



QUARTERLY REPORT FOR Q3 2022

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NEWS

1 MILLION BE ONE MEMBERS

The Motel One digital membership programme beOne has broken through another barrier by registering its 1 millionth member – with 200,000 signing up (to date) in 2022 alone. To celebrate this milestone – and, above all, to say thank you – for the first time Motel One is offering guests the chance to win its signature turquoise Egg Chair, designed by Fritz Hansen. The free loyalty programme continues to feature impressive member benefits like One Click Book, free breakfast with initial registration, Welcome Water for each stay, Sleep-in Sunday and a permanent WiFi login.



INTRODUCTION OF GOOGLE & APPLE PAY



Since July, guests can use their smartphone to make contactless payments for online bookings on the website, on the app or at our reception desks and bars with Apple Pay and Google Pay. Payment with Apple Pay requires nothing more than storing credit or debit card details in the iPhone 'Wallet' app. Apple Pay is then ready for payment on all connected devices. The same applies to payments with the Android smartphone or smartwatch via Google Pay. Both options are available across the group, at all national and international locations.

START OF BEONE CORPORATE BOOKER

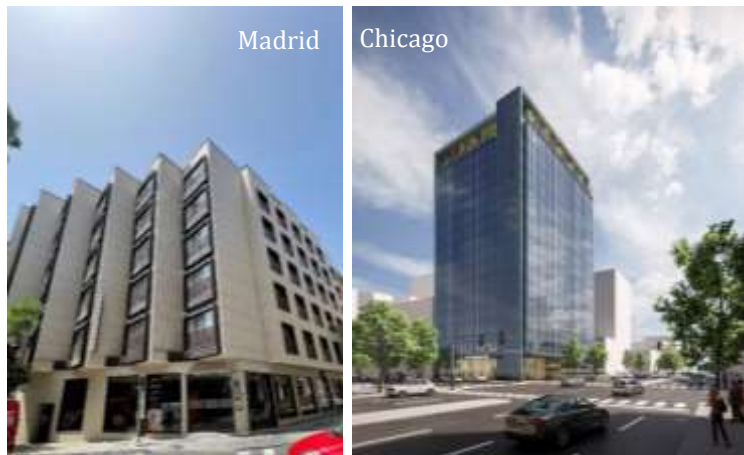
A new phase: beOne Corporate Booker. Following a pilot project which began in September, corporate customers will have the opportunity of becoming beOne members. This will make it easier for all contractual partners to manage booking processes, evaluations and travel costs. Company accounts can be used by multiple individuals, with members benefiting from features like specifying a different invoice address for their stay, storing credit card information and choosing between different payment methods. Users will also have an improved overview of reservations and direct contact to a dedicated Motel One sales manager.



FIVE NEW LOCATIONS SECURED

In the third quarter, Motel One managed to secure five new hotels in excellent locations. Four rental contracts were signed: two in London and one each in Porto and Madrid. These new locations are joined by a hotel in the USA, in the global metropolis of Chicago.

With the takeover of an existing building on Madrid's Plaza de España on 1 November, Motel One is enlarging its Spain portfolio and furthering its international expansion. The building has 97 high-quality rooms, a meeting room, co-working areas and underground parking spaces. The Chicago opening represents the second Motel One Group location in the USA, following New York.



PIPELINE REPORT

	September 30								
	2022			2021			+ / - ly		
	Hotels	Rooms	%	Hotels	Rooms	%	Hotels	Rooms	
in operation	85	24.264	77	79	22.820	76	6	1.444	
under development	28	7.136	23	27	7.040	24	1	96	
TOTAL	113	31.400	100	106	29.860	100	7	1.540	
- <i>Germany</i>	68	19.578	62	67	19.472	65	1	106	
- <i>International</i>	45	11.822	38	39	10.388	35	6	1.434	
- <i>Owned</i>	18	5.341	17	19	5.597	19	-1	-256	
- <i>Leased</i>	11	2.461	8	11	2.461	8	0	0	
- <i>Rented</i>	84	23.598	75	76	21.802	73	8	1.796	

There are currently 28 hotels (previous year: 27) in the pipeline, with 7,136 rooms (previous year: 7,040). The contractually secured network of locations increased to 113 hotels (previous year: 106) with 31,400 rooms (previous year: 29,860).

KEY FINANCIAL FIGURES

INCOME STATEMENT

Best quarterly result in the company's history

With all coronavirus restrictions lifted, business further stabilised in the third quarter of 2022, which saw revenues of EUR 202 million (previous year: EUR 95 million) and an EBITDA of EUR 71 million (previous year: EUR 16 million) – the highest quarterly result in the company's history.

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	2019
Q1 2022	30%	-39%	30 €	-55%	62.897	-48%	18.515	29%	-70%	-16.917	n.a.	
Q2 2022	72%	-9%	81 €	1%	177.396	20%	100.196	56%	21%	63.171	23%	
Q3 2022	77%	-1%	90 €	17%	201.674	38%	113.218	56%	40%	71.270	48%	

A comparison with 2019, the year before the pandemic, underlines this strong performance, with TRevPAR increasing by 17% and EBITDA by 48% across a portfolio that now boasts 85 hotels with 24,264 rooms.

