

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

Further to the inside information notice dated 12 May 2021 (registry number 891) and in relation to the set of measures aimed at extending debt maturities and strengthening NH Hotel Group's equity and financial position announced by the company to the market on that date, the Board of Directors of the Company has approved on the date hereof:

- a) the execution of the share capital increase by means of compensation of credit rights for an effective amount of up to €107,000,000 approved by the Ordinary General Shareholders' Meeting of the Company held on 30 June 2021, under item six of its agenda, for a final effective amount (nominal value plus premium) of €101,750,000, which has been fully paid up on this date by the majority shareholder of the Company, MHG Continental Holding (Singapore) Pte. Ltd., a subsidiary entity of Minor International Public Company Limited, by way of compensation of the credit right held by it against the Company resulting from the unsecured, subordinated and convertible loan entered into between the Company and such entity on 12 May 2021, and which currently has an outstanding balance for the aforementioned amount of €101,750,000 (including its principal amount and interest accrued under the loan agreement from its utilisation date to the date hereof) (the “**Capital Increase by means of Compensation of Credits**”); and
- b) in exercise of the authority conferred by the General Shareholders' Meeting of the Company held on 13 May 2019 (item nine of its agenda), a second share capital increase against cash contributions and the recognition of pre-emptive subscription rights to all shareholders of the Company other than the majority shareholder (MHG Continental Holding (Singapore) Pte Ltd), the total effective amount of which amounts to €6,318,184.9434 (without prejudice to the possibility of incomplete subscription) (the “**Capital Increase with Rights**”).

The purpose of the Capital Increase with Rights is to offer the minority shareholders of the Company the possibility of maintaining their interest and to prevent them from suffering any dilution as a result of the execution of the Capital Increase by means of Compensation of Credits, without prejudice to other investors (different than the current shareholders) being able to subscribe for new shares by acquiring and exercising pre-emptive subscription rights (with the exception of the majority shareholder that has waived the allocation of pre-emptive subscription rights over the New Shares to which it would be entitled under the Capital Increase with Rights).

The Capital Increase by means of Compensation of Credits and the Capital Increase with Rights (hereinafter, the “**Capital Increases**”) are carried out through the issuance of 43,565,427 new ordinary shares of the Company, with a par value of €2 each, of the same class and series as the shares currently outstanding, represented by book entries, the accounting record of which is attributed to Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A.U. (“**Iberclear**”) and its participating entities (the “**New Shares**”). The New Shares represent approximately 11.1085% of the capital share capital of the Company before the Capital Increases and approximately 9.9979% of said share capital after the aforementioned Capital Increases, assuming their full subscription.

The New Shares will confer on their holders the same voting and dividend rights as the ordinary shares of the Company currently in circulation as from the date in which the Company declares the Capital Increases to have been subscribed and disbursed and the New Shares are registered in its name in the corresponding accounting records.

The issue price of the New Shares represents a discount of approximately 33.903% to the arithmetic mean of the volume-weighted average price of NH Hotel Group's shares on the Spanish Stock Exchanges in the period of 5 trading days ending on the business day immediately prior to the date of approval of the resolutions relating to the Capital Increases (i.e. in the period from 30 August 2021 to 3 September 2021, both inclusive), which was €3.75 per share.

The nominal amount of the Capital Increase by means of Compensation of Credits amounts to €82,036,776 and the share premium amounts to €19,713,224, and is carried out through the issue and putting in circulation of 41,018,388 New Shares, for their nominal value of 2 euros plus an share premium of approximately 0.4806 euros per share, resulting in an issue rate per share of approximately 2.4806 euros. Consequently, the Company has declared the incomplete subscription of the Capital Increase by means of Compensation of Credits (nominal value plus share premium) at an amount of €5,250,000 in accordance with the provisions of item six of the Ordinary General Shareholders' Meeting of 30 June 2021 and article 507 of the Spanish Companies Act. The New Shares issued pursuant to the Capital Increase by means of Compensation of Credits have been fully subscribed and disbursed at the date hereof by MHG Continental Holding (Singapore) Pte Ltd by means of the compensation of the above referred credit right held by it amounting to €101,750,000 against the Company.

