Business review

Greg Hegarty
Deputy Chief Executive Officer & Chief Operating Officer

What sets us apart is our strong sense of purpose

"When the time came to reopen our properties to the public, we were ready and filled with excitement"

In my second year as the Group's Deputy CEO and COO I have been immensely impressed by our team's flexibility, commitment and passion shown. We ended 2020 filled with optimism for 2021, driven by the various vaccine developments which were widely seen as the way out of the pandemic. We all hoped that a short period of lockdown over the 2020/2021 winter period would allow us to reopen again early in the New Year.

However, strict measures remained in place for a prolonged period of time and we were only able to reopen our UK portfolio fully in May, and on the continent this was even as late as June and July. In this interim period, however, we maintained many of our teams, made voluntary personal sacrifices and successfully secured several government and essential business travel agreements. Two of our hotels in the UK were included in the UK Government's quarantine hotel programme, and they delivered an outstanding performance. Our teams worked day and night to prepare the hotels for welcoming guests who were required to isolate. The hotel teams had to constantly find a balance between delivering the contracted set of services and amenities, which were all geared around minimising guest contact, and offering a hospitable environment.

As soon as restrictions were eased, demand returned quickly, driven by strong domestic leisure markets and several key sports events, such as the Euros, Cricket and, most notably, The Championships, Wimbledon, for which our Park Plaza Westminster Bridge London was chosen as the official host hotel for the players and support teams.

When the time came to reopen our properties to the public, we were ready and filled with excitement. Our teams were expanded in line with demand and fully trained and reenergised. During these volatile and uncertain times, we welcomed back several hundred team members who were on furlough (or equivalent support programmes in The Netherlands or Germany), we recruited and onboarded several hundred new team members and delivered the excellent guest experiences in which we take enormous pride.

We can reflect on a strong summer for the UK properties and most notably in our Croatian portfolio where in July and August we delivered a record performance. The momentum experienced in summer unfortunately didn't last in continental Europe as several countries experienced yet another increase in infections, leading to the reintroduction of restrictions. The UK started introducing measures again towards the end of 2021.

However, two years into the pandemic, every time measures are lifted we see an immediate pickup in demand for our properties. This gives us great confidence about the future of our industry and the prospects of our Group. As we entered 2020, we had just completed a £100 million investment programme and in 2021 we continued to invest in our pipeline, we completed several acquisitions and upgraded properties. The quality, depth and locations of our portfolio, the excellent guest ratings and highly motivated teams will continue to drive our recovery.

The pandemic, combined with the effects of Brexit in the UK, has had a significant impact on the availability of labour in the hospitality industry. Many hospitality professionals have pursued other careers and employee shortages across our sector have been widely reported. We are not immune to these trends but have benefited enormously from our earlier strategic decision to employ our own accommodation services teams, reducing our exposure. Our in-house team has helped us to cope with the peaks in demand and was able to move between properties. In addition, our recruitment teams were extended, and several new strategies and initiatives were introduced to increase our talent pool.

In my view, what sets our Group apart is our strong sense of purpose, which is built around creating valuable memories for our guests and value for our assets, people and local communities. 2021 was another year where we placed these stakeholders at the centre of the decisions we made. Our team members agreed and voted en masse for our Group to be recognised by The Caterer as the 'Best Employer in Hospitality'. In light of the dramatic changes we have experienced as hoteliers and the ways we have had to adjust, I am humbled and feel privileged to be working with so much talent.

During 2021 we engaged KPMG to help us sharpen our overall strategy, ensuring we continue to do what we do well, and explore further growth opportunities. Under the guidance of our Board and leadership team, we refined our corporate strategy, identifying strategic pillars and enablers. Our future focus remains centred around our owner/operator business model, leveraging our real estate ownership and expertise while growing our hospitality management platform. We are confident about our road to recovery and are excited about our pipeline, with several new openings and repositioning programmes planned for 2022, 2023 and 2024. I invite you to read more about our performance and various key developments in each of our operating markets in the section ahead.

