WHY INVEST IN ADAGIO

ACCOR GLOBAL DEVELOPMENT
FEBRUARY 2019
Open to the city
Discover over 100 addresses located in the heart of the city, from Paris to Rio de Janeiro, to Berlin or Dubai. Adagio combines the autonomy of apartment living with the hospitality of hotel life, Adagio offers guests a number of hotel services to ensure the best possible experience.

Open to everyone
Adagio is a perfect solution for short, mid and long term stays: privacy, autonomy and flexibility. Aparthotels Adagio provide three ranges of products within the one core Adagio brand: Adagio access, Adagio and Adagio premium. Tiered pricing from 4th night onwards: the more you stay, the less you pay.

Open to friendliness
Adagio offers living spaces where you can socialise, explore and relax; whether you are on your own, with colleagues or with your family. Feel welcome and explore the local sights recommended by our Adagio team.
ADAGIO TOP 3 USPs

N°1 EXTENDED STAY BRAND IN EUROPE
- Global network of 116 apparthotels and 13,000 appartments
- Growing demand from guests for flexible & autonomous product, meeting business and leisure travellers’ expectations
- Still strong potential in Europe for this product

HIGH PROFITABLE BUSINESS MODEL
- Longer average length of stay which maximizes occupancy in low demand periods and optimizes average room rates
- Reduced operational costs with less cleaning fees
- High profitability with GOP > 60%

INTELLIGENT INVESTMENT
- Reduced construction costs with limited back of house spaces and public areas.
- Only brand on heavy asset model with 20-25 year leases
- Extended stay model is the least volatile in case of economic downturns
- Easy conversion model to residential (limited risk)
By the end of 2019,

116 aparthotels
13K apartments
13 countries
25 OPENINGS IN 2018 & 2019

2019

FRANCE
Paris    Saclay
Lille    Montpellier
GERMANY
Bremen
SAUDI ARABIA
2 Jeddah

2020

UNITED KINGDOM
Aberdeen  Stratford
FRANCE
Nanterre  Suresnes  Vélizy
BELGIUM
Brussels
SAUDI ARABIA
2 Jeddah  Mecca  Al Khubar
Brazil
Goiania

Official figures as of end 2018

WHY INVEST IN ADAGIO APARTHOTEL | NETWORK & PIPELINE
LATEST OPENINGS

Adagio Amsterdam Amstelveen

Adagio London Brentford
## Services

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<thead>
<tr>
<th>Service</th>
<th>Adagio</th>
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<tbody>
<tr>
<td>Free WiFi</td>
<td>✔️</td>
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<td>Breakfast/Grab &amp; Go</td>
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<td>Laundry Facilities</td>
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<td>Dry Cleaning On Demand</td>
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<tr>
<td>24/7 Reception</td>
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<td>Mini Market</td>
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<td>Fitness Center</td>
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<td>Business Corner</td>
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<td>Conciergerie</td>
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<tr>
<td>Swimming Pool/Spa</td>
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<tr>
<td>Room Service/F&amp;B Offer</td>
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PUBLIC AREAS

- Shared Kitchen
- Object library
- The Shop
- Reception posture
PUBLIC AREAS

« THE CIRCLE » ADAGIO PARIS BERCY VILLAGE

« THE CIRCLE » ADAGIO ACCESS PORTE DE CHATILLON
COMFORTABLE STUDIO

ADAGIO APARTHOTEL®

Total floor area 25sqm net

- Fully equipped kitchen
- Dining space
- Large living space
- Working space
- Bathroom (shower or bath)
- Murphy bed
- Flat screen television 36
COMFORTABLE STUDIO
ADAGIO APARTHOTEL®

Total floor area **35sqm net**

Studio equipment

- Bedroom with double bed
- Living room with sofa bed
- Modular table
- Separated fully equipped kitchen

WHY INVEST IN ADAGIO APARTHOTEL | KEY PROGRAMS
STUDIOS
ADAGIO APARTHOTEL ACCESS®

Studio 2 pax
Total floor area
20sqm net

- Double murphy bed
- Storage space
- Fully equipped

Studio 4 pax
Total floor area
25sqm net

- Studio equipment
- Single murphy bed
- Sofa bed

Total floor area: 20sqm net
THE APARTHOTELS POSITIONING IN THE ACCOMMODATION LANDSCAPE

**HOTEL**

- 1-3 Nights
- Full Services
  - Reception, Restaurant, Spa Facilities etc.

**APARTHOTEL**

- 1 to +90 Nights (average 4.2 days)
- Selected services
  - Reception, Breakfast, housekeeping etc.

