BUSINESS REVIEW

WE CONTINUED TO MAKE STRONG STRATEGIC PROGRESS AGAINST OUR KEY PRIORITIES IN 2022.

GREG HEGARTY
DEPUTY CHIEF EXECUTIVE OFFICER & CHIEF OPERATING OFFICER

> *I remain extremely proud of what we do at PPHE*

Once again, I have been impressed by the agility and ability of our teams to cope with myriad competing and evolving pressures during another unprecedented year for the sector and the global economy. Furthermore, it has been made clear throughout the year that demand for leisure and business travel, and hospitality is resilient and not only pent-up post-pandemic.

In Q1 we saw the start of a gradual return of confidence among consumers, initially in the UK as government restrictions began to ease. This ensured a positive start to the year for the Group, which stood in stark contrast to the comparative period in 2021 which was more heavily impacted by COVID-19. Booking momentum accelerated into Q2, with the reopening of further European markets in which we operate including the Netherlands and Germany. This was important ahead of the summer season, with our Croatian business performing better than expected and delivering record results. Thereafter, we saw quarter-on-quarter improvements in trading across our key markets, inching closer to or exceeding pre-pandemic levels of activity in many metrics. Q4 was one of our strongest on record. This outperformance was driven by one-off events such as the death and funeral of the late Queen Elizabeth II as well as a strong half-term and Christmas period, which were unaffected by the pandemic for the first time in three years.

In tandem with this consistent strengthening of demand across our premium locations around the world, we continued to make strong strategic progress against our key priorities in 2022. This has supported our resilience in the face of ongoing macro-economic challenges, while also securing our future long-term and sustainable growth prospects.

As previously mentioned, our teams remain highly focused on providing the best experience possible to our guests and as a management team, our priority has been to continue to rebuild and re-energise our teams, supporting them as much as possible to achieve this.

UNITED KINGDOM

Value of UK property portfolio

£991m

Total revenue

£190.1m

THE NETHERLANDS

Value of the Dutch property portfolio

£307m

Total revenue

£41.6m

GERMANY

Value of German property portfolio

£100m

Total revenue

£17.7m

CROATIA

Value of Croatian property portfolio

£334m

Total revenue

£69.2m

As activity has continued to recover – in many cases rapidly – we have ensured that our hiring practices and recruitment have kept up with demand. Our hospitality management platform has been critical in enabling us to respond to peaks, as well as the combined effects of the pandemic and the UK's exit from the EU on the availability of labour across the sector. Our strategic decision to employ our own accommodation services teams has continued to prove extremely prescient, with all disciplines based in-house and therefore flexible to the needs of the Group at large.

In terms of wider strategic progress in the year, we were pleased to expand our long-standing partnership with Radisson Hotel Group, building further on an already successful relationship. This enabled us to begin to widen the scope and potential of our combined global brands, with the opening of our first Radisson Collection Hotel, at Grand Hotel Brioni Pula. We look forward to continuing to further strengthen this partnership, with a number of exciting openings and positioning projects in the pipeline.

More broadly, our development pipeline of new openings is stronger than ever for the year ahead and beyond. Following the launch of our first ever art'otel in the UK, at Battersea Power Station, we are preparing for additional new art'otel openings in Zagreb, Rome and London.

I remain extremely proud of what we do at PPHE. Our real estate ownership and hospitality management expertise mean the Group is resilient and well-positioned to navigate ongoing external headwinds impacting the sector. I would like to extend my thanks once again to all our teams across the globe, who remain the backbone of our customer proposition. I look forward to continuing our strategic progress this year and in the future. I invite you to read more about our performance and various key developments in each of our operating markets in the section ahead.

