

ANNUAL RESULTS 2019

THE VALUE WE CREATE



pphe
HOTEL GROUP



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

PRESENTATION TEAM

Boris Ivesha

President &
Chief Executive Officer



Skills and experience:

- President of the Group since 1991
- Brought Park Plaza® Hotels & Resorts brand to the Group in 1994 in collaboration with the Red Sea Group
- Major influencer in the expansion of the Group's portfolio
- Established the Yamit Hotel, Israel in 1984 and served as its President
- Director of the Carlton Hotel in Israel (1979–1984)
- General Manager of the Royal Horseguards Hotel in London (1972–1979)
- Arena Hospitality Group Supervisory Board Chairman
- Appointed to the Board on 14 June 2007

Daniel Kos

Chief Financial Officer
& Executive Director



Skills and experience:

- Appointed Chief Financial Officer in January 2018
- Previously Vice President Corporate Finance of the Group, which he joined in 2011
- Held, prior to joining the Group, various senior leadership positions within auditing and finance, including at Mazars LLP
- Certified Public Accountant (Register Accountant)
- Appointed to the Board on 27 February 2018

Greg Hegarty

Deputy Chief Executive Officer
& Chief Operating Officer



Skills and experience:

- Promoted to Deputy Chief Executive Officer in January 2020
- Works alongside the President & Chief Executive Officer to drive near-term growth, set the corporate vision and long-term strategy for the Group
- COO since 2018, previously EVP UK and Chief Commercial Officer
- 12 years with the Group including hotel manager and regional manager roles
- Responsible for the Group's Operations, People & Culture and Commercial Strategies
- Master's Degree in Business Administration

Robert Henke

Executive Vice President
Commercial Affairs



Skills and experience:

- Responsible for the Group's commercial activities including communications, brand development, and marketing and revenue
- Joined the Group in 2001 and developed and led the Group's central marketing, branding and ecommerce organisation
- Bachelor's Degree in Hotel Management Business Administration from Hotelschool The Hague

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THE YEAR

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HIGHLIGHTS OF THE YEAR

Inclusion in the
FTSE 250 Index

Joined FTSE 250 and FTSE
All Share Indices 24 June 2019

Completed £100+ million
repositioning programme

Launched Holmes Hotel London, Park Plaza Vondelpark,
Amsterdam, Park Plaza Utrecht and Arena Kažela Campsite

Progressed £300+ million
pipeline and further
repositioning projects

Progressed site works at art'otel london hoxton and commenced
works at Hotel Brioni Pula, Verudela Beach Resort
Pula and phase-two repositioning of Arena Kažela Campsite

Extended future pipeline
of new properties

Developments and/or sites acquired in new
markets for the Group, including New York City,
Belgrade, Zagreb (post-period end) and London

FINANCIAL HIGHLIGHTS

	FY 2019	FY 2018	Change
Total revenue	£357.7m	£341.5m	+4.8%
Like-for-like revenue ¹	£355.8m	£338.4m	+5.2%
EBITDA	£122.9m	£113.2m	+8.6%
Like-for-like EBITDA	£117.4m	£113.6m	+3.4%
EBITDA margin	34.4%	33.1%	+130bps
Normalised PBT	£40.7m	£37.7m	7.9%
Reported PBT	£38.5m	£46.4m	-17.0%

	FY 2019	FY 2018	Change
Reported EPS	80p	90p	-11.0%
Ordinary dividend	37p	35p	+5.7%
EPRA NAV	1,091.7m	1,053.0m	+3.7%
Adjusted EPRA earnings	54.2m	48.5m	+11.8%
EPRA NAV per share	£25.46	£24.57	+3.6%
Adjusted EPRA earnings per share	128p	115p	+11.7%

¹ The like-for-like comparison for 2019 excludes the influence of IFRS 16, which was issued in January 2016 and applies to annual reporting periods beginning on or after 1 January 2019. Furthermore, the like-for-like figures for the year ended December 2019 exclude the operation of Park Plaza Vondelpark, Amsterdam from August to December (the property was temporarily closed for renovations during this period in 2018). The like-for-like figures for the year ended December 2018 exclude the first three months of operation for Park Plaza Vondelpark, Amsterdam (the property was temporarily closed for renovations during this period in 2019). Furthermore, the like-for-like figures for the year ended December 2018 exclude the operation of art'otel Dresden (the lease of which was terminated on 31 July 2018).

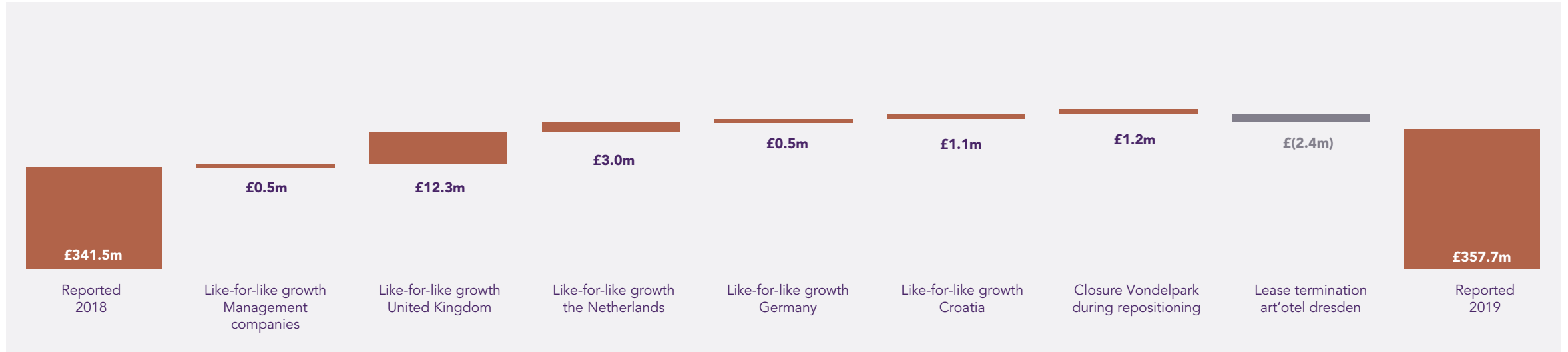
**Like-for-like revenue
growth mainly due
to strong results in the UK**

**Group's total assets of £1.7 billion,
which translates to EPRA NAV
of £25.46 per share**

**Maintaining a solid EBITDA
margin of 34.4%**

**5.7%
Dividend increase**

TOTAL REVENUE UP 4.8% IN THE YEAR



OUR REVPAR PERFORMANCE BY COUNTRY

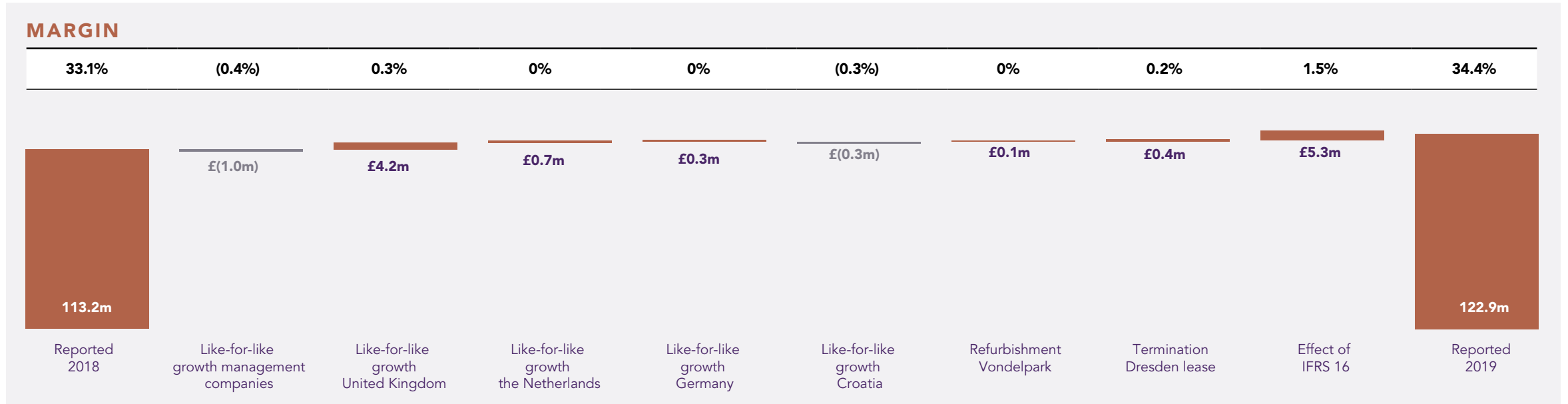
	GBP	Local currency	YOY change
United Kingdom	£133.7	£133.7	7.4%
The Netherlands	£107.6	€122.9	3.7%
Germany and Hungary	£75.5	€86.2	9.0%
Croatia	£57.5	HRK 487.1	(0.7)%
Group	£103.6	£103.6	6.0%

KEY MARKETS REVPAR PERFORMANCE

	2019		2020 Outlook
	PPHE	Market*	Market*
London	+7.7%	+4.7%	+1.7%
Amsterdam	+4.0%	-1.3%	+1.5%
Berlin	+4.9%	+1.4%	+1.2%

* STR Global February 2020; data for the markets, except for London where the data segment upper upscale is presented.