Greg Hegarty
Deputy Chief Executive Officer & Chief Operating Officer

Business review continued

United Kingdom performance

Total value of UK property portfolio[1]

£932m

2020: £894m

Property portfolio

The Group has a well-invested portfolio consisting of approximately 3,200 rooms in operation in the upper upscale segment of the London hotel market, and approximately 1,100 rooms in its London development pipeline. Four of the Group's London hotels are in the popular South Bank area of London, with further properties in the busy Victoria, fashionable Marylebone and well-connected Park Royal areas. There are also three properties in the UK regional cities of Nottingham, Leeds and Cardiff.[2]

The Group has an ownership interest in nine properties: Park Plaza Westminster Bridge London, Park Plaza London Riverbank, Park Plaza London Waterloo, Park Plaza County Hall London,[2] Park Plaza Victoria London, Park Plaza London Park Royal, Holmes Hotel London, Park Plaza Leeds and Park Plaza Nottingham. Park Plaza Cardiff[2] operates under a franchise agreement.

Portfolio performance

The quality and location of the Group's portfolio in London positioned it well to benefit from improved activity as restrictions were eased.

Most of the Group's hotels in the UK (the Group's largest market) were closed from 6 January until 17 May 2021, in line with the UK Government's international and domestic travel restrictions due to the pandemic. All restaurants and bars within properties were also closed, significantly impacting the first half performance.

To help mitigate the impact of the property closures, the Group secured a commercial agreement with the Department of Health and Social Care (DHSC) to provide temporary accommodation for individuals arriving from 'red-list' countries. Park Plaza London Waterloo and Park Plaza Victoria London operated solely as quarantine hotels from May and July respectively. The DHSC set the service requirements to be provided by these hotels and was responsible for the provision of medical and security staff. The hotel team members had limited contact with guests during their stay. These agreements ceased in early November and both hotels reopened to the public.

Financial performance

UK	Reported in GBP (£) Year ended 31 Dec 2021	Year ended 31 Dec 2020	% change
Total revenue	**£75.3m**	£56.5m	33.1%
EBITDAR	**£11.7m**	£1.9m	505.5%
EBITDA	**£11.2m**	£1.5m	665.5%
Occupancy	**31.9%**	29.0%	290 bps
Average room rate	**£136.2**	£116.6	16.8%
RevPAR	**£43.4**	£33.8	28.5%
Room revenue	**£49.9m**	£39.0m	28.2%
EBITDA %	**14.9%**	2.6%	1,230 bps

Furthermore, the Group was very proud to be selected as the exclusive Official Player Hotel for the Wimbledon Championships by the All England Lawn Tennis Club (AELTC). Park Plaza Westminster Bridge London accommodated all the players and their support teams. The hotel provided full-service hospitality including testing and recovery centres, gyms, hospitality desks for players and highly tailored nutritional food and beverage offerings.

Together these commercial agreements provided the Group with alternative revenue streams during a period of property closures and low demand for non-essential stays.

On 17 May restrictions were eased which allowed the Group's UK hotels to reopen and welcome back guests for non-essential travel. Thereafter, activity levels and booking pace gradually improved, with demand primarily generated by domestic leisure guests. This trading momentum continued into the second half aided by the return of international travel, which resulted in both strong revenue generation and recovery in average room rates during Q3, in line with the Group's rate-driven strategy.

Corporate travel and meetings and events continued to grow month-by-month in the second half, albeit demand remained behind 2019 levels, and several events, such as awards dinners, took place in Q4. Booking pace slowed down from the second half of November due to the emerging of the Omicron variant.

1. Independent valuation by Savills in December 2021 and excluding the London development sites art'otel London Hoxton and Westminster Bridge Road.
2. Revenues derived from these hotels are accounted for in Management and Holdings and their values and results are excluded from the data provided in this section.

Total reported revenue was £75.3 million (2020: £56.5 million), 36.3% of 2019 levels. Reported RevPAR was £43.4 (2020: £33.8 million), 32.5% of 2019 levels, driven by a recovery in average room rate to £136.2 (2020: £116.6), and occupancy of 31.9% (2020: 29.0%).

Notwithstanding the actions taken, Reported EBITDAR was £11.7 million (2020: £1.9 million), and EBITDA was £11.2 million (2020: £1.5 million). During the period, the Group benefited from approximately £12.1 million of support in the form of grants and business rates relief.

Asset management projects

The Residence at Holmes Hotel London is a unique self-contained event space, which was completed and launched during 2021. This versatile meeting and events space offers several uniquely designed meeting rooms which can be booked individually or together, including the use of a private pantry and billiards room, to host a fully private function such as team away days and collaborative group sessions.