Greg Hegarty
Deputy Chief Executive Officer
& Chief Operating Officer

UNITED KINGDOM

PROPERTY PORTFOLIO

The Group has a well-invested property portfolio, consisting of approximately 3,400 rooms in operation in the upper upscale segment of the London hotel market, and approximately 1,000 rooms in its London development pipeline. Four of the Group's London hotels are in the popular South Bank area of London, with further properties in the busy Victoria, fashionable Marylebone and well-connected Park Royal areas. In December 2022, the Group opened the only hotel which is part of the Battersea Power Station development scheme. There are also three properties located in the UK regional cities of Nottingham, Leeds and Cardiff[2].

The Group has an ownership interest in 10 properties: Park Plaza Westminster Bridge London, Park Plaza London Riverbank, Park Plaza London Waterloo, Park Plaza County Hall London[2], Park Plaza Victoria London, Park Plaza London Park Royal, art'otel London Hoxton, Holmes Hotel London, Park Plaza Leeds and Park Plaza Nottingham. Park Plaza Cardiff[2] operates under a franchise agreement. Following its opening in late 2022, the Group operates the art'otel London Battersea Power Station[2] hotel under a long-term management agreement through its hospitality platform.

PORTFOLIO PERFORMANCE

The Group's UK portfolio performance started slowly, due to government-imposed restrictions as a result of the continued presence of the Omicron variant of COVID-19.

However, restrictions were lifted in the second half of January; earlier than the Group's other operating markets. Following this, and echoing customer behaviour seen after previous lockdowns, the Group experienced a strong and swift rebound in demand for leisure bookings. This was supported by the quality and excellent city centre locations of the portfolio, particularly in London.

The Group maintained its disciplined rates-led strategy, with room rates for the financial year, exceeding 2019 levels, led by its London properties.

Demand for leisure and weekend stays continued throughout the second quarter, while demand for meetings and events, particularly in London, showed a more gradual recovery. In July and September, London assets saw unusually elevated demand due to various events taking place in the city, including the state funeral of Her Majesty Queen Elizabeth II. This strong forward booking momentum continued into Q4 and there was a return to larger meetings and events, such as corporate conferences and award dinners during November and December.

Total reported revenue was £190.1 million (2021: £75.3 million), 91.7% of 2019 levels. Reported RevPAR was £130.3 (2021: £43.4 million), 97.5% of 2019 levels, driven by a significant increase in average room rate to £192.3 (2021: £136.2), and occupancy of 67.8% (2021: 31.9%).

Reported EBITDAR was £56.8 million (2021: £11.7 million), and EBITDA was £56.2 million (2021: £11.2 million).

FINANCIAL PERFORMANCE

	Reported in Pound Sterling (£)		
UK	**Year ended 31 Dec 2022**	Year ended 31 Dec 2021	% change
Total revenue	**£190.1m**	£75.3m	152.5%
EBITDAR	**£56.8m**	£11.7m	384.6%
EBITDA	**£56.2m**	£11.2m	401.0%
Occupancy	**67.8%**	31.9%	3,590 bps
Average room rate	**£192.3**	£136.2	41.2%
RevPAR	**£130.3**	£43.4	200.2%
Room revenue	**£149.9m**	£49.9m	200.2%
EBITDA %	**29.6%**	14.9%	1,470 bps

£991m **(2021: £932m)**

Total value of the UK property portfolio[1]

1 Independent valuation by Savills in December 2022 and excluding the London development sites art'otel London Hoxton and Westminster Bridge Road.

2 Revenues derived from these hotels are accounted for in Management and Holdings, and their values and results are excluded from the data provided in this section.

DEVELOPMENT PIPELINE

Development of the Group's flagship London project, art'otel London Hoxton, continued as planned during the year. The premium lifestyle hotel will comprise 357 rooms and suites, five floors of 5,900m^2 office space, wellness facilities, a gym and swimming pool, and an art gallery space. Located in the vibrant Shoreditch area in East London, the property is now 'topped' out to the 27th floor. Cladding of the building is now complete until 22nd floor, with the remainder expected to be completed by the third quarter. The structural works for the spa, auditorium and art gallery have also been completed. The impressive Banksy artworks have now been installed on the exterior of the building. The property is due to be completed in H1 2024.

