

BRINGING UNIQUE EXPERIENCES **TOGETHER**

2017 ANNUAL RESULTS
AND COMPANY PROFILE

WELCOME

From the moment our guests consider a stay with PPHE Hotel Group to their safe return home, we want them to experience the very best and know that we are with them every step of the way. So we want to take you on that journey.

01

BEFORE ARRIVAL

- 04 Introduction
- 05 Our business model
- 06 Our strengths

02

DURING YOUR STAY WITH US

- 08 Highlights
- 09 Investment case study:
Arena Hospitality Group
- 10 Investment case study:
Park Plaza London Waterloo
- 11 Financial highlights
- 12 Group statistics
- 13 Key factors of the Group's financial position
- 14 Analysis of capital employed
- 15 United Kingdom
- 16 The Netherlands
- 17 Germany & Hungary
- 18 Croatia
- 19 Management and central services

03

CUSTOMER EXPERIENCE

- 21 Growth drivers
- 22 Outlook

04

APPENDIX

- 24 Consolidated statement of financial position
- 26 Consolidated income statement

BEFORE ARRIVAL

- 04 Introduction
- 05 Our business model
- 06 Our strengths

01

INTRODUCTION

who we are

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

**5**

Countries

39

Hotels in operation

4

Hotel brands

9,000

Rooms in operation

500+

Rooms under development

3,400+

Employees

OUR BUSINESS MODEL

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, full-service international hospitality company led by a highly experienced senior management team.

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

1

Investing in and
converting real estate



Full
ownership



Operating
leases

2

(Re)developing



Joint
ventures



Franchise
agreements

3

Flexible operating
platforms



Management
contracts

4

Brands

OUR STRENGTHS

1

Integrated and entrepreneurial approach

Hotel development, design, construction, ownership and operation

2

Global partnership

Powerful distribution network through Carlson Rezidor Hotel Group

3

Growth capital

Capital available to fund future pipeline

4

Financial track record

Driving top line growth and delivering industry leading profit margins

5

Management team

Highly experienced and senior management team

DURING YOUR STAY WITH US

- 08 Highlights
- 09 Investment case study: Arena Hospitality Group
- 10 Investment case study: Park Plaza London Waterloo
- 11 Financial highlights
- 12 Group statistics
- 13 Key factors of the Group's financial position
- 14 Analysis of capital employed
- 15 United Kingdom
- 16 The Netherlands
- 17 Germany & Hungary
- 18 Croatia
- 19 Management and central services

02

HIGHLIGHTS

Successful public offering of new shares in Croatian Subsidiary, which raised approximately €106 million of new capital for portfolio investment and growth

Capital restructuring – sale and leaseback of Park Plaza London Waterloo – raising approximately £80 million in excess cash for future development and growth

Completed acquisition of the freehold interests in art’otel cologne and art’otel berlin kudamm

Full opening of Park Plaza London Waterloo and Park Plaza London Park Royal, adding 706 rooms to hotel portfolio

Full year of trading at Park Plaza Nuremberg

Benefited from the additional room inventory at Park Plaza London Riverbank

Continued investment in renovation projects across current portfolio to enhance product offer and guest experience



Refinanced Arena’s loans of €64 million against more favourable terms

INVESTMENT CASE STUDY: ARENA HOSPITALITY GROUP

PPHE HOTEL GROUP'S INVESTMENT IN ARENA HOSPITALITY GROUP

– INVESTMENT IN ACQUISITIONS AND CORPORATE RESTRUCTURING	£27.7m
– CONTRIBUTION OF GERMAN AND HUNGARIAN OPERATIONS	£44.0m
– SUBSCRIPTION FOR NEW SHARES IN PUBLIC OFFERING	£7.1m

TOTAL INVESTMENT	£78.8m
-------------------------	---------------

(RESULTING IN A 51.97% SHAREHOLDING)