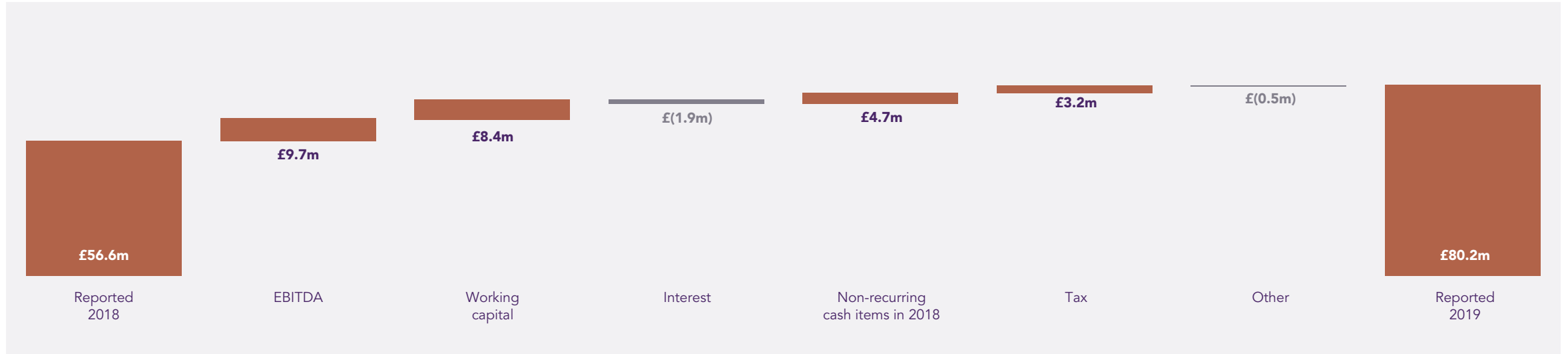
EBITDA INCREASED 8.6% TO £122.9 MILLION



EBITDA up in most regions

Maintained stable EBITDA margins

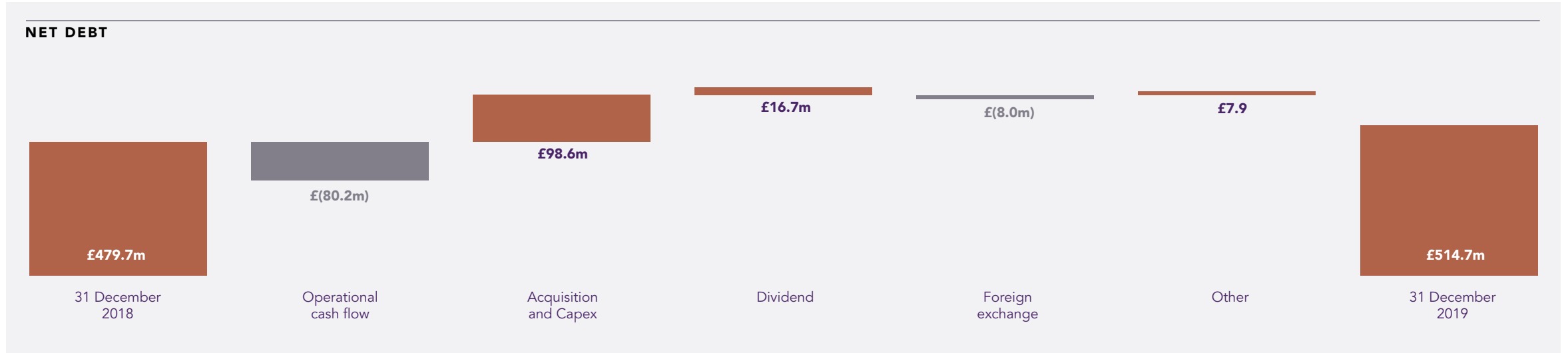
OPERATIONAL CASH FLOW



Tax payments reduced by investment tax credits in Croatia

Cash flow 2018 impacted by non-recurring cash items

NET DEBT STABLE WITH STRONG RATIOS



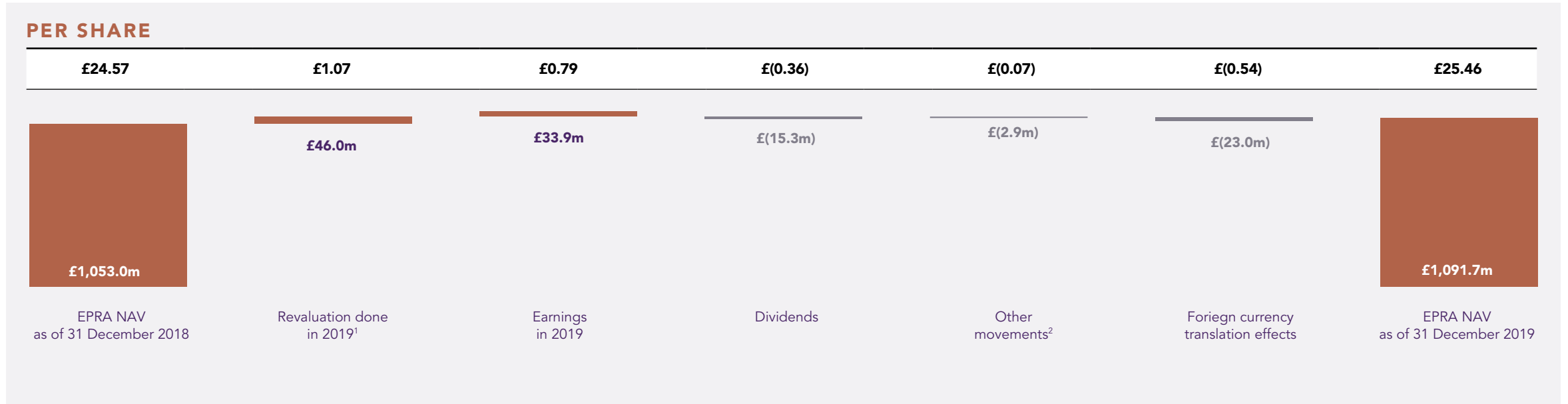
NET BANK DEBT LEVERAGE

29.4%

INTEREST COVER RATION

4.4x

EPRA NAV AT £25.46 PER SHARE



NAV negatively affected
by Sterling appreciation

£45.9m NAV growth predominantly
on repositioned assets

1 The revaluation was done based on the same foreign exchange rates as 31 December 2018.
2 Includes other changes in equity, deferred taxes, and the effects of the exercise of options.

PIPELINE UPDATE



ART'OTEL LONDON HOXTON



ART'OTEL NEW YORK



HOTEL BELGRADE



HOTEL ZAGREB (POST PERIOD END ACQUISITION)

PIPELINE UPDATE CONTINUED*



ARENA KAŽELA CAMPSITE PHASE 2 (REPOSITIONING) (2020)



VERUDELA BEACH RESORT, PULA (REPOSITIONING) (2020)



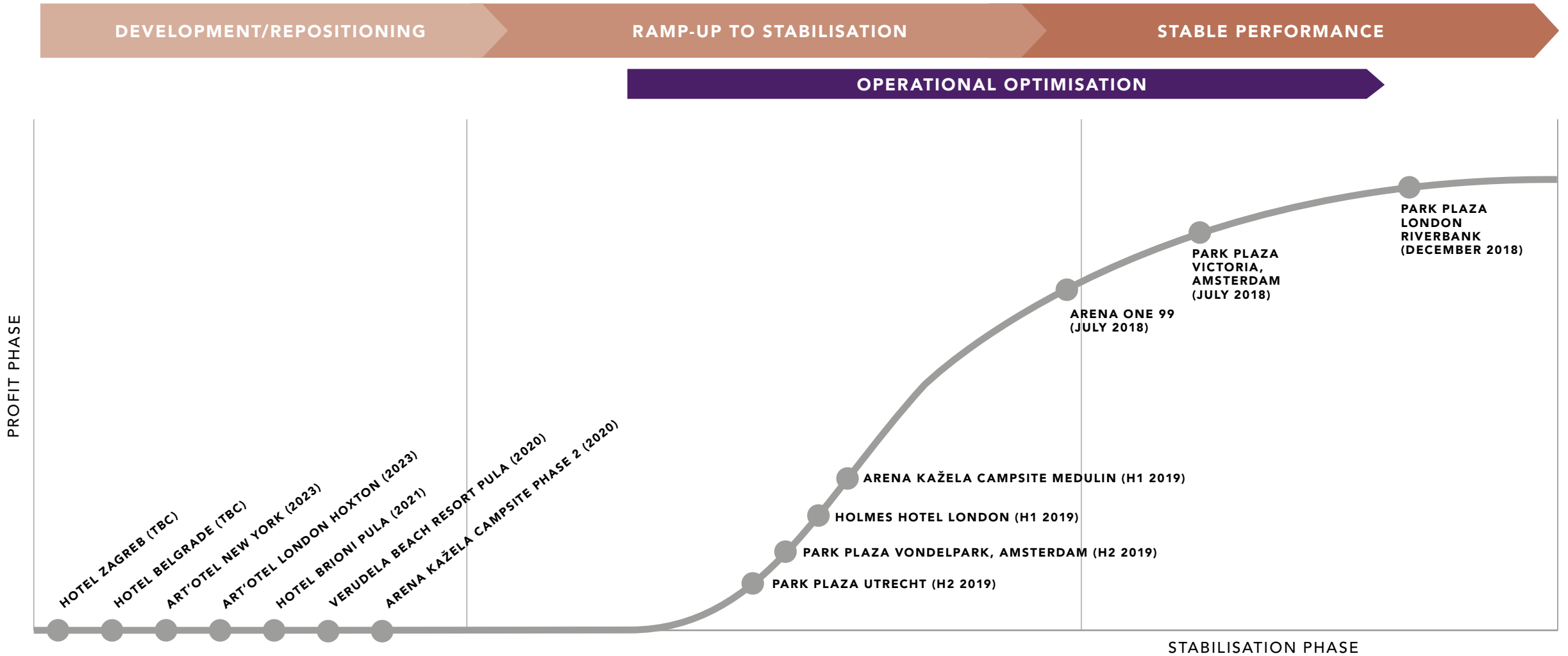
HOTEL BRIONI, PULA (REPOSITIONING) (2021)



SITE NEAR WATERLOO STATION (LONDON)

* The Group's pipeline extends to include art'otel london battersea power station which will be managed by the Group once developed.

