

2 MARCH 2021

COMPANY INTRODUCTION



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:

- Chief Financial Officer since 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:

- Deputy Chief Executive Officer since 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
- 13 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:

- Executive Vice President Commercial Affairs since November 2018
- Responsible for the Group's commercial activities including communications, brand development, sales, 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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SUPPLEMENTAL
INFORMATION

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

Full value
chain approach

Value creation through development, repositioning, operations and brand ownership and access; resulting in a 30-year track record of NAV growth and industry-leading EBITDA margins

Sources of
funding

Asset backing used as source of funding and longstanding banking relationships

Diversified portfolio
in key cities

New and renovated property portfolio of 46 prime assets in operation; consisting of hotels, resorts and campsites

Planned capex in active
pipeline of £200m+

Attractive projects in London, Pula, Zagreb and Belgrade

Independent operator with
brand flexibility

Integrated owner/operator model with access to brands, global distribution and marketing

Track record of successfully
managing through the cycles

Experienced developers and operators managing through economic cycles

OUR BUSINESS MODEL

TRANSFORMING HOSPITALITY REAL ESTATE
POTENTIAL INTO VALUE AND PROFITS

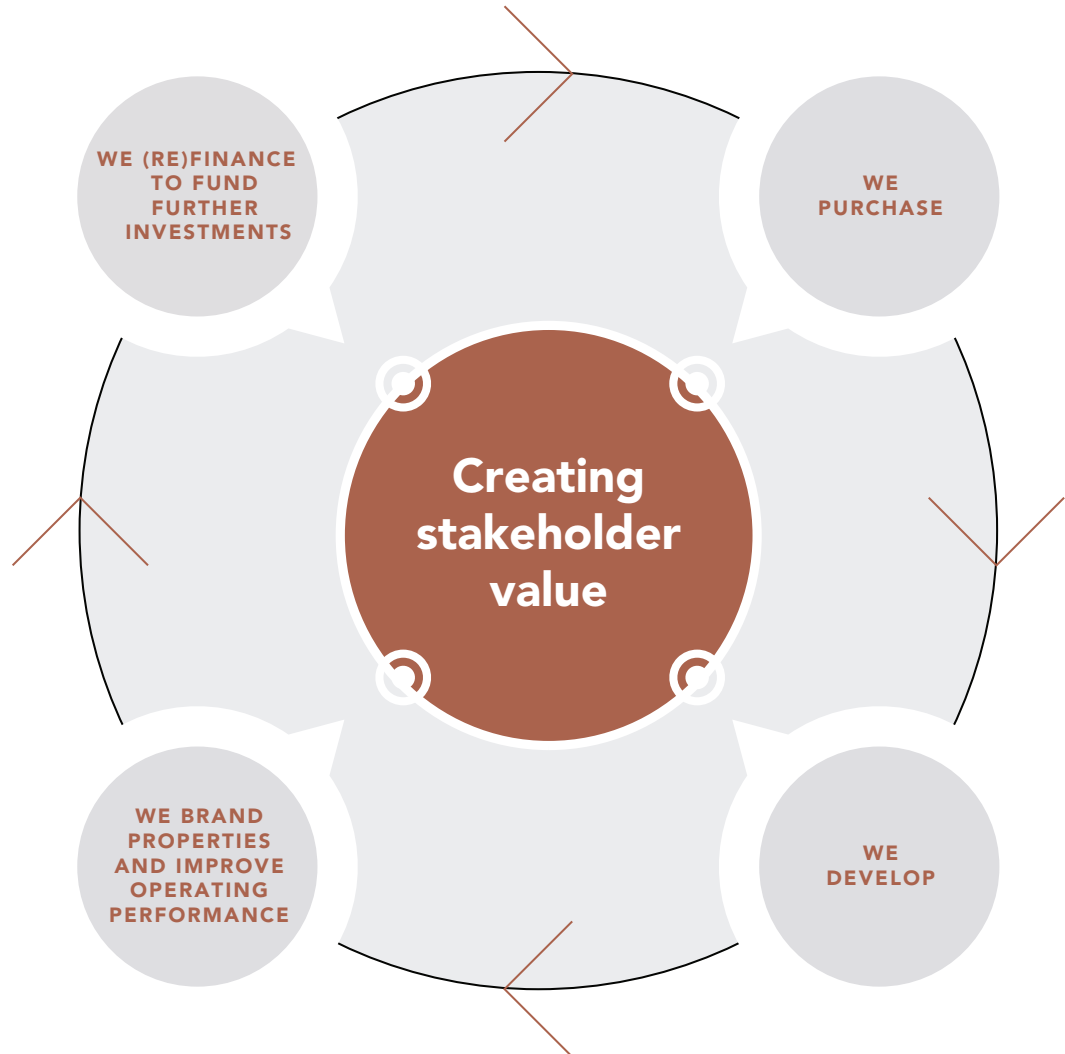
We create shareholder value through developing, owning and operating hospitality real estate

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



NAV GROWTH ACHIEVED BY FOCUS ON FOUR PILLARS IN BUSINESS MODEL

Property construction



- Vast experience in purpose built, ground up developments
- Targeting sites in city centres
- Cheaper to build than to buy turnkey assets
- Benefit from real estate value increases during construction
- Have delivered five properties (most of the London portfolio)
- Pipeline of four ground up developments (three in London & one in New York)

Property conversion



- Targeting office buildings in city centre locations
- Cost effective model to redevelop & saves construction time
- Maximise potential of sites through reconfiguration & extensions
- Cheaper to build than to buy turnkey assets
- Benefit from real estate value increases during redevelopment
- Delivered five properties (including Waterloo London, Leeds, Nottingham, hotels in Nuremberg and Amsterdam)
- Pipeline includes one office conversion (Zagreb, Croatia)

Property repositioning



- Maximise value of current portfolio & target new assets with upside potential
- Asset repositioning through extensive redevelopment
- Tap into a more premium segment of the market, generating greater returns
- Delivered in excess of 12 properties (multiple hotels in Amsterdam and in Croatia, plus hotels in Berlin, London, Utrecht and upscale campsites in Croatia)
- Pipeline of three repositioning projects (two in Croatia & one in Serbia)

Continuous operational improvement



- Benefitting from integrated operational & commercial platforms
- Centralised approach & support teams
- Using automation, robotics & BI tools
- Leveraging PPHE's scale & benefitting from partnership with Radisson Hotel Group
- Centralised and in-sourced housekeeping services, in a separate PPHE company
- Delivering industry leading EBITDA margins of >30%

