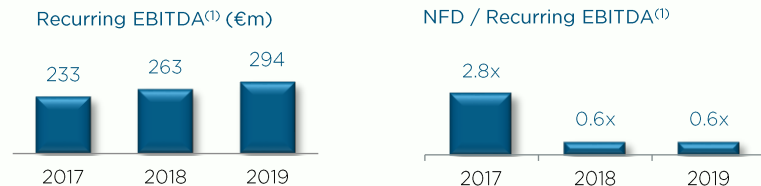
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## Successful performance and credit enhancing strategy pre-COVID

- Leading European urban hotel operator with a diversified portfolio benefiting from premium positioning and significant asset value underpinning the business
- Successful operational and financial transformation in previous years, oriented to a more asset-light structure through variable leases



## Proactive measures to strengthen the capital structure

- €100m equity injection by Minor International (liquidity already available through a shareholder loan)
- €250m unsecured ICO loans extended from 2023 to 2026 (bullet amortization)
- €200m+ net cash proceeds coming from sale and leaseback of owned assets, the first of which already announced to be in advanced negotiations (NH Collection Barcelona Calderon)

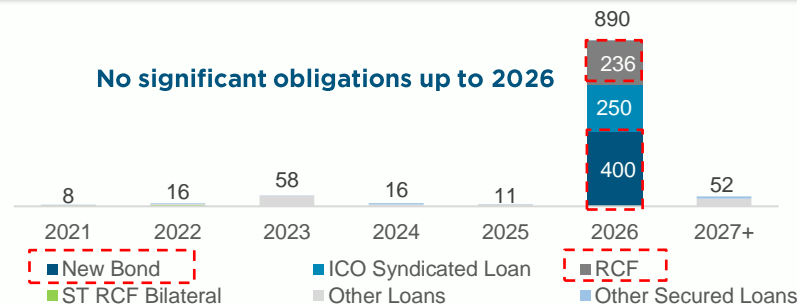
**Well positioned to capitalize on the industry recovery**

Notes: <sup>(1)</sup> Recurring EBITDA before onerous reversal and capital gains from asset disposals excluding IFRS 16 impacts, as reported in Results presentations