REDEVELOPMENT AND POSITIONING OUR OWNED PORTFOLIO



INTRODUCTION



A 30-YEAR TRACK RECORD OF OWNING, DEVELOPING AND OPERATING PRIME HOSPITALITY REAL ESTATE

£1.7 billion
in prime assets

**£1.7bn portfolio of 45 prime assets
in operation consisting of
hotels, resorts and campsites**

Healthy
leverage

**Net bank debt leverage ratio
of 29.4%. Growth since IPO funded
without diluting shareholders**

£25.46 EPRA NAV per share
as at 31 December 2019

**We develop our own assets
and have grown our EPRA NAV
per share 300% in the last decade**

Ordinary dividend of
37 pence per share

**Year-on-year
increase of 5.7%**

128 pence Adjusted EPRA
earnings per share

**Increased year-on-year
with 11.7%**

Attractive
pipeline

**Attractive development pipeline,
Hoxton London, New York City,
Belgrade and Zagreb**

OUR BUSINESS MODEL

TRANSFORMING HOSPITALITY REAL ESTATE
POTENTIAL INTO VALUE AND PROFITS

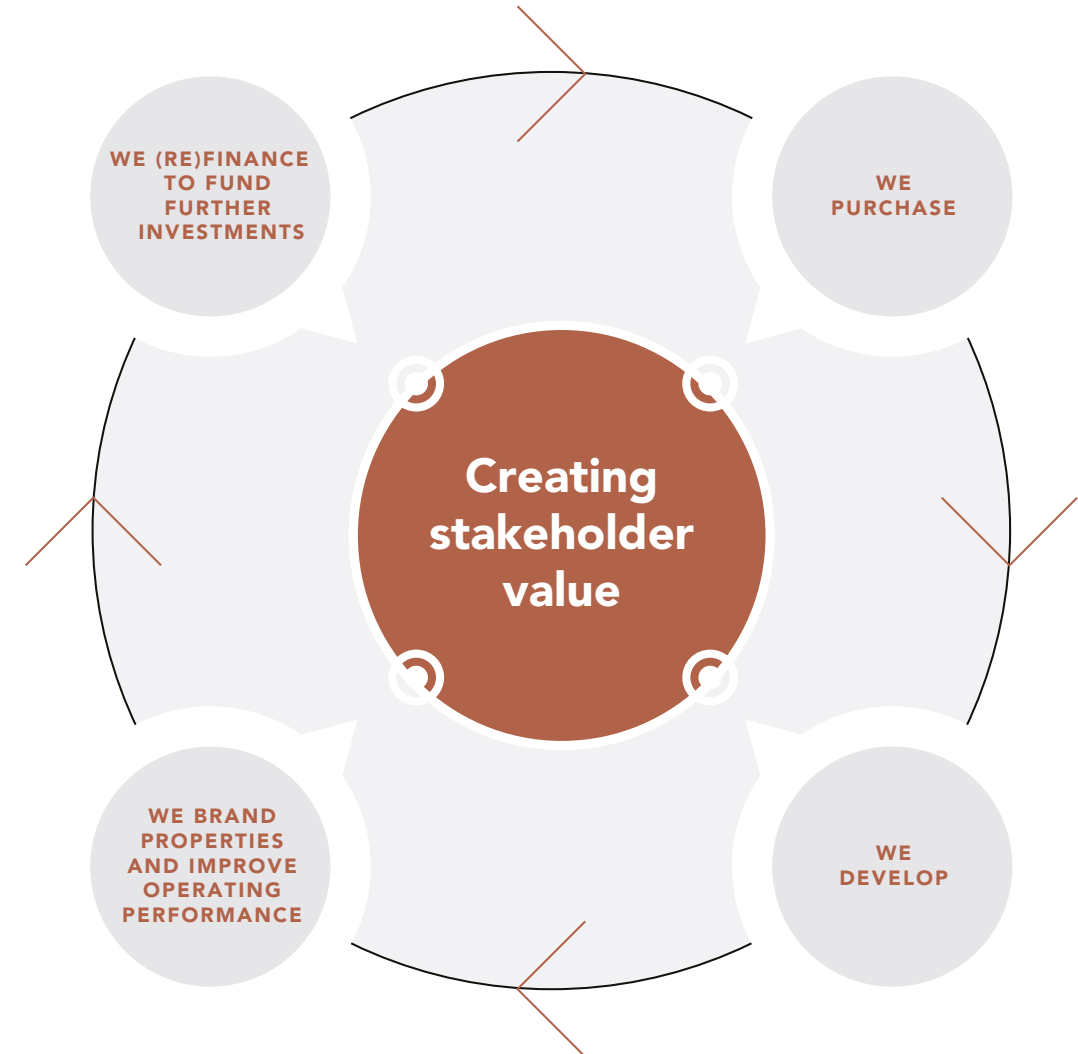
We create shareholder value through developing, owning and operating hospitality real estate

We own or co-own the majority of our portfolio

We acquire properties with significant upside potential

We (re)develop, redesign, brand and continuously improve operations, creating significant value along every part of the value chain

Through refinancing our properties we are able to release capital for new investments, enabling further growth of our Group




























**OUR TOTAL SHAREHOLDER RETURN¹
SINCE IPO IN 2007 IS 397%**

¹ Source: Bloomberg TSR IPO until 31 December 2019.