Development pipeline

The Group's largest pipeline project is the development of art'otel London Hoxton, located in one of London's most exciting neighbourhoods. This £180+ million mixed-use scheme will accommodate a premium lifestyle hotel with 343 rooms and suites, five floors of office space, as well as wellness facilities, a gym and swimming pool, and art gallery space. Construction of the building has progressed to plan, with subterranean works and the core structure complete, and 17 out of 27 floors constructed. The project is expected to complete in early 2024.

Two further mixed-use development projects are planned for London. In west London, detailed plans are being prepared for the Group's site adjacent to Park Plaza London Park Royal. The plans include a 465-room hotel, 6,000m² of light industrial space and 3,000m² of state-of-the-art co-working offices, a gym and swimming pool. The site benefits from its proximity to London Heathrow Airport and Wembley Stadium, and it has easy access to central London via road and rail. Planning permission was successfully obtained in late 2020.

Planning applications for the Group's vacant freehold site on London's South Bank (79–87 Westminster Bridge Road) have been submitted. Subject to obtaining planning, the Group intends to convert the property into a new 186 room hotel and approximately 750m² earmarked for office space and light industrial use.

Furthermore, development of art'otel London Battersea Power Station by the Battersea Power Station Development Company is progressing well and the hotel is expected to open during the second half of 2022. The hotel will be managed by the Group under a long-term contract.

The two high-profile London art'otel projects are part of the Company's strategic plan to operate and develop a collection of premium lifestyle art'otels across existing and new markets including Amsterdam, London, Rome and Zagreb.

The UK hotel market*

Following on from a severely disrupted 2020, COVID-19 continued to negatively affect the hospitality industry in 2021 with many countries extending or reimposing restrictions on domestic and international travel with the rise of the Omicron variant. This led to hotels in our markets either closing completely or having their offerings severely restricted and therefore affecting their attractiveness to the limited demand.

This inconsistency in the market has made performance comparisons, at a hotel competitor set level, very unpredictable and unreliable but at a Country/City market data level, through the STR TRI Report, we can see the year-on-year changes. Below is based on full inventory availability versus 2020.

On a full-year basis, the impact on the UK market was an 80.4% increase in RevPAR to £40.3, which was the result of a 53.1% increase in occupancy to 46.8% and a 17.8% increase in average room rate, to £86.2.

Full-year performance saw London, our main UK market, improving by 59.7% in RevPAR to £45.3. Occupancy increased by 46.8% to 37.4% with an increase in average room rate of 8.8% to £121.0.

* Source: STR European Hotel Review TRI: December 2021.

ART'OTEL LONDON HOXTON

The construction of art'otel London Hoxton in the heart of London Shoreditch is progressing well, with external cladding expected to commence installation in the first half of 2022. The 27-storey property will comprise 343 hotel rooms, including 60 long-stay apartments and suites.

PPHE Hotel Group entered into a joint venture in June 2021 with Clal Insurance, one of Israel's leading insurance and long-term savings companies.

Business review continued

The Netherlands

Total value of the Netherlands property portfolio[1]

£274m

2020: £280m

Property portfolio

The Group has an ownership interest in three hotels in the centre of Amsterdam and a fourth property located near Amsterdam Airport Schiphol, and it has two owned hotels in Utrecht and in Eindhoven.

Portfolio performance

Trading in the year was severely impacted by extremely low demand due to government lockdown measures such as travel restrictions, curfews and the temporary closure of restaurants, cafés and bars. While hotels could remain open throughout, the impact of restrictions on demand resulted in the Group's hotels being either temporarily closed or operating at significantly reduced capacity during the first half. All restaurants and bars within the properties were closed.

Restrictions were eased from June and all properties (apart from one) reopened. Park Plaza Amsterdam Airport remained closed all year. As the second half progressed, restrictions on international travel were eased, particularly from the UK, an important source market, which led to improved booking momentum in the second half. Nonetheless, demand was primarily from domestic guests, with the Group's regional properties experiencing greater demand than city-centre locations.

However, in the autumn virus infection rates began to rise in The Netherlands, resulting in further government restrictions such as coronavirus entry-pass requirements for food and drink venues and events, and a 5pm evening curfew from 28 November. On 18 December a lockdown was introduced, adversely impacting trading.

