



66 WE ARE HOTELIERS AT OUR CORE. UNRIVALLED SERVICE COMBINED WITH WORLD-CLASS, UNIQUE PRODUCTS IS OUR FOCUS. 99

OUR VALUES



TRUST

Trust is the belief and confidence in the organisation and its employees, where achievable and realistic promises are made and kept.



TEAMWORK

Active participation in the realisation and achievement of common goals.



RESPECT

Understanding differences in people and organisations, while behaving with integrity and valuing their role.



COMMITMENT

Believing in these values, developing them in yourself, the team and the organisation.



CARE

Showing compassion and being able to adjust when dealing with colleagues and guests alike, regardless of the situation.



ENTHUSIASM

Choosing to be positive, energetic and happy.



WHO WE ARE

WHAT WE DO

We are an international hospitality company with a strong asset base and access to dynamic brands.

Our vision is to realise our growth potential.
Our primary objective is to create and realise shareholder value by becoming one of the leading hospitality companies in the upscale, upper upscale and lifestyle hotel segments in major gateway cities, regional centres and select resort destinations, primarily in Europe.

HOW WE DO IT

Our portfolio of owned, co-owned, leased, managed and franchised hotels in operation comprises 38 hotels offering a total of nearly 9,000 rooms. Our development pipeline includes two new art'otels in London. Our core markets are the United Kingdom, the Netherlands, Germany and Croatia.

OUR COMPANIES

PPHE Hotel Group is a Guernsey-registered company and through its subsidiaries, jointly controlled entities and associates, owns, leases, operates, franchises and develops full-service upscale, upper upscale and lifestyle hotels in major gateway cities, regional centres and select resort destinations, predominantly in Europe. PPHE Hotel Group has the exclusive master franchise for EMEA for the Park Plaza brand from Radisson Hotel Group.

Arena Hospitality Group d.d., headquartered in Croatia ('Arena'), is a hospitality company which operates in Croatia, Germany and Hungary. PPHE Hotel Group is the controlling shareholder of Arena and has sublicensed the rights to the Park Plaza® brand for 18 countries.

COMPANY MILESTONES (SELECTION)



2018

Acquisition of joint venture interest in art'otel london hoxton. Transfer from Standard to Premium Listing on the London Stock Exchange (LSE).



2017

Successful public offering of new shares in Croatian subsidiary, which raised approximately €106 million of new capital for portfolio investment and growth. Full opening of Park Plaza London Waterloo and Park Plaza London Park Royal. Completed the sale and leaseback of Park Plaza London Waterloo. Acquired the freeholds for art'otel berlin kudamm and art'otel cologne.



2016

Arena Hospitality Group successfully completed debt restructuring programme. Opened Park Plaza Nuremberg and completed major extension at Park Plaza London Riverbank.



Signed management agreement for iconic art'otel london battersea power station.



2013

Completed €350 million refinancing of major assets within the portfolios. Opened flagship art'otel amsterdam.



2012

Company name changed to PPHE Hotel Group, reflecting its multibrand approach. Opening of three Park Plaza resort hotels in Croatia.

2000

Territorial licence agreement extended to a further 51 countries. Entered agreement to operate art'otels and Park Plaza® hotels in Germany and Hungary.



2002

Formed strategic marketing and distribution alliance with CarlsonSM (known today as Radisson Hotel Group) which acquired the Park Plaza® brand in this same year.



2007

Established Park Plaza Hotels Limited and completed successful flotation on the Alternative Investment Market (AIM). Acquired art'otel® brand rights worldwide.



2008

Entered resort segment with ownership stake in, and management of, Arena Hospitality Group (formerly known as Arenaturist).



2010

Opened PPHE's largest hotel, Park Plaza Westminster Bridge London, offering 1,019 rooms with exceptional event space, including a 1,200m² pillar-free ballroom.



Migrated from Alternative

Investment Market (AIM) to

the London Stock Exchange

(LSE) Main Market.

