



QUARTERLY REPORT FOR Q2 2022

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MOTEL ONE HANOVER-OPER OPENS

The new Motel One Hanover has opened in a prominent location on the main shopping boulevard of Georgstraße in Hanover, the state capital of Lower Saxony. Right opposite the opera house from which it takes its name, Motel One occupies the one-time home of a local newspaper, the Hannoverscher Kurier. The listed building now boasts 171 rooms and was transformed in cooperation with development partner and investor, MERA VIS Immobiliengruppe, Hanover.

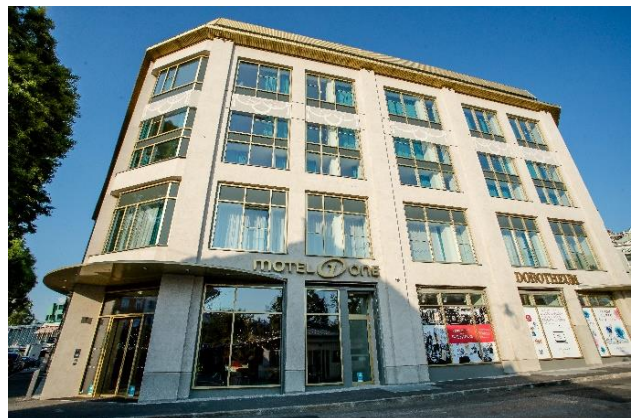
The building thoroughly embraces its history, with the One Lounge picking up on the themes of newspaper publishing and printing. The entire interior reflects this industrial heritage and the spirit of the Roaring Twenties, with playful Art Deco elements set against black steel surfaces. Hanover artist Sebastian Peetz adds a contemporary spin on this historic site with his four metre-high art work. The hotel's two courtyards offer green oases where guests can relax and unwind.



MOTEL ONE OPENS IN STATE CAPITAL GRAZ

Following Vienna, Linz and Salzburg, Motel One is expanding its Austrian operations, with a new opening in Graz, the state capital of Styria, featuring 160 rooms in a prime city-centre location on Jakominiplatz.

The development partner and investor for the transformation of the historic building is the prestigious DOROTHEUM auction house, founded in 1707, which also maintains a branch in the building.



This unique blend of tradition and modernity is reflected throughout the site. Period-inspired light fittings, decorative plaster work and wall panelling contrast with modern fixtures and design. Interior highlights include works by local Graz artist Carola Deutsch, while the rooms offer guests the high Motel One quality they expect.

LEADING EMPLOYER ONCE AGAIN

Motel One has won the Leading Employer Award for the fourth time in succession. This puts the budget design hotel group among the top one percent of employers in Germany across every category, company size and organisational form. Motel One impressed the jury with its above-average customer satisfaction and referral rates. It also scored highly for orientation and design as well as its job advertisements. The Motel One career site received an above-average overall score. The Leading Employers meta-study looks at around 160,000 companies throughout Germany and judges their performance as employers.



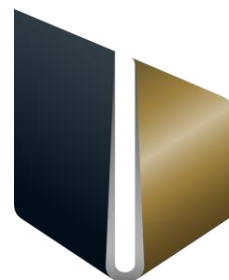
MOTEL ONE: A SUSTAINABILITY CHAMPION



Analysis institute ServiceValue teamed up with newspaper DIE WELT to conduct the 'Sustainability Champions' study, which honours companies seen to have a particularly environmentally friendly and ecological approach from a consumer perspective. Motel One was recognised as 'especially sustainable' in the 'budget hotels' category, taking first place. It was particularly gratifying to note that this outstanding result positions Motel One favourably even compared to hotels in the Premium category. The consumer environmental awareness survey is drawn from more than 280,000 customer ratings of over 1,000 companies across almost 80 sectors.

GERMAN BRAND AWARD FOR ONE DESIGN

Motel One's One Design magazine received the German Brand Award in the 'Brand Communication – Storytelling and Content Marketing' category. The revamped edition of the magazine, produced in collaboration with Storyboard, sets new standards for storytelling. This is the third German Brand Award that Motel One has picked up, following those in 2017 and 2019. Each year the jury recognises brands that set the tone for the industry through their market leadership and communication.



german
brand
award
'22
winner

SUCCESSFUL RE-START FOR MOTEL ONE

The 2019 financial year represented a peak for the sector

The 2019 financial year is seen within the sector as a high point prior to the pandemic crisis which began in the second quarter of 2020 and lasted until the first quarter of 2022, a time of numerous travel restrictions and other constraints with only brief periods of respite. Only a comparison with 2019 business figures can therefore truly offer insights into how the sector and individual companies are performing.