The most relevant terms and conditions of the Capital Increase with Rights are set out below:

1. Amount and issuance rate of the Capital Increase with Rights. The nominal amount of the Capital Increase with Rights is €5,094,078 and will be carried out through the issue and putting in circulation of 2,547,039 New Shares.

The New Shares will be issued with a share premium of 0.4806 euros per share, which represents a total share premium for the entire Capital Increase with Rights of 1,224,106.9434 euros. Accordingly, the issue rate of the Capital Increase with Rights will be 2.4806 euros for each New Share and the total effective amount of the Capital Increase with Rights will amount to €6,318,184.9434, without prejudice to the possibility of incomplete subscription.

- 2. Pre-emptive Subscription Right.** The New Shares are issued with the recognition of pre-emptive subscription rights to the shareholders of the Company, at the rate of one pre-emptive subscription right for each share of the Company held by them, who have acquired their shares up to and including the day of publication of the announcement of the Capital Increase with Rights in the Commercial Registry's Official Gazette (*Boletín Oficial del Registro Mercantil*), included (currently scheduled for 7 September 2021), which is the trading day immediately prior to the commencement of the preferential subscription period, and whose transactions have been settled within the two immediately following trading days through Iberclear (i.e., according to the current timetable, before 23:59 hours on 9 September 2021, record date for the allocation of pre-emptive subscription rights) and provided that they have not previously declared their irrevocable waiver to participate in the Capital Increase with Rights (the "**Shareholders of Record**"). It is expressly stated that the majority shareholder of the Company, that is, MHG Continental Holding (Singapore) Pte. Ltd., has waived the allocation of the pre-emptive subscription rights over the New Shares to which it would be entitled pursuant to the Capital Increase with Rights.

Likewise, it is hereby stated that (i) as of the date of this notice, the majority shareholder of the Company holds 369,165,609 shares of the Company (excluding the New Shares issued on the occasion of the implementation of the Capital Increase by means of Compensation of Credits); (ii) the Company owns at the market close on 3 September 2021 91,276 shares in direct treasury and that no company controlled by NH Hotel Group, S.A., holds shares of the Company; and (iii) for the purposes of balancing the Capital Increase with Rights and ensuring that the total number of pre-emptive subscription rights that will be put into circulation allows for the subscription of a whole number of shares of the Company, a shareholder director of the Company has waived the allocation of the pre-emptive subscription rights corresponding to 7 shares held by him. Accordingly, no pre-emptive subscription rights will be allocated in respect of the shares held by the controlling shareholder, the treasury shares of the Company and the number of shares held by the shareholder director indicated above and, therefore, such shares have not been taken into account for the purpose of calculating the proportion of the number of pre-emptive subscription rights required for the subscription of one New Share.

Furthermore, in order to avoid impacting the calculation of the pre-emptive subscription rights required to subscribe for New Shares, the Company announces that it has suspended its liquidity contract with immediate effects and it is expected to be resumed as from 8 September 2021 (inclusive), the first day of the preferential subscription period. Thus, at 23:59 on 9 September 2021 (record date when the shareholders shall appear as legitimated in the corresponding accounting records to receive pre-emptive subscription rights), the Company will maintain the aforementioned number of shares in their name in the accounting records of Iberclear.

In view of the foregoing, each issued and outstanding share of the Company (excluding the shares held by the majority shareholder, the treasury shares of the Company and the number of shares held by the shareholder director indicated above) will be entitled to 1 pre-emptive subscription right, with 9 pre-emptive subscription rights being necessary to subscribe for 1 New Share.

- 3. Preferential Subscription Period.** The period during which holders of pre-emptive subscription rights may exercise such rights (the "**Preferential Subscription Period**") will commence on the day following the date of publication of the mandatory announcement of the Capital Increase with Rights in the Commercial Registry's Official Gazette (that is, according to the current calendar, on 8 September 2021) and will end after 14 calendar days have elapsed (that is, according to the current timeline, on 21 September 2021).