VALUATION AS AT 31 DECEMBER 2017

ARENA HOSPITALITY GROUP VALUATION	£272.5m
PPHE HOTEL GROUP'S 51.97 SHAREHOLDING	£141.6m

(DEMONSTRATING SIGNIFICANT VALUE CREATION)

INVESTMENT CASE STUDY: PARK PLAZA LONDON WATERLOO

ACQUISITION

ACQUISITION DATE OFFICE BUILDING	JUNE 2013
DATE PLANNING PERMISSION	MARCH 2014
CONSTRUCTION COMPLETION DATE	JUNE 2017
TOTAL COST OF INVESTMENT (INCL. SITE ACQUISITION)	£125.0M
EXTERNAL VALUATION JUNE 2017 (VACANT POSSESSED)	£250.0M

SALE AND LEASEBACK

SALE AND LEASEBACK DATE	JULY 2017
PRICE	£161.5M
LEASE PER ANNUM	£5.6M
YIELD	3.5%
RENT COVER (STABILISED OPERATIONS)	± 2.0
DURATION	199 YEARS

FINANCIAL HIGHLIGHTS

	FY 2017	FY 2016	CHANGE
TOTAL REVENUE	£325.1m	£272.5m	+19.3%
LIKE-FOR-LIKE REVENUE	£300.8m	£272.8m	+10.3%
EBITDA	£107.3m	£94.1m	+14.0%
LIKE-FOR-LIKE EBITDA	£101.1m	£93.0m	+8.7%
EBITDA MARGIN	33.0%	34.5%	-150bps
NORMALISED PBT	£32.1m	£31.7m	+1.1%
REPORTED PBT	£31.7m	£38.2m	-17.1%
NORMALISED EPS	58p	68p	-14.2%
REPORTED EPS	57p	83p	-31.0%
ORDINARY DIVIDEND	24p	21p	+14.3%
SPECIAL DIVIDEND	–	£1.00	N/A

REVENUE:

- Improved performance most regions
- Opening Park Plaza London Waterloo and Park Plaza London Park Royal
- Full year contribution Park Plaza Nuremberg
- Opening extra rooms at Park Plaza London Riverbank
- Closure of 50% of the inventory of Park Plaza Victoria Amsterdam for refurbishment

EBITDA:

- Acquisition freeholds Germany that were previously leased
- Increased property taxes in London
- First time consolidation of Q1 of the Croatia operations that are loss making due to seasonality

NORMALISED PROFIT BEFORE TAX:

- Depreciation and interest expenses on new hotel openings that didn't reach full maturity yet affected the profit before tax

NORMALISED EARNINGS PER SHARE:

- Tax charge on profits gradually increasing
- Profits attributable to minority shareholders increased due to the dilution of the Group's share in Arena Hospitality Group after the public share offering

