

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 Kudamm³, Park Plaza Nuremberg, art'otel Berlin Mitte³, 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 Trier³ 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 portfolio¹

£100m

(2021: £87m)

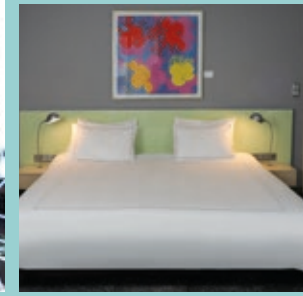
FINANCIAL PERFORMANCE

Germany	Reported in Pound Sterling ² (£)			Reported in local currency Euro (€)		
	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.