TOTAL VALUE CHAIN APPROACH

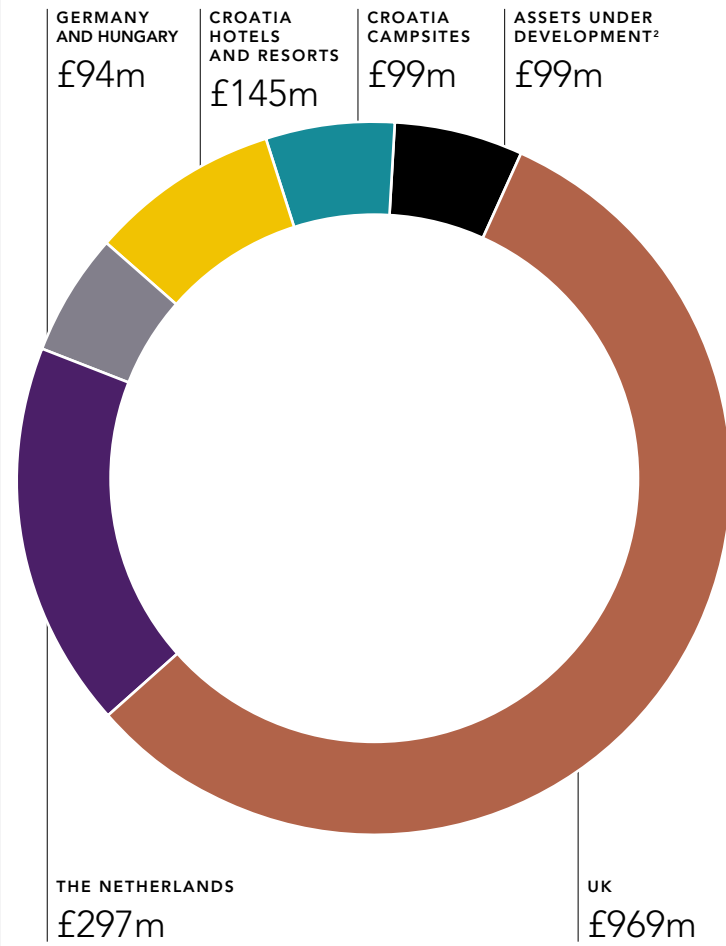
0%

100%

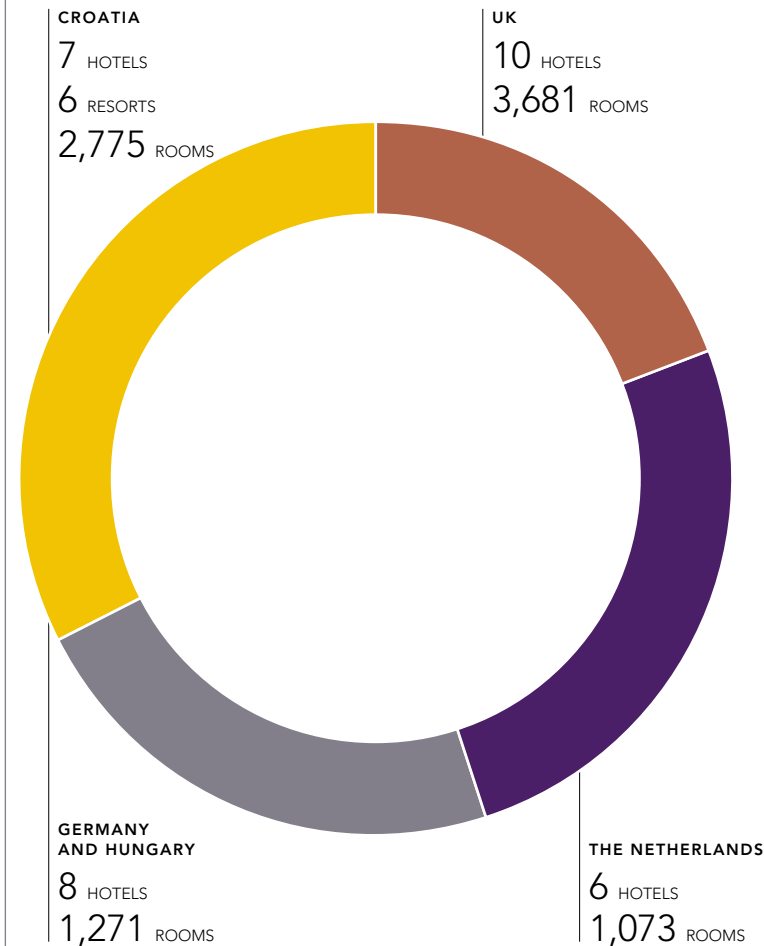
	 Site acquisition	 development/ repositioning	 Hotel ownership	 Hotel operation	 Hotel management	 Brand	 Asset management	 Extracting value	 Reinvestment/ cash recycling
 TOTAL VALUE CHAIN									
BUSINESS MODEL BENEFITS	Secure best locations and control over all aspects of the hotel design		Independence and control, no conflict of interest	Ensure consistency of brand standards and guest service levels are maintained throughout the estate			Optimise timing to refurbish and reposition	(Re) finance with asset backing to extract value	Re-invest extracted cash to enable further growth
SHAREHOLDER VALUE PROPOSITION	Value gains through development and repositioning		Rental income and value appreciation	Net operating profit from rooms, food & beverage	Fee-based income as a % of revenue and profit		Value gains	Source for funding future growth	
TYPICAL ASSET-LIGHT MODEL ADOPTED BY LARGE HOTEL GROUPS				 Asset operated under operational lease agreement	 Management agreement to earn a fee based income as a % of revenue and profit	 Franchise agreement (or the usage of a brand, income as a % of revenue)			
TYPICAL ASSET-HEAVY MODEL			 Asset owned and leased to third party	 Asset owned but managed by third party				 Sale of asset	

A DIVERSIFIED PORTFOLIO OF OPERATING ASSETS

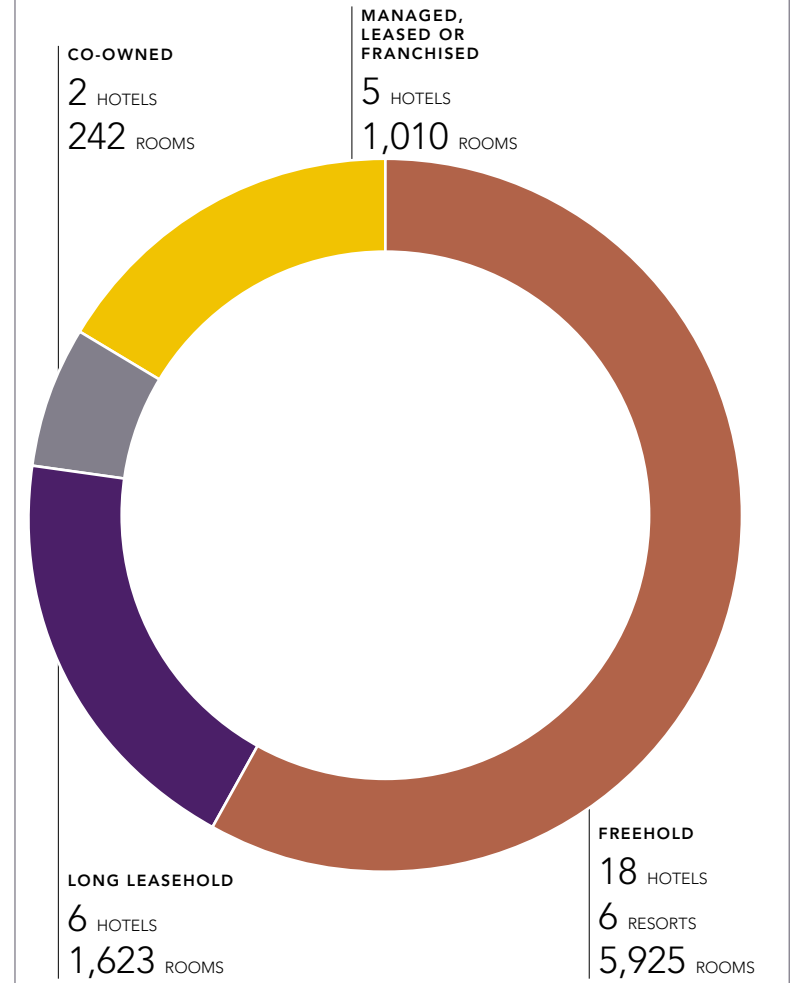
VALUE SPLIT BY GEOGRAPHY¹



HOTELS AND RESORTS BY GEOGRAPHY



HOTELS AND RESORTS BY OWNERSHIP TYPE



¹ The fair values were determined on the basis of independent valuations prepared in the summer of 2019.

² Includes the development sites in Hoxton, London and nearby Waterloo Station.

INDEPENDENT OPERATOR WITH BRAND FLEXIBILITY AND ACCESS TO GLOBAL DISTRIBUTION

art'otel®

art'otel® is a contemporary collection of upper upscale lifestyle hotels that fuse exceptional architectural style with art-inspired interiors. Located in cosmopolitan centres across Europe, each hotel displays a collection of original works designed or acquired specifically for each art'otel®, with each property offering a unique art gallery. art'otel has created a niche for itself in the hotel world, differentiating it from traditional hotels.

5 HOTELS IN EUROPE
751 ROOMS IN OPERATION
600+ ROOMS IN DEVELOPMENT (LONDON, NEW YORK)



PARK PLAZA

Park Plaza is an upscale and upper upscale contemporary hotel brand featuring individually designed hotels in vibrant city centre locations and select resort destinations. The Park Plaza brand is renowned for creating memorable moments through inspiring service, stylish guestrooms and versatile meeting facilities, which are complemented by award-winning restaurants and bars.

23 HOTELS IN EUROPE
6,600+ ROOMS IN OPERATION



ARENA HOTELS & APARTMENTS

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.

9 HOTELS AND RESORTS
1,400+ ROOMS IN OPERATION



ARENA CAMPSITES

Situated close to the historical towns of Pula and Medulin, each campsite provides a relaxed environment from which guests can experience Istria's areas of natural beauty and enjoy outdoor activities from April to October. Each campsite provides a distinctive offering, from traditional camping to a luxury 'glamping' offer.

8 CAMPSITES
6,000 PITCHES AND MOBILE HOMES (APPROXIMATELY)



RHG RADISSON HOTEL GROUP™

Radisson Hotel Group is one of the world's largest and most dynamic hotel groups with seven distinctive hotel brands with more than 1,400 hotels in operation and under development.



Central reservation and distribution system



Powerful online and mobile platforms



Radisson Rewards programme with 24 million members



Global sales, marketing and buying power

CENTRALLY LOCATED IN GROWTH MARKETS

Europe



London



Amsterdam



SELECTION OF PROPERTIES IN PRIME LOCATIONS

PROPERTIES

LONDON



Park Plaza Westminster Bridge London
Opposite Big Ben on the thriving South Bank
1,019 rooms



Park Plaza London Waterloo
Close proximity to Waterloo Station
494 rooms



Park Plaza London Riverbank
Between Waterloo Station and Nine Elms/American Embassy
646 rooms



Holmes Hotel London
On Chiltern Street, close to Marylebone village, Marylebone Station and Baker Street Station
118 rooms

AMSTERDAM



Park Plaza Victoria Amsterdam
Opposite Amsterdam Central Station
298 rooms



art'otel amsterdam
Opposite Amsterdam Central Station
107 rooms



Park Plaza Nuremberg
Opposite Nuremberg's main railway station
177 rooms



art'otel cologne
Located in the attractive Rheinauhafen area
218 rooms

GERMANY



Park Plaza Amsterdam Airport
Close proximity to Amsterdam Schiphol Airport
342 rooms



Park Plaza Belvedere Medulin
Iconic leisure and sports hotel
427 rooms

CROATIA



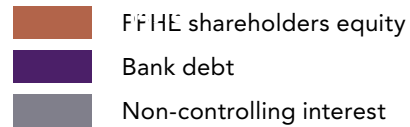
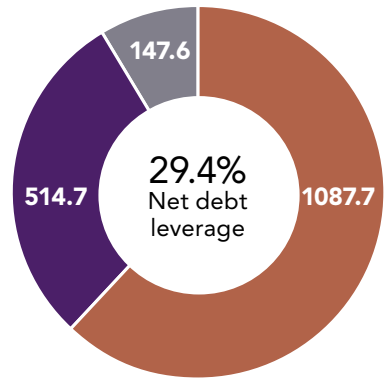
Park Plaza Histria Pula
Dramatic beachfront setting
369 rooms



Arena One 99
Croatia's first all-glamping offering
193 luxury tents

STRONG BALANCE SHEET WITH DIVERSE APPROACH TO FUNDING

DEBT/EQUITY



Accounting debt (backed by assets)

	£'m
Park Plaza Westminster Bridge London units (999 year leases)	126.7
100+ year leases	197.6

Bank debt

Gross bank debt	678.3
Cash	163.6
Net bank debt	514.7

Equity

Equity PPHE shareholders (properties at market value, EPRA NAV ¹)	1,087.7
Non-controlling interest (properties at market value)	147.6
Total equity	1,235.3

¹ EPRA NAV excluding £4.0 million effect due to exercise of dilutive options.