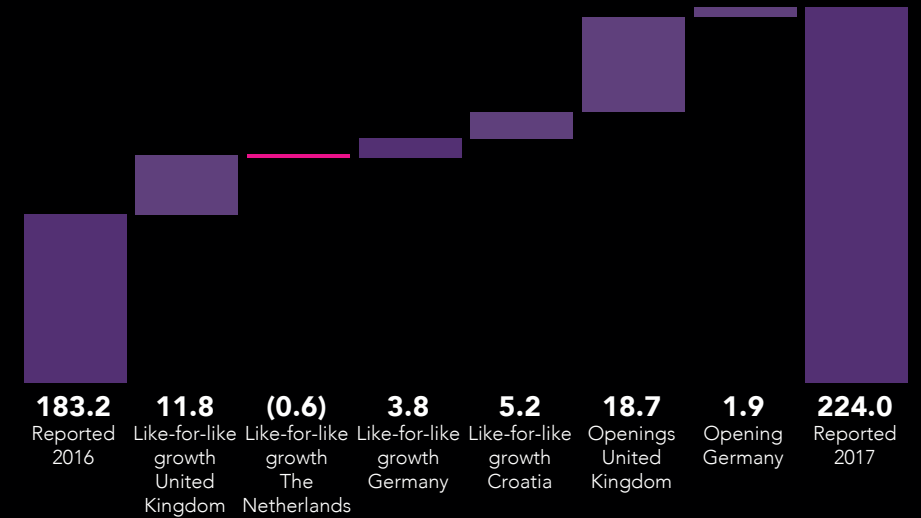
GROUP STATISTICS

	REPORTED			LIKE-FOR-LIKE		
	2017	2016	% CHANGE	2017	2016	% CHANGE
ROOM REVENUE	£224.0m	£183.2m	+22.3%	£203.3m	£183.2m	+11.0%
REVPAR	£92.9	£84.4	+10.0%	£92.4	£82.9	+11.5%
OCCUPANCY	77.3%	76.0%	+130Bps	77.2%	74.6%	+260Bps
ARR	£120.2	£111.1	+8.2%	£119.7	£111.0	+7.8%

KEY DRIVERS

- Strong trading particularly in Germany and Croatia, that showed double digit RevPAR growth
- Opening of Park Plaza London Waterloo and Park Plaza London Park Royal
- Full year contribution of Park Plaza Nuremberg
- Extra rooms at Park Plaza London Riverbank due to rooftop extension, less rooms Park Plaza Victoria Amsterdam due to refurbishment

YEAR-ON-YEAR ROOM REVENUE GROWTH



KEY FACTORS OF THE GROUP'S FINANCIAL POSITION

BELOW IS A SYNOPSIS OF THE KEY FACTORS OF THE GROUPS' FINANCIAL POSITION

	2017	2016
INTEREST BEARING DEBT (IN £MILLION)	705	766
AVERAGE COST OF DEBT	3.1%	3.5%
AVERAGE MATURITY (IN YEARS)	8.6	7.7
CASH AND LIQUID INVESTMENT (IN £MILLION)	291	170

SIMPLIFIED CASH FLOW	2017	2016
EBITDA	107.3	94.1
INTEREST PAID	(43.3)	(38.6)
REGULAR CAPEX (ANNUALISED AT 4% OF REVENUES)	(13.0)	(10.9)
CASH FLOW AVAILABLE AFTER INTEREST AND CAPEX	51.0	44.6
REGULAR INSTALMENTS ON DEBT	(14.7)	(13.3)
FREE CASH FLOW	36.3	31.3

KEY CHARACTERISTICS DEBT

- Limited to no recourse to the Group
- Asset backed
- Borrowing policy 50-65% loan to value
- Portfolio and single asset loans
- Nine facilities with seven different lenders
- Covenants on performance and value (facility level)

KEY MOVEMENTS FINANCIAL POSITION

- Public Share offering Croatia raised HRK 788 million (£91 million)
- Sale and lease back Park Plaza London Waterloo raised £80 million excess cash and repaid £80 million bank debt
- Acquisition freehold properties in Germany funded with £32 million bank debt
- Refinance of EUR 64 million (£56 million) of debt in Croatia @ 2.5% for 10 years

