

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 Cardiff².

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 London², 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 Cardiff² operates under a franchise agreement. Following its opening in late 2022, the Group operates the art'otel London

Battersea Power Station² 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 portfolio¹

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 5,900m² 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.