CENTRALLY LOCATED IN GROWTH MARKETS

Europe



London

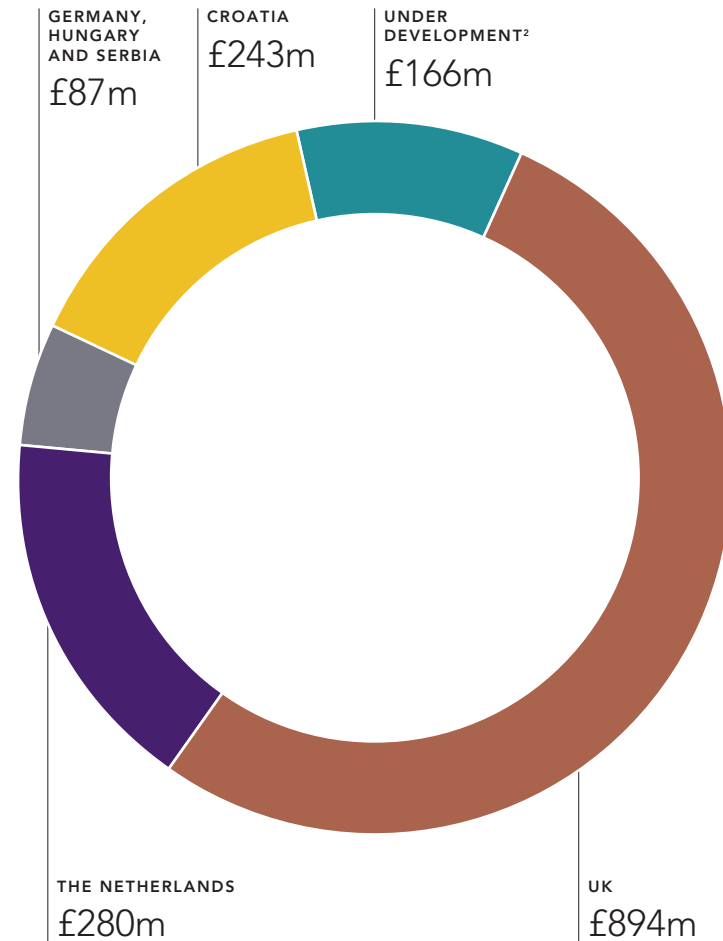


Amsterdam

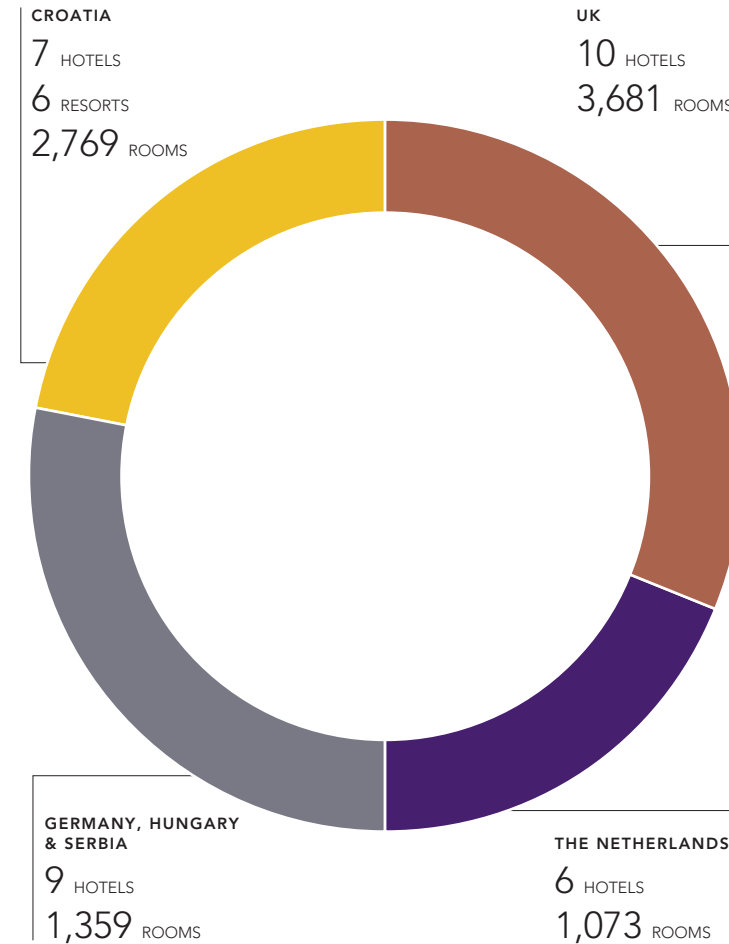


A DIVERSIFIED PORTFOLIO OF OPERATING ASSETS

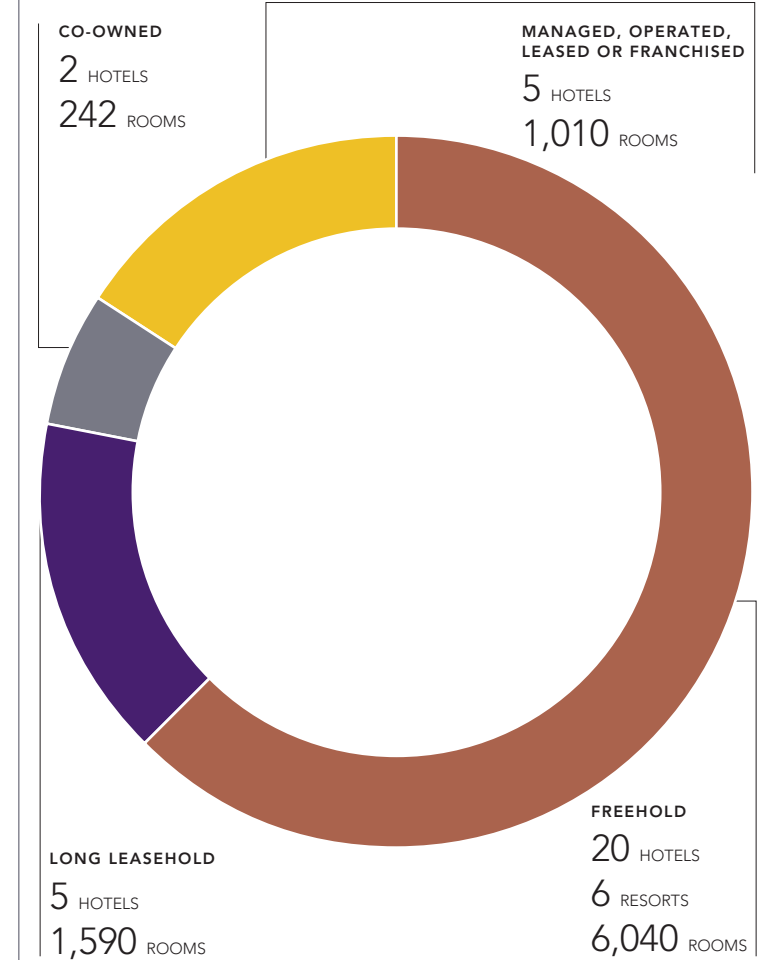
VALUE SPLIT BY GEOGRAPHY¹



HOTELS AND RESORTS BY GEOGRAPHY



HOTELS AND RESORTS BY OWNERSHIP TYPE



¹ The fair values were determined on the basis of independent external valuations prepared in December 2020.

² Properties under development include: New York, art'otel london hoxton (London), Westminster Bridge Road (London), Hotel Brioni (Pula) and Zagreb.

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 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.

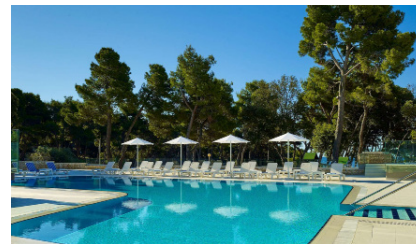
23 HOTELS IN EUROPE
6,638 ROOMS IN OPERATION



ARENA
HOTELS & APARTMENTS

Arena Hotels & Apartments is a collection of hotels and self-catering apartment complexes offering relaxed and comfortable accommodation within beachfront locations across the historic settings of Pula and Medulin in Istria, Croatia. Arena Hotels & Apartments features contemporary and warm design/interiors accompanied by a welcoming and friendly service offering a holiday full of opportunities for exploration and relaxation complemented by food and drink offering with a touch of local flavor. Arena Hotels & Apartments is your destination host and guide, a home away from home catering for families, couples and friends.