Two further mixed-use longer-term development projects located in London are being progressed. The first is a site adjacent to Park Plaza Park Royal in West London, for which the Group is exploring options to enhance the scheme. The Group is also progressing with its planning application and is engaging with the local community at a second site, at 79–87 Westminster Bridge Road, which is situated close to the Group's Park Plaza London Waterloo and Westminster Bridge properties.

HOSPITALITY MANAGEMENT PLATFORM PROJECTS

The highly anticipated art'otel London Battersea Power Station opened its doors to guests in December 2022. The property, which is located within the Battersea Roof Gardens, features 164 bedrooms, a Venetian-inspired Italian TOZI restaurant and bar, a skyline destination restaurant, JOIA, and a spectacular rooftop swimming pool. The hotel also offers a gym, spa, event facilities and an art gallery with regular art programmes throughout the hotel. Jaime Hayon is the hotel's interior designer and Signature Artist, and two Michelin starred Portuguese chef Henrique Sá Pessoa is the JOIA restaurant Concept Chef. The hotel officially launched in February 2023. The Group operates the hotel under a management agreement through its hospitality operating platform.

THE UNITED KINGDOM HOTEL MARKET*

RevPAR was up 76.1% at £80.7, driven by a 28.1% increase in average room rate to £109.8 and a 37.5% increase in occupancy to 73.5%

In London, RevPAR increased by 145.8% to £135.1 compared with 2021, reflecting a 61.9% increase in occupancy to 73.8%, and a 51.8% increase in average room rate to £183.1.

* Source STR European Hotel Review, December 2022.

ART'OTEL HOXTON

The construction of art'otel London Hoxton in the heart of London Shoreditch is progressing well, with external cladding almost complete, advances with the public area and lower ground floors and the guest room show room having been approved. The 27-storey property will comprise 357 hotel rooms, including 60 suites.

PPHE Hotel Group entered into a joint venture in June 2021 with Clal Insurance, one of Israel's leading insurance and long-term savings companies.

- The Signature Artist will be revealed in H2 2023
- The mixed-use build includes offices which will go to market later this year
- Advance progress has been made with the restaurant and bar concepts for the hotel

We have experienced strong recovery in the UK market and have an exciting pipeline for the future.

THE NETHERLANDS

PROPERTY PORTFOLIO

The Group has an ownership interest in three hotels in the centre of Amsterdam (Park Plaza Victoria Amsterdam, art'otel Amsterdam and Park Plaza Vondelpark, Amsterdam), and a fourth property located near Schiphol Airport (Park Plaza Amsterdam Airport). It also owns Park Plaza branded hotels in Utrecht and Eindhoven.

PORTFOLIO PERFORMANCE

The introduction of a COVID-19 lockdown by the government in December 2021 severely impacted trading across the Group's properties in the Netherlands at the outset of the financial year. However, restrictions were lifted in late February, following which all of the Group's properties in the Netherlands – except Park Plaza Amsterdam Airport – reopened fully. Park Plaza Amsterdam Airport reopened in April to accommodate 180 Ukrainian refugees. displaced by the ongoing conflict arising from Russia's invasion of Ukraine. The hotel was subsequently open to all guests from June.

From May onwards, customer demand increased, driven initially by leisure stays, and predominately for the weekends. Our City Centre Amsterdam hotels were in line with our competitors. The provincial hotels were strong with corporate pick up and were ahead of the competition. This recovery across leisure, and subsequently corporate travel, meetings and events, continued throughout the remainder of the year, with a particularly strong meetings and events performance at the Park Plaza Utrecht.

> *Q2 recovered quickly, following the removal of COVID restrictions, with strong average room rates delivered*

After a significant refurbishment in 2021 and the lifting of restrictions, the Group's Amsterdam restaurants were also able to regain momentum. Notably, ARCA restaurant, located at art'otel Amsterdam, performed very well, garnering excellent customer feedback.