2011





A PORTFOLIO WITH LANDMARK LOCATIONS AND WORLD-CLASS BRANDS

13 6 NETHERLANDS GERMANY HUÑGARY CROATIA

2

New hotel projects

2

Hotels under operating leases

Hotels under management and franchise agreements

Hotels with an ownership interest

Total Hotel:

GERMANY

1,106

ROOMS IN OPERATION

UNITED KINGDOM

3,682

ROOMS IN OPERATION

HUNGARY

165

ROOMS IN OPERATION

500+

ROOMS IN PIPELINE

CROATIA

2,832

ROOMS IN OPERATION

THE NETHERLANDS

1,073

ROOMS IN OPERATION

DEVELOPMENT PIPELINE

ART'OTEL LONDON BATTERSEA POWER STATION, UNITED KINGDOM

ART'OTEL LONDON HOXTON, <u>UNITED KIN</u>GDOM



BRAND FACTS



An upscale and upper upscale, contemporary hotel brand featuring individually designed hotels in vibrant city centre locations and selected resort destinations.

Park Plaza is renowned for creating memorable moments through its inspiring service, stylish guest rooms and versatile meeting facilities which are perfectly complemented by award-winning restaurants and bars.

Our portfolio of vibrant city centre hotels and tranquil beachside resorts in Croatia already presents a wide choice of destinations and accommodation and we are committed, with our partner Radisson Hotel Group, to bringing Park Plaza Hotels & Resorts to even more destinations.

parkplaza.com



6,488

ROOMS IN OPERATION

24

HOTELS IN EUROPE, THE MIDDLE EAST AND AFRICA



art'otel

art'otel is a lifestyle collection of hotels that fuse exceptional architectural style with art-inspired interiors, located in cosmopolitan centres across Europe.

At the brand's core is the art itself. Each hotel displays a collection of original works designed or acquired specifically, rendering each location a unique art gallery in its own right. art'otel has created a niche for itself in the hotel world, differentiating from traditional hotels.

Art and culture is ingrained in every aspect of the art'otel brand, with knowledgeable and passionate employees sharing their enthusiasm while simultaneously delivering world-class service.

artotels.com

751

ROOMS IN OPERATION

490

ROOMS IN THE PIPELINE

5

ART'OTELS







1,417

ROOMS IN OPERATION

5

SELF-CATERING APARTMENT COMPLEXES

4

HOTELS

Arena Hotels & Apartments is a collection of hotels and self-catering apartment complexes offering relaxed and comfortable accommodation within beachfront locations across the historical settings of Pula and Medulin in Istria, Croatia.

Each hotel and self-catering apartment complex provides outstanding value and caters for families, couples and friends.

arenahotels.com



5,983

UNITS IN OPERATION

199

GLAMPING TENTS

8

CAMPSITES

Arena Campsites are located in eight beachfront sites across the southern coast of Istria, Croatia.

Situated within close proximity of the historic towns of Pula and Medulin, each laidback campsite provides guests with the opportunity to experience Istria's areas of natural beauty and outdoor activities from April to October.

Each campsite provides a different offering, including a luxury 'glamping' site which opened in 2018.

arenacamps.com



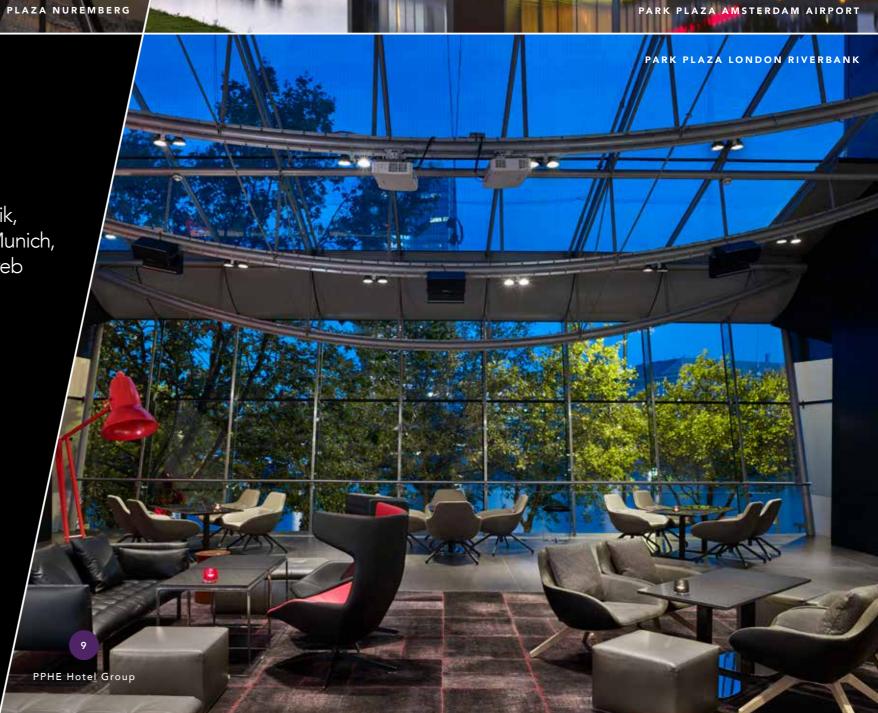




KEY CITIES OF INTEREST

Amsterdam, Athens, Barcelona, Budapest, Copenhagen, Dublin, Dubrovnik, Edinburgh, Frankfurt, Hamburg, Lisbon, London, Madrid, Manchester, Milan, Munich, Paris, Prague, Rome, Rotterdam, Split, Stockholm, The Hague, Vienna, Zagreb