10 HOTELS AND RESORTS
1,493 ROOMS IN OPERATION



ARENA
CAMPSITES

Arena Campsites is a brand of both authentic and premium campsites located in exclusive beachfront sites in preserved natural surroundings. They are situated along the very south of the Istrian peninsula within proximity of the historic towns of Pula and Medulin, stretching from the Brijuni National Park in the west, all the way to a picturesque Medulin Bay and Cape Kamenjak on the south. Each campsite provides a distinctive offering and relaxed environment from which guests can experience Istria's areas of natural beauty and enjoy outdoor activities from April to October.

8 CAMPSITES
5,779 PITCHES AND MOBILE HOMES



RHG RADISSON
HOTEL GROUP™

Radisson Hotel Group (RHG), with its new owner Jin Jiang, forms the world's second largest hotel group. RHG has nine distinctive hotel brands with more than 1,400 hotels in operation and under development.



Central reservation and distribution system



Powerful online and mobile platforms

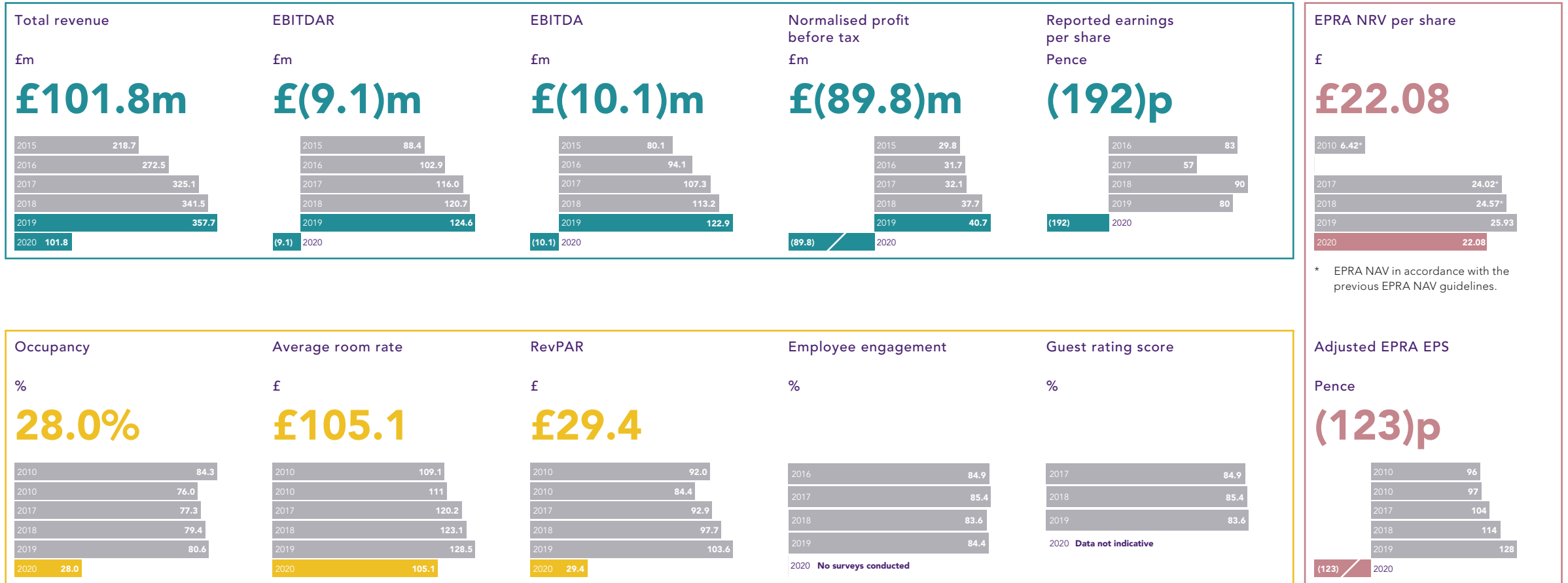


Radisson Rewards programme with 24 million members



Global sales, marketing and buying power

ASSET BACKED VALUE, WITH PRE-COVID LEADING OPERATING MARGINS



LONG TERM DEBT PROFILE, BACKED BY VALUABLE ASSETS

MATURITY PROFILE AT 31 DECEMBER 2020

Total £'m	1 year £'m	2 years £'m	3 years £'m	4 years £'m	5 years £'m	Thereafter £'m
757.4	36.4	22.0	25.1	45.4	19.1	609.4

- Average cost of bank debt 3.1%
 - Average maturity of bank debt 5.8 years
 - Asset backed mortgages
 - Net debt leverage 37.1% (pre-COVID 29.4%)
 - 21 facilities with 11 different lenders
- Covenants update
 - Covenant waivers received for debt service covenants until 2022
 - LTV covenants currently within limits, covenant levels at 60 – 70 %

PIPELINE UPDATE AND FOCUS ON THE FUTURE

art'otel london hoxton
GROUND UP DEVELOPMENT
– 343 ROOMS



PROGRESSING CONSTRUCTION

art'otel london battersea power station
MANAGEMENT AGREEMENT
– 164 ROOMS



EXTERNAL DEVELOPMENT (ONGOING)

Western Avenue, Park Royal, London
DEVELOPMENT SITE
– 465 ROOMS



LAND IN DEVELOPMENT, PLANNING GRANTED

Westminster Bridge Road, London
DEVELOPMENT SITE
– 186 ROOMS



PLANNING APPLICATION SUBMITTED

PIPELINE UPDATE AND FOCUS ON THE FUTURE (CONTINUED)

