



QUARTERLY REPORT FOR Q4 2021

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MOTEL ONE COPENHAGEN OPENS ITS DOORS

In October, we opened Motel One Copenhagen, our first hotel in Scandinavia – which also makes Denmark our 11th country in Europe. Boasting 200 rooms, the hotel is located in the heart of the Danish capital in a prime downtown location, in the immediate vicinity of City Hall, Tivoli Gardens and Copenhagen’s shopping streets. The new opening resulted from the takeover of an existing hotel, which remains the property of our investor partner Pandox. The renovation was



completed in June 2021 and preserves the hotel’s Danish mid-century style. Scandinavian design classics are paired with new pieces, which – along with the friendly welcome shown by our employees – results in that famous ‘hygge’ feeling. The hotel offers a wide-ranging mix, making it the perfect destination for a city break or a business trip.

COMING SOON: NEW YORK



It took some time, but we’ve finally made it to the city that never sleeps (and yet everyone is looking for a bed). The hotel is in the heart of downtown Manhattan, right by the 9/11 Memorial, and belongs to Union Investment Real Estate GmbH. It has been undergoing a re-design since we took over in summer 2021. The interior concept is a literal take on the concept of the ‘urban jungle’, which transforms the building into a green oasis. In the entrance area, at the reception, around the bar – lighting rails and natural wooden slats turn the ceilings and walls into hanging gardens. On the sixth floor, you will find a lounge which is atmospheric, imposing, glamorous – just like New York! The 326 rooms are distributed across 28 storeys, with many of them offering a stunning view of the skyline, the new World Trade Center complex and the 9/11 Memorial. Wall Street, the creative district of SoHo, Brooklyn Bridge and the ferry to the Statue of Liberty are all just a few minutes’ walk away. Opening is scheduled for summer 2022.

ONE PLANET. ONE FUTURE.

We align ourselves with the UN's 17 Sustainable Development Goals. We aim to integrate social and environmental action and act in a responsible way, and have set up an interdepartmental project team to address these issues.



As we advance along the pathway to climate neutrality, a study we recently commissioned shows that since the programme was introduced, we managed to reduce our CO₂ footprint for each overnight stay by almost 50% between 2014 and 2019. Further results of the programme include 100% green electricity from renewable energy in all Motel One hotels in Europe, microplastic-free as well as organic hotel toiletries, and the introduction of our new breakfast concept with numerous organic, regional and vegan alternatives.

ONE CODE OF CONDUCT

We have made Motel One the strong brand it is today thanks to our excellent locations, consistently high standards of design and quality, and attractive prices.

For this reason we are also highly conscious of our social responsibility, and we strive to do the right thing with our actions. Our success is based on respect, appreciation, openness and trust – values that are firmly enshrined in the company and which we live up to every day.

Our Code of Conduct defines in writing what 'the right thing' means, and we promote these principles in our day-to-day dealings with our guests, employees, business partners and the local community. This includes important issues such as the protection of human rights, rejection of discrimination and corruption in all their forms, and the promotion of fair competition.



KEY FINANCIAL FIGURES

INCOME STATEMENT

Q4 2021: While the positive trend of the third quarter continued in October, this momentum came to a standstill once again in November as the Omicron variant spread, resulting in renewed travel restrictions and de facto lockdowns. The fourth quarter saw a total occupancy of 46% (previous year: 14%). Quarterly revenues increased to over EUR 100 million (previous year: EUR 25 million), about four times greater than the previous year's figures. This resulted in a positive EBITDA for the last quarter of EUR 10 million (previous year: EUR -30 million). With further Covid support of EUR 36 million taken into account (previous year: EUR 4 million), largely made up of financial assistance in Germany, the fourth quarter saw a positive pre-tax result of EUR 32 million, following a quarterly loss in the previous year of EUR 39 million.

2021 financial year: For the first half of the year as a whole, the occupancy rate was 30% (previous year: 28%). While revenue increased by 14% on the previous year, it still only reached EUR 238 million (previous year: EUR 209 million), which is 58% below the pre-coronavirus levels of 2019.

The continuing effects of the pandemic kept EBITDA negative at -35 million (previous year: EUR -43 million). Government compensation payments for the two pandemic years led to a balanced EBT being achieved for 2021.