Consequently, total revenue in Euros was €12.1 million (2020: €16.8 million), 19.6% of 2019 levels. RevPAR decreased to €20.8 (2020: €28.0). Average room rate increased to €128.1 (2020: €110.6). Occupancy reflected extremely low demand at 16.3% (2020: 25.3%).

EBITDA (in Euros) was €1.2 million (2020: €(0.1) million), despite the Group's continued focus on its cost base and usage of the government support schemes available. During the period, the Group benefited from approximately £6.5 million (€7.5 million) of payroll support and fixed costs subsidies.

Financial performance

	Reported in Pound Sterling[2] (£)			Reported in local currency Euro (€)		
The Netherlands	**Year ended 31 Dec 2021**	Year ended 31 Dec 2020	% change	**Year ended 31 Dec 2021**	Year ended 31 Dec 2020	% change
Total revenue	**£10.4m**	£14.9m	(30.8)%	**€12.1m**	€16.8m	(28.2)%
EBITDAR	**£1.1m**	£0.0m	N/A	**€1.3m**	€0.0m	N/A
EBITDA	**£1.1m**	£(0.1)m	N/A	**€1.2m**	€(0.1)m	N/A
Occupancy	**16.3%**	25.3%	(910)bps	**16.3%**	25.3%	(910)bps
Average room rate	**£109.9**	£98.3	11.7%	**€128.1**	€110.6	15.8%
RevPAR	**£17.9**	£24.9	(28.2)%	**€20.8**	€28.0	(25.6)%
Room revenue	**£7.0m**	£9.8m	(28.4)%	**€8.2m**	€11.0m	(25.8)%
EBITDA %	**10.4%**	(0.4)%	1,070bps	**10.4%**	(0.4)%	(1,070)bps

1 Independent valuation by Savills in December 2021.
2 Average exchange rate from Euro to Pound Sterling for the year to December 2021 was 1.17 and for the year to December 2020 was 1.12, representing a 3.6% increase.

Asset management projects

The Group's flagship property, art'otel Amsterdam, reopened in June. In November, a brand new restaurant design and concept was launched in partnership with two Michelin starred Portuguese chef Henrique Sá Pessoa. The Group also completed a refurbishment of a new all-day café, Carsten's Café Amsterdam, positioned near the entrance of the hotel.

Due to the measures introduced, both restaurants have been open for a short period of time, but when they were they generated excellent guest reviews and publicity and we expect that when markets reopen both will regain momentum.

Asset management projects under consideration for 2022 include the redevelopment and launch of the gym, wellness and swimming pool areas of Park Plaza Victoria Amsterdam and art'otel Amsterdam.

The Netherlands hotel market*

Following on from a severely disrupted 2020, COVID-19 continued to negatively affect the hospitality industry in 2021 with many countries extending or reimposing restrictions on domestic and international travel with the rise of the Omicron variant. This led to hotels in our markets either closing completely or having their offerings severely restricted and therefore affecting their attractiveness to the limited demand.

This inconsistency in the market has made performance comparisons, at a hotel competitor set level, very unpredictable and unreliable but at a Country/City market data level, through the STR TRI Report, we can see the year-on-year changes. Below is based on full inventory availability versus 2020.

On a full-year basis, the impact on the Dutch market was a 11.8% increase in RevPAR to €29.3, which was the result of a 10.9% increase in occupancy to 31.1% and a 0.8% increase in average room rate, to €94.1.

Full-year performance saw Amsterdam, our main market in the Netherlands, improving 5.3% in RevPAR to €26.4. Occupancy increased by 7.7% to 25.7% with a reduction in average room rate of 2.3% to €102.7.

* Source: STR European Hotel Review TRI: December 2021.

ART'OTEL AMSTERDAM

ARCA opens at art'otel Amsterdam

Award-winning two Michelin starred Portuguese chef Henrique Sá Pessoa, recently named 38th Best Chef in the World, opened ARCA in November 2021 as his first restaurant in Europe outside of Lisbon, and the funkier, more relaxed sister to his other outposts. ARCA brings a relaxed and approachable Portuguese sharing plates concept with modern flavours, Asian influences and impressive cocktails. Find ARCA at Amsterdam's art'otel!

arcaamsterdam.com

Business review continued

Croatia

Total value of Croatian property portfolio[1]

£253m

2020: £243m

Property portfolio

The Group's subsidiary, Arena Hospitality Group d.d. (Arena), owns and operates a Croatian portfolio of seven hotels, four resorts and eight campsites, all of which are in Istria, Croatia's most prominent tourist region. Four of Arena's properties in Croatia are Park Plaza branded whereas the remainder of their portfolio operates independently or as part of the Arena Hotels & Apartments and Arena Campsites brands. Hotel Brioni was closed during the season with our repositioning programme nearing completion and Hotel Riviera was closed while we are finalising our redevelopment plans.