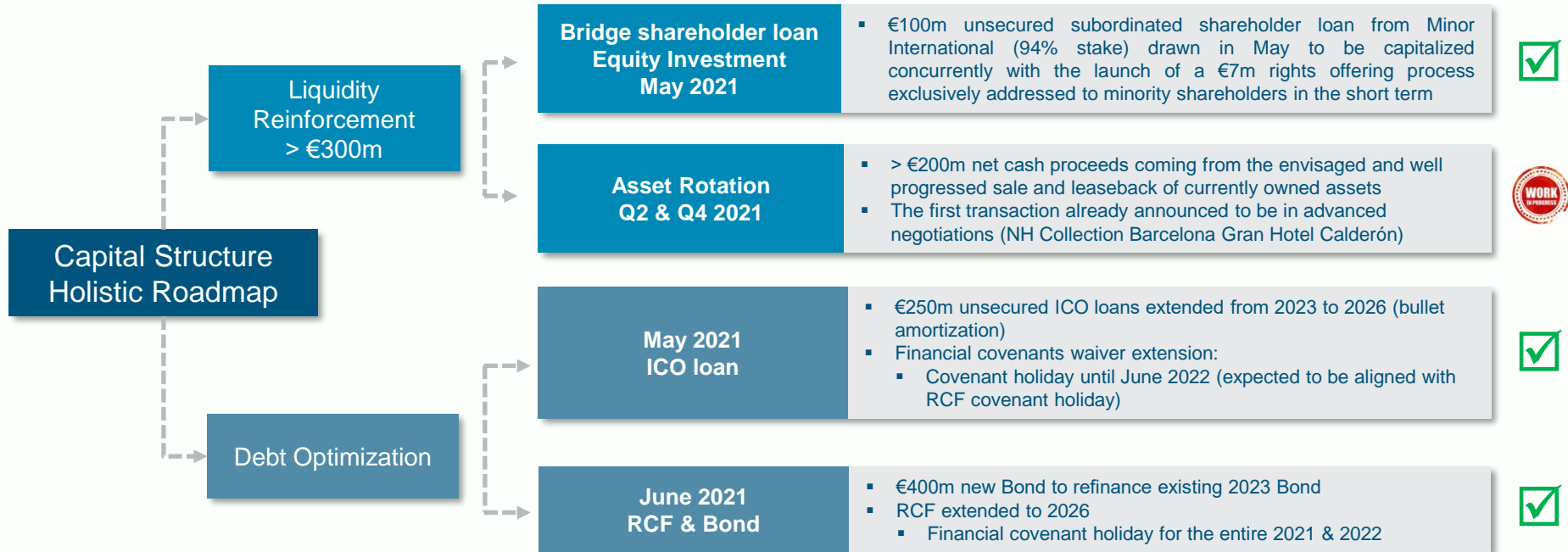
## Transaction Objectives

- NHH raised €400m Senior Secured Notes to (i) repay the existing Senior Secured Notes and early repayment call premium, (ii) to fund the transaction fees and expenses and (iii) for general corporate purposes
- In parallel, current Revolving Credit Facility maturity has been extended to 2026 and financial covenants compliance has been waived for the entire 2021 and 2022
- Key objectives of these transactions are to:
  - ✓ Extend maturity – no significant obligations up to 2026
  - ✓ Raise liquidity – total pro forma liquidity of c.€400m, to be further reinforced during 2021 with asset rotation transactions (>€200m)

## Pro forma maturity profile as of March 2021



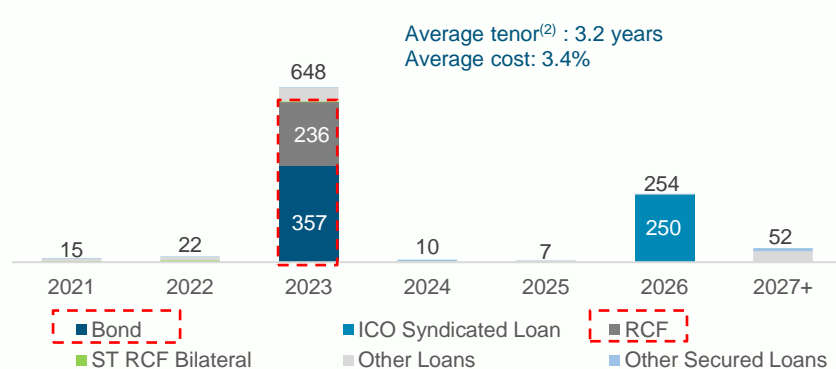
# Proactive approach to strengthen the capital structure almost completed



This roadmap provides stability and positions NHH for next steps

# Extended debt maturity profile and improved liquidity

Maturity profile as of Q1 2021 <sup>(1)</sup>: Gross debt €1,008M



Maturity profile PF transaction: Gross debt €1,051M



Liquidity as of Q1 2021

€m

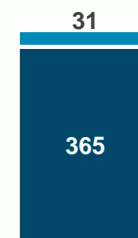


Available liquidity  
€261m

- Available credit lines
- Cash and cash equivalents

Liquidity PF transaction <sup>(4)</sup>

€m



Available liquidity  
€396m

Liquidity expected to be further reinforced during 2021 with 2 asset rotation transactions (>€200m)

- Available credit lines
- Cash and cash equivalents

Notes: <sup>(1)</sup> Pro forma ICO syndicated Loan extension from 2023 to 2026 signed in May 2021 / <sup>(2)</sup> Excluding €40m, subordinated debt maturing in 2036  
<sup>(3)</sup> includes €6m scroll account in reference to a lease contract in renegotiation to be released in the coming months <sup>(4)</sup> Pro forma €100m unsecured shareholder loan



1	Industry long term fundamentals	The hotel and travel industry benefits from key growth trends
2	Leading European hotel operator	Leading European hotel operator with a large and diversified hotel presence and a strongly recognized brand
3	Well positioned for an industry recovery	Strong operating performance before the pandemic and well positioned for an industry recovery
4	Robust cash flow generation	Robust cash flow generation following the completion of the investment programme and significant action taken on costs and cash flow to mitigate the effects of the pandemic
5	Reinforced capital structure	Proactive strengthening of capital structure and liquidity position
6	Significant asset value underpinning the business	73 owned hotels with a book value of €1.3bn. 30 hotels with third-party appraisals post-Covid valued at €0.9bn, implying a +48% uplift vs. book value
7	Experienced management team	Management team has a track record of operational improvement and has adapted well during the pandemic, and demonstrable support from MINT