ANALYSIS OF CAPITAL EMPLOYED

	PPHE HOTEL GROUP			ARENA HOSPITALITY GROUP		TOTAL
	TRADING PROPERTIES £M	EXCESS CASH	NON TRADING PROJECTS	TRADING PROPERTIES £M	EXCESS CASH	PPHE HOTEL GROUP REPORTED £M
TOTAL CAPITAL CONSOLIDATED	92.4	130.0	15.0	125.8	77.7	440.9
MINORITY SHAREHOLDERS	–	–	–	(60.3)	(37.3)	(97.6)
TOTAL CAPITAL EMPLOYED PPHE HOTEL GROUP SHAREHOLDERS	92.4	130.0	15.0	65.5	40.4	343.3
NORMALISED PROFIT						
REVENUE	240.9	–	–	84.2	–	325.1
EBITDA	82.3	–	–	25.0	–	107.3
EBITDA EXCLUDING INCOME ATTRIBUTABLE TO PRIVATE INVESTORS IN PARK PLAZA WESTMINSTER BRIDGE LONDON	72.0	–	–	25.0	–	97.0
NORMALISED PROFIT BEFORE TAX 31 DECEMBER 2017¹	17.7	–	0.1	14.3	–	32.1
REPORTED TAX	1.3			(3.0)		(1.7)
NORMALISED PROFIT AFTER REPORTED TAX	19.0	–	0.1	11.3	–	30.4
PROFIT ATTRIBUTABLE TO MINORITY SHAREHOLDERS	–	–	–	(5.7)	–	(5.7)
PROFIT AFTER TAX ATTRIBUTABLE TO PPHE HOTEL GROUP SHAREHOLDERS	19.0	–	0.1	5.6	–	24.7

¹ A reconciliation of reported profit to normalised profit is provided on page 45 of the Annual Report

UNITED KINGDOM REPORTED

+18.2%	+25.0%	+0.2%	+1.4%	-100bps
EBITDA £60.5m	TOTAL REVENUE £185.8m	RevPAR £121.3	ARR £145.8	OCCUPANCY 83.2%
LIKE-FOR-LIKE ¹ £54.4m	LIKE-FOR-LIKE ¹ £163.8m	LIKE-FOR-LIKE ¹ £125.4	LIKE-FOR-LIKE ¹ £150.3	LIKE-FOR-LIKE ¹ 83.4%

The UK Hotel portfolio delivered a strong performance because of strong trading in the first half of the year and the increased new room inventory at Park Plaza London Riverbank, along with the two newly opened London hotels (Park Plaza London Waterloo and Park Plaza London Park Royal).

Park Plaza Westminster Bridge London delivered yet another strong performance, significantly outperforming its competitive set in occupancy, average room rate and RevPAR. Furthermore, Park Plaza Nottingham outperformed its competitive set in occupancy, average room rate and RevPAR.

EBITDA was affected by a significant increase in property taxes, primarily in the London market.

Renovation projects continued during the year with a focus on improving the competitive position of our hotels and enhancing our guest experience.

¹ Like-for-like comparison for 2017 excludes the first 10 months Park Plaza London Waterloo and the full year of Park Plaza London Park Royal numbers.



THE NETHERLANDS REPORTED

-9.2%	-2.1%	+10.4%	+7.4%	+230bps
EBITDA £13.3m	TOTAL REVENUE £47.3m	RevPAR £96.0	ARR £112.2	OCCUPANCY 85.6%
LOCAL CURRENCY¹ €15.2m	LOCAL CURRENCY¹ €54.1m	LOCAL CURRENCY¹ €109.7	LOCAL CURRENCY¹ €128.2	

The performance of the region was impacted due to the disruption in the period associated with the extensive renovation programme which limited the number of rooms, meeting rooms and food and beverage outlets in operation.

At Park Plaza Victoria Amsterdam, approximately half of the room inventory was temporarily closed and all the public areas, restaurants, bars and meeting rooms were renovated in phases.

At Park Plaza Vondelpark, Amsterdam one of the three buildings which comprised the hotel was sold, which reduced the room count by 36 rooms. Extensive renovation works are expected to commence in the second half of 2018 on the remaining two buildings.

Park Plaza Utrecht and Park Plaza Eindhoven both significantly outperformed their competitive sets in respect of average room rate, occupancy and RevPAR. Further renovation works are expected to commence in 2018 at Park Plaza Utrecht with room renovations and the redevelopment of public areas.

¹ Average exchange rate from Euro to Pound sterling for the year to December 2017 was 1.14 and for the year to December 2016 was 1.22, representing a 6.4% decrease.