CONCEPT	Design-led properties combining technology and comfort
	Upscale and upper upscale full-service hotels
TYPICAL SIZE	Ideally 200+ bedrooms (depending on market)
AVERAGE ROOM SIZE	25m², additional larger rooms for family rooms and suites
LOCATIONS	Key leisure and business destinations
	Focus on existing markets as well as growing new markets
PORTFOLIO	24 hotels in operation in Amsterdam, Berlin, Cardiff, Eindhoven, Leeds, London, Medulin, Nottingham, Nuremberg, Pula, Trier, Utrecht
KEY WORDS	Landmark locations with iconic views, unique cosmopolitan hotel design, energetic restaurant and bar space, free Wi-Fi and connected technology, and meetings and events facilities





art'otel[®]

KEY CITIES OF INTEREST

Barcelona, Budapest, Copenhagen, Edinburgh, Lisbon, London, Madrid, Milan, New York, Paris, Prague, Rome, Vienna

CONCEPT	Fusion of travel, architecture and contemporary art
	Upper upscale lifestyle hotels
TYPICAL SIZE	Lifestyle hotels with ideally 100 to 200 bedrooms
AVERAGE ROOM SIZE	25m ² +, additional larger rooms for family rooms and suites
LOCATIONS	Central urban locations where modern art matters
PORTFOLIO	5 hotels in operation in Amsterdam, Berlin, Budapest and Cologne
	London: 2 hotels in pipeline
KEY WORDS	Lively creative spaces, art galleries, gym, restaurant space, and free Wi-Fi and connected technology



OUR BUSINESS MODEL AND STRATEGY

Purchase land, and buildings and existing hotels

2

(Re)developing

3

Hotel operations

4

Branding

OUR BUSINESS MODEL

At PPHE Hotel Group we create shareholder value through a variety of business models. We own or co-own the majority of the properties in our portfolio, but also lease, manage and franchise properties.

All properties in our portfolio benefit from being part of a dynamic, fullservice international hotel group led by a highly experienced senior management team.

Our shareholders benefit from our business model, developments and operating skills in the form of progressive dividend payments.

OUR STRATEGIC OBJECTIVES

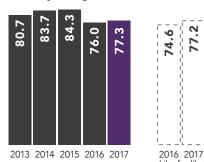
- **1.** To deliver stabilised annual return on shareholder capital
- **2.** To maintain a high EBITDA margin
- **3.** To improve our guest experience through consistent service delivery and product enhancements
- **4.** To drive growth by expanding our hotel portfolio through a variety of business models
- **5.** To improve our overall performance through innovative revenue generation and marketing initiatives
- **6.** To leverage our partnership with Radisson Hotel Group to further grow revenues

KEY PERFORMANCE INDICATORS

¹ The like-for-like figures for the 12 months ended 31 December 2017 exclude Park Plaza London Park Royal for the period, Park Plaza London Waterloo for the first ten months of 2017 and Park Plaza Nuremberg for the first five months of 2017. Furthermore, the like-forlike comparison figures for the 12 months ended 31 December 2016 have been adjusted to exclude Park Plaza Prenzlauer Berg Berlin (the lease of which was terminated on 30 June 2016) and to include the performance of the Croatian operations for the first quarter of 2016. In addition, EBITDA numbers in both periods up until 31 December have been adjusted to reflect the new freehold position of art'otel cologne and art'otel berlin kudamm (rental costs adjusted).

Operating KPIs

Occupancy (%)



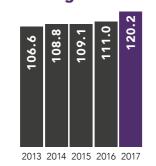
KPI definition

Total rooms occupied divided by the available rooms.

Comment

Like-for-like occupancy improved by 260 bps with reported occupancy increasing by 130 bps year-on-year, particularly through increased occupancy in Germany and Croatia.