Motel One experienced strong growth in the pandemic

The Motel One network of locations now boasts 85 hotels with 24,264 rooms, an increase of 14 hotels and 4,107 rooms since 30 June 2019, with most of this growth occurring during the pandemic.

Motel One returns to its strong performance of 2019

Following the first quarter of 2022, which still reflected the full impact of coronavirus restrictions, Motel One managed, despite numerous new openings, to return to its high 2019 performance levels as travel restrictions and other constraints were lifted in the second quarter of 2022.

Key Performance Indicators 2022 Compare to 2019		Abw.Pts.		Abw.		Abw.				Abw.		Abw.	
		Occup.	2019	TRev PAR	2019	Revenue	2019	EBITDAR	Margin	2019	EBITDA	2019	
April		61%	-15%	66 €	-13%	47.735	3%	25.496	53%	-1%	13.104	-14%	
Mai		76%	-7%	85 €	2%	63.666	23%	36.206	57%	21%	23.878	25%	
Juni		79%	-4%	91 €	12%	65.995	35%	38.494	58%	41%	26.189	54%	
Total Q2		72%	-9%	81 €	1%	177.396	20%	100.196	56%	21%	63.171	23%	

While the occupancy rate of 72% was still nine percentage points below 2019 levels, higher prices pushed the TRevPAR (total revenue per available room) to slightly above the 2019 equivalent. A month-by-month view of the TRevPAR shows a subdued start with April 13% down, May already returning to 2019 levels and June actually coming in at 12% over that year's figures.

Second quarter EBITDA 23% higher than 2019

Revenues in the second quarter of 2022 reached EUR 177 million, 20% more than the 2019 equivalent, with the EBITDA a full 23% higher. Especially gratifying is the fact that the 2019 EBITDAR margin of 56% was maintained, despite high inflation. Motel One attributes this strong performance to the highly attractive value for money it represents. Despite inflation-

related price adjustments, it continues to offer excellent locations and high quality products and services at rates of between EUR 69 and EUR 89 in Germany, with selected sites at EUR 99. The positive performance of new openings also contributed to this result.

KEY FINANCIAL FIGURES

INCOME STATEMENT

With all travel restrictions lifted, Motel One achieved an occupancy rate of 72% (previous year: 16%) in the second quarter, with revenues of EUR 177 million (previous year: EUR 29 million). While the pandemic kept the EBITDA in the negative for the first quarter, the second quarter saw an EBITDA of EUR 63 million (previous year: EUR -27 million), with earnings before taxes coming in at EUR 61 million (previous year: EUR 11 million). This takes into account Covid support from Germany and Austria in the amount of EUR 13 million for the 2020 and 2021 financial years.

Income Statement	2nd Quarter				Year-to-Date January - June			
	2022	+/- ly	2021	+/- ly	2022	+/- ly	2021	+/- ly
Statistics:								
No. Hotels	85	8	77	6	85	8	77	6
No. Rooms	24.264	2.417	21.847	1.690	24.264	2.417	21.847	1.690
Occupancy (%)	72	56	16	-65	51	39	12	-62
TRevPAR (EUR)	81	66	15	-65	56	45	11	-62
Income Statement:	kEUR	% ly	kEUR	% ly	kEUR	% ly	kEUR	% ly
Revenue	177.396	>100	28.856	-80	240.293	>100	42.528	-84
EBITDAR	100.196	>100	3.468	-96	118.711	>100	-1.228	<100
Lease payments	-30.094	-14	-26.358	-3	-59.555	-14	-52.136	-4
Head Office & Pre-Opening	-6.931	-67	-4.155	30	-12.902	-71	-7.544	33
EBITDA	63.171	<100	-27.045	<100	46.254	<100	-60.908	<100
Amortisation/Depreciation	-12.124	12	-13.779	7	-26.434	13	-23.387	11
EBIT	51.047	<100	-40.824	<100	19.820	<100	-84.295	<100
COVID Subsidies	13.027	>100	55.323	>100	13.097	>100	57.073	>100
Financial Results	-2.922	-11	-2.641	-33	-6.100	-30	-4.689	-8
EBT	61.152	>100	11.858	-66	26.817	<100	-31.911	<100
Income tax	-7.585	>100	30	>100	-8.045	<100	-19	100
NET RESULT	53.567	>100	11.888	-51	18.772	<100	-31.930	<100