LONG TERM BANK FUNDING SECURED AT LOW AVERAGE COST

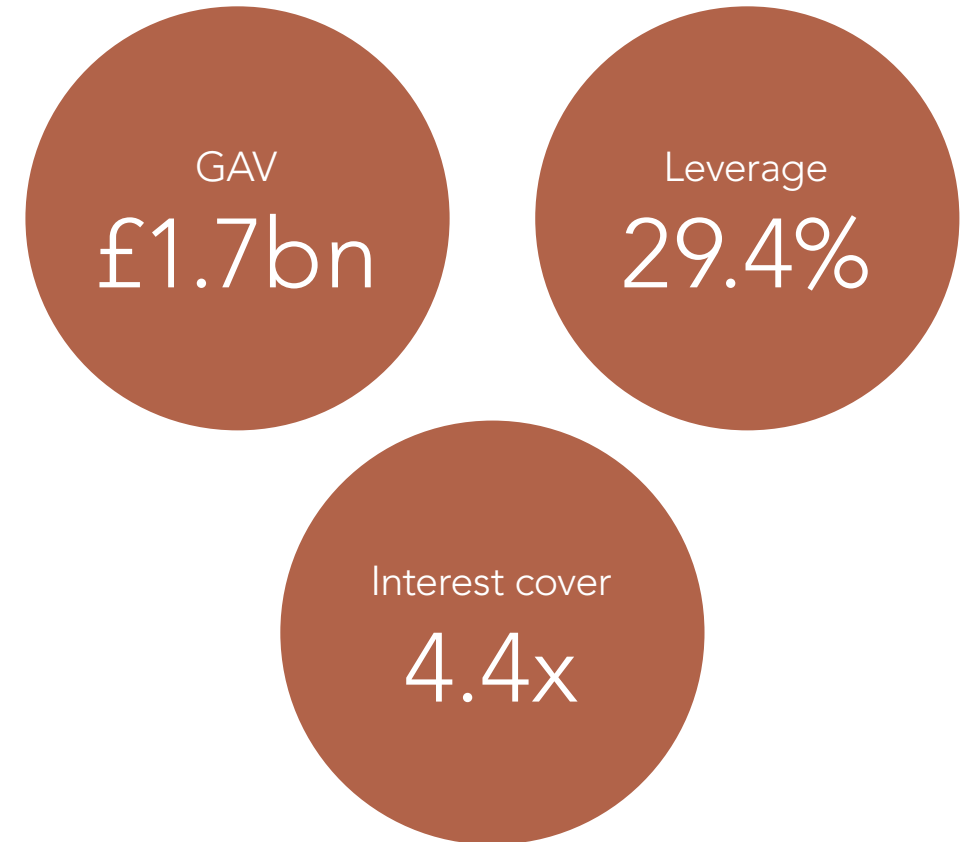
LOAN MATURITY PROFILE AT 31 DECEMBER 2019

Total £'m	1 year £'m	2 years £'m	3 years £'m	4 years £'m	5 years £'m	Thereafter £'m
678.3	13.4	13.4	13.4	15.1	13.1	609.9

- Average cost of bank debt 3.1%
- Average maturity of bank debt 7.1 years
- Group average bank interest cover 4.4

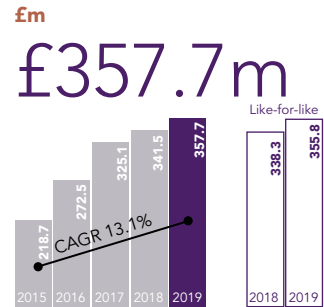
Debt characteristics

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

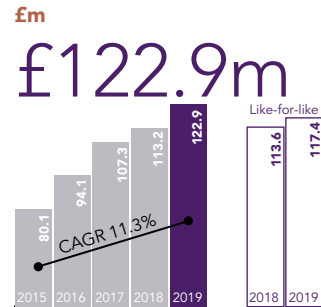


LEADING TO STRONG EARNINGS AND VALUE GROWTH

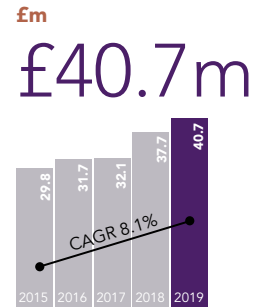
TOTAL REVENUE



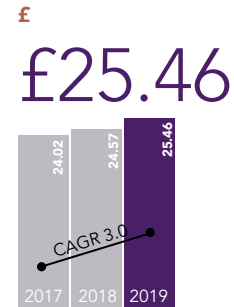
EBITDA



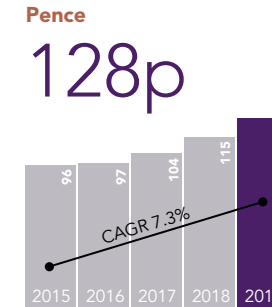
NORMALISED PROFIT BEFORE TAX



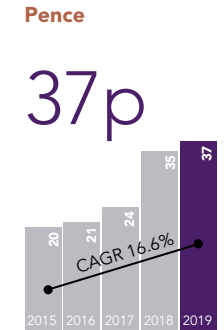
EPRA NAV PER SHARE



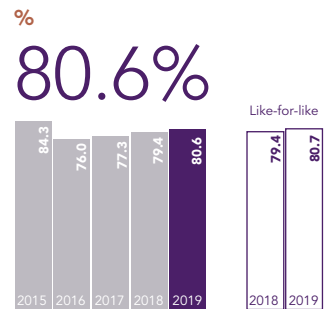
ADJUSTED EPRA EPS



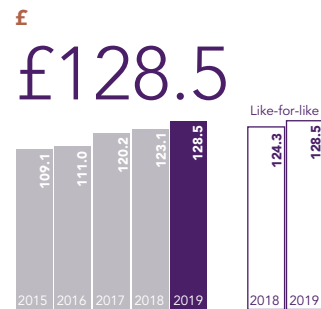
DIVIDEND PER SHARE



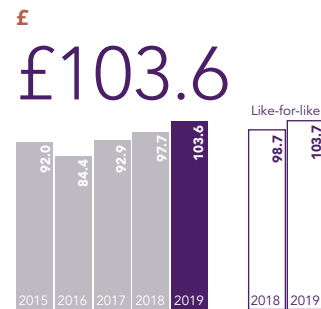
OCCUPANCY



AVERAGE ROOM RATE



REVPAR



...INDUSTRY LEADING OPERATING MARGINS THAT TRANSLATE TO SUPERIOR SHAREHOLDER RETURNS...

... AND SOLID RETURNS FROM INVESTMENT

	At market value		Total £'m
	Operational assets £'m	Development asset and excess cash £'m	
31 December 2019			
Net assets employed	1,637.0	113.0	1,750
Net bank debt	(625.5)	110.8	(514.7)
Minority interest	(111.4)	(36.2)	(147.6)
EPRA NAV ¹	900.1	187.6	1,087.7
Adjusted EPRA earnings	53.1	1.1	54.2
Implied return on EPRA NAV	5.9%	0.6%	5.0%
Implied return on market capitalisation ²	8.9%	0.6%	6.9%

Non-yielding assets represent 17.2% of EPRA Net Asset Value and 23.9% market capitalisation²

IMPLIED REPORTED RETURN OF 8.9% ON OPERATIONAL ASSETS BASED ON MARKET CAPITALISATION²

¹ EPRA NAV excluding the £4.0 million effect due to exercise of dilutive options.

² Company market capitalisation is based on the market share price as at 31 December 2019 (£18.5).

CREATING VALUE WITH RECENT DEVELOPMENT AND REPOSITIONING PROJECTS



PARK PLAZA VONDELPARK, AMSTERDAM

- Relunched as a boutique, lifestyle hotel in October 2019
- Vondelpark is Amsterdam’s own Central Park and the hotel is excellently positioned opposite the park and close to the main museums
- All 102 rooms and public areas have been reconfigured and upgraded and opened a Venetian-inspired destination restaurant ,TOZI



PARK PLAZA LONDON WATERLOO

- Site acquired in 2013 and after four years of development the hotel opened June 2017
- Hotel offers 494 rooms and suites
- Destination restaurant, bar and Illy café
- Swimming pool and spa facilities
- Several meeting rooms and executive lounge



PARK PLAZA LONDON RIVERBANK

- Hotel opened in 2005 with 461 rooms and suites
- Re-developed property during 2015/2018, adding 185 rooms to the property
- Renovated all existing rooms
- Added a swimming pool and spa facilities
- Created destination restaurant and executive lounge, both with river views



ARENA KAŽELA CAMPSITE CROATIA

- Relunched July 2019
- Located on the south part of Medulin and positioned on the coast of the Adriatic Sea
- First of the two-phase two-year investment programme to transform the site. Phase one installed 164 new, fully equipped premium and family Camping Homes
- Also included two new swimming pools, new modern pool bars and an Illy coffee shop
- Phase two has commenced and includes upgrading of all public areas, restaurants & bar and the sports centre as well as installation of further new Camping Homes

...AND CONTINUING TO DO SO WITH OUR STRONG PIPELINE

New development



OWNED (EXPECTED OPENING 2023)
ART'OTEL LONDON HOXTON

Repositioning



2021
HOTEL BRIONI PULA

Repositioning



2020
VERUDELA BEACH RESORT PULA

Acquisition



2019
CONTRACTED TO ACQUIRE 88 ROOMS HOTEL IN BELGRADE

Management agreement



MANAGED (EXPECTED OPENING 2022)
ART'OTEL LONDON BATTERSEA POWER STATION

New development



OWNED (EXPECTED OPENING 2023)
ART'OTEL NEW YORK

Other projects: Westminster Bridge Road London and Zagreb, Croatia

**SUPPLEMENTAL
INFORMATION**



UNITED KINGDOM

	Reported in GBP (£)			Like-for-like in GBP (£) ¹		
	Year ended 31 Dec 2019	Year ended 31 Dec 2018	Change	Year ended 31 Dec 2019	Year ended 31 Dec 2018	Change
Total revenue	£207.4 million	£195.1 million	+6.3%	£207.4 million	£195.1 million	+6.3%
EBITDAR	£71.0 million	£66.8 million	+6.4%	£70.8 million	£66.8 million	+6%
EBITDA	£70.7 million	£65.0 million	+8.8%	£69.2 million	£65.0 million	+6.4%
Occupancy	87.7%	85.7%	+200bps	87.7%	85.7%	+200bps
Average room rate	£152.4	£145.1	+5.0%	£152.4	£145.1	+5.0%
RevPAR	£133.7	£124.4	+7.4%	£133.7	£124.4	+7.4%
Room revenue	£152.7 million	£140.2 million	+8.9%	£152.7 million	£140.2 million	+8.9%

¹ The like-for-like figures for 31 December 2019 are adjusted to remove the effect of IFRS 16.