Portfolio performance

Operations in Croatia are highly seasonal, with guest visits mainly occurring from June to September. Most of the Group's properties typically open and commence trading around the Easter period and close by late September to mid-October.

In 2021, the opening of the majority of the Group's hotels and apartment complexes was delayed until June due to government restrictions.

By the end of June, all properties had reopened and were operating at full capacity. As travel restrictions were eased booking activity began to increase, driven by strong demand from Germany, Austria and other Central Eastern European countries. As a service to guests, Arena provided PCR test locations at several of its properties.

As a result of the above, revenue in the third quarter (peak season) recovered strongly, to approximately 93% of revenue in the same period in 2019. This was achieved despite continued travel restrictions from the UK (an important source market), and a reduced number of flights to and from Pula airport. Notably the financial contribution from the Group's campsites, which are high margin, was greater than in previous years due to their accessibility by car from surrounding countries and the customer perceptions of their safety.

In 2021, total revenue (in Croatian Kuna) was HRK 392.2 million (2020: HRK 158.7 million). RevPAR increased to HRK 412.6, reflecting an improvement in occupancy to 46.6% (2020: 30.4%) and a 16.4% improvement in average room rate to HRK 885.8 (2020: HRK 761.1).

Financial performance

	Reported in Pound Sterling[2] (£)			Reported in local currency HRK		
Croatia	**Year ended 31 Dec 2021**	Year ended 31 Dec 2020	% change	**Year ended 31 Dec 2021**	Year ended 31 Dec 2020	% change
Total revenue	**£44.6m**	£18.7m	138.6%	**HRK 392.2m**	HRK 158.7m	147.2%
EBITDAR	**£16.4m**	£1.1m	1,381.1%	**HRK 143.4m**	HRK 9.4m	1,432.8%
EBITDA	**£14.6m**	£0.4m	3,923.6%	**HRK 127.6m**	HRK 3.1m	4,064.1%
Occupancy[3]	**46.6%**	30.4%	1,620bps	**46.6%**	30.4%	1,620bps
Average room rate[3]	**£101.0**	£89.8	12.5%	**HRK 885.8**	HRK 761.1	16.4%
RevPAR[3]	**£47.1**	£27.3	72.5%	**HRK 412.6**	HRK 231.1	78.5%
Room revenue[3]	**£21.6m**	£8.1m	167.7%	**HRK 189.6m**	HRK 68.4m	177.0%
EBITDA %	**32.6%**	1.9%	3,070bps	**32.6%**	1.9%	3,070bps

1 Independent valuation by Zagreb nekretnine Ltd in December 2021 and excluding Hotel Brioni (Pula) and Zagreb which are under development.
2 Average exchange rate from Croatian Kuna to Pound Sterling for the year to December 2021 was 8.77 and for the year to December 2020 was 8.47, representing a 3.5% change.
3 The room revenue, average room rate, occupancy and RevPAR statistics include all accommodation units at hotels and self-catering apartment complexes and excludes campsite and mobile homes.

The region reported an EBITDA of HRK 127.6 million, up 4,064.1% year-on-year (2020: HRK 3.1 million). This included the utilisation of government grants to support payroll costs and fixed costs subsidies until July 2021, which amounted to approximately HRK 23.6 million (£2.7 million).

The Group employs local seasonal workers and workers from abroad, mainly neighbouring countries, during the peak trading period. However, the European labour market pressures experienced by all hotel companies made recruit particularly challenging in the year. To mitigate this, operations in Croatia were supported by German and Hungarian team members, and colleagues took on versatile roles in the hotels with office staff supporting hotel operations, such as housekeeping and food and beverage, during the peak season.

Looking ahead to 2022, the Group has agreed a partnership with TUI to market the Arena Hotel Medulin, located on the Istrian Peninsula, on an exclusive basis under its TUI Blue Hotel brand. The partnership signals confidence both in the Group's proposition and wider market recovery.

