

Pursuant to the provisions in article 227 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

OTHER RELEVANT INFORMATION

In connection with the inside information notice dated 12 May 2021, with registry number 891, in which it was notified that today the Board of Directors of the Company has approved, prior the favorable report of the Audit Committee of the Company, 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, as lender (the “**Loan**”), it is hereby stated that this other relevant information notice is communicated for the purposes of the provisions set forth in article 529 unvicies of the consolidated text of the Spanish Companies Law, approved by Royal Legislative Decree 1/2010, of July 2, and, in order to comply with the provisions of section 3 of the aforementioned article, the corresponding report of the Audit Committee relating to the Loan is attached.

The report prepared on 11 May 2021 by the Audit and Control Committee of the Company is attached.

Madrid, 12 May 2021.

Carlos Ulecia
General Counsel and Secretary to the Board

(Free translation)

REPORT OF THE AUDIT AND CONTROL COMMITTEE IN RELATION TO THE EXECUTION OF A CONVERTIBLE SUBORDINATED LOAN AGREEMENT BETWEEN THE COMPANY AND MHG CONTINENTAL HOLDING (SINGAPORE) PTE LTD, WHICH IS EXPECTED TO BE APPROVED BY THE NEXT BOARD OF DIRECTORS OF THE COMPANY.

Pursuant to the provisions of section 4 g) of article 529 quaterdecies of the Spanish Companies Law, article 529 duovicies.3 of the Spanish Companies Law, article 48 of the Bylaws, article 25 of the Board of Directors Regulations, the Procedure for Conflicts of Interest and Related Transactions with Significant Shareholders, Directors and Senior Management of NH Hoteles, S.A. and clause 6 of the Framework Agreement between NH Hotel Group, S.A. (“NH”) and Minor International Public Company Limited (“MINT”), the Audit and Control Committee must report to the Board of Directors on the related-party transactions carried out by NH prior to the adoption by the Company of any decision in this regard.

Specifically, the subject of this report is the approval and execution by the Board of Directors of the Company of the agreement named “*Subordinated Convertible Term Loan Facility Agreement for an amount of EUR 100,000,000*” between NH, as borrower, and MHG Continental Holding (Singapore) Pte Ltd, a subsidiary of MINT, as lender (hereinafter the “**Agreement**” or the “**Loan**”), the latest version of which, as well as an executive summary of the main terms thereof, have been provided to all members of this Committee sufficiently in advance of the issuance of this report, for their knowledge and assessment, and a copy of each of the documents is kept by the secretary of the Audit and Control Committee and is available to the members of the Committee in the files of the Secretary of the Company.

The Loan is granted in the context of a transaction of NH that encompasses a broader set of actions aimed at strengthening the Company’s capital structure and refinancing 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 (the “**Project**”), through (a) the extension of the term of the ICO financing until 2026 and the waiver for compliance with its financial ratios covenants until June 2022, (b) the waiver for compliance with the financial ratios covenants provided under the revolving credit line until December 2021 and a significant covenant holiday of the levels that the financial ratios must meet in June 2022, (d) the analysis of the alternatives available in the financial markets to streamline and make all its debt instruments more flexible, and (e) the potential sales of assets through sale and lease-back transactions.

The Audit and Control Committee considers that the Loan will permit to meet this objective while evidencing the commitment of the Company’s majority shareholder to the Project and the Company’s business strategy, considering its subordinated nature and convertibility feature into shares of the Company at the exclusive discretion of NH, being expected to be capitalized in the short term and without the rest of the shareholders suffering any dilution as the Board of Directors of the Company plans to adopt, at the time of the capitalization 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 minority shareholders other than MINT by virtue of which new Company shares will be issued to shareholders who exercise their pre-emptive subscription rights at the same issue price as the shares to be issued under the share capital increase that will capitalize the amounts due under the Loan.

The members of the Audit and Control Committee, after analyzing the terms, content and effects of the Agreement submitted for their consideration and after the corresponding deliberation (in which Mr. Stephen Andrew Chojnacki abstained from participating), consider, with the abstention of Mr. Stephen Andrew Chojnacki and the vote in favor of the rest of the members of the Committee, that they should report favorably to the Board of Directors of the Company in relation to the approval of the Agreement and the execution thereof between NH and MINT, on the terms resulting from the copy that has been provided to the members of the Committee, it being considered that this is a transaction necessary in the Company’s current circumstances and that the terms and conditions of the transaction subject to the Agreement are fair and reasonable from the point of view of the Company and the Company’s shareholders other than MINT based on the following premises and after evaluating, with the assistance of the Company’s financial advisor engaged by the Company for the Project, the following factors:

- i. The current macroeconomic environment and the particular situation of NH: The situation of the Company, as borrower, is a key factor in the manner in which the commitments and pricing of the Loan have been established. Additionally, the terms and the granting of the Loan have to be analyzed in a context of macroeconomic challenge (economic cycle and pandemic) and microeconomic challenge (existence of minority shareholders and upcoming maturity of corporate debt at the end of 2023) for the Company.
- ii. The bespoke and private nature of this type of transactions: since there is no public market for contributions from shareholders via loans to the companies in which they participate and these transactions are usually reserved to the private domain of the parties and are designed in a very individualized manner according to the needs of each case, it is difficult to obtain complete information that allows establishing a standard or minimum

common denominator on transactions of this type as well as comparing the transaction that is the object of the Agreement with other similar precedent transactions.

- iii. The unsecured, subordinated and convertible into equity, at the discretion of NH, nature of the Loan and the existence of other financing alternatives accessible to the Company: the terms and conditions of the Loan (which include the lack of specific guarantees, the subordination of the Loan with respect to the rest of the Company's obligations and an interest rate fixed at Euribor plus a 6% margin) are fair and reasonable to this Committee based on the following factors:
- a. the average premium associated with unsecured subordinated debt versus senior secured debt (based on the market references analyzed, a premium of between approximately 150 and 200 basis points) would be in line with the premium priced in the interest rate under the Loan;
 - b. NH's solvency position (with a large portfolio of assets that will remain out of the perimeter of the transaction), which responds with its equity to the principal and interests of the Loan, implies a lower execution risk when structuring the liquidity injection that the Company needs through the Loan;
 - c. the prospects of capitalization of the principal and interest of the Loan will avoid a significant outflow of cash from the Company to meet the maturity of this debt, which makes this instrument particularly attractive to fund the liquidity that the Company needs immediately and, given the expectation of its capitalization in the short term, allows setting an interest rate with a lower margin;
 - d. the average premium associated with the effect of the capitalization of interest accrued by a convertible loan versus loans that provide only for its payment in cash (based on the market references analyzed, a premium of approximately 75 basis points), would be in line with the premium priced in the interest rate under the Loan;
 - e. the availability of other alternative means of financing whose terms and conditions the Company's shareholders can take as a reference (e.g., the private loan market offering interest rates of around 6%); and
 - f. the strong message to NH's shareholders and creditors that the majority shareholder is financially supporting the Company through a transaction structured on fair and reasonable terms.

11 May 2021