Holmes Hotel London



Holmes Hotel London



6.3%

Like-for-like revenue increase as a result of improved trading at several of our London hotels and the opening of Holmes Hotel London in first half of the year

6.4%

Like-for-like EBITDA increase reflecting the improved performance as the new room inventory matures

7.4%

Like-for-like RevPAR growth driven by increase in average room rate

Projects progress

Successful reopening of Holmes Hotel London and the renovation at Park Plaza Victoria London completed and the site works at Hoxton are progressing

THE NETHERLANDS

	Reported in GBP ¹ (£)			Like-for-like GBP ²		
	Year ended 31 Dec 2019	Year ended 31 Dec 2018	Change	Year ended 31 Dec 2019	Year ended 31 Dec 2018	Change
Total revenue	£53.8 million	£49.6 million	+8.5%	£51.9 million	£48.8 million	+6.3%
EBITDAR	£15.0 million	£14.2 million	+5.7%	£14.9 million	£14.2 million	+4.9%
EBITDA	£15.0 million	£14.1 million	+6.5%	£14.8 million	£14.1 million	+5.0%
Occupancy	86.2%	85.7%	+60bps	86.9%	86.0%	+90bps
Average room rate	£124.8	£122.6	+1.8%	£124.4	£123.2	+0.9%
RevPAR	£107.6	£105.0	+2.5%	£108.1	£106.0	+2.0%
Room revenue	£40.3 million	£37.3 million	+7.9%	£38.7 million	£36.7 million	+5.6%

¹ Average exchange rate from Euro to Pound Sterling for the year to December 2019 was 1.14 and for the year to December 2018 was 1.13, representing a 1.2% increase.

² The like-for-like figures for December 2019 are adjusted to remove the effect of IFRS 16. Furthermore the like-for-like figures for December 2019 exclude the operation of Park Plaza Vondelpark, Amsterdam from August to December (the property was temporarily closed for renovations during this period in 2018). The like-for-like figures for December 2018 exclude the first three months of operation for Park Plaza Vondelpark, Amsterdam (the property was temporarily closed for renovations during this period in 2019).

6.3%

Like-for-like revenue increase due to full year trading of Park Plaza Victoria Amsterdam

5%

Like-for-like EBITDA increase due to the repositioning of Park Plaza Victoria Amsterdam

2.0%

Like-for-like RevPAR growth due to increase in average room rate while the Amsterdam market RevPAR decreased 1.3%

Projects progress

Two repositioning projects completed, Park Plaza Vondelpark, Amsterdam and Park Plaza Utrecht

Park Plaza Vondelpark, Amsterdam



Park Plaza Vondelpark, Amsterdam



CROATIA

	Reported in GBP (£)			Reported in local currency HRK ¹		
	Year ended 31 Dec 2019	Year ended 31 Dec 2018	Change	Year ended 31 Dec 2019	Year ended 31 Dec 2018	Change
Total revenue	£61.1 million	£60.0 million	+1.9%	HRK 519.6 million	HRK 503.8 million	+3.1%
EBITDAR	£19.4 million	£19.7 million	-1.6%	HRK 164.4 million	HRK 165.0 million	-0.4%
EBITDA	£18.2 million	£18.6 million	-1.8%	HRK 154.4 million	HRK 155.3 million	-0.6%
Occupancy ²	63.1%	62.4%	+70bps	63.1%	62.4%	+70bps
Average room rate ²	£91.1	£93.9	-2.9%	HRK 772.1	HRK 785.8	-1.7%
RevPAR ²	£57.5	£58.6	-1.9%	HRK 487.1	HRK 490.4	-0.7%
Room revenue	£33.5 million	£34.1 million	-1.8%	HRK 283.5 million	HRK 285.1 million	-0.6%

¹ Average exchange rate from Croatian Kuna to Pound Sterling for the year to December 2019 was 8.47 and for the year to December 2018 was 8.37 representing a 1.2% increase.

² Ther average room rate, occupancy and RevPAR statistics include all accomodation units at hotels and self-catering apartment complexes and excludes campsite pitches and mobile homes.

Arena One 99 Glamping



Hotel Brioni, Pula



3.1%

**Total revenue increase in local currency driven by
Arena One 99 Glamping and Arena Kažela Campsite**

(0.7%)

**RevPAR decrease in local currency due
to decrease in average room rate**

Projects progress

Second phase of investment at Arena Kažela Campsite begun in autumn 2019: when completed will transform site to 4-star Camping Resort. Major repositioning of Hotel Brioni underway and will transform into a branded luxury upscale property

GERMANY AND HUNGARY

	Reported in GBP ¹ (£)			Like-for-like GBP ²		
	Year ended 31 Dec 2019	Year ended 31 Dec 2018	Change	Year ended 31 Dec 2019	Year ended 31 Dec 2018	Change
Total revenue	£29.5 million	£31.4 million	-6.1%	£29.5 million	£29.1 million	+1.6%
EBITDAR	£9.1 million	£9.0 million	+1.4%	£9.1 million	£8.7 million	+5.4%
EBITDA	£8.7 million	£5.2 million	+66%	£6.0 million	£5.7 million	+5.0%
Occupancy	80.7%	80.7%	0bps	80.7%	80.8%	-10bps
Average room rate	£93.6	£86.9	+7.7%	£93.6	£90.3	+3.7%
RevPAR	£75.5	£70.1	+7.7%	£75.5	£72.9	+3.6%
Room revenue	£24.2 million	£25.1 million	-3.4%	£24.2 million	£23.4 million	+3.6%

¹ Average exchange rate from Euro to Pound Sterling for the year to December 2019 was 1.14 and for the year to December 2018 was 1.13, representing a 1.2% increase.

² The like-for-like figures for December 2019 are adjusted to remove the effect of IFRS 16. Furthermore the like-for-like figures for December 2019 exclude the operation of Park Plaza Vondelpark, Amsterdam from August to December (the property was temporarily closed for renovations during this period in 2018). The like-for-like figures for December 2018 exclude the first three months of operation for Park Plaza Vondelpark, Amsterdam (the property was temporarily closed for renovations during this period in 2019).

1.6%

Like-for-like revenue increase due to overall strong hotel market in Berlin

66%

EBITDA increase due to IFRS 16 implementation

3.6%

Like-for-like increase in RevPAR outperforming competitive set

Projects progress

art'otel budapest lease renewed for 20 years with plans to renovate public areas

Park Plaza Nuremberg



Park Plaza Nuremberg



IFRS 16

- Impact on PPHE solely for operating leases (short term, i.e. <35 years),
- Long term ground rents (>100 years) under previous accounting already on balance
- Variable rents (i.e. based on revenue) not impacted

IMPACT ON 2019 P&L ITEMS

	P&L item £m	P&L excluding IFRS 16 impact £m	IFRS 16 impact £m
Operation Expenses	(233.0)	(233.3)	0.3
Rent	(1.8)	(6.8)	5.0
EBITDA	122.9	117.6	5.3
Depreciation	(41.7)	(38.0)	(3.7)
Interest or lease liabilities	(9.1)	(7.1)	(2.0)
Profit before tax	38.5	38.9	(0.4)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	As at 31 December	
	2019	2018
	Audited	Audited
	£'000	£'000
Assets		
Non-current assets:		
Intangible assets	18,036	21,463
Property, plant and equipment	1,113,661	1,270,785
Right of use assets	217,990	–
Investment in joint ventures	18,151	4,346
Other non-current assets	18,358	18,027
Restricted deposits and cash	1,841	1,884
Deferred income tax asset	5,173	95
	1,393,210	1,316,600
Current assets:		
Restricted deposits and cash	3,541	3,672
Inventories	2,317	2,481
Trade receivables	12,758	15,324
Other receivables and prepayments	15,065	12,016
Investment in marketable securities	5,221	4,449
Cash and cash equivalents	153,029	207,660
	191,931	245,602
Total assets	1,585,141	1,562,202

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	As at 31 December	
	2019	2018
	£'000	£'000
Equity and liabilities		
Equity:		
Issued capital	–	–
Share premium	130,260	130,061
Treasury shares	(3,636)	(3,636)
Foreign currency translation reserve	8,094	23,131
Hedging reserve	(655)	(437)
Accumulated earnings	243,233	224,373
Attributable to equity holders of the parent	377,296	373,492
Non-controlling interests	103,465	105,050
Total equity	480,761	478,542
Non-current liabilities:		
Bank borrowings	664,945	681,981
Provision for litigation	–	3,873
Provision for concession fee on land	4,730	4,330
Financial liability in respect of Income Units sold to private investors	126,704	129,151
Other financial liabilities	228,973	188,269
Deferred income taxes	7,920	7,115
	1,033,272	1,014,719
Current liabilities:		
Trade payables	10,466	12,162
Other payables and accruals	47,326	41,469
Bank borrowings	13,316	15,310
	71,108	68,941
Total liabilities	1,104,380	1,083,660
Total equity and liabilities	1,585,141	1,562,202