Development projects

The Group's most significant investment project in Croatia is the extensive repositioning of Grand Hotel Brioni in Pula to an upper upscale 227-room full-service hotel, at an investment of HRK 260 million (£30 million). The property, which is located 50 metres from, and with stunning views over, the Adriatic Sea, will be relaunched for the 2022 summer season as Grand Hotel Brioni Pula.

In September, the Group commenced conversion of its iconic property (under a 45-year lease agreement) in Zagreb city centre from office space to a premium lifestyle art'otel. The project is estimated to cost HRK 135 million (£15 million), and the hotel is expected to be relaunched in Q4 2022.

The Group is also investing HRK 38 million (£4 million) in the Arena Stoja Campsite. The project will be split into two phases. Phase one, which is expected to complete in Q2 2022, will see an investment in 75 new mobile homes, a new campsite entrance and Reception, and a new Illy Café.

These investment projects will further strengthen the Group's presence in these attractive locations.

GRAND HOTEL BRIONI

The Grand Hotel Brioni Pula is one of the most highly regarded hotels in Croatia, enjoying a superb location overlooking the Istrian Peninsula and seafront promenade. The 227-room hotel is surrounded by lush Mediterranean greenery which is typical of this beautiful stretch of Adriatic coast. The Grand Hotel Brioni Pula is connected to the sea via a series of terraced beaches.

Business review continued

Germany

Total value of German property portfolio[1]

£87m

2020: £87m

Property portfolio

The Group's portfolio in the region includes four properties in Berlin and one hotel each in Cologne, Nuremberg and Trier. Hotels with an ownership interest include: Park Plaza Berlin Kudamm[3], Park Plaza Nuremberg, art'otel Berlin Mitte[3], art'otel Berlin Kudamm and art'otel Cologne. Park Plaza Wallstreet Berlin Mitte operates under an operating lease and Park Plaza Trier[3] operates under a franchise agreement.

Portfolio performance

The region showed varying signs of recovery as the year progressed, supported by the markets reopening and the continuation of vaccination programmes. As restrictions were eased in the third quarter, the Group saw good demand for weekend leisure business. Park Plaza Nuremberg and art'otel Cologne performed better than the Group's Berlin hotels due to a strong domestic leisure demand for these destinations. Business travel remained subdued. Rising infection rates in Germany resulted in the increasing of restrictions in the autumn and the cancellation of Christmas markets and fairs which typically support demand for guest stays.

As demand improved, measures were taken to mitigate labour constraints, including an increased focus on recruitment from international markets, increased recruitment activity through digital platforms, sharing resources with Croatia and Hungary and more housekeeping services were brought in-house to reduce exposure to third party agencies.

Total revenue was €7.7 million (2020: €8.7 million). RevPAR was €23.8 (2020: €26.0), due to a sharp fall in occupancy to 26.5% (2020: 27.1%). Average room rate reduced by 6.3% to €89.8 (2020: €95.9).

EBITDA was positively impacted as the Group continued to utilise government grants to support payroll expenses ('Kurzarbeit' German state scheme) and received fixed costs subsidies until August 2021, which amounted to €9.8 million (£8.4 million).

German hotel market

The hospitality industry continued to be negatively affected by the pandemic in 2021, with hotels in our markets closing completely or having their offerings severely restricted. These inconsistencies in the market have made performance comparisons, at a hotel competitor set level, unpredictable and unreliable. However, at a Country/City market data level, we can see the year-on-year changes. Below is based on full inventory availability versus 2020. The impact on the German market was a 7.0% increase in RevPAR to €27.6; a result of an 8.1% increase in occupancy to 30.8% and a 1.0% reduction in average room rate, to €89.5. Berlin, our main market in Germany, improved 19.5% in RevPAR to €28.8. Occupancy increased by 21.2% to 34.6% with a reduction in average room rate of 1.4% to €83.2.

