



QUARTERLY REPORT FOR Q3 2023

CONTENT

NEWS

- Motel One launches in Dublin | 02
- Motel One opens in Würzburg | 02
- Carbon footprint continues to improve | 03
- Start of new dual students and trainees | 03
- beOne membership continues to grow | 04
- German Central Bank confirms investment grade | 04
- Cyberattack on Motel One systems | 04
- New projects in Berlin, London and Miami | 05

YTD KEY FINANCIAL FIGURES

- 92 hotels (previous year: 85) with 25,817 rooms (previous year: 24,264) in operation | 06
- Revenue up by 42% to EUR 626 million (previous year: EUR 442 million) | 06
- EBITDA up by 76% to EUR 207 million (previous year: EUR 118 million) | 06

- OUTLOOK | 08

NEWS

MOTEL ONE LAUNCHES IN DUBLIN



Motel One Dublin opens its doors in the centre of Dublin, located near Temple Bar and Ha'penny Bridge. The first of our hotels in Ireland has 310 rooms, a modern lounge with a typical Irish bar and co-working spaces. With the Irish Writer's Museum on the doorstep, the design takes its inspiration from Irish literature, including its most famous work, Ulysses by James Joyce, which describes a stroll through the city of Dublin. Illustrations of the city and book are scattered throughout the hotel and take guests along on this famous walk. Labelling gives the lounge a nostalgic ambience in contrast to the modern furniture. The bar features wooden shelving with metal elements and, of course, offers Guinness on tap. With its launch in Ireland, Motel One is now active in 13 countries. The property was developed by Motel One Real Estate for its own holdings.

MOTEL ONE OPENS IN WÜRZBURG

Perfectly located for all the city sights between the Residenz palace and the Alte Mainbrücke bridge, the Motel One Würzburg has opened right next to the cathedral with 234 rooms. The interior is inspired by the Residenz's style and the wine region, with its light pastel tones and modern metal and glass accents. The art in the reception area is by Jaroslav Drazil, who has managed to bring the world-famous Residenz fresco into the 21st century, painting his modern interpretation of three continents across three large canvases. The lounge and bar area is devoted to Franconia's wine industry. Guests find themselves in a modern wine bar with subdued colours, lanterns, wooden elements and shapes inspired by the iconic Bocksbeutel wine bottle, with direct access to a selection of the best Franconian wines. The project was developed by Family Value Management GmbH.



CARBON FOOTPRINT CONTINUES TO IMPROVE

The topic of sustainability remains a key corporate issue at the Motel One Group. From 2014 to 2019, Motel One has been able to reduce its CO₂ values (scope 1 & 2) per stay by 47% to 2.4 kg of CO₂. Following two non-representative pandemic years, the comparable value for 2022 lies at 1.3 kg CO₂ per stay. Since the balancing of 2019, the proportion of Motel One primary emission factors was increased and a reduced consumption of district heating was determined for the calculation, instead of using the general factors from the Federal Office of Economic Affairs and Export Control. The use of 100% green energy, the gradual switchover to an e-fleet and certification of sustainable buildings are already measures we have in place and we intend to continuously bolster and expand on these efforts.



NEW DUAL STUDENTS AND TRAINEES START



Motel One has been working actively to reduce the shortage of skilled workers within the industry and produce qualified employees for many years. In doing so, Motel One has been able to gain 50 new trainees for its own hotels in 2023 alone. At Motel One, trainees receive close personal support and have access to exam preparation courses, training at the Motel One One University, attractive employee rates and incentive-based bonuses.

The new cohort of 17 dual students also begins in October. All students will gain practical experience at Motel One across Germany alongside study at the renowned International University (IU). Lectures will take place on the Motel One Campus. This year will also see the launch of the new Work & Study programme. The bachelor course in Hospitality Management is also taking place in cooperation with IU as an online, English-language programme. Students can gain experience at all European Motel One locations. This means Motel One is now able to offer attractive training opportunities outside of Germany and additional development options for existing employees.

BE ONE MEMBERSHIP CONTINUES TO GROW



The Motel One Group's successful beOne membership programme has been continuously developed in recent months and now has around 1.4 million members. By the end of September, almost one in four bookings at Motel One had been made directly by beOne members. The increase in member bookings at The Cloud One Hotels brand is also encouraging. Barely nine months after the launch of the brand in New York, the hotel can already report an occupancy rate of around 85% in September. This shows that beOne acts as a perfect link between the two brands and provides a nice transfer of the love band Motel One to The Cloud One Hotels.

GERMAN CENTRAL BANK CONFIRMS INVESTMENT GRADE

The German Central Bank confirmed the Motel One investment grade status as of 15 September 2023. This is comparable to an investment grade of approved rating agencies in the euro system and means that commercial banks are now able to use their loans to Motel One as security for the German Central Bank. The credit rating analysis is determined by the Central Bank based on balance sheet figures and in consideration of company-specific circumstances and the latest developments.