Total revenue was €48.7 million (2021: €12.1 million), 79.3% of 2019 levels. RevPAR increased to €95.5 (2021: €20.8). The average room rate increased to €166.6 (2021: €128.1). Occupancy improved significantly to 57.3% (2021: 16.3%).

EBITDA was €13.1 million (2021: €1.2 million). The region exceeded budget expectations for GOP.

Total value of the Netherlands property portfolio[1]

£307m

(2021: £274m)

FINANCIAL PERFORMANCE

The Netherlands	Reported in Pound Sterling[2] (£) **Year ended 31 Dec 2022**	Year ended 31 Dec 2021	% change	Reported in local currency Euro (€) **Year ended 31 Dec 2022**	Year ended 31 Dec 2021	% change
Total revenue	**£41.6m**	£10.4m	301.6%	**€48.7m**	€12.1m	303.8%
EBITDAR	**£11.2m**	£1.1m	916.6%	**€13.1m**	€1.3m	922.1%
EBITDA	**£11.2m**	£1.1m	941.8%	**€13.1m**	€1.2m	947.4%
Occupancy	**57.3%**	16.3%	4,110 bps	**57.3%**	16.3%	4,110 bps
Average room rate	**£142.2**	£109.9	29.4%	**€166.6**	€128.1	30.1%
RevPAR	**£81.5**	£17.9	356.2%	**€95.5**	€20.8	358.7%
Room revenue	**£31.9m**	£7.0m	356.2%	**€37.4m**	€8.2m	358.7%

1 Independent valuation by Savills in December 2022.

2 Average exchange rate from Euro to Pound Sterling for the period ended 31 December 2022 was 1.172 and for the period ended 31 December 2021 was 1.165 representing a 0.5% increase.


THE DUTCH HOTEL MARKET*

RevPAR increased by 182.2% to €86.4 compared with 2021. Occupancy increased by 92.9% to 63.0%, and the average room rate was €137.2, 46.3% higher than in 2021.

In Amsterdam, our main market in the Netherlands, RevPAR increased by 272.6% to €104.0. Occupancy levels increased by 133.7% to 63.7%, and the average daily room rate increased by 59.4% to €163.1.

* Source STR European Hotel Review, December 2022.

ART'OTEL AMSTERDAM, ARCA RESTAURANT

Award-winning two Michelin starred Portuguese chef Henrique Sá Pessoa, recently named in the top 100 Best Chefs in the World, opened ARCA in November 2021 as his first restaurant in Europe outside of Lisbon, and the funkier, more relaxed sister to his other outposts.

ARCA brings a relaxed and approachable Portuguese sharing plates concept with modern flavours, Asian influences and impressive cocktails. Find ARCA at Amsterdam's art'otel!

– Listed in the Michelin Guide 2022

arcaamsterdam.com



BUSINESS REVIEW *continued*

CROATIA

Total value of the Croatian property portfolio[1]

£334m

(2021: £253m)

PROPERTY PORTFOLIO

The Group's subsidiary, Arena Hospitality Group d.d. ('Arena'), owns and operates a Croatian portfolio of seven hotels, four resorts and eight campsites, all of which are located in Istria, Croatia's most prominent tourist region. Four of these properties are Park Plaza branded, and Grand Hotel Brioni is a Radisson Collection hotel. The remainder of its portfolio operates independently or as part of the Arena Hotels & Apartments, with Hotel Arena Hotel Medulin exclusively marketed as TUI Blue Medulin, and Arena Campsites brands. Planning permission for Hotel Riviera was granted in February 2023 and development of the property to become our third premium hotel in Croatia is in its planning phase. The Group is developing a leased property in the centre of Zagreb.

PORTFOLIO PERFORMANCE

The majority of the Group's Croatian properties close in Q1 of each year, in line with the seasonality of operations in the country. However, during Q2 – and particularly from around Easter – business activity intensifies as hotels, resorts and campsites open for the season and are fully open and trading. After the peak summer season in June, July and August, most properties are closed in late September/mid-October for winter.