The pre-emptive subscription rights will be transferable under the same conditions as the shares from which they derive, in accordance with the provisions of article 306.2 of the Spanish Companies Act, and will be tradable on the Spanish Stock Exchanges through the Stock Market Interconnection System (*Sistema de Interconexión Bursátil*). Consequently, investors other than the Shareholders of Record may acquire sufficient pre-emptive subscription rights in the necessary proportion and thus subscribe for the corresponding shares (the "**Investors**").

Orders placed in connection with the exercise of pre-emptive subscription rights shall be deemed to be firm, irrevocable and unconditional. Pre-emptive subscription rights not exercised during the Preferential Subscription Period shall be automatically extinguished, without any right to compensation, at the end of the Preferential Subscription Period.

Furthermore, during the Preferential Subscription Period, Shareholders of Record who exercise their pre-emptive subscription rights in full and Investors who acquire such rights and exercise them in full may simultaneously request the subscription of additional shares of the Company (the "**Additional Shares**"), on an unconditional and

irrevocable basis, in the event that at the end of the Preferential Subscription Period there remain unsubscribed New Shares (the "**Surplus Shares**").

- 4. Additional Allocation Period.** In the event that, at the end of the Preferential Subscription Period, any Surplus Shares remain, a period for the allocation of Additional Shares will be opened in which the Surplus Shares will be distributed among the Shareholders of Record and the Investors who have applied for the subscription of Additional Shares during the Preferential Subscription Period.

The allocation of the Additional Shares based on the requests received will be made no later than the fourth business day following the end of the Preferential Subscription Period through the participating entities to which the subscription orders of Additional Shares have been submitted.

If the number of Additional Shares requested exceeds the number of Surplus Shares, a pro rata allocation will be applied according to the following rules:

- The Surplus Shares will be allocated pro rata to the volume of Additional Shares requested, using for this the percentage that the Additional Shares requested by each subscriber represent with respect to the total Additional Shares requested. This percentage to be used for the proportional allocation will be rounded down to three decimal figures (that is, for example 0.78974% will equal 0.789%).
- As a general rule, in the case of fractions in the allocation, it will be rounded down to the nearest whole number to obtain an exact number of Additional Shares to be allocated to each applicant.
- If after the pro rata allocation indicated above there are Additional Shares not allocated due to the rounding effect, these Additional Shares will be allocated one by one, by order from highest to lowest amount of the request and, in the event of equality, in alphabetical order of the Shareholders of Record or Investors according to the first position (and, in case of equality, the next or following position) of the field "Names and Last Name or Company Name", whatever its content, which appears in the electronic transmissions sent by the participating entities, starting from the letter "A".

In the event that the Additional Shares requested do not reach the number of Surplus Shares, the incomplete subscription of the Capital Increase will be declared in accordance with the provisions of paragraph 6 below. Therefore, there will be no discretionary allocation period in relation to the remaining New Shares after the Additional Allocation Period to be subscribed by the Company shareholders or any other potential investor.

5. Entities before which subscription orders may be submitted. In order to exercise pre-emptive subscription rights and, if applicable, to request the subscription of Additional Shares, Shareholders of Record and Investors must contact the depositary entity where they have registered their pre-emptive subscription rights (which, in the case of Shareholders of Record, will be the depositary entity where their shares in the Company are deposited), indicating their intention to exercise the aforementioned pre-emptive subscription rights and, if applicable, to request the subscription of Additional Shares. As indicated above, in order to be able to request the subscription of Additional Shares, the concerned Shareholder of Record or Investor must exercise all the pre-emptive subscription rights registered in their name with the depositary entity with which he/she/it is requesting Additional Shares, which will be verified by the depositary entity.

For its part, Banco Santander, S.A., will act as agent bank of the Capital Increase with Rights (the "**Agent**").

6. Possibility of incomplete subscription. As established in article 507 of the Spanish Companies' Act, if after the end of the Preferential Subscription Period and the Additional Allocation Period, it has not been fully subscribed, the share capital will be increased by the amount of the subscriptions made, being without effect in respect of the rest.
7. Disbursement. Shareholders of Record and Investors exercising their pre-emptive subscription rights within the corresponding period shall disburse, at the time of subscription and through the depositary entities participating in Iberclear through which they have placed their subscription orders, the full amount of the nominal value and the share premium of the New Shares they subscribe for, whereby the consideration for such New Shares shall consist of cash contributions in euros. Subscription orders which are not disbursed in these terms shall be deemed not to have been made.