Average room rate (£)



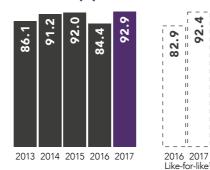
KPI definition

Total room revenue divided by the number of rooms sold.

Comment

Like-for-like average room rate increased by 7.8%, with reported average room rate increasing by 8.2%, due to higher rates in all regions and a decrease in Pound Sterling.

RevPAR (£)



KPI definition

Revenue per available room; total room revenue divided by the number of available rooms.

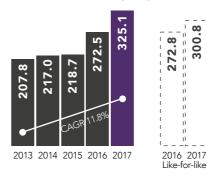
Comment

2016 2017

Like-for-like RevPAR increased by 11.5%, with reported RevPAR increasing by 10.0%, due to a rate-led increase in room revenue.

Financial KPIs

Total revenue (£m)

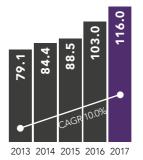


KPI definition

Total revenue includes all operating revenue generated by the Group's owned and leased hotels, management fees, franchise fees and marketing fees.

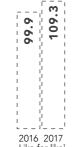
Revenue increased by 19.3%, mainly due to the full opening of two new hotels in London and the first full year contribution from Park Plaza Nuremberg.

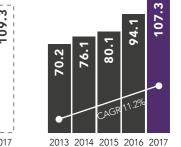
EBITDAR (£m)



amortisation and rental expenses.

KPI definition





EBITDA (£m)

KPI definition

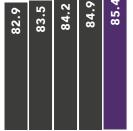
Earnings before interest, tax, depreciation and amortisation.

Comment

EBITDA increased by 14.0%, mainly due to improved trading across most of our operating regions, new openings and the acquisition of two freehold properties in Germany (which were previously held under operating leases).

2016 2017

Employee satisfaction/ engagement (scale 1-100%)



pps 20

2013 2014 2015 2016 2017 Year-on-year improvements

KPI definition

Measured through annual survey. Team members are encouraged to share feedback about the Company, their jobs, their teams and their manager.

We have increased our overall score by 50 bps year-on-year

Guest satisfaction (scale 1-10)



2013 2014 2015 2016 2017

KPI definition

Guest satisfaction is paramount to our long-term success. Guests are approached with electronic surveys and are encouraged to rate various elements of their stay

We delivered a record level of guest satisfaction, with further improvements expected post renovations.

Service performance (scale 1-10)



KPI definition

A consistent delivery of exemplary service is a core objective. Service performance is measured through electronic surveys, with guests encouraged to rate various service elements.

We maintained our strong service performance score, testimony to our strong focus on learning and development.

Normalised profit before tax (£m)



2013 2014 2015 2016 2017

KPI definition

Profit before tax adjusted to remove unusual or one-time influences

Normalised profit increased marginally, primarily as the improved performance was offset against a loss-making first year of the new openings, which is common for hotels that have not yet reached full maturity.

Normalised earnings per share (£)

Earnings before interest, tax, depreciation,

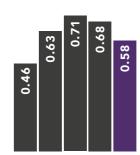
Our EBITDAR was positively affected by new openings

and improved trading. However, it was negatively

affected by the first time consolidation of the first

quarter of the Croatian operations which, due to

seasonality, have a negative EBITDAR in the quarter.



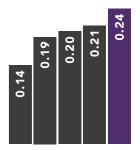
2013 2014 2015 2016 2017

KPI definition

Earnings for the year, adjusted to remove any unusual or one-time influences, divided by the weighted average number of ordinary shares outstanding during the year.

Normalised earnings per share decreased by 14.4%, as a result of an increase in the number of minority shareholders of Arena after the public offering. This public offering raised approximately £91 million of growth capital.

Dividend per share (£)



2013 2014 2015 2016 2017

KPI definition

The total dividends paid out over an entire year divided by the number of outstanding ordinary

Ordinary dividend increased by 14% year-on-year, with a final dividend of 13 pence per share proposed. CASE STUDY

DEVELOPMENT AND OPERATING TRACK RECORD

PARK PLAZA LONDON WATERLOO

ACQUISITION DATE

June 2013

SITE ACQUISITION

£23.5m

PLANNING OBTAINED

March 2014

CONSTRUCTION COMPLETION DATE

June 2017

BOOK VALUE

£125m

ESTIMATED FREEHOLD VALUE

£250m





WE AIM TO CREATE SHAREHOLDER VALUE BY APPLYING A VARIETY OF BUSINESS MODELS. IRRESPECTIVE OF THE TYPE OF ARRANGEMENT, ALL HOTELS IN OUR PORTFOLIO BENEFIT FROM BEING PART OF A DYNAMIC, FULL-SERVICE INTERNATIONAL HOTEL GROUP LED BY A HIGHLY EXPERIENCED SENIOR MANAGEMENT TEAM.