CONSOLIDATED INCOME STATEMENT

	As at 31 December	
	2019	2018
	£'000	£'000
Revenues	357,692	341,482
Operating expenses	(233,024)	(220,775)
EBITDAR	124,668	120,707
Rental expenses	(1,774)	(7,535)
EBITDA	122,894	113,172
Depreciation and amortisation	(41,749)	(35,903)
EBIT	81,145	77,269
Financial expenses	(32,089)	(31,986)
Financial income	2,923	1,568
Other income	(5,110)	(10,688)
Other expenses	2,225	20,394
Net expenses for financial liability in respect of Income Units sold to private investors	(10,795)	(10,318)
Share in results of associate and joint ventures	178	144
Profit before tax	38,477	46,383
Income tax benefit	4,105	(2,951)
Profit for the period	42,582	43,432
Profit attributable to:		
Equity holders of the parent	33,915	38,052
Result non-controlling interest	8,667	(5,380)
	42,582	43,432
Basic and diluted earnings per share (in Pound Sterling)	0.80	0.90

HIGH QUALITY PORTFOLIO INDEPENDENTLY VALUED AT £1.7 BILLION

31 December 2019	Book value	EPRA value ¹	Valuation yield
United Kingdom properties in operation (gross)	732.5		
Finance lease liabilities	(195.0)		
Units in Park Plaza Westminster Bridge London owned by third parties	(126.7)		
United Kingdom properties in operation (net)	410.8	968.5	7.5%–10.75% discount rate, 5%–8.25% caprate
Netherlands properties in operation	202.3	297.4	7.25%–9.5% discount rate, 5.25%–7.5% caprate
German properties in operation	71.8	94.1	8.25%–8.75% discount rate, 6%–6.25% caprate
Croatian properties in operation	178.9	244.2	9%–11% discount rate, 7%–9% caprate
Property in development	99.3	99.3	cost
Other PP&E (leased properties and offices)	10.2	10.2	
	973.4	1,713.7	
Joint venture and non-controlling interests in hospitality real estate	35.8	43.2	8.5% discount rate, 6% caprate
Other assets and liabilities	(13.7)	(7.0)	
Net assets	995.5	1,750.0	
Total market/EPRA NAV revaluation		754.5	
– Allocated to PPHE shareholders		710.4	
– Allocated to non-controlling interests		44.1	

¹ Properties have been valued on a discounted cash flow basis, assuming operational under management contracts. The properties in the United Kingdom, the Netherlands and Germany have been valued by Savills and the properties in Croatia have been valued by Zagreb nekretnine Ltd.

EPRA PERFORMANCE MEASURES

EPRA net asset value

The EPRA NAV as at 31 December 2019, set out in the table below amounts to £1,091.7 million, which equates to £25.46 per share. The EPRA NAV was negatively affected by adverse currency movements.

	As at 31 December	
	2019	2018
	£'000	£'000
NAV per the financial statements	377.3	373.5
Effect of exercise of options	4.0	4.7
Diluted NAV, after the exercise of options¹	381.2	378.2
Includes:		
Revaluation of owned properties in operation (net of non controlling interest) ²	699.2	655.8
Revaluation of development property (art'otel london hoxton) ³	–	5.4
Revaluation of the joint venture interest held in two German properties (net of non-controlling interest)	3.9	3.8
Excludes:		
Fair value of financial instruments	(0.7)	(0.4)
Deferred tax	(6.7)	(9.4)
EPRA NAV	1,091.7	1,053.0
Fully diluted number of shares (in thousands)	42,872	42,860
EPRA NAV per share (in £)	25.46	24.57

1 The fully diluted number of shares excludes treasury shares but includes 412,290 outstanding dilutive options (as at 31 December 2018: 522,500).

2 The fair values of the properties were determined on the basis of independent external valuations prepared in the summer of 2019.

3 In 2018 the development site of art'otel london hoxton was independently valued of £82.5 million. Given that the site is under development it was not revealed in 2019 and is measured at cost.

EPRA PERFORMANCE MEASURES

EPRA earnings

The main adjustment to the normalised profit included in the Group's financial statements is adding back the IFRS depreciation charge, which is based on assets at historical cost, and replacing it with a charge calculated at 4% of the Group's total revenues. This represents the Group's expected average cost to maintain the estate in good quality. The basis for calculating the Company's 2019 adjusted EPRA earnings of £54.2 million (2018: £48.5 million) and the Company's adjusted EPRA earnings per share of 128 pence (2018: 115 pence) is set out in the table below.

	As at 31 December	
	2019 £'000	2018 £'000
Earnings attributed to equity holders of the parent Company		
Depreciation and amortisation expenses	33.9	38.1
Revaluation of Park Plaza County Hall London Income Units	41.7	35.9
Gain on re-measurement of previously held interest in joint venture	(0.9)	–
Early close-out costs of debt instrument	–	(20.3)
Changes in fair value of financial instruments	–	0.3
Non-controlling interests in respect of the above ³	(0.7)	1.0
EPRA earnings	(7.8)	(6.1)
Weighted average number of shares (LTM)	66.2	48.9
EPRA earnings per share (in pence)	42,390,693	42,335,136
Company specific adjustments¹:	156	116
Capital loss on buy-back of Income Units in Park Plaza Westminster Bridge London previously sold to private investors	0.7	0.6
Termination of operating lease ⁴	–	3.1
Remeasurement of lease liability ⁵	3.4	4.8
Other non-recurring expenses (including pre-opening expenses)	0.8	0.2
Expenses in connection with transfer to premium listing	–	1.6
Gain from settlement of legal claim ⁸	(1.1)	–
Adjustment of lease payments ⁶	(2.2)	–
Investment tax credit ⁷	(5.1)	–
Maintenance capex ²	(14.3)	(13.6)
Non-controlling interests in respect of the above ³	5.8	2.9
Company adjusted EPRA earnings	54.2	48.5
Company adjusted EPRA earnings per share (in pence)	128	115
Reconciliation Company adjusted EPRA earnings to normalised reported profit before tax		
Company adjusted EPRA earnings	54.2	48.5
Reported depreciation	(41.7)	(35.9)
Non-controlling interest in respect of reported depreciation	7.8	6.0
Maintenance capex (4% of total revenues)	14.3	13.6
Non-controlling interest on maintenance capex	(5.8)	(2.9)
Adjustment of lease payments ⁶	2.2	–
Investment tax credit ⁷	5.1	–
Profit attributable to non-controlling interest	8.7	5.4
Reported tax	(4.1)	3.0
Normalised profit before tax	40.7	37.7

1 The 'Company specific adjustments' represent adjustments of non-recurring or non-trading items.

2 Calculated as 4% of revenues, which represents the expected average maintenance capital expenditure required in the operating properties.

3 Non-controlling interests include the non-controlling shareholders in Arena and third-party investors in income units of Park Plaza Westminster Bridge London.

4 In March 2018, the Group entered into an agreement to terminate the loss making lease agreement for the 174-room art'otel dresden, effective from 31 July 2018. To exit from this lease, the Group incurred an expense of £3.1 million. This termination resulted in a rent reduction that benefits the Group's EBITDA by approximately £0.5 million annually.

5 Non-cash remeasurement of lease liability relating to minimum future CPI increases.

6 Lease cash payments on account of lease liabilities redemption which are not recorded as an expense due to the implementation of IFRS 16.

7 Investment tax credit received in Croatia. See note 27f in the financial statements.

8 Release of provision as a result of a settlement reached in a legal dispute in Croatia. See note 16a in the financial statements.

HOLMES HOTEL LONDON

Completed May 2019
Bringing a unique lifestyle brand to Central London

HOLMES HOTEL





ARENA KAŽELA CAMPSITE

Phase 1 completed summer 2019
New luxury camping offer in Croatia





*Park Plaza
Vondelpark,
Amsterdam*

Launched October 2019



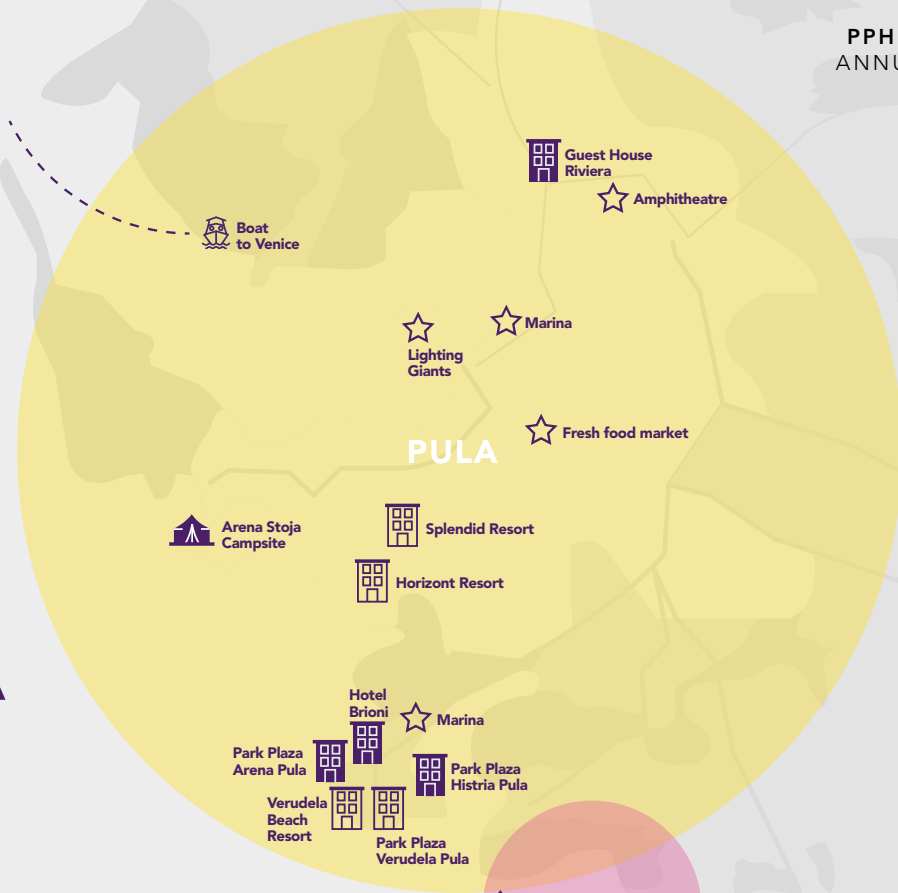
PARK PLAZA UTRECHT

Completed October 2019
Property transformed to meet the expectations
of today's business and leisure travellers