Furthermore, the disbursement of the nominal value and the share premium corresponding to the Additional Shares will be made at the time the corresponding subscription request is made and through the participating entities of Iberclear to which they have submitted their subscription orders for Additional Shares, without prejudice to the number of Additional Shares that are finally allocated to the corresponding Shareholder of Record and Investor. In the event that a Shareholder of record or Investor requests the subscription of Additional Shares that cannot be allocated to him/her/it due to excess demand for Additional Shares, the amount corresponding to the subscription and disbursement of the Additional Shares that cannot be allocated to him/her will be returned as soon as possible. Applications for Additional Shares which are not disbursed in accordance with the above terms shall be deemed not to have been made.

- 8. Expenses and Fees.** The Company will not charge any expenses to the subscriber of New Shares. No expenses will be incurred by the shareholders subscribing the Capital Increase with Rights in respect of the initial registration of the New Shares in the accounting records of the depositary entities. However, the depositary entities that keep the accounts of the holders of the Company's shares may establish, in accordance with the legislation in force, the administration fees and expenses that they may freely determine, arising from the maintenance of the securities in the accounting records. Additionally, the purchase or sale of pre-emptive subscription rights shall be subject to the fees freely established in their tariffs by the entities through which such purchase or sale is made.

The Company intends to grant tomorrow the corresponding public deed (*escritura pública*) of execution of the Capital Increase by means of Compensation of Credits and the public deed formalising the Capital Increase with Rights before its execution and disbursement. The Company will file both public deeds for registration with the Commercial Registry of Madrid. Once registered with such Commercial Registry, notarial testimonies of the aforementioned public deeds will be submitted to Iberclear, the National Securities Market Commission (“CNMV”) and the Governing Companies of the Stock Exchanges in which the shares of the Company are admitted to trading.

Subsequently, once the amount of the New Shares of the Capital Increase with Rights has been fully disbursed as described above, the Company will execute the Capital Increase with Rights, declaring it closed and subscribed, eventually in an incomplete manner, and the corresponding public deed for the execution of the Capital Increase with Rights will be granted before a Notary Public for its subsequent filing for registration with the Commercial Registry of Madrid within five days following its formalisation pursuant to article 508.2 of the Spanish Companies Act.

Once the public deed of execution of the Capital Increase by means of Compensation of Credits and the public deed formalising the Capital Increase with Rights have been registered with the Commercial Registry of Madrid (the latter public deed pursuant to the provisions in article 508.1 of the Spanish Companies’ Act) and once the public deed executing the Capital Increase with Rights has been formalised, after the Company has declared the Capital Increase with Rights subscribed and disbursed, the aforementioned registered deeds will be delivered to Iberclear and the New Shares will be recorded in the central registry for which Iberclear is responsible. On the same day of registration of the New Shares in the central register under the authority of Iberclear, the corresponding book entries will be made by the depositary entities in their accounting records in favour of the subscribers of the New Shares.

The Company estimates that, according to the schedule of the Capital Increases, the entry of the New Shares in the accounting records of Iberclear will be made on 28 September 2021, moment from which it will then commence the process regarding the authorisations for admission to trading of the New Shares on the four Spanish Stock Exchanges through the Automated Quotation System, so that it is finalized as soon as possible thereafter.

Finally, it should be noted that the Capital Increases will be carried out under the exemptions from the obligation to publish a prospectus in the case of a public offering and admission to trading of securities on a regulated market provided for in articles 1.5 and 3.2 of Regulation (EU) no. 2017/1129 of the European Parliament and of the Council of 14 June 2017 and article 34 of the consolidated text of the Securities Market Act approved by Royal Legislative Decree 4/2015, of 23 October, to the extent that the total effective amount of the New Shares offered under the Capital Increase with Rights will be less than €8 million and that the New Shares will represent in aggregate less than 20% of the share capital of the Company, without it having issued other shares in the last 12 months.

Madrid, 6 September 2021

Carlos Ulecia
General Counsel and Secretary to the Board

Relevant legal information

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