Income Statement	4th Quarter				Year-to-Date January - December			
	2021	+/- ly	2020	+/- ly	2021	+/- ly	2020	+/- ly
Statistics:								
No. Hotels	80	5	75	1	80	5	75	1
No. Rooms	23.020	1.934	21.086	235	23.020	1.934	21.086	235
Occupancy (%)	46	32	14	-65	30	2	28	-49
RevPOR (EUR)	103	11	92	-7	99	0	99	0
Income Statement:	kEUR	% ly	kEUR	% ly	kEUR	% ly	kEUR	% ly
Revenue	100.421	>100	24.724	-83	237.740	14	208.964	-63
EBITDAR	48.240	>100	2.150	-97	95.196	25	76.293	-75
Lease payments	-28.934	-9	-26.486	-4	-108.456	-3	-105.088	-4
Head Office & Pre-Opening	-9.015	-66	-5.442	55	-21.528	-57	-13.746	55
EBITDA	10.291	<100	-29.778	<100	-34.788	-18	-42.541	<100
Amortisation/Depreciation	-11.904	-9	-10.948	38	-51.685	1	-52.107	14
EBIT	-1.613	-96	-40.726	<100	-86.473	-9	-94.648	<100
COVID Subsidies	35.908	>100	3.989	>100	96.896	>100	4.033	>100
Financial Results	-2.465	9	-2.696	-95	-10.395	9	-11.465	-27
EBT	31.830	<100	-39.433	<100	28	<100	-102.080	<100
Income tax	-7.572	>100	24.781	>100	-7.647	<100	24.781	>100
NET RESULT	24.258	<100	-14.652	<100	-7.619	-90	-77.299	<100

CASH FLOW STATEMENT

With the payment of a state-subsidised KfW loan, which was valued at EUR 142 million as of the balance sheet date, and the receipt of coronavirus assistance in the amount of EUR 97 million (previous year: EUR 4 million), by year-end, cash holdings had risen from EUR 165 million to EUR 328 million. In the year under review, Motel One invested EUR 30 million in new hotel properties and EUR 22 million in fitting out new sites.

Cash Flow Statement	4th Quarter				Year-to-Date January - December			
	2021		2020		2021		2020	
	kEUR	% ly	kEUR	% ly	kEUR	% ly	kEUR	% ly
EBITDA reported	10.291	<100	-29.778	<100	-34.788	-18	-42.541	<100
- Net Working Capital	59.708	<100	-1.213	-99	80.617	-29	114.264	<100
- ReDesign Capex	-1.395	0	-1.391	-90	-3.146	-87	-23.373	-51
- Taxes	-7.572	>100	-171	-99	-7.647	>100	-171	-100
Operating Cash Flow	61.032	>100	-32.553	-71	35.036	-27	48.179	8
- Covid Subsidies	35.908	>100	3.989	>100	96.896	>100	4.033	>100
- Investing / Divesting Cash Flow	-47.054	<100	0	<100	-47.023	>100	-10.998	<100
- Equity Cash Flow	-17.820	<100	549	-26	-17.744	>100	-5.545	76
- Debt Cash Flow	-13.663	<100	3.510	<100	148.964	>100	396	-96
Cash Flow before Expansion Capex	18.403	>100	-24.505	<100	216.129	>100	36.065	-82
- CAPEX new Hotels PROPCO	-8.992	-17	-10.892	37	-29.504	-21	-37.344	-32
- CAPEX new Hotels FF&E	-4.621	-54	-9.940	>100	-21.589	18	-18.264	48
Net Cash Flow	4.790	>100	-45.337	<100	165.036	>100	-19.543	<100
Cash carried forward	323.597	55	208.688	33	163.351	-11	182.894	56
Cash at end of period	328.387	>100	163.351	-11	328.387	>100	163.351	-11

NET BALANCE SHEET

Net Balance Sheet:	December 31,			
	2021		2020	
	kEUR	%	kEUR	%
Equity	439.100	58	461.718	66
Net working capital	115.611	15	35.901	5
Net debt	197.314	26	199.318	29
Leverage Framework:				
EBITDA Rolling 12 months	-34.788		-42.541	
Net Debt/EBITDA	n.a.		n.a.	

Equity fell to EUR 439 million (previous year: EUR 462 million), with the equity ratio remaining solid at 58% (previous year: 66%). Net working capital rose to EUR 116 million (previous year: EUR 36 million). This result was due, in part, to improved activity combined with an increase in operating liabilities, but also such factors as the reduction in receivables for state coronavirus aid and the acquisition of minority interests in subsidiaries, with the purchase payment in most cases deferred to future financial years. Net debt remained almost unchanged at EUR 197 million (previous year: EUR 199 million).

