

26 January 2023

**PPHE Hotel Group Limited
("PPHE Hotel Group", "PPHE" or the "Company")**

Year-end Trading Update*

FY 2022 performance ahead of previously upgraded expectations

PPHE Hotel Group, the international hospitality real estate group which develops, owns and operates hotels and resorts, announces a trading update for the year ended 31 December 2022.

Summary

- Financial performance expected to exceed previously upgraded market expectations¹, with revenue of at least £325m and EBITDA of at least £93m.
- Outperformance driven by strong leisure demand, particularly in London and Croatia during the summer season, corporate travel returning, and strong demand for meetings and events in Q4 despite the disruption caused by rail strikes in the UK.
- Rate-led strategy continues to underpin the strong financial performance, with average room rates in all regions exceeding levels achieved pre-pandemic.
- EPRA NRV is expected to be materially ahead of the latest figure published in the 2022 Interim results (H1 2022: £21.88) as a result of the Group's faster-than-expected recovery after COVID-19.
- Booking momentum has continued into January, which supports the Board's confidence in the outlook.

Strategic highlights

- Long-standing partnership with Radisson Hotel Group significantly extended to allow PPHE and Radisson to leverage their respective brand strengths.
- Two premium hotels opened, leading to heightened brand awareness in two key markets:
 - Grand Hotel Brioni Pula, Croatia was relaunched in May as a Radisson Collection Hotel, following an extensive repositioning project. This is the first PPHE hotel to operate and be marketed under the Group's extended partnership with Radisson Hotel Group.
 - The UK's first art'otel, located at London Battersea Power Station, opened its doors to guests in December 2022 to widespread critical acclaim. A full launch of the hotel is scheduled for February 2023. This hotel is operated by the Group's Hospitality Management Platform under a long-term agreement.
- Good progress made on the £200m+ development pipeline during 2022, in line with plans, including Zagreb (opening Q2 2023), Rome (opening H1 2024) and London Hoxton (opening H1 2024).

Financial highlights

- Reported Group room revenue for the year was £237.8m, up 181.6% vs 2021 (2021: £84.4m) and at 94.9% of the levels reported in the comparative period in 2019. Reported RevPAR was £96.2, up 168.0% vs 2021 and at 92.8% of 2019 levels, reflecting occupancy of 60.0% (2021: 30.7%).
- The average room rate increased to £160.4 (2021: £117.0) up 24.8% on pre-pandemic levels due to the Group's rate-led strategy.
- The rate-led strategy and investments made in technology, automation and energy efficiency have helped to mitigate headwinds around rising labour and energy costs.
- The strength of recovery across the Group's key markets and the resilience of the financial performance allowed for the reinstatement of the interim dividend at 3 pence per share (H1 2021: nil) and the commencement of a share buyback programme in June 2022.
- Annual independent property portfolio valuation² is expected to report valuation gains, with the quicker than expected recovery in trading more than offsetting an anticipated uptick in capitalisation rates. Consequently, EPRA NRV is expected to be materially higher than the latest figure published in the 2022 Interim Results. Further details will be published in the 2022 Annual Results.

* Note: all figures disclosed above are unaudited.

¹ PPHE compiled analyst consensus forecast range for the year ended 31 December 2022 shows total revenue of £310.0m - £315.0m and EBITDA of £85.1m - £90.2m.

² Property portfolio independently valued by Savills and Zagreb Nekretnine Ltd (ZANE) in December 2022

Boris Ivesha, President & Chief Executive Officer, PPHE Hotel Group said:

"We are delighted with PPHE's outperformance in 2022. Our rate-led strategy, prime locations and highly appealing brands have continued to support our strong recovery post-pandemic, with each quarter improving on the last. The Group is now close to 2019 levels on a number of key metrics, including total room revenue and RevPAR, and with a significantly higher average room rate.

While macroeconomic pressures remain heading into 2023, we are confident in the Group's ability to continue to grow its revenues and EBITDA. Our many exciting new hotel openings alongside further recoveries in travel and business in our key markets will continue to help us position ourselves strongly to deliver on our ambitious growth strategy."

The Company intends to report its audited Annual Results on 2 March 2023.

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Notes to Editors

PPHE Hotel Group is an international hospitality real estate company, with a £1.8 billion portfolio, valued as at December 2021 by Savills and Zagreb nekretnine Ltd (ZANE), of primarily prime freehold and long leasehold assets in Europe.

Through its subsidiaries, jointly controlled entities and associates it owns, co-owns, develops, leases, operates and franchises hospitality real estate. Its portfolio includes full-service upscale, upper upscale

and lifestyle hotels in major gateway cities and regional centres, as well as hotel, resort and campsite properties in select resort destinations. The Group's strategy is to grow its portfolio of core upper upscale city centre hotels, leisure and outdoor hospitality and hospitality management platform.

PPHE Hotel Group benefits from having an exclusive and perpetual licence from the Radisson Hotel Group, one of the world's largest hotel groups, to develop and operate Park Plaza® branded hotels and resorts in Europe, the Middle East and Africa. In addition, PPHE Hotel Group wholly owns, and operates under, the art'otel® brand and its Croatian subsidiary owns, and operates under, the Arena Hotels & Apartments® and Arena Campsites® brands.

PPHE Hotel Group is a Guernsey registered company with shares listed on the London Stock Exchange. PPHE Hotel Group also holds a controlling ownership interest in Arena Hospitality Group, whose shares are listed on the Prime market of the Zagreb Stock Exchange.

Company websites

www.pphe.com | www.arenahospitalitygroup.com

For reservations

www.parkplaza.com | www.artotel.com | www.arenahotels.com | www.arenacampsites.com