For the first half of the year, the occupancy rate was 51% (previous year: 12%) and revenue amounted to EUR 240 million (previous year: EUR 43 million). The EBITDA increased to EUR 46 million (previous year: EUR -61 million) representing an improvement of EUR 107 million over the previous year. The first half of the year saw a pre-tax profit of EUR 27 million, compared to a pandemic-related loss of EUR 32 million in the previous year.

CASH FLOW STATEMENT

The operating cash flow for the first half of the year was EUR 35 million (previous year: EUR -53 million). Based on the EBITDA, net working capital increased by EUR 7 million (previous year: EUR 9 million), CapEx for renovations amounted to EUR 9 million (previous year: EUR 1 million) and taxes EUR 8 million (previous year: EUR 0 million).

Cash Flow Statement	2nd Quarter				Year-to-Date January - June			
	2022		2021		2022		2021	
	kEUR	% ly	kEUR	% ly	kEUR	% ly	kEUR	% ly
EBITDA reported	63.171	<100	-27.045	<100	46.254	<100	-60.908	<100
- Net Working Capital	23.934	>100	8.975	<100	6.516	-29	9.198	<100
- ReDesign Capex	-6.213	>100	-315	-98	-9.420	>100	-1.027	-98
- Taxes	-7.585	<100	30	<100	-8.045	>100	-19	-100
Operating Cash Flow	73.307	>100	-18.355	-84	35.305	<100	-52.756	<100
- Covid Subsidies	13.027	-76	55.323	>100	13.097	>100	57.073	>100
- Investing / Divesting Cash Flow	0	<100	31	-100	0	<100	31	<100
- Equity Cash Flow	-40	-82	-226	<100	126	<100	-203	-94
- Debt Cash Flow	-18.614	<100	158.345	<100	-27.573	<100	169.647	>100
Cash Flow before Expansion Capex	67.680	>100	195.118	>100	20.955	-87,9	173.792	-14
- CAPEX new Hotels PROPCO	-11.838	66	-7.148	-10	-16.648	25	-13.349	-76
- CAPEX new Hotels FF&E	-6.013	3	-5.855	>100	-10.119	-11	-11.412	-8
Net Cash Flow	50.676	>100	182.115	>100	-4.965	>100	149.031	>100
Cash carried forward	272.746	>100	130.267	-17	328.387	>100	163.351	39
Cash at end of period	323.422	4	312.382	71	323.422	4	312.382	71

In the non-operating area, EUR 13 million (previous year: EUR 57 million) in Covid support was received for the previous years and loans totalling EUR 28 million were repaid. Along with the scheduled repayment of mortgage loans, EUR 20 million of the KfW loan was repaid in two tranches. In the reporting period, Motel One also invested EUR 17 million (previous year: EUR 13 million) in new projects and EUR 10 million (previous year: EUR 11 million) in FF&E for new hotel projects. Cash holdings fell by EUR 5 million for the first six months. The high cash inflow of the previous year was explained by the granting of the KfW loan and Covid support. On 30 June 2022, cash and cash equivalents stood at EUR 323 million (previous year: EUR 312 million).

NET BALANCE SHEET

The positive results for the first half of the year drove equity up by EUR 26 million to EUR 457 (previous year: EUR 431 million), with an equity ratio of 60%. With high cash reserves and simultaneous reduction of external capital, the net debt fell to EUR 179 million (previous year: EUR 227 million). The strong second quarter of 2022 saw the rolling EBITDA of the last 12 months returning to the positive amount of EUR 72 million, with the net debt/EBITDA ratio resulting in an ability to discharge debts over 2.5 years, despite pandemic-related losses.

	June 30			
	2022		2021	
	kEUR	%	kEUR	%
Net Balance Sheet:				
Equity	457.210	60	431.333	61
Net working capital	122.716	16	44.553	6
Net debt	179.258	24	227.273	32
Leverage Framework:				
EBITDA Rolling 12 months	72.374		-89.350	
Net Debt/EBITDA	2,5		n.a.	