Hotel Brioni Pula, Croatia
REPOSITIONING PROJECT
– 227 ROOMS



PROGRESSING REPOSITIONING

Zagreb project, Croatia
CONVERSION PROJECT
– 115 ROOMS



PLANNING PERMISSION GRANTED

Hotel Belgrade, Serbia
TURN KEY HOTEL ACQUISITION
– 88 ROOMS



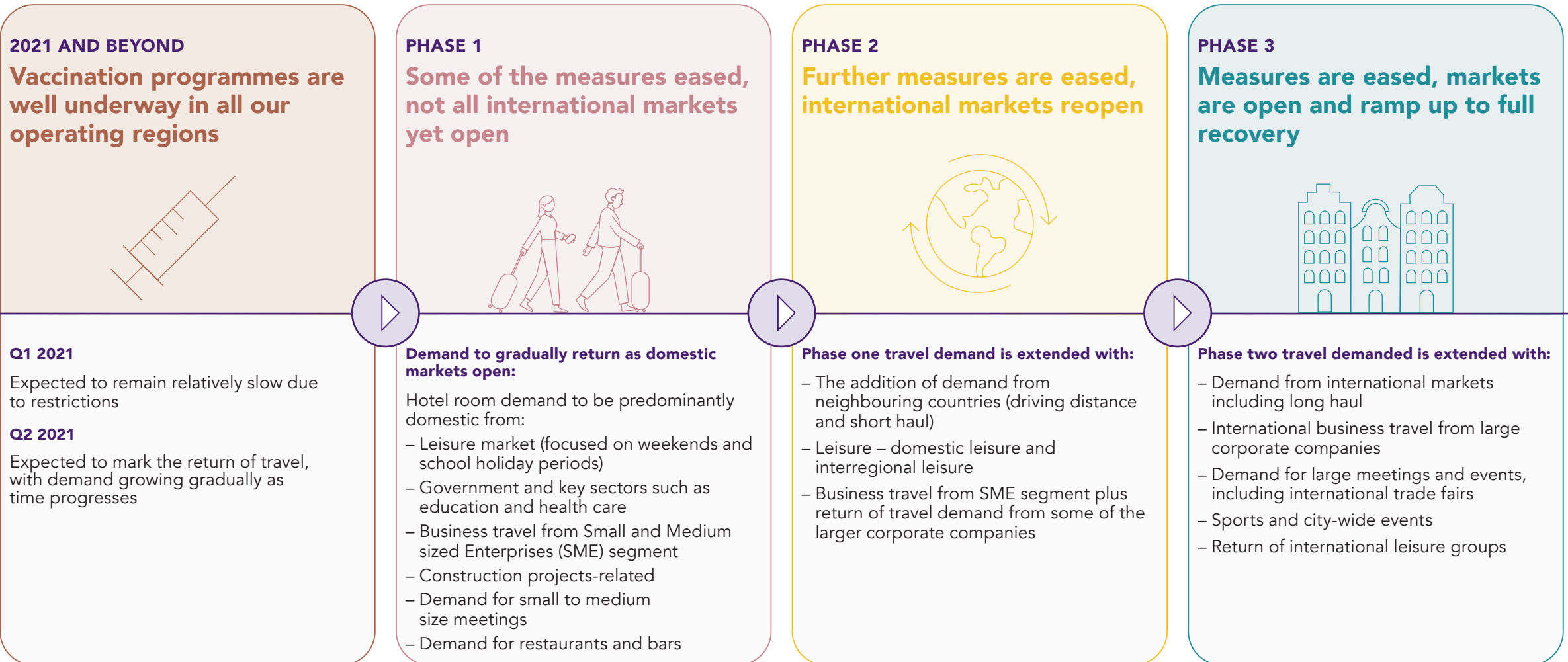
RECENT ACQUISITION, REPOSITIONING PROJECT

Guest House Riviera, Pula, Croatia
REPOSITIONING PROJECT
– 80 ROOMS



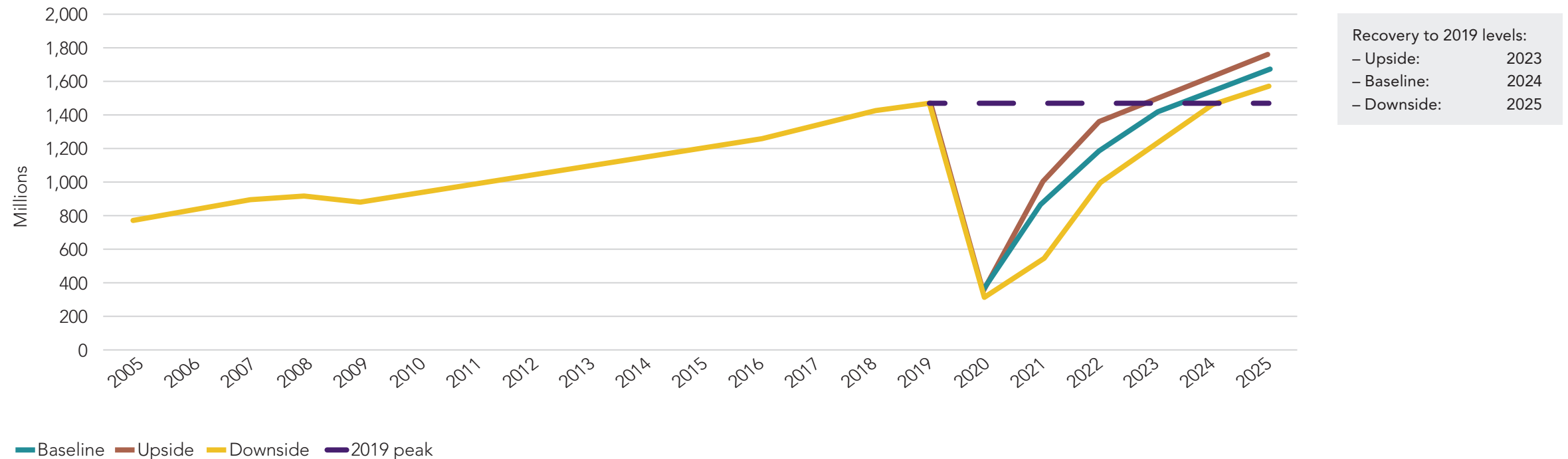
RECENT ACQUISITION, REPOSITIONING PROJECT

LOOKING AHEAD: A PHASED RECOVERY PATH



THE ROAD TO RECOVERY

- Vaccine deployment will allow a return to growth
- Challenges in vaccine distribution will define the profile
- Travellers will likely opt for closer-to-home destinations
- Leisure travel will lead the way while business travel remains unchanged



Source: World Tourism Organization, January 2021.

WELL POSITIONED TO BENEFIT FROM MARKET RECOVERY

**LOCATED IN KEY
CITIES IN EUROPE
AT PRIME LOCATIONS**

**FULL VALUE CHAIN
APPROACH**

**LOCATED IN MARKETS
THAT HAVE PROVEN TO
REBOUND QUICKLY**

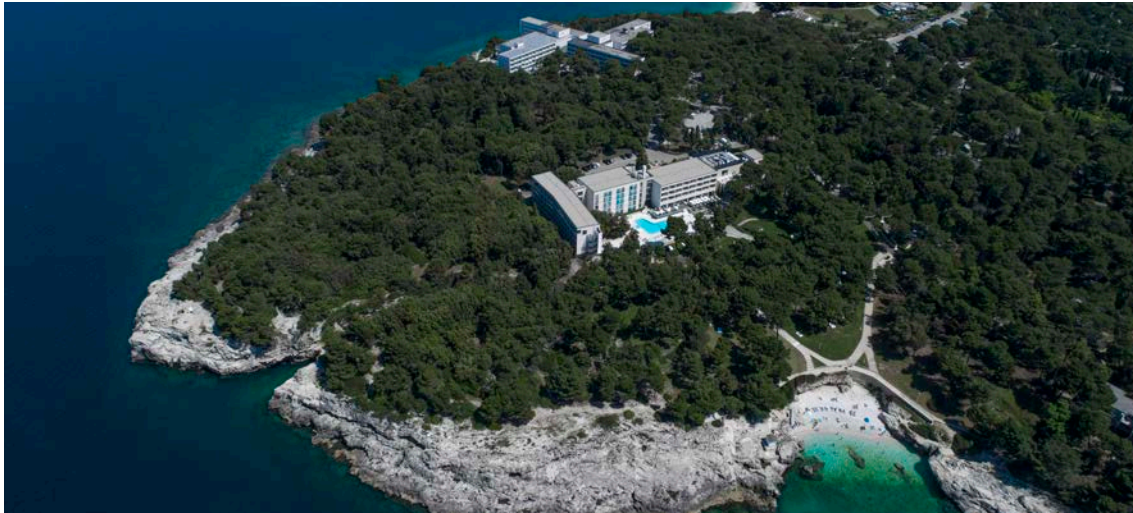
**FOCUSED ON DOMESTIC
AND REGIONAL MARKETS**

**NEWLY REFURBISHED
PORTFOLIO**

HEALTH AND WELLBEING

**LAUNCHING
CONTACTLESS SERVICES**

**MARKET LEADING
REVENUE MANAGEMENT
STRATEGIES**



FULL YEAR RESULTS



STRATEGIC PROGRESS AMID THE PANDEMIC

Swift response to sudden cliff-edge drop in demand

Extended pipeline in Eastern Europe with two repositioning projects and one conversion project

Planning secured for hotel development in West London and application submitted for Westminster Bridge Road London

Signed new facilities to build or reposition hotels and to fund cash burn in the period

Progressed projects in Croatia (opening summer season 2021) and Hoxton London (opening early 2024)