Appendix



# Sources and uses of the transaction

## Sources and uses

Sources	€m	Uses	€m
New Senior Secured Notes	400	Repay existing Senior Secured Notes	357
		Call premium on existing Senior Secured Notes	3
		Estimated transaction fees and expenses	11
		Cash on balance sheet	29
<b>Total sources</b>	<b>400</b>	<b>Total uses</b>	<b>400</b>

## Pro-forma Capital Structure as of 31 March 2021

	in €m				
	As of Q1 2021	SHL Adj. <sup>(1)</sup>	PF Adj.	Pro-forma	% LTV <sup>(2)</sup>
Cash and cash equivalents	(236)	(100)	(29)	(365)	
2023 Notes	357	-	(357)	-	
Notes offered hereby	-	-	400	400	30%
Senior Secured RCF	236	-	-	236 <sup>(3)</sup>	18%
<b>Total debt secured by the Collateral</b>	<b>593</b>	<b>-</b>	<b>43</b>	<b>636</b>	<b>48%</b>
<b>Net total debt secured by the Collateral</b>	<b>357</b>	<b>(100)</b>	<b>14</b>	<b>271</b>	<b>21%</b>
Other secured debt	27	-	-	27	
<b>Net secured debt</b>	<b>384</b>	<b>(100)</b>	<b>14</b>	<b>298</b>	
COVID Related ICO Facilities	250	-	-	250	
Other Loans	138	-	-	138	
Shareholder Loan	-	100	-	100	
<b>Total Net Financial Debt</b>	<b>772</b>	<b>-</b>	<b>14</b>	<b>786</b>	

Notes: <sup>(1)</sup> Represents the Shareholder Loan from MINT which, together with accrued interest, is expected to be capitalized in the short-term

<sup>(2)</sup> Based on the updated valuation of the Collateral securing the Notes and RCF by Duff & Phelps dated 3 June 2021 as of 31 December 2020 (€1.3bn) / <sup>(3)</sup> excluding €6m undrawn RCF