All properties performed strongly during the important summer trading period, and ahead of initial expectations. This reflected pent-up guest demand in the absence of COVID-19 related restrictions. Following the completion of a number of customer experience-enhancing repositioning investments in recent years to elevate properties to upscale market positions, including the repositioning of Grand Hotel Brioni, Arena One 99 Glamping and the Arena Grand Kažela campsite, the Group was able to command higher rates across much of its Croatian portfolio, particularly its campsites. Notably, trading in Q3 (high season) saw total revenue and RevPAR surpass that of Q3 2019, driven by strong rate growth.

Total revenue (in Croatian Kuna) was HRK 612.8 million (2021: HRK 392.2 million). On average, rates increased 22.8% to HRK 1,087.8 (2021: HRK 885.8), exceeding 2019 levels and occupancy also improved considerably to 55.1% (2021: 46.6%). Consequently, RevPAR was HRK 599.0, an increase of 45.2%, primarily driven by the growth in rates.

The region reported EBITDA of HRK 189.2 million, an increase of 48.2% year-on-year (2021: HRK 127.6 million). This included the negative impact of increased cost inflation for utilities, food and payroll expenses, but excluding non-recurring expenses related to the opening of Grand Hotel Brioni. In 2022, the Group did not receive any Croatian government grants or subsidies to support payroll costs and fixed costs (2021: HRK 23.6 million). From 1 January 2023, the Group's Croatian portfolio performance will be reported in Euros, following Croatia's admission to the eurozone.

ASSET MANAGEMENT PROJECTS

In May, Hotel Grand Brioni reopened following a two-year HRK 260 million (£30 million) repositioning project to create a luxury 5-star, 227-room full-service hotel, offering guests an infinity pool, indoor pool and extensive health and wellness facilities,

FINANCIAL PERFORMANCE

	Reported in Pound Sterling[2] (£)			Reported in local currency HRK		
Croatia	**Year ended 31 Dec 2022**	Year ended 31 Dec 2021	% change	**Year ended 31 Dec 2022**	Year ended 31 Dec 2021	% change
Total revenue	**£69.2m**	£44.6m	55.2%	**HRK 612.8m**	HRK 392.2m	56.2%
EBITDAR	**£23.3m**	£16.4m	42.2%	**HRK 205.3m**	HRK 143.4m	43.2%
EBITDA	**£21.4m**	£14.6m	47.2%	**HRK 189.2m**	HRK 127.6m	48.2%
Occupancy[3]	**55.1%**	46.6%	850 bps	**55.1%**	46.6%	850 bps
Average room rate[3]	**£123.2**	£101.0	22.0%	**HRK 1,087.8**	HRK 885.8	22.8%
RevPAR[3]	**£67.8**	£47.1	44.2%	**HRK 599.0**	HRK 412.6	45.2%
Room revenue[3]	**£36.1m**	£21.6m	67.1%	**HRK 318.9m**	HRK 189.6m	68.2%

1 Independent valuation by Zagreb nekretnine Ltd in December 2022 and excluding Zagreb which is under development.

2 Average exchange rate from Croatian Kuna to Pound Sterling for the period ended 31 December 2022 was 8.829 and for the period ended 31 December 2021 was 8.768, representing a 0.7% increase.

3 The room revenue, average room rate, occupancy and RevPAR statistics include all accommodation units at hotels and self-catering apartment complexes and exclude campsites and mobile homes.

and several restaurants and bars. It is a Radisson Collection Hotel and is the first property to operate and be marketed under the Group's extended partnership with RHG. Since opening for the summer season, the property has performed well, with its upper upscale positioning achieving a very strong average room rate of more than HRK 2,500 per night.

During Q2, phase one of the planned investment to upgrade Arena Stoja Campsite was completed. This included an investment in 75 new upscale mobile homes, a new campsite entrance and reception area.

DEVELOPMENT PROJECTS

The development pipeline, which is focused on luxury to further enhance the guest experience and support increased rates, consists of two further premium hotels in Croatia.