PARK PLAZA WESTMINSTER BRIDGE LONDON

Full ownership

We know what to look for when identifying assets with development potential, from plots of land to hotels in need of investment. We aim to own hotels in key gateway cities in Europe where capital value is likely to appreciate.

2

Joint ventures

Our joint ventures take many forms, but they share the same strategy – we focus on developing a mutually beneficial working relationship to return maximum profits for all parties involved, combining our management skills with co-investment.

3

Management contracts

A management contract allows owners to retain ownership of their property while we undertake the day-to-day management. They have the confidence of working with a leading hotel brand while we run their hotel with efficiency and passion.

4

Operating leases

Investors may favour operating leases, whereby we lease their property and pay them rent. We manage all aspects of the operation of the hotel, from sales and marketing to reservations and food & beverage to human resources, thereby reducing their exposure to economic and business downturns.

Franchise agreements

The franchise option is ideal for partners who enjoy running their own hotel but seek the reassurance of industry leading support services such as distribution, marketing and central reservations.

Flexible solutions

We have an excellent track record in hotel construction, development, design and operations. We understand how to build and run profitable hotels and our business partners benefit from this experience. Our flexible, entrepreneurial philosophy builds confidence in the physical product and the service-led culture through an unerring focus on continuous improvement.

INTEGRATED AND ENTREPRENEURIAL APPROACH

Hotel development, design, construction, ownership and operation 2

PROFITABLE SEGMENTS

Focused on upscale, upper upscale and lifestyle hotels in major gateway cities, regional centres and select resort destinations 3

GLOBAL PARTNERSHIP

Powerful distribution network through the Radisson Hotel Group partnership

4

PIPELINE

Significant portfolio and brand growth potential through expansion

FINANCIAL TRACK RECORD

Driving top line growth and delivering industry leading profit margins

6

MANAGEMENT TEAM

Highly experienced and closely involved senior management team

7

FLEXIBLE PARTNERSHIP SOLUTIONS

Aligned with stakeholders to tailor the right agreement for each hotel or hotel project PPHE HOTEL GROUP HAS
A TERRITORIAL LICENCE
AGREEMENT WITH RADISSON
HOTEL GROUP, GIVING IT
EXCLUSIVE RIGHTS TO USE
THE PARK PLAZA BRAND IN
56 COUNTRIES IN THE EMEA
REGION AND ACCESS TO:





WE TAKE OUR RESPONSIBILITIES SERIOUSLY.



Inspiring guests



Creating centres of excellence



- Investment
- Partners

Developing our people



- Team members
- Potential team members
- Influencers

Being part of our communities



- Government

Since the Company was established we have grown into a highly dynamic, multi-brand owner and operator of hotels, restaurants, bars and spas across several countries in Europe. With this growth comes an increased level of responsibility to guests, team members, partners, shareholders and the communities in which we operate.

The Group's business strategy has always focused on making a difference in preserving the environment for future generations, positively impacting people's lives and benefiting the local communities in which we operate. We have achieved this through active involvement in several sustainability initiatives as well as community and charity-focused activities driven by a commitment to our people, our communities and our environment programmes.

The Group's responsible business strategy has been developed by our team members using our current values and the way our hotels, restaurant, bars and spas and their teams already go about their work. We have defined a responsible business mission and four pillars reflecting key areas of activity relating to specific audience groups – as the basis of our responsible business strategy.



3,200

ROOMS IN OPERATION IN LONDON

TOTAL REVENUE INCREASED BY

+19.3%

IN 2017

AN EBITDA MARGIN OF

33%

IN 2017

Opened two new hotels in the buoyant London market in 2017, adding a further 706 rooms to our portfolio

Recognised as 'Number One – Mid-sized Group (UK)' by Venue Verdict, 2017 Investing significantly in major renovation projects of existing portfolio