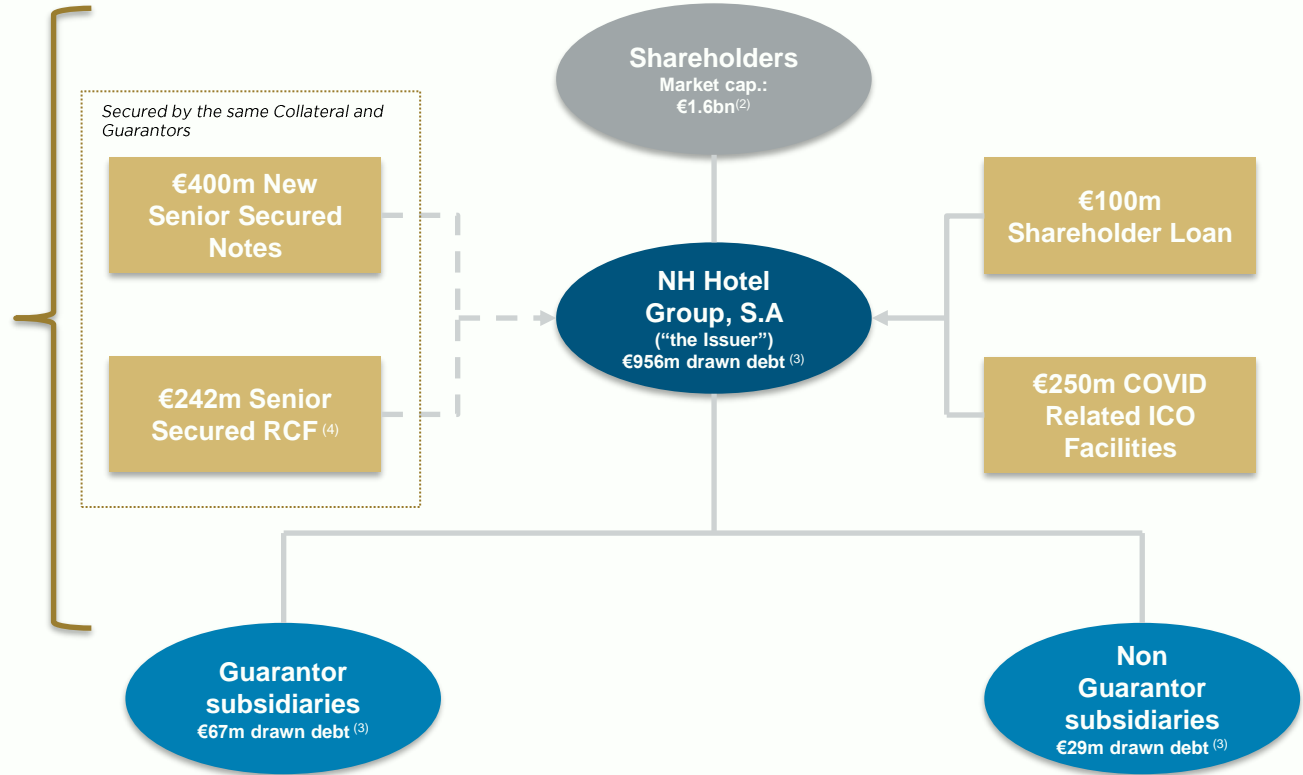
# Corporate structure

Issuer and Guarantor coverage	Dec 2020
Net turnover	86.6%
EBITDA	83.6%
Assets	80.5%

SSN and RCF collateral assets <sup>(1)</sup>	
Mortgages	Value (in €m)
Netherlands	247
<b>Total</b>	<b>247</b>

Share pledges	Value (in €m)
Belgium	91
Netherlands – NH Zandvoort	45
NH Italia	936
<b>Total</b>	<b>1,072</b>

<b>Total Collateral</b>	<b>1,319</b>
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Notes: <sup>(1)</sup> Based on the updated valuation of the Collateral securing the Notes and RCF by Duff & Phelps dated 3 June 2021 as of 31 December 2020 / <sup>(2)</sup> As of 4 June 2021 / <sup>(3)</sup> as of 31 March 2021 pro-forma the contemplated transaction (excluding operating lease liabilities and Shareholder Loan) / <sup>(4)</sup> including €6m undrawn RCF portion

# Summary of the new Senior Secured Notes

<b>Instrument</b>	■ Senior Secured Notes
<b>Issuer</b>	■ NH Hotels Group SA
<b>Amount</b>	■ 400 million EUR
<b>Maturity</b>	■ 5.0 years (July 2026)
<b>Coupon</b>	■ 4.0%
<b>Optional redemption</b>	■ 2.0 years
<b>Security</b>	■ Mortgages on hotels and share collateral valued at €1.3bn as of 31 December 2020
<b>Use of proceeds</b>	■ Redeem existing Senior Secured Notes, pay call premium of existing senior secured notes, pay transaction fees and expenses and put cash on the balance sheet
<b>Company Advisor</b>	■ Lazard

# Reopening and Recovery Strategy

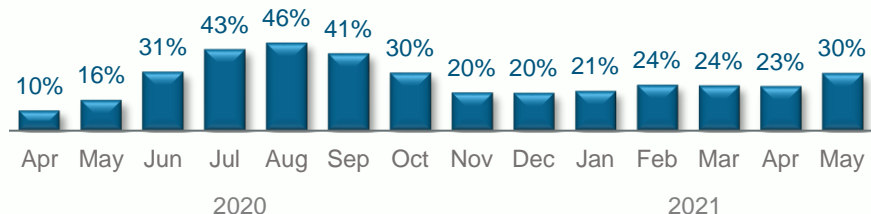
## Reopening

- The progressive reopening started in mid-2020 according to demand and with a focus on optimizing profitability, reaching ~80% of the portfolio as of September
- Since October, several hotels closed again due to stricter lockdowns and travel restrictions in Europe ending 2020 with ~60% of the portfolio open
- The % of hotels open as of end-May accounted to ~80% with an average occupancy rate increasing to 30%
- The Company estimates that ~92% of the portfolio will be open by end of June