The investment grade status for Motel One was suspended during the COVID-19 pandemic and now re-cements the company's standing with investors, particularly for international expansion.

CYBERATTACK ON MOTEL ONE SYSTEMS

Now it hit us too: the Motel One Group was a victim of a targeted hacker attack. As-yet-unknown perpetrators managed to access internal systems and presumably attempted to carry out a ransomware attack. Business operations, and therefore future reservations, were not at risk at any point. Based on currently available information, data primarily related to addresses and invoices was stolen, including information relating to around 150 credit cards. The credit card holders concerned have already been personally informed. We will immediately inform those affected if investigations reveal any particular risks. We take the protection of personal data very seriously and hold ourselves to extensive and high security standards. The fact that there was a successful cyber-attack shows the high criminal intent of the hacker group. We are working closely with experienced information and IT security experts and the relevant authorities. We regret the event and are incredibly sorry for any inconvenience caused for our guests.

NEW PROJECTS IN BERLIN, LONDON AND MIAMI



London Hyde Park

Four new locations secured in mega metropolises across Europe and the USA.

In Q3, we were able to secure four more hotels in attractive global cities at excellent locations, with two more hotels in London, one hotel in Berlin and the first hotel in Miami.

The two new contracts in London Bank and Hyde Park see Motel One Group's contractually secured network grow to seven hotels in the city's centre. The London Hyde Park hotel is the fourth acquisition on an existing hotel by the Motel One Group and will open under the Motel One brand in the first half of 2024 after extensive redesign measures.

At 9,632 rooms, the proportion of international locations outside of Germany, Austria and Switzerland has risen to 29%. Three quarters of the portfolio are secured by rental contracts, while one quarter is owned by Motel One Real Estate or held under a financial lease.

	September 30								
	2023			2022			+ / - ly		
	Hotels	Rooms	%	Hotels	Rooms	%	Hotels	Rooms	
in operation	92	25.817	77	85	24.264	77	7	1.553	
under development	30	7.552	23	28	7.136	23	2	416	
TOTAL	122	33.369	100	113	31.400	100	9	1.969	
- D/A/CH	84	23.737	71	80	22.837	73	4	900	
- International	38	9.632	29	33	8.563	27	5	1.069	
- Owned	19	5.758	17	18	5.341	17	1	417	
- Leased	11	2.461	7	11	2.461	8	0	0	
- Rented	91	24.910	75	84	23.598	75	7	1.312	

KEY FINANCIAL FIGURES

INCOME STATEMENT

Based on 92 (previous year: 85) hotels with 25,817 (previous year: 24,264) rooms, occupancy in the third quarter was slightly below the previous year at 75% (previous year: 77%) due to the start-up phases of seven new hotels. Sales increased by 15% to EUR 231 million (previous year: EUR 202 million). EBITDA improved by 17% compared to the prior-year quarter to EUR 84 million (previous year: EUR 71 million).

Income Statement	3 rd quarter					YTD September				
	2023	% Rev	2022	% Rev	+/- ly	2023	% Rev	2022	% Rev	+/- ly
Statistics:										
No. Hotels	92		85		7	92		85		7
No. Rooms	25.817		24.264		1.553	25.817		24.264		1.553
Occupancy (%)	75		77		-2	71		60		11
TRevPAR (EUR)	98		90		7	91		68		23
Income Statement:	kEUR	% Rev	kEUR	% Rev	% ly	kEUR	% Rev	kEUR	% Rev	% ly
Revenue	231.389	100	201.674	100	15	625.536	100	441.967	100	42
EBITDAR	130.938	57	113.218	56	16	338.927	54	231.929	52	46
Lease payments	-36.513	-16	-32.327	-16	-13	-106.389	-17	-91.882	-21	-16
Head Office & Pre-Opening	-10.832	-5	-9.621	-5	-13	-25.291	-4	-22.523	-5	-12
EBITDA	83.593	36	71.270	35	17	207.247	33	117.524	27	76
Amortisation/Depreciation	-16.089	-7	-13.403	-7	-20	-44.403	-7	-39.837	-9	-11
EBIT	67.504	29	57.867	29	17	162.844	26	77.687	18	>100
COVID Subsidies	-1.366	-1	821	0	<100	-1.415	0	13.918	3	<100
Financial Results	-813	0	-2.872	-1	72	-2.987	0	-8.972	-2	67
EBT	65.325	28	55.816	28	17	158.442	25	82.633	19	92
Income tax	-16.429	-7	-16.745	-8	2	-44.364	-7	-24.790	-6	-79
NET RESULT	48.896	21	39.071	19	25	114.078	18	57.843	13	97

For the first nine months, the occupancy rate was 71% (previous year: 60%) and the TRevPAR was EUR 91 (previous year: EUR 68). With a 42% increase in revenue to EUR 626 million (previous year: EUR 442 million), we achieved an increase in EBITDA to EUR 207 million (previous year: EUR 118 million). The EBITDA growth was at 76% in comparison to the previous year.