Well-positioned to benefit from the recovery

RESULTS AFFECTED BY ROLLER COASTER YEAR

	FY 2020	FY 2019	Change
Total revenue	£101.8m	£357.7m	(71.5)%
EBITDA	£(10.1)m	£122.9m	(108.2)%
Reported PBT	£(94.7)m	£38.5m	(346.0)%
Normalised PBT	£(89.8)m	£40.7m	(320.6)%
Occupancy	28.0%	80.6%	(5,260)bps
Average room rate	£105.1	£128.5	(18.2)%
RevPAR	£29.4	£103.6	(71.6)%
EPRA NRV	£22.08	£25.93	(14.8)%

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
423 rooms



Park Plaza Histria Pula
Dramatic beachfront setting
369 rooms



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

WELL-POSITIONED TO BENEFIT FROM MARKET RECOVERY

**LOCATED IN KEY
CITIES IN EUROPE
AT PRIME LOCATIONS**

**FULL VALUE CHAIN
APPROACH**

**LOCATED IN MARKETS
THAT HAVE PROVEN TO
REBOUND QUICKLY**

**FOCUSED ON DOMESTIC
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**NEWLY REFURBISHED
PORTFOLIO**

HEALTH AND WELLBEING

**LAUNCHING
CONTACTLESS SERVICES**

**MARKET LEADING
REVENUE MANAGEMENT
STRATEGIES**

STRONG CASH POSITION OF £114.2 MILLION AND ACCESS TO FURTHER UNDRAWN FACILITIES

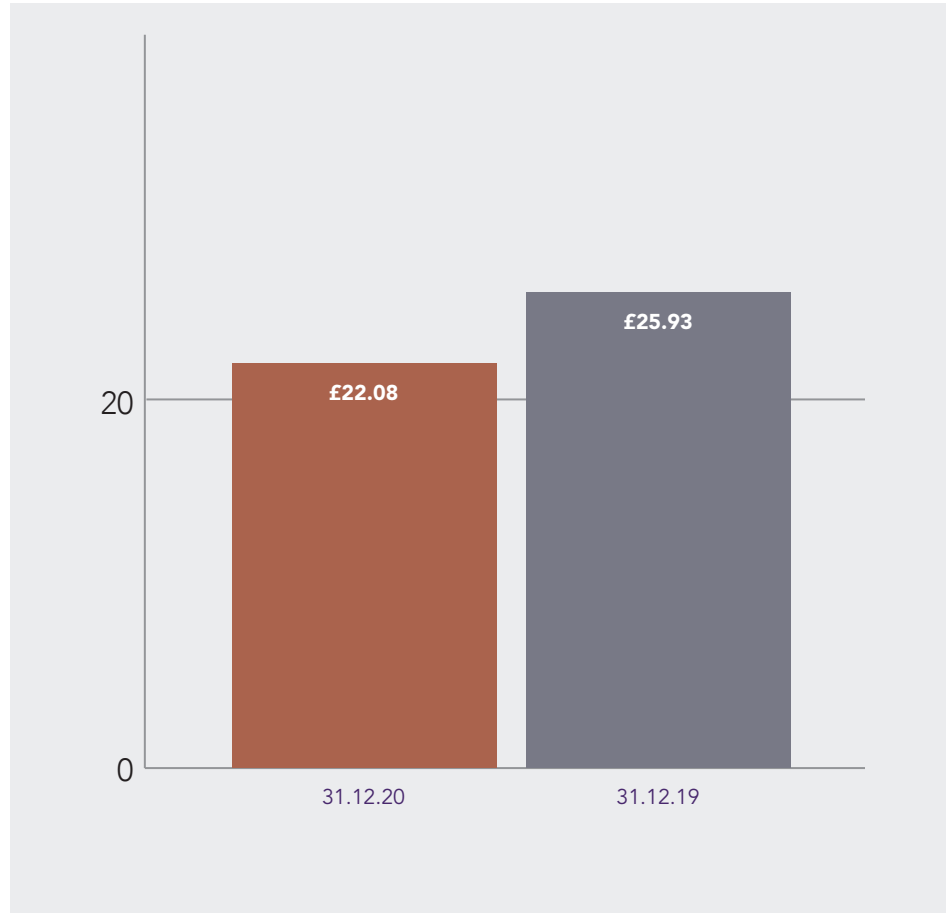


Activated cash protection plans,
taking drastic measures

Keeping a future focus and
continued with pipeline

NAV SUPPORTED BY NEW AND RENOVATED ASSETS IN PRIME LOCATIONS

EPRA NRV PER SHARE (IN £)



**Discount and cap rates
used by valuers remain
largely unchanged**

**Cash flow forecasts
used in external valuation
model assumes 2024 back
to, or above 2019 levels**

NAVIGATING THROUGH A PERIOD OF CASH BURN

TAKING OPERATIONAL ACTIONS:

Adjusted organisational structures in line with near-term demand levels

Stopped all discretionary spend

Reduced and renegotiated fixed operating expenses

Reduced maintenance Capex and focus on working capital

MANAGING CASH FLOW:

£24.1 million in the period

Utilisation of payroll support and job retention schemes

£12 million in the period

Utilisation of the business rates holiday

£8.6 million in the period

Withdrawal of proposed 2019 final dividend payment

£6.1 million in the period

Deferral of loan amortisations for 2020

IMPROVING LIQUIDITY PROFILE:

New facilities secured to improve available cash position

**£114.2 million
Cash as of December 31 2020**

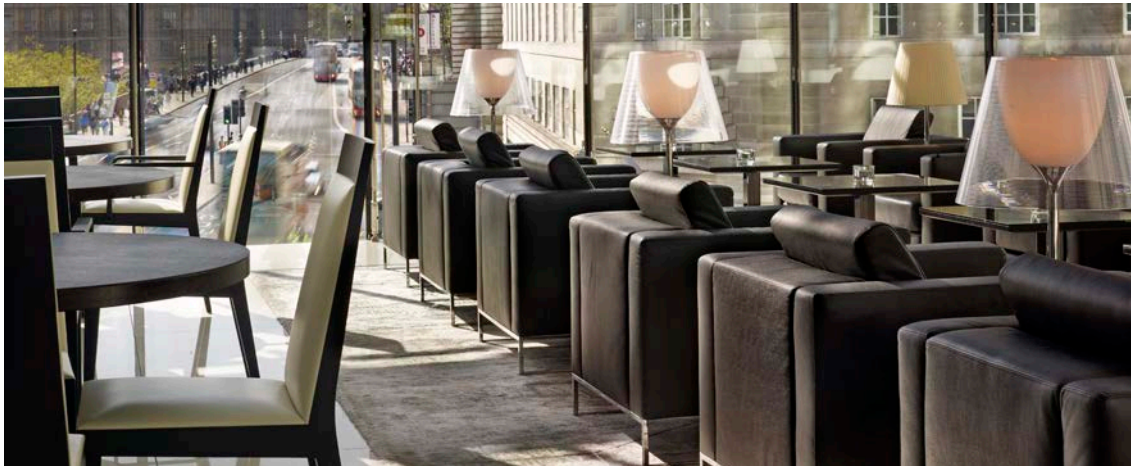
Covenant testing postponed to 2022

UNITED KINGDOM PERFORMANCE

Hotel operations

UK	Reported in GBP (£)		
	Dec-20	Dec-19	% change
Total revenue	£56.5 million	£207.4 million	(72.7)%
EBITDAR	£1.9 million	£71.0 million	(97.3)%
EBITDA	£1.5 million	£70.7 million	(97.9)%
Occupancy	29.0%	87.7%	(5,870) bps
Average Room Rate	£116.6	£152.4	(23.5)%
RevPAR	£33.8	£133.7	(74.7)%
Room revenue	£39.0 million	£152.7 million	(74.5)%
EBITDA %	2.6%	34.1%	(3,150) bps