## Recovery

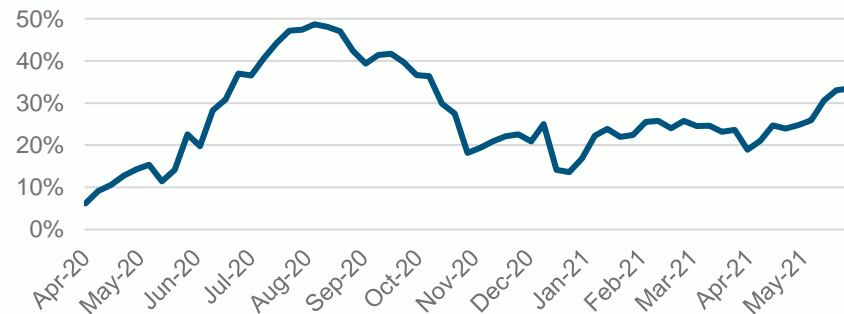
- The Group will benefit from:
  - Strong market positioning in the European countries
  - Excellent locations and high brand awareness
  - High domestic demand (2019: Germany 67%; Spain 60%; Italy 48% and Benelux 47%)
- Recovery phase driven initially by:
  - Domestic + intra-European demand (2019: 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 initial lower size of events

Occupancy (European open owned & leased hotels)



16	46	181	208	213	221	216	165	149	147	152	187	206	236
<b># hotels opened (owned &amp; leased)</b>													

Weekly Occupancy trend (European open owned & leased hotels)





# Recovery strategy: main initiatives

## Secure liquidity

- Preserve **liquidity and a sustainable level of debt** (debt maturity extension & asset disposals)

## Fast revenue recover & focus on segments that will travel

- **Have the best positioning to capture expected short-term pent-up demand by:**
  - Benefiting from the earlier recovery of the domestic + intra -European demand (2019: c.70-75%)
  - Tactical promotions plan to secure short term (summer) B2C / Leisure demand
  - Roll-out of initiatives to adapt to new demand trends: “extended stay”, “smart spaces” and “hybrid meetings”
- **Experience enhancement by improving contactless & seamless transactions (mobile) in Online check in/out**
- **Corporate segment new approach:** value proposition and account handling model, focusing on small & medium accounts and unmanaged business
- **Revenue management revamp**, with **technology** as an enabler to push for **automation**
- **Loyalty:** migrate to GHA, **taking profit of a global major program** with access to key new feeder markets

## Reduce fixed cost

- **€34m in structural cost savings captured** due to the collective dismissal implemented at Corporate Services in Spain at the end of April 2021 and other efficiency plans implemented at operating level that will be maintained in the future. The Company intends to continue realizing additional structural cost savings during the rest of 2021 and 2022
- Plan to unlock **structural savings** to target pre-Covid EBITDA one year ahead of sector consensus
- **Lease portfolio optimization** through contract renegotiations (increase variable terms), extensions and terminations
- Leverage on our **digital capabilities** to foster innovation: customer knowledge/accessibility, experience and efficiency

## Asset light growth

- Revisit value proposition to grow mainly in **management contracts**
- Specific plan for the **Luxury segment (Anantara Brand) and Resorts** (destinations where proven track record ie. Algarve)

# Current status of hotel openings and estimated re-openings

Hotel Region	# Hotels	June 1 <sup>st</sup> , 2021		End of June 2021		End of July 2021	
		Open	% Open	Open	% Open	Open	% Open
Southern Europe	175	155	88.6%	163	93.1%	163	93.1%
Northern Europe	126	88	69.8%	118	93.7%	122	96.8%
America	55	44	80.0%	45	81.8%	55	100.0%
<b>Total</b>	<b>356</b>	<b>287</b>	<b>80.6%</b>	<b>326</b>	<b>91.6%</b>	<b>340</b>	<b>95.5%</b>

- Over 90% of the group's hotels are estimated to be open by end of June 2021
  - Most of the re-openings will take place in Northern Europe (from 88 hotels opened currently to 118 by June 2021)

[nh-hotels.com](https://nh-hotels.com)

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