In Zagreb, the development of an art'otel is underway, with an expected investment of €18 million (£16 million). The project involves the conversion of an iconic building in a prime location in the heart of the city into an upper upscale lifestyle hotel containing a restaurant and bar, swimming pool, wellness and spa facilities, fitness centre and events space. The project is expected to complete in Q2 2023, subject to any impact on the work schedule from supply chain related delays and complications. Acquired in April 2020, plans to reposition Hotel Riviera Pula are currently being prepared.

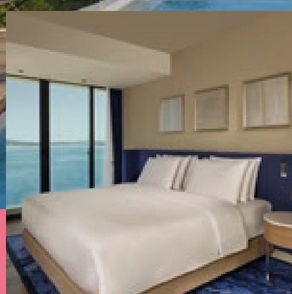
Phase two of the repositioning investment programme for Arena Stoja Campsite commenced in late 2022 and is expected to be completed in time for the 2023 summer season (total expected investment €6.6 million (£5.8 million)). This phase includes a new arrival and entrance area, an extensive renovation of the main restaurant and major infrastructure upgrades such as sanitary blocks.

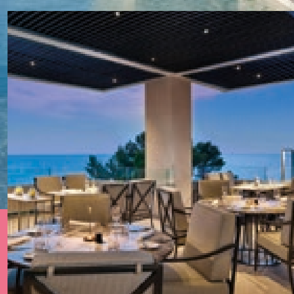
GRAND HOTEL BRIONI

The Grand Hotel Brioni Pula, a Radisson Collection Hotel, is one of is one of the most highly regarded hotels in Croatia, enjoying a superb location overlooking the Istrian Peninsula and seafront promenade. The 227-room hotel is surrounded by lush Mediterranean greenery which is typical of this beautiful stretch of Adriatic coast. The Grand Hotel Brioni Pula is connected to the sea via a series of terraced beaches.

– Highest Guest Review Index Score (RGI) in all PPHE hotels in 2022

grandhotelbrioni.com





BUSINESS REVIEW *continued*

GERMANY

PROPERTY PORTFOLIO

The Group's portfolio in Germany includes four properties in Berlin and one hotel each in Cologne, Nuremberg and Trier. Hotels with an ownership interest include Park Plaza Berlin Kudamm[3], Park Plaza Nuremberg, art'otel Berlin Mitte[3], Park Plaza Berlin (converted in the year from art'otel Berlin Kudamm) and art'otel Cologne. Park Plaza Wallstreet Berlin Mitte operates under an operating lease and Park Plaza Trier[3] operates under a franchise agreement.

PORTFOLIO PERFORMANCE

In March, COVID-19 restrictions were lifted and booking activity levels gradually recovered, driven predominantly by leisure demand at the Group's city centre hotels. This positive booking momentum continued and the return of fairs and events, particularly in Berlin and Nuremberg in September, further benefited the Group, with the average room rate in Q3 exceeding that of Q3 2019 by 36%. In the second half of the year the properties in the region outperformed the competitors ADR.

As a result, all operational metrics recovered strongly. Total revenue (in local currency) was €20.8 million (2021: €7.7 million). RevPAR increased by 187.4% to €68.5 (2021: €23.8), due to a sharp recovery in average room rate to €129.3, up 44.0% compared with the prior year (2021: €89.8), and strong improvement in occupancy to 53.0% (2021: 26.5%).

In 2021, our EBITDA performance benefited from €9.8 million in government support and, following markets reopening and government support reducing, we are reporting an improved EBITDA of €7.5 million for 2022.

ASSET MANAGEMENT PROJECTS

Investment programmes are being planned for two of the Group's properties in Berlin. In December, art'otel Berlin Kudamm was converted to Park Plaza Berlin and soft refurbishment plans are being prepared for art'otel Berlin Mitte and Park Plaza Berlin Kudamm. These projects are expected to commence in 2023.