GERMANY AND HUNGARY REPORTED

+378.6% **+23.0%** **+26.0%** **+18.3%** **+460bps**

EBITDA
£4.3m

TOTAL REVENUE
£30.7m

RevPAR
£62.2

ARR
£82.5

OCCUPANCY
75.4%

LIKE-FOR-LIKE¹
£4.2m

LIKE-FOR-LIKE¹
£28.4m

LIKE-FOR-LIKE¹
£61.5

LIKE-FOR-LIKE¹
£79.6

LIKE-FOR-LIKE¹
77.3%

Reported growth in revenue because of the improved performance of operations in Germany and Hungary year-on-year.

The main driver for the growth in RevPAR was the first full year contribution from Park Plaza Nuremberg, which opened in June 2016, and an improvement in the trading environment. Furthermore, in 2016 several hotels were undergoing renovation projects providing a softer year-on-year comparative.

In Cologne, Germany as well as in Budapest, Hungary the hotel market reported an improved performance.

Renovation projects at several hotels have been identified and are under review in order to ensure consistency of hotel quality and guest experience.

¹ The like-for-like figures for the 12 months ended 31 December 2017 exclude Park Plaza Nuremberg for the first five months of 2017. Furthermore, the like-for-like 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). The like for like comparisons for 2017 and 2016 exclude rent expenses for art'otel berlin kudamm and art'otel cologne (two months of rent expense in 2017 vs 12 months in 2016).



CROATIA REPORTED

-1.3%	+21.4%	+14.5%	+13.4%	+60bps
EBITDA £18.7m	TOTAL REVENUE £56.3m	RevPAR £57.0	ARR £92.2	OCCUPANCY 61.8%
LOCAL CURRENCY ¹ HRK 159.1 million	LOCAL CURRENCY ¹ HRK 479.8 million	LOCAL CURRENCY ¹ HRK 485.8	LOCAL CURRENCY ¹ HRK 785.6	

Operations in Croatia are highly seasonal with the majority of guest visits occurring from June to September.

Higher revenue with tourism in Croatia continuing to increase year-on-year. Further aided by the devaluation of Pound Sterling against the Croatian Kuna.

The Group invested in a number of renovation projects, including the total refurbishment of the rooms and public areas at Hotel Holiday in Medulin.

Planning and designs for the major renovation of Hotel Brioni, a hotel located within the Punta Verudela area of Pula, are being finalised.

¹ Average exchange rate from Croatian Kuna to Pound Sterling for the year ending December 2017 was 0.12 and for the year ending 30 December 2016 was 0.11, representing a 7.0% increase.



MANAGEMENT AND CENTRAL SERVICES

The revenues in this segment are mainly fee related (management, sales, marketing, reservation and franchise) and cost reimbursement charges to hotels within the Group.

The segment generally makes a profit on its' management fees charged out to the Group (consolidated) and external (non consolidated) hotels. These management fees are calculated as a percentage of revenues (base fee) and a percentage of gross operating profit (incentive fee).

Below overview gives an overview of those fees charged¹

Total management fees ¹ charged to:	2017	2016
Hotels consolidated in the Group:		
United Kingdom	11,638	9,261
The Netherlands	2,656	2,797
Germany and Hungary	1,754	1,446
Croatia	1,991	1,767
Hotels non consolidated in the Group:	18,039	15,271
External management fees	2,295	2,226
Total management fee revenue	20,334	17,497
Elimination of management fees charged within the Group	(18,039)	(15,271)
Other external revenues (such as rent, sales, marketing and franchise fees)	2,697	2,143
Total reported external revenues	4,992	4,369
EBITDA (total internal and external revenues, less operating and rental expenses)	10,540	8,531

¹ For the purpose of this overview these revenues represent only management fees. The segment has other fee related revenues, such as sales, marketing, reservation, franchise and rent. Further more the segment has revenues from recharging central services.