Earnings before taxes (EBT) for the first nine months of 2023 rose in comparison to the previous year by EUR 75 million to EUR 158 million (previous year: EUR 83 million). Earnings after taxes have almost doubled with EUR 114 million (previous year: EUR 58 million).

CASH FLOW STATEMENT

Operating cash flow for the first nine months of 2023 totalled EUR 141 million (previous year: EUR 114 million). Besides the changes to the working capital, this factors in the redesign capital expenditure of EUR 24 million (previous year: EUR 17 million) and tax expenses of EUR 44 million (previous year: EUR 25 million).

Due to the positive business development, in addition to a capital payment to the shareholders in the amount of EUR 68 million, we were also able to fully repay the KfW loan of EUR 101 million, which was held as a liquidity reserve.

Cash Flow Statement	3 rd quarter					YTD September				
	2023		2022		+/- ly	2023		2022		+/- ly
	kEUR	% Rev	kEUR	% Rev	% ly	kEUR	% Rev	kEUR	% Rev	%
EBITDA reported	83.593	36	71.270	35	17	207.247	33	117.524	27	-76
- Net Working Capital	12.067	5	31.125	15	-61	1.992	0	37.641	9	-95
- ReDesign Capex	-6.724	-3	-7.117	-4	-6	-23.803	-4	-16.537	-4	44
- Taxes	-16.429	-7	-16.745	-8	-2	-44.364	-7	-24.790	-6	79
Operating Cash Flow	72.507	31	78.533	39	-8	141.072	23	113.838	26	24
- Covid Subsidies	-1.366	-1	821	0	<100	-1.415	0	13.918	3	<100
- Investing / Divesting Cash Flow	-156	0	-232	0	-33	-155	0	-232	0	-33
- Equity Cash Flow	202	0	317	0	-36	-67.880	-11	443	0	<100
- Debt Cash Flow	20.715	9	-14.863	-7	<100	-59.980	-10	-42.436	-10	41
Cash Flow before Expansion Capex	91.902	40	64.576	32	42	11.642	2	85.531	19	-86
- CAPEX new Hotels PROPCO	-55.392	-24	-8.468	-4	>100	-93.157	-15	-25.116	-6	>100
- CAPEX new Hotels FF&E	-6.929	-3	-7.672	-4	-10	-18.455	-3	-17.791	-4	4
- Other Grants	1.364	1	603	0	>100	1.364	0	1.450	0	-6
Net Cash Flow	30.945	13	49.039	24	-37	-98.606	-16	44.074	10	<100
Cash carried forward	248.191		323.422		-23	377.742		328.387		15
Cash at end of period	279.136		372.461		-25	279.136		372.461		-25

EUR 93 million was invested in the expansion of the company's own property portfolio (previous year: EUR 25 million). The increase basically contains two successful transactions to buy back previous rented properties. As in the previous year, EUR 18 million was invested in FF&E for new hotels. As at 30. September 2023, the cash holdings amounted to EUR 279 million (previous year: EUR 372 million).

NET BALANCE SHEET

As at 30 September 2023, equity increased to EUR 563 million (previous year: EUR 496 million). The equity ratio based on a condensed analysis of the balance sheet is 65%, unchanged from the previous year. Net debt rose to EUR 142 million (previous year: EUR 116 million). With a net debt/EBITDA rolling 12 months ratio of 0.5, the company's ability to service its debt has improved significantly in comparison to the previous year (previous year: 0.9).

	September 30				
	2023		2022		+/- ly
	kEUR	%	kEUR	%	%
Net Balance Sheet:					
Equity	562.990	65	495.500	65	14
Net working capital	167.919	19	154.324	20	9
Net debt	141.799	16	116.125	15	22
Leverage Framework:					
EBITDA Rolling 12 months	260.701		127.815		104
Net Debt/EBITDA	0,5		0,9		-40

OUTLOOK

In December, our second lifestyle brand, 'The Cloud One Hotels', will be launched in a prime location at the Kornmarkt in Hamburg.

Due to the latest business developments and the healthy number of advance bookings for October and November, each with two-figure growth rates, we expect the business will continue to move in a positive direction.

The strong performance of the newly opened hotels and the robust key financial figures will allow for further good growth opportunities in the current market environment.

Due to ongoing geopolitical tensions, there remain global risks that could have a negative impact on the development of business should they deteriorate.

Munich, October 2023