

Strengthening our long-term pipeline



Our pipeline contains several exciting projects which will deliver future value to our stakeholders. During 2020, we strategically advanced many projects and strengthened our future pipeline and we are pleased with the progress made.

Property construction

Our wholly-owned flagship art'otel development is well underway in London's vibrant Hoxton area, which has seen significant investment in regeneration in recent years.

art'otel london hoxton, expected to open in 2024, is our mixed-use scheme which will bring the contemporary upper upscale lifestyle art'otel brand to the area. During 2020, we secured a £180 million construction facility to develop the scheme and construction is now well underway with the substructure work nearly completed. Two pieces of Banksy artwork, which were on site, have been preserved. Our property will consist of 27 floors, comprising 343 hotel rooms including (60 long-stay apartments) and five floors of office space of approximately 5,900 square metres. The space will also comprise an 80-seat

ground floor restaurant, a bar, gym facilities and flexible meetings and events space which will be spread across two floors and offer breathtaking views of East London. Located on the 25th floor will be a bar and restaurant with access to seven terraces. The amenities will also include a gym for guests and members. In keeping with the art'otel brand, the hotel will feature a fully accessible art gallery which will bring contemporary as well as traditional art to the local community, and a VIP cinema space for conferences, corporate events and private hire. We are currently in discussions with a number of artists regarding partnerships for the hotel.

Expected to open in 2022, the **art'otel london battersea power station** is one of two exciting art'otels coming to London over the next few years. Positioned in the heart of one of London's best-known regeneration schemes, it will be a vibrant area with restaurants, bars and good transport links. Our wholly-owned lifestyle art'otel™ brand fuses art and life and will offer guests a sensational hotel experience spanning art galleries, a skyline restaurant and a stunning rooftop swimming pool with Power Station views. The 164 room hotel is being developed by the Battersea Power Station Development Company. The hotel will be managed by the Group on completion.

In light of the capital outlay required to drive our **art'otel development in New York City** forward, we have decided to temporarily halt this project until the market stabilises.

The Group also owns **two sites in London**, both with significant development potential. In December 2020, we were pleased to receive planning permission to develop a 29,000 square metre mixed-use scheme, including a 465 key hotel, adjacent to our Park Plaza London Park Royal. A second site is owned by the Group on Westminster Bridge Road in London (in close proximity to Park Plaza London Waterloo) in respect of which the Group has submitted a planning application for a 186 key hotel and office space.





art'otel london hoxton artist impression

Property conversion

In January 2020, our Croatian subsidiary entered into a 45-year lease for the development and operation of a branded hotel in **Zagreb, Croatia**. During the year, we applied for planning permission to convert the property into a 115-room hotel which was granted in early 2021. This hotel will be located in an iconic building in a prime location in the heart of Croatia's capital.

Property repositioning

We delivered two committed repositioning programmes during 2020, which included the second and final phase of investment in **Arena Grand Kažela Medulin Campsite**, where we added an additional 45 new premium mobile homes and upgraded several bar and leisure areas. In addition, **Arena Verudela Beach Resort Pula** was repositioned following the upgrade of 146 self-catering apartments and refurbishment of several restaurants and investment in the general infrastructure.

In April 2020, an agreement was entered into with the Republic of Croatia for the purchase of the **Guest House Hotel Riviera in Pula**, which has already been managed by the Group for several

decades. This acquisition will enable us to reposition the historic property into a premium branded hotel consisting of approximately 80 rooms in the centre of Pula, Croatia.

We are particularly excited about the progress made with the repositioning of **Hotel Brioni Pula in Croatia**. In December 2020, we secured a loan facility of approximately €24 million (£21.5 million) to further fund the repositioning and this property is expected to reopen ahead of the 2021 summer season. The property will be restored to its former standing as one of the premier upper upscale hotels on the Adriatic Coast and, once complete, will offer 227 premium rooms over seven floors with three indoor and outdoor pools, an extensive wellness centre with

saunas and relaxation rooms, a gym, kids' playground, several restaurants and bars and meeting and event facilities.

In December 2020, we completed the acquisition of the **88 Rooms Hotel in Belgrade**, Serbia. The Group intends to invest in the property and reposition and relaunch the hotel in the course of 2021. The hotel is located minutes away from the Serbian capital's historic old town and marked the Group's entry into a new territory.

art'otel budapest is expected to undergo a light refurbishment of the public areas and guestrooms.