CUSTOMER EXPERIENCE

21 Growth drivers

22 Outlook

03

GROWTH DRIVERS

PIPELINE – OPENINGS

Project	Location	Operating structure	No of rooms	Status
art'otel london hoxton	London, United Kingdom	Joint venture management contract ¹	318	Expected to open 2022
art'otel london battersea power station	London, United Kingdom	Management contract	160	Expected to open 2022

PIPELINE – KEY RENOVATION PROJECTS

Park Plaza London Riverbank Reconfiguration	London, United Kingdom	Owned and management contract	646	Expected 2018
Park Plaza Sherlock Holmes London	London, United Kingdom	Owned and management contract	119	Expected 2018
Park Plaza Victoria London	London, United Kingdom	Owned and management contract	299	Expected 2019
Park Plaza Victoria Amsterdam	Amsterdam, The Netherlands	Owned and management contract	299	Expected 2018
Park Plaza Vondelpark, Amsterdam	Amsterdam, The Netherlands	Owned and management contract	102	Expected 2019
Park Plaza Utrecht	Utrecht, The Netherlands	Owned and management contract	120	Expected 2018
art'otel cologne	Cologne, Germany	Owned and managed by Arena	218	Expected 2018
art'otel berlin kudamm	Berlin, Germany	Owned and managed by Arena	152	Expected 2018

¹ On 24 January 2018, the Group announced that it had exchanged contracts to acquire from its joint venture partner its fifty percent interest in Aspirations Limited (the company that owns the site for the development), resulting in the Group holding a one hundred percent interest. This acquisition is expected to complete by the end of March 2018.



OUTLOOK



- Trading to date is consistent with meeting the Board's expectations for the full year
- Looking forward to focusing on a strong pipeline of renovations and developments across our portfolio in 2018
- Early 2018, we exchanged contracts to acquire, from our joint venture partner, a fifty percent interest in the company that owns the site for the development of art'otel london hoxton
- This development complements our art'otel london battersea power station project (for which the Group has an operating agreement)



- With a number of key renovation programmes taking place in 2018, we anticipate a slight reduction in services available to guests and this may result in a potential short term impact to final year-end hotel revenue levels.
- 2018 will also see a full year of trading for Park Plaza London Waterloo and Park Plaza London Park Royal, with a combined room count of 706 rooms. Accompanied by further inventory made available following Park Plaza London Riverbank's full re-launch later in 2018, we expect to drive further benefits from our strong London portfolio.



- We are equally excited about the planned re-launch of the extensively renovated Park Plaza Victoria Amsterdam and the launch of the glamping offering at Arena Pomer Campsite in Croatia.
- We firmly believe that the superior quality of the new product and service offerings will stand us in good stead for healthy trading in the long term.

APPENDIX

24 Consolidated statement of financial position

26 Consolidated income statement

04

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	NOTE	AS AT 31 DECEMBER	
		2017 £'000	2016 £'000
ASSETS			
NON-CURRENT ASSETS:			
INTANGIBLE ASSETS	4	23,570	25,158
PROPERTY, PLANT AND EQUIPMENT	5	1,158,442	1,069,702
INVESTMENT IN JOINT VENTURES	6	18,727	18,409
OTHER NON-CURRENT ASSETS	7	18,828	3,090
RESTRICTED DEPOSITS AND CASH	14(b)	500	5,235
DEFERRED INCOME TAX ASSET	26	147	713
		1,220,214	1,122,307
CURRENT ASSETS:			
RESTRICTED DEPOSITS AND CASH	14(b)	25,561	25,513
INVENTORIES		2,701	2,412
TRADE RECEIVABLES	8	13,392	12,576
OTHER RECEIVABLES AND PREPAYMENTS	9	12,446	10,370
OTHER CURRENT FINANCIAL ASSETS	10	24,711	–
CASH AND CASH EQUIVALENTS	11	241,021	144,732
		319,832	195,603
TOTAL ASSETS		1,540,046	1,317,910