Park Plaza Westminster Bridge London



Park Plaza Westminster Bridge London



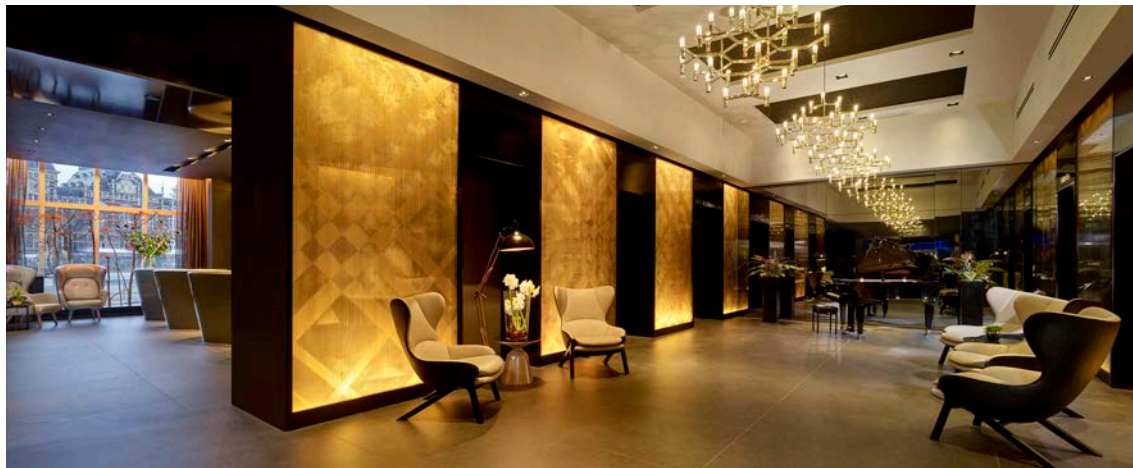
THE NETHERLANDS PERFORMANCE

Hotel operations

The Netherlands	Reported in GBP ¹ (£)			Reported in Local Currency Euro (€)		
	Dec-20	Dec-19	% change	Dec-20	Dec-19	% change
Total revenue	£14.9 million	£53.8 million	(72.2)%	€16.8 million	€61.4 million	(72.6)%
EBITDAR	£0.0 million	£15.0 million	(100.1)%	€0.0 million	€17.2 million	(100.1)%
EBITDA	£(0.1) million	£15.0 million	(100.4)%	€(0.1) million	€17.1 million	(100.4)%
Occupancy	25.3%	86.2%	(6,090) bps	25.3%	86.2%	(6,090) bps
Average Room Rate	£98.3	£124.8	(21.2)%	€110.6	€142.6	(22.4)%
RevPAR	£24.9	£107.6	(76.9)%	€28.0	€122.9	(77.2)%
Room revenue	£9.8 million	£40.3 million	(75.7)%	€11.0 million	€46.0 million	(76.1)%
EBITDA %	(0.4)%	27.9%	(2,830) bps	(0.4)%	27.9%	(2,830) bps

¹ Average exchange rate from Euro to Pound Sterling for the year to December 2020 was 1.12 and for the year to December 2019 was 1.14, representing a 1.6%% decrease.

Park Plaza Victoria Amsterdam



Park Plaza Victoria Amsterdam



CROATIA PERFORMANCE

Operations

Croatia	Reported in GBP ¹ (£)			Reported in Local Currency HRK		
	Dec-20	Dec-19	% change	Dec-20	Dec-19	% change
Total revenue	£18.7 million	£61.1 million	(69.4)%	HRK 158.7 million	HRK 519.6 million	(69.5)%
EBITDAR	£1.1 million	£19.4 million	(94.3)%	HRK 9.4 million	HRK 164.4 million	(94.3)%
EBITDA	£0.4 million	£18.2 million	(98.0)%	HRK 3.1 million	HRK 154.4 million	(98.0)%
Occupancy	30.4%	63.1%	(3,272) bps	30.4%	63.1%	(3,272) bps
Average Room Rate	£89.8	£91.1	(1.4)%	HRK 761.1	HRK 772.1	(1.4)%
RevPAR	£27.3	£57.5	(52.6)%	HRK 231.1	HRK 487.1	(52.6)%
Room revenue	£8.1 million	£33.5 million	(75.9)%	HRK 68.4 million	HRK 283.5 million	(75.9)%
EBITDA %	1.9%	29.8%	(2,787) bps	1.9%	29.7%	(2,779) bps

¹ Average exchange rate from Croatian Kuna to Pound Sterling for the year to December 2020 was 8.47 and for the year to December 2019 was 8.47, representing a 0.0% change.

Arena Verudela Beach Pula



Park Plaza Histria Pula



GERMANY AND HUNGARY PERFORMANCE

Hotel operations

	Reported in GBP ¹ (£)			Reported in Local Currency Euro (€)		
	Dec-20	Dec-19	% change	Dec-20	Dec-19	% change
Germany and Hungary						
Total revenue	£8.8 million	£29.5 million	(70.2)%	€9.9 million	€33.7 million	(70.6)%
EBITDAR	£(0.1) million	£9.1 million	(106.0)%	€(0.1) million	€10.4 million	(105.9)%
EBITDA	£(0.1) million	£8.7 million	(106.3)%	€(0.1) million	€9.9 million	(106.2)%
Occupancy	25.5%	80.7%	(5,514) bps	25.5%	80.7%	(5,514) bps
Average Room Rate	£83.0	£93.6	(11.3)%	€93.4	€106.9	(12.7)%
RevPAR	£21.2	£75.5	(71.9)%	€23.8	€86.2	(72.4)%
Room revenue	£6.8 million	£24.2 million	(71.9)%	€7.7 million	€27.7 million	(72.3)%
EBITDA %	(6.2)%	29.5%	(3,572) bps	(6.2)%	29.5%	(3,572) bps

¹ Average exchange rate from Euro to Pound Sterling for the year to December 2020 was 1.12 and for the year to December 2019 was 1.14, representing a 1.6% decrease.

Park Plaza Nuremberg



Park Plaza Nuremberg



CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	As at 31 December 2020 £'000	As at 31 December 2019 £'000
Assets		
Non-current assets:		
Intangible assets	17,754	18,036
Property, plant and equipment	1,201,358	1,113,661
Right-of-use assets	223,793	217,990
Investment in joint ventures	4,741	18,151
Other non-current financial assets	15,958	18,358
Restricted deposits and cash	2,261	1,841
Deferred income tax assets	6,724	5,173
	1,472,589	1,393,210
Current assets:		
Restricted deposits	4,777	3,541
Inventories	2,260	2,317
Trade receivables	3,473	12,758
Other receivables and prepayments	8,044	15,065
Investments in marketable securities	27	5,221
Cash and cash equivalents	114,171	153,029
	132,752	191,931
Total assets	1,605,341	1,585,141

