

Pursuant to the provisions in 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

The Board of Directors of the Company has approved today, prior the favorable report of the Audit Committee, the execution of an unsecured, subordinated and convertible loan between the Company, as borrower, and MHG Continental Holding (Singapore) Pte Ltd, an affiliate entity of the majority shareholder of the Company, Minor International Public Company Limited (“**MINT**”), as lender (the “**Loan**”), with the following features:

- Principal amount: €100 million
- Rate of interest: 12-month Euribor plus a margin of 6% per annum, payable in kind by adding such interest amounts to the principal amount of the Loan.
- Maturity: 31 December 2026.
- Early redemption: At any time, at the discretion of the Company, as long as the rest of the financing agreements of the Company to which the Loan has been subordinated allow it.
- Convertibility: The Company has the right to convert, at its discretion, the amounts owed under the Loan, which correspond to the principal and interest thereof, into Company shares at any time at the issue price per share indicated below.

In particular, the Company has the intention to capitalize the Loan in the short term and will submit to the next Ordinary General Shareholders’ Meeting a resolution concerning the proposal to increase the Company’s share capital by an effective amount equivalent to the principal amount of the Loan plus the interests accrued until the date of capitalization by way of compensation of the amounts owed under the Loan and to authorise the Board of Directors to set the date and conditions thereof in all matters not foreseen by the General Shareholders’ Meeting. Likewise, in order to offer the rest of the Company’s shareholders the possibility to maintain their stake and avoid any dilution due to the execution of the share capital increase that

will capitalize the Loan, the Board of Directors of the Company plans to adopt, at the time of the capitalization of the Loan and in exercise of the delegation of powers in favor of the Board of Directors to increase the share capital approved by the General Shareholders' Meeting of the Company held on 13 May 2019, a corporate resolution to increase the share capital by way of cash contributions with recognition of the pre-emptive subscription rights addressed exclusively to the Company's shareholders other than MINT, by virtue of which new Company shares will be issued to shareholders who exercise their pre-emptive subscription rights.

The issue price of the shares that will be issued in the context of the share capital increase that will capitalize the amounts owed under the Loan will be equivalent to the subscription price of the shares that will be issued in the share capital by way of cash contributions with recognition of the pre-emptive subscription rights addressed to the Company's shareholders other than MINT, which will be set by the Company's Board of Directors in accordance with market practice in this type of transactions and will result from applying a customary discount for this type of transactions to the volume weighted average price of NH Hotel Group shares on the Spanish Stock Exchanges during the period immediately preceding to the launch of said share capital increase.

This transaction is part of a broader set of measures promoted by NH Hotel Group in order to strengthen the Company's capital structure and refinance its main sources of financing due in 2023, enhance the Company's liquidity and provide the Company with a stable financial position with a maturity profile that allows it to address the challenges arising from the recovery of its activity from a solid platform.

As part of this plan, the Company informs to the market that it has obtained the following agreements with its financing entities:

- a) the extension of the term of the syndicated loan signed on 29 April 2020 in the amount of €225 million and the bilateral loan for the amount of €25 million signed on 18 May 2020, in both cases guaranteed by the Ministry of Economic Affairs and Digital Transformation under the line of guarantees managed by the Official Credit Institute (*Instituto de Crédito Oficial* or ICO), from March 2023 to March 2026, as well as the extension of the waiver for compliance with the financial ratios covenants until June 2022 (inclusive) so their compliance will not be verified until December 2022;
- b) a new extension of the waiver for compliance with the financial ratios covenants provided under the revolving credit line until December 2021, as well as a significant covenant holiday of the levels that the financial ratios must meet in June 2022 (returning these ratios to their original levels as of December 2022).

Finally, and with a view to strengthen liquidity and reduce the financial leverage of NH Hotel Group, the Board of Directors has also approved today to continue with its policy regarding selective asset rotation through sale and lease-back transactions, which the Company estimates will allow an inflow of net proceeds of approximately €200 million between the second and third quarters of 2021, as well as analyze the alternatives available in the financial markets to streamline and make all its debt instruments more flexible.

Press Release prepared by the Company is attached.

Madrid, 12 May 2021.