The above tables are a reference to the Annual Report 2017

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	NOTE	AS AT 31 DECEMBER	
		2017 £'000	2016 £'000
EQUITY AND LIABILITIES			
EQUITY:	12		
ISSUED CAPITAL		–	–
SHARE PREMIUM		129,878	129,527
TREASURY SHARES		(3,636)	(3,208)
FOREIGN CURRENCY TRANSLATION RESERVE		18,816	14,450
HEDGING RESERVE		(302)	(895)
ACCUMULATED EARNINGS		198,589	159,755
ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT		343,345	299,629
NON-CONTROLLING INTERESTS		97,593	30,573
TOTAL EQUITY		440,938	330,202
NON-CURRENT LIABILITIES:			
BORROWINGS	15	666,936	642,120
PROVISION FOR LITIGATION	16(a)	3,659	3,392
PROVISION FOR CONCESSION FEE ON LAND	16(b)	3,591	2,885
FINANCIAL LIABILITY IN RESPECT OF INCOME UNITS SOLD TO PRIVATE INVESTORS	17	131,632	133,983
OTHER FINANCIAL LIABILITIES	18	192,792	22,979
DEFERRED INCOME TAXES	26	7,394	9,345
		1,006,004	814,704
CURRENT LIABILITIES:			
TRADE PAYABLES		12,843	10,754
OTHER PAYABLES AND ACCRUALS	19	47,314	43,959
BORROWINGS	15	32,947	118,291
		93,104	173,004
TOTAL LIABILITIES		1,099,108	987,708
TOTAL EQUITY AND LIABILITIES		1,540,046	1,317,910

The above tables are a reference to the Annual Report 2017

CONSOLIDATED INCOME STATEMENT

		AS AT 31 DECEMBER	
		2017 £'000	2016 £'000
REVENUES	20	325,118	272,470
OPERATING EXPENSES	21	(209,092)	(169,491)
EBITDAR		116,026	102,979
RENTAL EXPENSES		(8,722)	(8,844)
EBITDA		107,304	94,135
DEPRECIATION AND AMORTISATION	4, 5, 7	(34,288)	(25,330)
EBIT		73,016	68,805
FINANCIAL EXPENSES	22	(31,966)	(27,220)
FINANCIAL INCOME	23	1,815	2,559
OTHER EXPENSES	24	(1,503)	(27,195)
OTHER INCOME	24	1,351	33,700
NET EXPENSES FOR FINANCIAL LIABILITY IN RESPECT OF INCOME UNITS SOLD TO PRIVATE INVESTORS	25	(10,666)	(10,680)
SHARE IN RESULT OF ASSOCIATE AND JOINT VENTURES	6	(350)	(1,750)
PROFIT BEFORE TAX		31,697	38,219
INCOME TAX EXPENSE	26	(1,748)	(62)
PROFIT FOR THE YEAR		29,949	38,157
PROFIT ATTRIBUTABLE TO:			
EQUITY HOLDERS OF THE PARENT		24,271	35,117
NON-CONTROLLING INTERESTS		5,678	3,040
		29,949	38,157
BASIC AND DILUTED EARNINGS PER SHARE (IN POUND STERLING)	27	0.57	0.83

The above tables are a reference to the Annual Report 2017

CORRESPONDENCE

ROBERT HENKE

Executive Vice President Corporate Affairs & Customer Experience

County Hall – Riverside Building
2nd Floor, Belvedere Road
London, SE1 7GP
United Kingdom

T. +44 20 7034 4808

T. +31 20 717 8603

E. rhenke@pphe.com

pphe.com

IMPORTANT NOTICE

By attending the meeting where this presentation is made, or by reading this document, you agree to be bound by the limitations set out below.

This presentation does not constitute an offer or invitation for the sale or purchase of any securities of PPHE Hotel Group Limited (PPHE) or any of the businesses or assets described in it. The information in this presentation, which does not purport to be comprehensive, has been provided by PPHE and has not been independently verified. While this information has been prepared in good faith, no representation or warranty, express or implied, is or will be made and, save in the case of fraud, no responsibility or liability is or will be accepted by PPHE and any of its subsidiaries (PPHE Hotel Group) or by any of their respective directors, officers, employees, agents or advisers in relation to the accuracy or completeness of this presentation or any other written or oral information made available to any interested party or its advisers and any such liability is expressly disclaimed.