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	As at 31 December 2020 £'000	As at 31 December 2019 £'000
Equity and liabilities		
Equity:		
Issued capital	–	–
Share premium	131,389	130,260
Treasury shares	(3,482)	(3,636)
Foreign currency translation reserve	20,804	8,094
Hedging reserve	(703)	(655)
Accumulated earnings	161,587	243,233
Attributable to equity holders of the parent	309,595	377,296
Non-controlling interests	95,358	103,465
Total equity	404,953	480,761
Non-current liabilities:		
Bank borrowings	721,006	664,945
Provision for concession fee on land	5,399	4,730
Financial liability in respect of Income Units sold to private investors	126,155	126,704
Other financial liabilities	244,818	228,793
Deferred income taxes	8,472	7,920
	1,105,850	1,033,272
Current liabilities:		
Trade payables	6,502	10,466
Other payables and accruals	51,667	47,326
Bank borrowings	36,369	13,316
	94,538	71,108
Total liabilities	1,200,388	1,104,380
Total equity and liabilities	1,605,341	1,585,141

CONSOLIDATED INCOME STATEMENT

	Year ended 31 December	
	2020 £'000	2019 £'000
Revenues	101,787	357,692
Operating expenses	(110,870)	(233,024)
EBITDAR	(9,083)	124,668
Rental expenses	(1,004)	(1,774)
EBITDA	(10,087)	122,894
Depreciation and amortisation	(46,624)	(41,749)
EBIT	(56,711)	81,145
Financial expenses	(35,526)	(32,089)
Financial income	391	2,923
Other income	(9,736)	(5,110)
Other expenses	10,299	2,225
Net expenses for financial liability in respect of Income Units sold to private investors	(2,579)	(10,795)
Share in results of associate and joint ventures	(826)	178
Profit (loss) before tax	(94,688)	38,477
Income tax benefit	724	4,105
Profit (loss) for the period	(93,964)	42,582
Profit (loss) attributable to:		
Equity holders of the parent	(81,731)	33,915
Non-controlling interest	(12,233)	8,667
	(93,964)	42,582
Basic and diluted earnings per share (in Pound Sterling)	(1.92)	0.80

HIGH QUALITY PORTFOLIO INDEPENDENTLY VALUED AT £1.7 BILLION

31 December 2020

	Book value	EPRA value ¹	Valuation yield
United Kingdom properties in operation (gross)	725.1		
Finance lease liabilities	(198.4)		
Units in Park Plaza Westminster Bridge London owned by third parties	(126.2)		
United Kingdom properties in operation (net)	400.5	894.0	7.0%–9.8% discount rate, 5.0%–7.8% caprate
Netherlands properties in operation	207.5	280.0	7.3%–9.5% discount rate, 5.3%–7.5% caprate
German properties in operation	72.1	87.2	8.5%–8.8% discount rate, 6.5%–6.8% caprate
Croatian properties in operation	189.9	243.1	9.0%–11.0% discount rate, 7.0%–9.0% caprate
Property in development	166.0	166.0	Specific development valuation model
Other PP&E (leased properties and offices)	12.5	12.5	
	1,048.5	1,682.8	
Joint venture and non-controlling interests in hospitality real estate	8.2	14.2	8.0%–8.3% discount rate, 6.0%–6.3% caprate
Other assets and liabilities	(15.5)	17.1	
Net assets	1,041.2	1,714.1	
Total market/EPRA NAV revaluation		672.9	
– Allocated to PPHE shareholders		638.0	
– Allocated to non-controlling interests		34.9	

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

The EPRA NRV as at 31 December 2020, set out in the table below amounts to £960.8 million, which equates to £22.08 per share.

	31 December 2020 £ million		
	EPRA NRV (Net Reinstatement Value)	EPRA NTA ⁴ (Net Tangible Assets)	EPRA NDV (Net Disposal Value)
NRV per the financial statements	309.6	309.6	309.6
Effect of exercise of options	13.2	13.2	13.2
Diluted NRV, after the exercise of options ¹	322.8	322.8	322.8
Includes:			
Revaluation of owned properties in operation (net of non-controlling interest) ²	602.1	602.1	602.1
Revaluation of the JV interest held in two German properties (net of non-controlling interest)	3.2	3.2	3.2
Fair value of fixed interest rate debt	–	–	(84.5)
Deferred tax on revaluation of properties	–	–	(13.1)
Real estate transfer tax ³	18.6	–	–
Excludes:			
Fair value of financial instruments	(0.7)	(0.7)	–
Deferred tax	(13.4)	(13.4)	–
Intangibles as per the IFRS balance sheet	–	17.8	–
NRV	960.8	924.4	830.5
Fully diluted number of shares (in thousands) ¹	43,521	43,521	43,521
NRV per share (in £)	22.08	21.24	19.08

1 The fully diluted number of shares excludes treasury shares but includes 1,196,996 outstanding dilutive options (as at 31 December 2019: 412,290).

2 The fair values of the properties were determined on the basis of independent external valuations prepared in December 2020. The properties under development are measured at cost.

3 EPRA NTA and EPRA NDV reflect fair value net of transfer costs. Transfer costs are added back when calculating EPRA NRV.

4 NTA is calculated under the assumption that the Group does not intend to sell any of its properties in the long run.

EPRA PERFORMANCE MEASURES (CONTINUED)

	31 December 2019 £ million			
	EPRA NRV Net Reinstatement Value)	EPRA NTA ⁴ (Net Tangible Assets)	EPRA NDV (Net Disposal Value)	EPRA NAV (as reported in the 2019 financial statement)
NRV per the financial statements	377.3	377.3	377.3	377.3
Effect of exercise of options	4.0	4.0	4.0	4.0
Diluted NRV, after the exercise of options ¹	381.2	381.2	381.2	381.2
Includes:				
Revaluation of owned properties in operation (net of non-controlling interest) ²	699.2	699.2	699.2	699.2
Revaluation of the JV interest held in two German properties (net of non-controlling interest)	3.9	3.9	3.9	3.9
Fair value of fixed interest rate debt	–	–	(86.4)	–
Deferred tax on revaluation of properties	–	–	(29.9)	–
Real estate transfer tax ³	19.8	–	–	–
Excludes:				
Fair value of financial instruments	(0.7)	(0.7)	–	(0.7)
Deferred tax	(6.7)	(6.7)	–	(6.7)
Intangibles as per the IFRS balance sheet	–	18.0	–	–
NRV	1,111.5	1,073.7	968.0	1,091.7
Fully diluted number of shares (in thousands) ¹	42,872	42,872	42,872	42,872
NRV per share (in £)	25.93	25.04	22.58	25.46

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. The properties under development are measured at cost.

3 EPRA NTA and EPRA NDV reflect fair value net of transfer costs. Transfer costs are added back when calculating EPRA NRV

4 NTA is calculated under the assumption that the Group does not intend to sell any of its properties in the long run.

EPRA PERFORMANCE MEASURES

The basis for calculating the Company's 2020 adjusted EPRA earnings of £(52.1) million (2019: £54.2 million) and the Company's adjusted EPRA earnings per share of (123) pence (2019: 128 pence) is set out in the table below.