Carlos Ulecia  
General Counsel and Secretary to the Board

## **NH REINFORCES ITS CAPITAL STRUCTURE AND OPTIMISES ITS CORPORATE DEBT**

- **NH's majority shareholder, Minor International, has agreed to inject €100m of equity to give the Company an immediate liquidity boost. Specifically, that injection of funds will take the form of a convertible loan to be capitalised via a rights issue for all shareholders**
- **Liquidity, which stood at €261m at 31 March 2021, will be reinforced by that equity issue and also by the commitment to raise more than €200m from asset disposals during the next six months**
- **The term of the loan from ICO has been extended from 2023 until 2026**
- **Compliance with the Company's covenants has been waived for all of 2021 and the metrics to be used for the next covenant test in June 2022 have been relaxed substantially**
- **In order to continue to enhance its maturity profile, the Company is proactively looking for ways to refinance the balances due in 2023**
- **The Contingency Plan to be executed between 2021 and 2022 will unlock €60m of structural savings, allowing the Company to revisit pre-Covid EBITDA levels one year sooner than the general consensus in the sector, which expects to recover pre-crisis volumes by the end of 2023 or early 2024**
- **The recovery in domestic leisure demand is already tangible and is gaining momentum as Europe steps up its vaccination rate and eases restrictions. The difficulties faced in early 2021 are behind and the Company believes that a gradual recovery is imminent**
- **NH stands to benefit from its strong recognition as a hotel operator and its strong market positioning to lift exposure to management agreements in its mix ahead of potential movements in the sector**

**Madrid, 12 May 2021.** Minor International, NH Hotel Group's largest shareholder, has approved a rights issue of up to €107 million with pre-emptive subscription rights for all shareholders. Minor has already committed to inject the €100 million corresponding to its 94.1% ownership interest upfront in the form of a convertible loan. The rest of the Company's shareholders will be offered the chance to invest the remaining €7 million as part of a rights issue expected to close between next September and October, when the new shares will be delivered. At that time, Minor will convert its loan into new Company shares.

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The rights issue is not the only liquidity injection on the horizon. NH Hotel Group has also committed to make solid progress during the next six months on the asset turnover plan already in study, always under sale & leaseback or sale & management back formulae. The Company expects to raise more than 200 million, after tax, from this line of initiative. The equity raise will lift NH's liquidity in the short term, while the proceeds from the asset restructuring effort will be used to further top up liquidity and to reduce corporate debt in the medium term.

Elsewhere, the Group has extended the maturity date on the €250 million loan provided by a pool of banks and secured by Spain's official credit institute, ICO, in April 2020 from 2023 to 2026, with no interim bullet payments. The waiver on all covenants has been extended for all of 2021 and the thresholds for the next covenant tests, scheduled for June 2022, have been eased considerably.

In addition, the Board of Directors has agreed to proactively analyse the financial market situation with the goal of refinancing its corporate debt due in 2023 in order to provide the Company with a more flexible financial structure and one that is better timed with the sector's forecast recovery.

According to Ramón Aragonés, CEO NH Hotel Group, this battery of financial measures will allow the Group to tackle the sector recovery from a position of greater strength. *“The acceleration in the pace of vaccination and increase in mobility in Europe are already driving a recovery in leisure and tourist demand within the region. During the last 15 months we have managed to structure a highly efficient operating model with considerably lower running costs, measures that will deliver growing profitability during the recovery and also in the longer term. Reinforcement of our capital structure thanks to the injection of equity and enhancement of our debt maturity profile lay the foundations for our financial sustainability, which will be further bolstered when we complete the asset sales currently underway”.*

Ramón Aragonés also highlighted the proactive stance and management capabilities displayed by the Company during the pandemic. *“We set an ambitious contingency plan in motion very early on, a plan that has enabled us to preserve our cash and guarantee the Group's viability even in the direst scenario in its history. We were forced to take difficult decisions, including negotiating the first redundancy package in the sector with our unions. In parallel we continue to keep an iron grip on operating costs, which decreased by 56.6% year-on-year in the first quarter of 2021. Step by step we are laying the groundwork for gaining prominence as the recovery kicks in. We expect to return to our pre-Covid EBITDA levels one year sooner than expected in the sector, which estimates that 2019 business volumes will not be revisited until the end of 2023 or beginning of 2024. As a consolidated hotel operator, we also aspire to position ourselves as a preferred strategic ally for those investors keen to increase their exposure to the hotel property sector, a move that would help us rebalance our business model with a greater weight of management agreements”.*

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## About NH Hotel Group

NH Hotel Group is a consolidated multinational player and a benchmark urban hotel operator in Europe and the Americas, where it runs more than 350 hotels. Since 2019, the Company is working with Minor Hotels on integrating all of its hotel brands under a single corporate umbrella with a presence in over 50 countries worldwide. A portfolio of over 500 hotels has been articulated around eight brands - NH Hotels, NH Collection, nhow, Tivoli, Anantara, Avani, Elewana and Oaks - to forge a broad and diverse range of hotel propositions in touch with the needs and desires of today's world travellers.

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