PIPELINE REPORT

	December 31,							
	2021			2020			+ / - ly	
	Hotels	Rooms	%	Hotels	Rooms	%	Hotels	Rooms
in operation	80	23.020	76	75	21.086	73	5	1.934
under development	27	7.228	24	27	7.986	27	0	-758
TOTAL	107	30.248	100	102	29.072	100	5	1.176
- <i>Germany</i>	68	19.597	65	67	19.463	67	1	134
- <i>International</i>	39	10.651	35	35	9.609	33	4	1.042
- <i>Owned</i>	19	5.493	18	19	5.598	19	0	-105
- <i>Leased</i>	11	2.461	8	11	2.461	8	0	0
- <i>Rented</i>	77	22.294	74	72	21.013	72	5	1.281

In 2021 the network of locations grew by five to reach 80 hotels with 23,020 rooms (previous year: 21,086). There are 27 hotels in the pipeline (previous year: 27) with 7,228 rooms (previous year: 7,986). Overall, the increase to 107 hotels (previous year: 102) in operation with 30,248 rooms (previous year: 29,072) is contractually secured. Of these, 19,597 rooms (65%) are in Germany and 10,651 rooms (35%) in European cities.

In addition to the opening of four German hotels in top inner-city locations in Stuttgart, Hamburg, Cologne and Nuremberg, the company also entered the Scandinavian market in 2021 with the opening of Motel One Copenhagen.

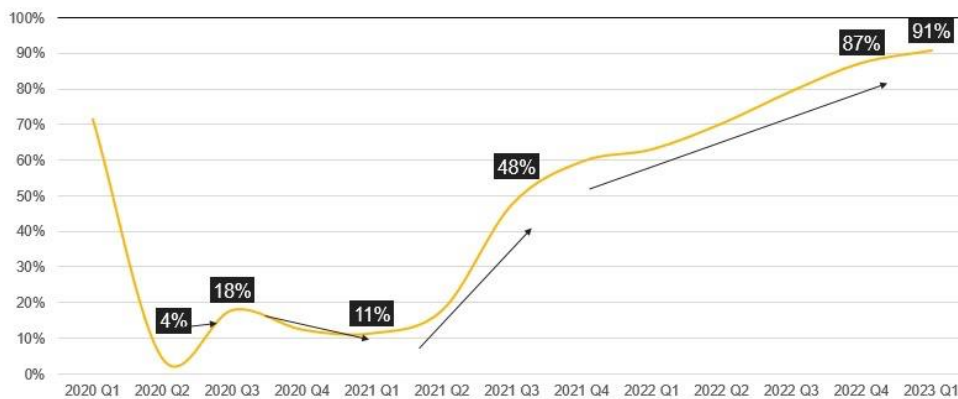
In 2021, six new locations were secured. Covid-19 led to one project dropping out of the pipeline. Among the new locations is a hotel in New York, which is currently being redesigned following the takeover and will open in summer 2022. In autumn, a new opening in Dublin will mark our entry into the Irish market. In total, Motel One will welcome 10 new hotels in 2022, with some 2,500 rooms.

OUTLOOK

Despite high numbers of coronavirus infections, the Omicron variant generally results in less severe illness. This prompted some European countries, particularly the UK and Denmark, to lift almost all their coronavirus restrictions. As a result, figures for overnight stays increased in these countries. Although Germany is not as far along in this process, restrictions are gradually disappearing there as well, which has had a positive effect on bookings since March. Because of this trend, and in view of the large number of events in summer and autumn 2022, we currently assume that our activities will continue to recover. STR Global currently estimates that we will start to see a sustained recovery to pre-coronavirus levels in early 2023.

RevPAR recovery expected by early 2023

European Cities*, Forecast RevPAR performance index to 2019, November 21 Forecast



Source: STR. Note: Aggregated performance of Amsterdam, Athens, Barcelona, Belfast, Berlin, Birmingham, Brussels, Budapest, Cologne, Dublin, Dusseldorf, Edinburgh, Frankfurt, Glasgow, Hamburg, Leeds, London, Madrid, Manchester, Milan, Moscow, Munich, Paris, Prague, Rome, Stuttgart, Vienna, Warsaw, Zurich

The impact of the war in Ukraine is currently impossible to predict. However, we are already seeing large numbers of refugees and, in cooperation with local authorities, we have made contingents of rooms available in selected hotels, especially in the hard-hit cities of Warsaw, Berlin, Vienna, Stuttgart and Munich. At this point we would once again like to thank our wonderful employees, who have shown great commitment in helping refugees.

Munich, March 2022