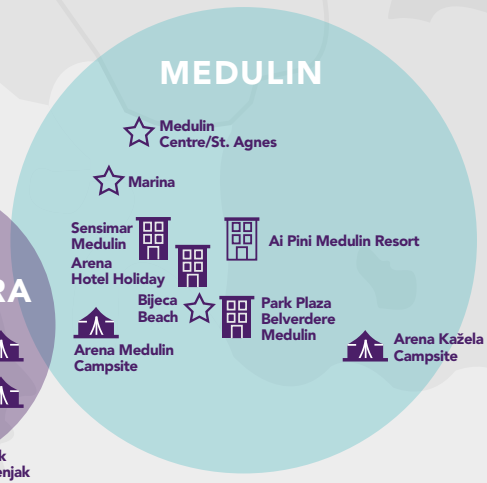
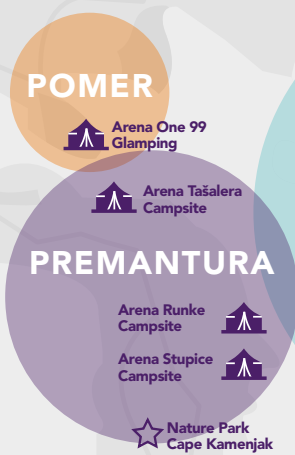


ISTRIA



Pula International Airport

Pula
The historic city of Pula is one of Istria's most famous tourist destinations, situated in the southern tip of Croatia's Istrian peninsula, around 4.5 miles from Pula International Airport. Venice is easy to reach by ferry, which is just 80 miles away.



Medulin
Medulin is a family-friendly resort; around 5 miles south-east of Pula and approximately 12 miles from Pula International Airport.

BOARD OF DIRECTORS

Eli Papouchado

Non-Executive Chairman



Boris Ivesha

President &
Chief Executive Officer



Daniel Kos

Chief Financial Officer
& Executive Director



Kevin McAuliffe

Non-Executive Deputy
Chairman



Nigel Jones

Non-Executive Director &
Senior Independent
Director



Dawn Morgan

Non-Executive Director



Kenneth Bradley

Non-Executive Director



Nigel Keen

Non-Executive Director
2020



Skills and experience

- Chairman of the Group since formation
- Founder of the Red Sea Group and acted as its Chairman for ten years
- Wealth of experience in the construction, design, development, financing, acquisition and management of leading hotels, including Park Plaza Westminster Bridge London, Park Plaza London Riverbank and many others
- Involved in the development of hundreds of thousands of square metres of retail space in shopping malls and large residential projects in the USA, Eastern Europe and the Middle East
- Served as Chairman of the Israel Hotel Association
- Appointed to the Board on 20 June 2007

- President of the Group since 1991
- Brought Park Plaza® Hotels & Resorts brand to the Group in 1994 in collaboration with the Red Sea Group
- Major influencer in the expansion of the Group's portfolio
- Established the Yamit Hotel, Israel in 1984 and served as its President
- Director of the Carlton Hotel in Israel (1979–1984)
- General Manager of the Royal Horseguards Hotel in London (1972–1979)
- Arena Hospitality Group Supervisory Board Chairman
- Appointed to the Board on 14 June 2007

- Appointed Chief Financial Officer in January 2018
- Previously Vice President Corporate Finance of the Group, which he joined in 2011
- Held, prior to joining the Group, various senior leadership positions within auditing and finance, including at Mazars LLP
- Certified Public Accountant (Register Accountant)
- Appointed to the Board on 27 February 2018

- Former Member of the Society of Trust and Estate Practitioners and a Director of various regulated investment companies
- Retired Chairman of Carey Group (joining as Chief Executive in 1999)
- Head of Advisory Services for Paribas International Private Banking and Managing Director of Paribas Suisse in Guernsey (1992–1999)
- Served as Finance Director of Ansbacher offshore banking Group, appointed as Chief Executive Officer of Ansbacher's Guernsey bank and trust company business in 1994
- Held posts in three different departments in the States of Guernsey (1973–1980)
- Arena Hospitality Group Supervisory Board Member
- Appointed to the Board on 15 June 2007

- Chartered Surveyor
- Chief Executive of ComProp Limited (2001–2007) while it traded as an AIM-listed property company
- He was responsible for major office developments including; headquarter offices for Fortis, Kleinwort Benson and Generali, along with retail stores for B&Q and Waitrose.
- Appointed to the Board on 26 June 2007

- Fellow of the Institute of Chartered Accountants in England and Wales
- Finance Director and Company Secretary of International Energy Group Limited (2004–2013)
- Main Board Company Secretary of International Energy Group Limited (2000–2004)
- Group accountant of International Energy Group Limited (1994–2000)
- Appointed to the Board on 19 May 2016

- Former Guernsey Island Director at RBS
- Former Guernsey Island Director and Chief Country Officer at Barclays Bank
- Appointed to the Board on 4 September 2019

- Chartered Surveyor
- Former head of property at Tesco
- Former head of property at the John Lewis Partnership
- Vistry Group Plc Remuneration Committee Chair and member of both audit and nominations committees
- Non-Executive Director Vistry Group Plc
- Non-Executive Director RG Carter
- Appointed to the Board on 20 February 2020

LEADERSHIP TEAM

PPHE HOTEL GROUP

Boris Ivesha

President &
Chief Executive Officer



Daniel Kos

Chief Financial Officer
& Executive Director



Greg Hegarty

Deputy Chief Executive
Officer & Chief Operating
Officer



Inbar Zilberman

Chief Corporate
& Legal Officer



ARENA HOSPITALITY GROUP

Reuel ("Reli") Slonim

President of the
Management Board



Devansh Bakshi

Chief Financial Officer
& Member of the
Management Board



Arnoud Duin

Regional General Manager,
Germany & Hungary



Number of years worked at PPHE Hotel Group

29 years

9 years

12 years

9 years

11 years

6 years

12 years

Jaklien van Sterkenburg

Executive Vice President
People & Culture | Head of HR



25 years

Robert Henke

Executive
Vice President Commercial
Affairs



17 years

Daniel Pedreschi

Regional Vice President
Operations, UK



10 years

Michelle Wells

Regional Vice President
Operations
the Netherlands



13 years

Manuela Kraljević

Member of the Management
Board and Marketing and
Sales Director



11 years

LARGEST SHAREHOLDERS

Number of issued shares
(excluding treasury)

42,459,340

Shareholders with holdings of 5% or more of the Company's issued share capital (excluding treasury) as at 21 February 2020	Number of Ordinary Shares	Percentage of the Company's issued share capital ¹
Eli Papouchado ²	13,760,260	32.41%
Boris Ivesha ³	4,636,974	10.92%
Aroundtown Property Holdings	2,605,507	6.14%
Canaccord Genuity Group Inc	2,183,750	5.14%

1. Excludes shares held in treasury.

2. Eli Papouchado is deemed to be interested in 13,760,260 Ordinary Shares, which constitutes 32.41 per cent. of the issued share capital (excluding treasury shares) of the Company, comprising:

- (a) 12,207,843 Ordinary Shares held by Euro Plaza. Euro Plaza is an indirect wholly-owned subsidiary of APY and 98 per cent. of the shares in APY are held by Eli Papouchado as trustee of an endowment created under Israeli law which he formed in 1998 (the "Endowment"). The primary beneficiaries of the Endowment are Eli Papouchado and his sons, Yoav Papouchado and Avner Papouchado, and the secondary beneficiaries are the children of Yoav and Avner. The remaining 2 per cent. of the shares in APY are held by Yoav and Avner Papouchado respectively (1 per cent. each). APY and its subsidiaries are part of an international constructions, hotel and real estate group (the "Red Sea Group") that was founded by Eli Papouchado. Some of the Ordinary Shares held by Euro Plaza have been pledged to secure guarantees given by Euro Plaza of certain banking facilities provided to another company in the Red Sea Group, as previously disclosed by the Company;
- (b) 22,417 Ordinary Shares held by Red Sea Club Limited, a subsidiary of APY; and
- (c) 1,530,000 Ordinary Shares held by A.A. Papo Trust Company Limited, which is wholly-owned by Eli Papouchado.

3. Boris Ivesha (the President and Chief Executive Officer of the Company) is deemed to be interested in 4,636,974 Ordinary Shares held by Walford which is wholly-owned by Clermont, as trustee of certain trusts established for the benefit of Boris Ivesha and his family.

CORRESPONDENCE

ROBERT HENKE

Executive Vice President Commercial Affairs

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