PIPELINE REPORT

	June 30								
	2022			2021			+ / - ly		
	Hotels	Rooms	%	Hotels	Rooms	%	Hotels	Rooms	
in operation	85	24.264	79	77	21.847	75	8	2.417	
under development	24	6.342	21	26	7.245	25	-2	-903	
TOTAL	109	30.606	100	103	29.092	100	6	1.514	
- Germany	68	19.578	64	67	19.462	67	1	116	
- International	41	11.028	36	36	9.630	33	5	1.398	
- Owned	19	5.493	18	19	5.597	19	0	-104	
- Leased	11	2.461	8	11	2.461	8	0	0	
- Rented	79	22.652	74	73	21.034	72	6	1.618	

There are currently 24 hotels (previous year: 26) in the pipeline, with 6,342 rooms (previous year: 7,245). The contractually secured network of locations increased to 109 hotels (previous year 103) with 30,606 rooms (previous year: 29,092). Of the total room capacity, 64% (previous year: 67%) is located in Germany and 36% (previous year: 33%) in international markets. 26% (previous year: 28%) of capacity is owned or subject to leasing structures, and 74% (previous year: 72%) is secured on the basis of long-term rental agreements with external investors.

OUTLOOK

Our employees are the key to our success

Personnel currently stands at 2,470 (previous year: 1,787). New hires have largely made up for pandemic-related departures. Along with the latent understaffing rate of 6%, the personnel situation is currently further aggravated by high levels of sick leave caused by preventative quarantine measures. Nonetheless, the dedication of our employees ensures that we continue to maintain our high level of service, with very few reductions.

Consequently we see it as our obligation to raise our employees' wages to at least offset inflation, while also continuing our extensive education and training activities through 'One University'. In this context we welcome the tariff adjustments introduced by individual states. Motel One also restarted its incentive programme in hotel operations, allowing employees to share in the group's positive growth. For the quality targets reached in the second quarter of 2022, a total of EUR 2.7 million was disbursed to hotel employees.

Sustainability: a key pillar of business

The issue of sustainability remains firmly enshrined at Motel One. Between 2014 and 2019, Motel One managed to reduce its CO2 figure per overnight stay by 47%. Measures to date include 100% use of green electricity, the switch to an expanded organic breakfast as well as the certification of sustainable buildings and provision of natural cosmetics free of micro plastics. Further measures are being prepared, including around 200 charging points for electric cars which will be installed in Germany this year. You can read about all the other activities under the 'One Planet. One Future.' programme here:

www.motel-one.com/fileadmin/dam/2022/CSR/ESG_Report_Motel_One_EN.PDF

Motel One has evolved into a love brand

The Motel One concept has democratised luxury and design, and the group has achieved the status of 'love brand'. This is vividly reflected in its high ratings, feedback through social channels, an impressive referral rate of 97% and the huge rise in beOne membership (436,000 in June 2019, now 970,000).

Motel One continues to bank on qualitative growth

Motel One consistently pursues a strategy of ensuring sustainable growth by concentrating exclusively on excellent locations. The secured network of locations in German-speaking DACH region currently encompasses 68 hotels with around 19,600 rooms. Including that region, Motel One will have a presence in 14 countries with a total of 109 hotels and more than 30,000 rooms by 2025. The quality of the network of locations is far above average. Our guests rate us at 9.3 out of 10 for Motel One locations. This is one of the highest location ratings for a major hotel brand in Europe.

Following the four new Motel One openings in the first half of 2022 – Manchester-St. Peter's Square, Aachen, Hanover-Oper and Graz – the second half of 2022 will bring new Motel One openings in Innsbruck, Dublin, Ulm and Rotterdam, all in prime locations. The second half of the

year will also see completion of the redesign of our first hotel in the USA, in the prime New York location of downtown Manhattan, right opposite the 9/11 Memorial in the heart of the financial district. This brings the tally for the financial year 2022 to nine new hotels with a total of 2,422 rooms.

Further stabilisation expected, yet risks remain

With all coronavirus restrictions lifted in the second quarter of 2022, we managed to return to the strong performance of the 2019 financial year. Current reservations for the coming months point to further stabilisation.

Nonetheless, we see further potential for risks ahead. A possible new wave of coronavirus in autumn, high inflation, the looming energy crisis and the war in Ukraine – each of these issues harbours the potential to negatively impact business developments.

Munich, July 2022