Financial performance

	Reported in GBP[2] (£)			Reported in local currency Euro (€)		
Germany	**Year ended 31 Dec 2021**	Year ended 31 Dec 2020	% change	**Year ended 31 Dec 2021**	Year ended 31 Dec 2020	% change
Total revenue	**£6.6m**	£7.8m	(14.6)%	**€7.7m**	€8.7m	(11.5)%
EBITDAR	**£6.7m**	£(0.3)m	N/A	**€7.8m**	€(0.3)m	N/A
EBITDA	**£6.7m**	£(0.3)m	N/A	**€7.8m**	€(0.3)m	N/A
Occupancy	**26.5%**	27.1%	(60)bps	**26.5%**	27.1%	(60)bps
Average room rate	**£77.1**	£85.3	(9.6)%	**€89.8**	€95.9	(6.3)%
RevPAR	**£20.4**	£23.1	(11.5)%	**€23.8**	€26.0	(8.3)%
Room revenue	**£5.3m**	£6.0m	(11.7)%	**€6.2m**	€6.8m	(8.5)%
EBITDA %	**100.8%**	(3.3)%	10,410bps	**100.8%**	(3.3)%	10,410bps

1 Independent valuation by Savills in December 2021 with the exception of Park Plaza Wallstreet Berlin Mitte which is measured at book value.
2 Average exchange rate from Euro to Pound Sterling for the year to December 2021 was 1.17 and for the year to December 2020 was 1.12, representing a 3.6% increase.
3 Revenues derived from these hotels are accounted for in Management and Central Services performance and their values and results are excluded from the data provided in this section.

Other markets
(Italy, Hungary, Serbia and Austria)

Due to the Group's recent acquisitions, the German portfolio will now be reported on a standalone basis, with the performance of the Group's properties in Austria, Hungary, Italy and Serbia, reported separately.

In line with the Group's strategy to expand its presence across Central, Eastern and Southern Europe, the Group has had an exciting 24 months, with new acquisitions in Belgrade (Serbia), Nassfeld (Austria) and Rome (Italy).

Rome, Italy

In November 2021 the Group entered the Italian hotel market with the €33.1 million (£28.3 million) acquisition of the Londra & Cargill hotel, a 4-star property in a prime central location in the city of Rome. Rome is one of southern Europe's key gateway capital cities which offers robust fundamentals for hotel investment over the medium to long term. The Group has continued to operate the hotel, which currently offers 101 rooms and suites, a restaurant, bar, meeting facilities and private parking. Plans are being finalised to reposition the property to an upper upscale lifestyle art'otel and increase the number of rooms from 101 to 110. The Group expects to relaunch the hotel in early 2023.

Nassfeld, Austria

In December 2021, the FRANZ Ferdinand Mountain Resort Nassfeld in Austria was acquired for approximately £12.8 million. The property is superbly located next to the valley station of the Nassfeld Ski Resort in Carinthia, providing access to 100 kilometres of ski slopes. This 4-star hotel offers 144 family rooms, a restaurant, bar, conference rooms, private car park, wellness and sauna and children's facilities. The acquisition also included a detached property consisting of 21 rooms currently used as employee accommodation, and a site adjacent to the hotel, currently in use as a terrace, which is earmarked for future development of a swimming pool. The transaction was completed prior to the start of winter season 2021/2022.

Belgrade, Serbia

In December 2020, we completed the acquisition of 88 Rooms Hotel near the old town of Belgrade in Serbia. We subsequently reopened the hotel in May 2021 when the markets started reopening. During the period the Group received approximately £4,300 (DNR 587,105) in payroll grants. We are currently developing plans to refurbish and relaunch this hotel in due course.

Budapest, Hungary

art'otel Budapest in Hungary was closed throughout the year (and remains closed) due to low levels of demand resulting from government lockdown measures. The Group utilised a government scheme which provided 50% payroll support during the first five months of the year at a value of approximately £39,000 (HUF 16.2 million). The Group has started to prepare refurbishment plans for this property in 2021.

Management and central services

Our performance

Revenues in this segment are primarily management, sales, marketing and franchise fees, and other charges for central services.

These are predominantly charged within the Group and therefore eliminated upon consolidation. For the year ended 31 December 2021, the segment showed a negative EBITDA as both internally and externally charged management fees did not exceed the costs in this segment.

Management, Group Central Services and licence, sales and marketing fees are calculated as a percentage of revenues and profit, and therefore these are affected by underlying hotel performance.

	Reported in GBP (£)	
	Year ended 31 Dec 2021	Year ended 31 Dec 2020
Total revenue before elimination	**£18.0m**	£14.4m
Revenues within the consolidated Group	**£(14.3)m**	£(11.6)m
External and reported revenue	**£3.7m**	£2.8m
EBITDA	**£(7.6)m**	£(11.3)m