Total value of the German property portfolio[1]

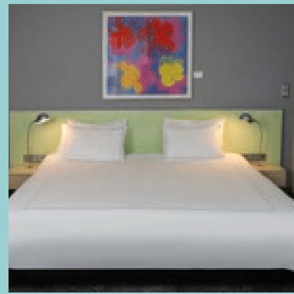
£100m

(2021: £87m)

FINANCIAL PERFORMANCE

	Reported in Pound Sterling[2] (£)			Reported in local currency Euro (€)		
Germany	**Year ended 31 Dec 2022**	Year ended 31 Dec 2021	% change	**Year ended 31 Dec 2022**	Year ended 31 Dec 2021	% change
Total revenue	**£17.7m**	£6.6m	167.8%	**€20.8m**	€7.7m	169.2%
EBITDAR	**£6.4m**	£6.7m	(4.6)%	**€7.5m**	€7.8m	(4.1)%
EBITDA	**£6.4m**	£6.7m	(4.5)%	**€7.5m**	€7.8m	(4.0)%
Occupancy	**53.0%**	26.5%	2,640 bps	**53.0%**	26.5%	2,640 bps
Average room rate	**£110.3**	£77.1	43.2%	**€129.3**	€89.8	44.0%
RevPAR	**£58.4**	£20.4	185.9%	**€68.5**	€23.8	187.4%
Room revenue	**£15.2m**	£5.3m	185.9%	**€17.8m**	€6.2m	187.4%

1 Independent valuation by Savills in December 2022.
2 Average exchange rate from Euro to Pound Sterling for the period ended 31 December 2022 was 1.172 and for the period ended 31 December 2021 was 1.165, representing a 0.5% increase.
3 Revenues derived from these hotels are accounted for in Management and Central Services performance and their values and results are excluded from the data provided in this section.

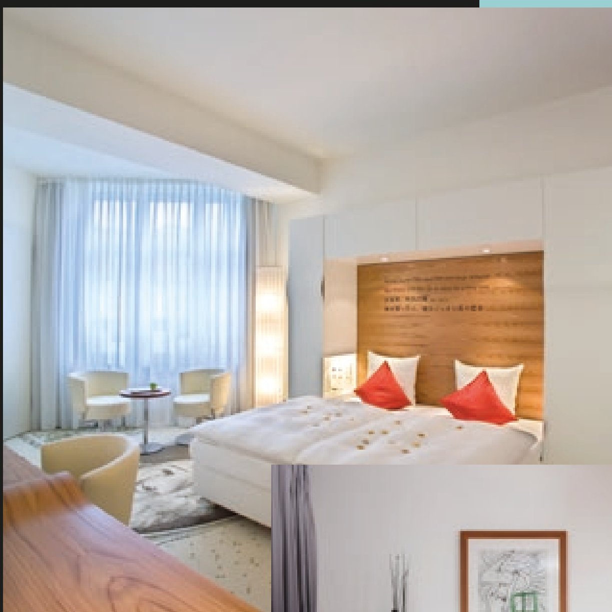


THE GERMAN HOTEL MARKET*

The German market experienced a 104.0% increase in RevPAR to €62.8, resulting from a 68.5% improvement in occupancy to 58.2% and a 21.1% increase in average room rate to €108.0.

In Berlin, RevPAR increased by 133.5% to €73.5 and occupancy increased by 73.4% to 65.7%. Average room rate increased 34.7% to €111.8.

* Source STR European Hotel Review, December 2022.



OTHER MARKETS

ITALY, HUNGARY, SERBIA AND AUSTRIA

	Reported in Pound Sterling (£)		
	Year ended 31 Dec 2022	Year ended 31 Dec 2021	% change
Total revenue	**£6.3m**	£0.9m	644.0%
EBITDAR	**£(0.6)m**	£(0.8)m	28.7%
EBITDA	**£(0.6)m**	£(0.9)m	26.2%
Occupancy	**34.3%**	8.8%	2,550 bps
Average room rate	**£97.2**	£68.4	42.2%
RevPAR	**£33.4**	£6.0	453.8%
Room revenue	**£4.6m**	£0.5m	743.0%

The Group's focus in the region has been on developing the acquisitions made over the past three years in Belgrade (Serbia), Nassfeld (Austria) and Rome (Italy).