	Year ended 31 December 2020 £million	Year ended 31 December 2019 £million
Earnings attributed to equity holders of the parent Company	(81.7)	33.9
Depreciation and amortisation expenses	46.6	41.7
Revaluation of Park Plaza County Hall London Income Units	2.4	(0.9)
Changes in fair value of financial instruments	0.2	(0.7)
Non-controlling interests in respect of the above ³	(8.1)	(7.8)
EPRA earnings	(40.6)	66.2
Weighted average number of shares (LTM)	42,466,006	42,390,693
EPRA earnings per share (in pence)	(96)	156
Company specific adjustments¹:		
Capital loss on buy-back of Income Units in Park Plaza Westminster Bridge London	–	0.7
Remeasurement of lease liability ⁴	3.4	3.4
Other non-recurring expenses (including pre-opening) ⁹	2.0	0.8
Government settlement purchase of hotel Riviera ⁷	1.5	–
Gain from settlement of legal claim ⁶	–	(1.1)
Adjustment of lease payments ⁵	(2.6)	(2.2)
Insurance settlement ¹⁰	(10.0)	–
Investment tax credit ⁸	(1.8)	(5.1)
Maintenance capex ²	(4.0)	(14.3)
Non-controlling interests in respect of the above ³	–	5.8
Company adjusted EPRA earnings	(52.1)	54.2
Company adjusted EPRA earnings per share (in pence)	(123)	128
Reconciliation Company adjusted EPRA earnings to normalised PBT		
Company adjusted EPRA earnings	(52.1)	54.2
Reported depreciation ¹¹	(41.3)	(41.7)
Non-controlling interest in respect of reported depreciation	8.1	7.8
Maintenance capex ²	4.0	14.3
Non-controlling interests on maintenance capex and the company specific adjustments	–	(5.8)
Adjustment of lease payments ⁵	2.6	2.2
Investment tax credit ⁸	1.8	5.1
(Loss) / Profit attributable to non-controlling interest	(12.2)	8.7
Reported tax	(0.7)	(4.1)
Normalised profit before tax	(89.8)	40.7

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.

4 Non cash revaluation of finance lease liability relating to minimum future CPI/RPI increases.

5 Lease cash payments which are not recorded as an expense in the Group's income statement due to the implementation of IFRS 16.

6 Release of accrual as a result of a settlement reached in a legal dispute in Croatia with Pula Herculanea d.o.o (see Note 25b in the annual consolidated.

7 Execution of the sale and purchase agreement with the Republic of Croatia related to Guest House Riviera Pula (see Note 5d in the annual consolidated.

8 Relates to investment tax credit received in Croatia and change in tax rate (see Note 27 in the annual consolidated financial statements).

9 Mainly relates to write-off value of fixed assets due to reconstruction of Hotel Brioni Pula (disposal of asset due to reconstruction).

10 Net insurance proceeds received in relation to one of the Group's UK hotels.

11 Reported depreciation excluding impairments of property, plant and equipment and right-of-use assets.


























SUPPLEMENTAL INFORMATION



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	



ARENA GRAND KAŽELA CAMPSITE

Phase 2 completed summer 2020
Included 45 new holiday homes, new restaurant,
bar and sports centre





ARENA VERUDELA BEACH PULA

Refurbished 146 self-catering
holiday apartments





PARK PLAZA HISTRIA PULA

Soft refurbishment of guest rooms,
public areas and full redevelopment
of the Yacht & Lighthouse restaurants



OUR COMMITMENT TO UPSCALING CORPORATE GOVERNANCE TO BENEFIT ALL STAKEHOLDERS

Yoav Papouchado

Alternate Director



Skills and experience:

- Appointed as Alternate Director to the Group's Chairman on 21 July 2020
- Yoav may act in the Chairman's absence
- Chairman of Red Sea Group
- Real estate developer with over 30 years of experience of residential developments and data centres worldwide
- Deputy Chairman of the Supervisory Board of Arena Hospitality Group, listed on ZSE
- President of Gear Construction, the construction arm of Red Sea Group

Nigel Keen

Non-Executive Director



Skills and experience:

- Nigel sits on the Audit, Remuneration and Nomination Committees
- 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

Stephanie Coxon

Non-Executive Director



Skills and experience:

- Stephanie sits on the Audit, Remuneration and Nomination Committees
- Qualified chartered accountant
- Former capital markets director at PwC, responsible for advising asset managers on listing investment funds and real estate investment trusts (UK, Guernsey and Jersey) on the London Stock Exchange
- She also advised on ongoing obligations, corporate governance, accounting policies and reporting processes
- Independent non-executive director of Apax Global Alpha Limited (Audit Committee) and JLEN Environmental Assets Group Limited (Audit, Risk and Investment Committees)
- Appointed to the Board on 7 August 2020

Kenneth Bradley









Non-Executive Director



Skills and experience:

- Ken sits on the Audit, Remuneration and Nomination Committees
- 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

BOARD OF DIRECTORS¹

Eli Papouchado	Yoav Papouchado	Boris Ivesha	Daniel Kos	Kevin McAuliffe	Kenneth Bradley	Nigel Keen	Stephanie Coxon
Non-Executive Chairman	Alternate Director	President & Chief Executive Officer	Chief Financial Officer & Executive Director	Non-Executive Deputy Chairman	Non-Executive Director	Non-Executive Director & Senior Independent Director	Non-Executive Director
							

Skills and experience

<ul style="list-style-type: none"> – 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 	<ul style="list-style-type: none"> – Chairman of Red Sea Group – Real estate developer with over 30 years of experience of residential developments and data centres worldwide – Deputy Chairman of the Supervisory Board of Arena Hospitality Group, listed on ZSE – President of Gear Construction, the construction arm of Red Sea Group 	<ul style="list-style-type: none"> – 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 	<ul style="list-style-type: none"> – 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 	<ul style="list-style-type: none"> – 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 	<ul style="list-style-type: none"> – 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 	<ul style="list-style-type: none"> – 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 	<ul style="list-style-type: none"> – Qualified chartered accountant – Former capital markets director at PwC, responsible for advising asset managers on listing investment funds and real estate investment trusts (UK, Guernsey and Jersey) on the London Stock Exchange – She also advised on ongoing obligations, corporate governance, accounting policies and reporting processes – Independent non-executive director of Apax Global Alpha Limited (Audit Committee) and JLEN Environmental Assets Group Limited (Audit, Risk and Investment Committees) – Appointed to the Board on 7 August 2020
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¹ Nigel Jones retired from the Board on 19 May 2020 and Dawn Morgan on 30 September 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



Number of years worked at PPHE Hotel Group

29 years

9 years

13 years

10 years

Jaklien van Sterkenburg

Executive Vice President
People & Culture | Head of
HR



25 years

Robert Henke

Executive
Vice President
Commercial Affairs



18 years

Daniel Pedreschi

Regional Vice President
Operations, UK



11 years

Michelle Wells

Regional Vice President
Operations
the Netherlands



14 years

Jon Colley

Executive Vice President
Acquisitions &
Development



Joined 8 February 2021

ARENA HOSPITALITY GROUP

Reuel ("Reli") Slonim

President of the
Management Board



12 years

Devansh Bakshi

Chief Financial Officer
& Member of the
Management Board



7 years

Arnoud Duin

Regional General
Manager, Germany &
Hungary



14 years

Manuela Kraljević

Member of the
Management Board and
Marketing and Sales Director



11 years

Edmond Pinto

Member of the
Management Board and
Chief Operation Officer



Joined 1 March 2020

LARGEST SHAREHOLDERS

**Number of issued shares
(excluding treasury)**

42,539,340

Shareholders with holdings of 5% or more of the Company's issued share capital (excluding treasury) as at 1 March 2021	Number of Ordinary Shares	Percentage of the Company's issued share capital ¹
Eli Papouchado ²	13,760,260	32.35
Boris Ivesha ³	4,636,974	10.90
Aroundtown Property Holdings	4,246,974	9.98
Clal Insurance Enterprises Holdings	3,461,941	8.14
Harel Insurance Investments and Financial Services	2,577,760	6.06

1. Excludes shares held in treasury.

2. Eli Papouchado is deemed to be interested in the Ordinary Shares held by Euro Plaza, Red Sea Club Limited and A.A. Papo Trust Company Limited.

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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