Income Statement	3rd Quarter				Year-to-Date January - September			
	2022	+/- ly	2021	+/- ly	2022	+/- ly	2021	+/- ly
Statistics:								
No. Hotels	85	6	79	6	85	6	79	6
No. Rooms	24.264	1.444	22.820	2.080	24.264	1.444	22.820	2.080
Occupancy (%)	77	31	46	-32	60	36	24	-52
TRevPAR (EUR)	90	44	46	-31	68	44	23	-51
Income Statement:	kEUR	% ly	kEUR	% ly	kEUR	% ly	kEUR	% ly
Revenue	201.674	>100	94.791	-35	441.967	>100	137.319	-67
EBITDAR	113.218	>100	48.184	-40	231.929	>100	46.956	-79
Lease payments	-32.327	-18	-27.386	-7	-91.882	-16	-79.522	-5
Head Office & Pre-Opening	-9.621	-94	-4.969	30	-22.523	-80	-12.513	32
EBITDA	71.270	>100	15.829	-67	117.524	<100	-45.079	<100
Amortisation/Depreciation	-13.403	18	-16.394	0	-39.837	0	-39.781	7
EBIT	57.867	<100	-565	<100	77.687	<100	-84.860	<100
COVID Subsidies	821	<100	3.915	>100	13.918	77	60.988	>100
Financial Results	-2.872	11	-3.241	3	-8.972	-13	-7.930	-3
EBT	55.816	>100	109	<100	82.633	<100	-31.802	<100
Income tax	-16.745	<100	-56	99	-24.790	<100	-75	<100
NET RESULT	39.071	>100	53	<100	57.843	<100	-31.877	<100

The year-to-date revenues for the first nine months amounted to EUR 442 million (previous year: EUR 137 million), with EBITDA at EUR 118 million (previous year: EUR -45 million). Following a loss of EUR 32 million in 2021, the year after the pandemic began, the group achieved a pre-tax profit of EUR 83 million.

CASH FLOW STATEMENT

Cash flow in the third quarter of 2022 came in at EUR 49 million (previous year: EUR 11 million). As at 30 September 2022, this brought cash and cash equivalents to EUR 372 million (previous year: EUR 324 million).

Cash Flow Statement	3rd Quarter				Year-to-Date January - September			
	2022		2021		2022		2021	
	kEUR	% ly	kEUR	% ly	kEUR	% ly	kEUR	% ly
EBITDA reported	71.270	>100	15.829	-67	117.524	<100	-45.079	<100
- Net Working Capital	31.125	>100	11.711	6	37.641	80	20.909	-75
- ReDesign Capex	-7.117	>100	-724	-94	-16.537	>100	-1.751	-95
- Taxes	-16.745	>100	-56	-99	-24.790	>100	-75	-100
Operating Cash Flow	78.533	>100	26.760	-32	113.838	<100	-25.996	<100
- Covid Subsidies	821	-79	3.915	>100	13.918	-77,2	60.988	>100
- Investing / Divesting Cash Flow	-232	<100	0	0	-232	<100	31	>100
- Equity Cash Flow	317	14	279	<100	443	>100	76	<100
- Debt Cash Flow	-14.863	>100	-7.020	42,4	-42.436	<100	162.627	>100
Cash Flow before Expansion Capex	64.576	>100	23.934	-29	85.531	-56,7	197.726	19
- CAPEX new Hotels PROPCO	-8.468	18	-7.163	25	-25.116	22	-20.512	-56
- CAPEX new Hotels FF&E	-7.672	38	-5.556	84	-17.791	5	-16.968	66
Net Cash Flow	49.039	>100	11.215	-55	44.074	-72,5	160.246	>100
Cash carried forward	323.422	4	312.382	>100	328.387	>100	163.351	39
Cash at end of period	372.461	15	323.597	>100	372.461	15	323.597	>100

For the first nine months of the 2022 financial year, the operating cash flow was EUR 114 million (previous year: EUR -26 million), with EUR 17 million (previous year: EUR 2 million) invested in the redesign of the existing portfolio. To compensate for losses in the previous year, the company received pandemic-related support in the amount of EUR 14 million (previous year: EUR 61 million).

Loans totalling EUR 42 million were repaid. This largely represented the scheduled repayment of the KfW loan. In the period under review, Motel One invested EUR 25 million (previous year: EUR 21 million) in new hotel properties and EUR 18 million (previous year: EUR 17 million) in fit-out of new hotel projects.

Overall, cash holdings increased by EUR 44 million (previous year: EUR 160 million). The high cash inflow of the previous year was explained by the granting of the KfW loan.

NET BALANCE SHEET

The strong increase in profit in the first nine months of the 2022 financial year saw equity increasing by EUR 65 million to reach EUR 496 million (previous year: EUR 431 million). The equity ratio is 65% (previous year: 62%). Net working capital rose to EUR 154 million, returning to a normal level proportional to revenue.

With the increase in cash reserves and simultaneous repayment of KfW loans, the net debt fell to EUR 116 million (previous year: EUR 212 million). Despite pandemic-related losses in the first quarter, the net debt/EBITDA ratio is 0.9, which means the group now has the ability to discharge debts in under one year, as it did prior to COVID-19.

	September 30			
	2022		2021	
	kEUR	%	kEUR	%
Net Balance Sheet:				
Equity	495.500	65	431.353	62
Net working capital	154.324	20	56.047	8
Net debt	116.125	15	211.747	30
Leverage Framework:				
EBITDA Rolling 12 months	127.815		-74.901	
Net Debt/EBITDA	0,9		n.a.	

OUTLOOK

Following a strong restart in the second quarter, Motel One achieved the best result in the company's history to date. Current reservations for the coming months indicate that this good business performance will persist in the fourth quarter.

Following the opening of the first Motel One in Ulm on 15 October, the fourth quarter will also see market entries in Innsbruck, Rotterdam and Dublin.

Nonetheless, we are seeing heightened macroeconomic and geopolitical risks. A further increase in coronavirus infections, high rates of inflation, the energy crisis and the war in Ukraine could negatively impact business developments.

Munich, October 2022