**WHY INVEST IN ADAGIO APARTHOTEL | KEY PROGRAMS**
LONGER-STAYS ENABLE THE MAXIMIZATION OF OCCUPANCY, ESPECIALLY IN LOW-DEMAND PERIODS

Well-optimized aparthotels can reach 90%* average occupancy

Source: Adagio Data 2018

*Not contractual
### THE APARTHOTELS BUSINESS MODEL VS. THE HOTEL ONE (P&L comparison)

<table>
<thead>
<tr>
<th></th>
<th>4* HOTEL</th>
<th>4* APARTHOTEL</th>
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</thead>
<tbody>
<tr>
<td>OCC. RATE</td>
<td>80%</td>
<td>88%</td>
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<tr>
<td>AVERAGE DAILY RATE</td>
<td>£145</td>
<td>£135</td>
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<tr>
<td><strong>REVPAR</strong></td>
<td>£116</td>
<td>£119</td>
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<tr>
<td>ROOM REVENUE %</td>
<td>72%</td>
<td><strong>93%</strong></td>
</tr>
<tr>
<td><strong>TOTAL REVENUE</strong></td>
<td><strong>£9.5 MILLION</strong></td>
<td><strong>£7.8 MILLION</strong></td>
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<tr>
<td>GOP</td>
<td>49% - £4.6 MILLION</td>
<td>63% - £4.9 MILLION</td>
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<tr>
<td><strong>NOI</strong></td>
<td>40% - £3.8 MILLION</td>
<td>53% - £4.2 MILLION</td>
</tr>
<tr>
<td><strong>PROFIT/SQM</strong></td>
<td>£442</td>
<td>£488</td>
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Source: WATG Report 2015
A HIGHLY PROFITABLE MODEL

GOP > 60%*

OPERATIONAL PROFITABILITY

- High occupancy
- Optimized ARR
- Low operating costs

RETURN ON INVESTMENT

- Efficient space usage *(FOH vs BOH)*
- Limited BOH areas
- Optimized construction costs *(4* hotel -10%)*

HIGH ROI

*Not contractual
84.8% of Adagio guests in Europe are either satisfied or very satisfied.

83.5% of our guests would recommend Adagio.

Source: TrustYou survey (GSS) 2018
MEDIA PERFORMANCE
WEB DIRECT
A STRONG ONLINE PRESENCE

The online reference for extended stay

AVAILABLE IN
33 VERSIONS & 18 LANGUAGES
Dedicated corner for Aparthotels Adagio to target extended stay customers

A strong distribution channel
The Central Reservation System generates on average 66% of hotel room revenue.
ADAGIO DISTRIBUTION SOLUTIONS
POWERED BY ACCOR
STRONG SALES CHANNELS TARGETING EXTENDED STAY

74% of adagio room revenue comes through Accor reservation systems

FOCUS ON WEB
AccorHotels.com + Adagio.com + mobile websites + partner websites

826,000 ADAGIO ROOM SOLD

€86.3M ADAGIO ROOM REVENUE

Figures as of end 2018
LE CLUB ACCORHOTELS
ACCOR OWNS THE MOST INTERNATIONAL AND FAST GROWING LOYALTY PROGRAM

Loyalty members - Worldwide
- Le Club AccorHotels
- FRS loyalty program
- Huazhu loyalty program

Guests’ origin - Worldwide

A Worldwide program:
- 20 brands
- 3,500 hotels
- Free enrollment
- 100% Web based program
- More than 27,700 new members every day
- Le Club AccorHotels represents 34.6% of all roomnights
- Partnerships with large Airlines loyalty program: Skyteam, One World, Star Alliance…
- Specific Welcome to members

Source: LCAH, figures as of end 2018
DEVELOPMENT CRITERIAS

3 OPERATING MODES

MANAGEMENT

LEASE

FRANCHISE
BUILDING – KEY CRITERIA
(EUROPE STANDARD)

Flexible and adaptable to specific needs

Development types:
- New building
- Takeover of existing
  aparthotels/hotels
- Office buildings conversion
- Residential conversion...

Also possible:
- Combo possibilities (multi brand property)
  with Accor brands
- Part of mixed-used projects

Number of keys
90-120 apartments
TGFA/100 apts
3,200sqm/3,400sqm
Typology
70% (Studio 2p)
30% (Studio 4p)
Guest Private Area
20sqm (Studio 2p)
25sqm (Studio 4p)
Public areas
290sqm/100 apts
Reception, breakfast room, laundry, luggage room

Number of keys
80-140 apartments
TGFA/100 apts
4,400sqm/4,600sqm
Typology
70% (Studios 2p)
30% (1 Bedroom Apartment 4p)
Private Area
25sqm (Studio 2p)
35sqm (1 Bedroom Apartment 4p)
Public areas
350sqm/100 apts
Reception, business Corner, fitness, breakfast room, laundry, luggage room
LOCATION

TARGETED COUNTRIES

- FRANCE
- GERMANY
- UK & IRELAND
- NETHERLANDS
- POLAND
- SPAIN
- PORTUGAL
- ITALY
- MOROCCO
- UAE
- SOUTH AFRICA
- TURKEY
- CHILE
- COLOMBIA
- AND MORE…

*Adagio Premium is developed only in the Middle East
Stay, live, enjoy