No information set out or referred to in this presentation shall form the basis of any contract.

This presentation has been delivered to interested parties for information only. The recipient agrees to keep confidential any written or oral information contained herein or otherwise made available in connection with the Group. This presentation must not be copied, reproduced, distributed or passed to others at any time. The recipient has further agreed to return all documents and other material held by it relating to the Group referred to in the

presentation upon request. PPHE gives no undertaking to provide the recipient with access to any additional information or to update this presentation or to deliver an updated presentation in the future or to update any additional information, or to correct any inaccuracies in it which may become apparent, and it reserves the right, without giving reasons, at any time and in any respect, to terminate negotiations with any prospective purchaser.

This presentation is being distributed on the basis that each person in the UK to whom it is issued is reasonably believed to be such a person as is described in Article 19 (Investment professionals), Article 48 (Certified high net worth individuals), Article 49 (High net worth companies, unincorporated associations etc.), Article 50 (Certified sophisticated investors), or Article 50A (Self-certified sophisticated investors) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, or is a person to whom this presentation may otherwise lawfully be distributed. Persons who do not fall within such descriptions may not act or rely upon the information contained in it.

The contents of this document have not been approved by an authorised person within the meaning of the Financial Services and Markets Act 2000. Reliance on this document for the purposes of engaging in any investment activity may expose you to a significant risk of losing all of the property or other assets invested or of incurring additional liability. Any person who is in doubt should consult an authorised person specialising in advising on investments of this nature.

Any recipient of this presentation in jurisdictions outside the UK should inform themselves about and observe any applicable legal requirements. This presentation does not constitute an offer to sell or an invitation to purchase securities in PPHE in any jurisdiction. In particular, this presentation should not be distributed, directly or indirectly, by any means (including electronic transfer) in or into Canada, Australia, Japan, the United States or the Republic of South Africa or to any citizens, nationals or residents thereof, or to any corporation, partnership or other entity created or organized under the laws of those jurisdictions or to any "US Person" as defined in Regulation S under the US Securities Act of 1933 (as amended). Any such distribution could result in a violation of relevant securities laws of such jurisdictions.

This presentation should not be considered as the giving of investment advice or any recommendation by PPHE or any other member of the Group or by any of their respective officers, directors, employees, agents or advisers. Each person to whom this presentation is made available must make his or its own independent assessment of PPHE and the Group after making such investigation and taking such advice as he or it may consider necessary or appropriate. In particular, this presentation does not replace a review of any financial or other information published by PPHE via a Regulatory Information Service and ongoing reports. Any opinions, forecasts or estimates in this presentation constitute a judgment as at the date of this presentation. There can be no assurance that future results or events will be consistent with any such opinions, forecasts or estimates.

Matters discussed in this document may constitute forward-looking statements. Forward-looking statements are generally identifiable by the use of the words "may", "will", "should", "plan", "expect", "anticipate", "estimate", "believe", "intend", "project", "goal" or "target" or the negative of these words or other variations on these words or comparable terminology. Forward-looking statements reflect the current views of PPHE with respect to future events and financial performance and may include statements concerning plans, objectives, goals, strategies, future events or performance, and underlying assumptions and other statements, which are other than statements of historical facts.

Forward-looking statements involve a number of known and unknown risks, uncertainties and other factors that could cause PPHE's or its industry's actual results, levels of activity, performance or achievements to be materially different from any future results, levels of activity, performance or achievements expressed or implied by such forward-looking statements.

All enquiries relating to this presentation should be directed to Robert Henke, Executive Vice President Corporate Affairs & Customer Experience, PPHE Hotel Group Limited at rhenke@pphe.com.