€106m

OF NEW CAPITAL THROUGH A SUCCESSFUL PUBLIC OFFERING OF NEW SHARES IN OUR CROATIAN SUBSIDIARY

10 years of being listed on the London Stock Exchange

TOTAL ASSET VALUE OF

£1,540m

IN 2017

EXTENSION OF

155 rooms

OVER AN ADDITIONAL SIX STOREYS, INCREASING THE TOTAL KEY COUNT OF PLAZA ON THE RIVER AND PARK PLAZA LONDON RIVERBANK TO 616 ROOMS IN 2018

Acquisition of joint venture interest in art'otel london hoxton site







BARS & RESTAURANTS



Chino Latino Modern Pan-Assian Cuisine and Latin Bar

Modern Pan-Asian cuisine rubs shoulders with Latin cocktails at the award-winning Chino Latino®. The concept of LOVE, SHARE and ENJOY has found favour with customers and critics, leading to a succession of prestigious awards.

www.upsidedownbar.com www.chinolatino.eu



Park Plaza London Riverbank Park Plaza Leeds Park Plaza Nottingham

TOZI is a Venetian-Italian restaurant and cocktail bar in London, Victoria serving cicchetti (small sharing plates) designed to be enjoyed amongst friends and family. The menu also features larger dishes and wood-oven or grilled main courses.

www.tozirestaurant.co.uk



Park Plaza Victoria London

BA BEEF CLUB

Upside Down Bar & Restaurant is located in the

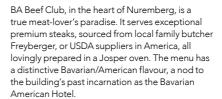
historical wing of the art'otel berlin mitte. Indulge

yourself with a great selection of international and

Mediterranean dishes as well as a varied selection

of wines and amazing signature cocktails.

art'otel berlin mitte



www.babeefclub.com



Park Plaza Nuremberg



5&33 is an exciting arts, dining and social venue combining an all-day and late-night kitchen, bar, library, lounge and multi-functional public gallery. The kitchen serves a menu of small plates, designed for sharing, using seasonal, local ingredients and inspired by the tastes and colours of the wider Mediterranean. The bar boasts a wide range of gins from around the world, as well as a signature cocktail list.

www.5and33.nl



art'otel amsterdam



OAKS is a 90-seater restaurant and bar serving locally sourced produce, cocktails and craft ales. OAKS specialises in steaks, burgers and homemade sausages cooked over charcoal, local Castle Rock ales on tap and Nottingham-inspired cocktails.

www.oaksnottingham.co.uk



Park Plaza Nottingham

PRIME

PRIMO bar's eclectic programme of free live music and entertainment seven days a week is accompanied by stylish cocktails and a glamorous environment. Located a short walk from the bustling South Bank, it is the perfect spot for an evening with friends, or a romantic nightcap.

www.primobar.co.uk



Park Plaza Westminster Bridge London



Brasserie Joël serves classic French-influenced bistro dishes with a twist. Diners enjoy a wide range of favourites such as boeuf bourguignon, freshly made lobster bisque, homemade duck terrine, hand-dived scallops, and chargrilled meat and fish specialities.

www.brasseriejoel.co.uk



Park Plaza Westminster Bridge London



Specialist restaurant Ichi Sushi offers fresh, simple and delicious sushi hand-crafted with just-caught fish and fragrant rice. The feeling is of an intimate upscale Tokyo sushi bar relocated to central London, with all dishes made to order at the counter by the restaurant's experienced sushi chefs.

www.ichisushi.co.uk



Park Plaza Westminster Bridge London

Florentine is an all-day dining restaurant and bar which serves a brasserie-style menu and weekend brunches, with a bar featuring the best of British bubbles and craft beers as well as contemporary cocktails.

www.florentinerestaurant.co.uk



Park Plaza London Waterloo

106 BAKER SI

This café offers a daily-changing menu of freshly made salads, quiches, hot and cold baked dishes and artisan sandwiches using Mediterranean-influenced ingredients. Freshly pressed juices and smoothies are also available.

www.106bakerst.co.uk



Park Plaza Sherlock Holmes London

Espressamente



espressamente illy offers authentic Italian coffee that is sure to get your day off to a good start. Choose from a great selection of pastries and croissants throughout the day along with freshly prepared sandwiches and salads.

www.illy.com



Park Plaza Westminster Bridge London Park Plaza London Waterloo Park Plaza Victoria Amsterdam Park Plaza Verudela Pula Arena One 99



PPHE Hotel Group



MANDARA SPA



PPHE Hotel Group works with the premium Mandara Spa brand for several of its properties.

www.mandaraspa.co.uk

Park Plaza Westminster Bridge LondonPark Plaza London Waterloo



GET IN TOUCH

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