NASSFELD, AUSTRIA

The FRANZ Ferdinand Mountain Resort located in Nassfeld, Austria performed well during the winter ski season, the first under the Group's ownership. The 144-room hotel was closed in March and underwent a soft refurbishment prior to reopening in early June for the summer season. The hotel then closed for more extensive development works to support year-round occupancy, including the installation of air conditioning and heating systems throughout the property and the creation of a wellness and spa centre, including indoor and outdoor swimming pools. The Group plans to invest in the hotel's remaining communal areas over the longer term. The total investment in upgrading the property is €3.6 million (£3.2 million).

ROME, ITALY

Londra & Cargill Hotel, the Group's 4-star property in a prime central location in the city of Rome, traded in the first half of the year. The hotel was closed on 1 July to undergo a £17 million repositioning project to become an upper upscale 99-room lifestyle art'otel. Construction works to strip-out and reconfigure the layout of the hotel and interior design are ongoing. The project is on track to see the hotel reopen during H1 2024.

THE ITALIAN HOTEL MARKET*

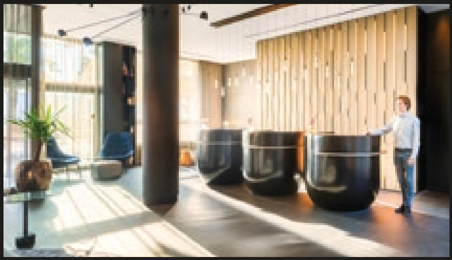
The Italian market experienced a 108.0% increase in RevPAR to €186.8, resulting from a 59.5% improvement in occupancy to 63.3% and a 30.4% increase in average room rate to €118.2.

In Rome, RevPAR increased by 149.1% to €127.7 and occupancy increased by 93.7% to 65.5%. Average room rate increased 28.6% to €195.1.

* Source STR European Hotel Review, December 2022.

BELGRADE, SERBIA

The 88 Rooms Hotel is a 4-star hotel located minutes from Belgrade's historic old town, with a restaurant, bar, conference room and fitness facilities. A repositioning programme is underway, and works are scheduled to start in the first half of 2023. The hotel will undergo a substantial redesign and transformation of all public areas, bedrooms and services.



BUDAPEST, HUNGARY

art'otel Budapest was reopened in June following a period of pandemic related closure. During the closure, the Group completed phase one of its planned repositioning of the property, with an extensive redesign of all public areas including the lobby, wellness area, restaurant, bar and meeting spaces. The second phase, which will see all of the hotel's 165 bedrooms refurbished, is currently being planned.

THE HUNGARIAN HOTEL MARKET*

The Hungary market experienced a 116.0% increase in RevPAR to €61.7, resulting from a 86.5% increase in occupancy to 60.8% and a 15.8% increase in average room rate to €101.5.

In Budapest, RevPAR increased by 117.7% to €64.2 and occupancy increased by 90.9% to 60.6%. Average room rate increased 14.0% to €105.9.

* Source STR European Hotel Review, December 2022.

MANAGEMENT AND CENTRAL SERVICES

OUR PERFORMANCE

Revenues in this segment are primarily related to management, sales, marketing and franchise fees, and other charges for central services.

These are predominantly charged within the Group and therefore eliminated upon consolidation. For the year ended 31 December 2022, the segment showed a significant improvement due to the recovery.

Management, Group Central Services and licence, sales and marketing fees are calculated as a percentage of revenues and profit, and therefore are affected by underlying hotel performance.

	Reported in Pound Sterling (£)	
	Year ended 31 Dec 2022	Year ended 31 Dec 2021
Total revenue before elimination	**£37.5m**	£18.0m
Revenues within the consolidated Group	**£(32.4)m**	£(14.3)m
External and reported revenue	**£5.1m**	£3.7m
EBITDA	**£0.0m**	£(7.6)m