WHY INVEST IN GRAND MERCURE

ACCOR GLOBAL DEVELOPMENT

FEBRUARY 2020
Universally local

Around the world, Grand Mercure revisits the singularity of each culture with a modern premium flair, surprising and inspiring guests to rediscover the uniqueness of a culture.

Tailored by the locals for the locals, each hotel captures the essence of the country's culture to recreate experiences tailored to the local way of life, whilst guaranteeing premium international standards.

SINCERE    PROUD    LOCALLY TAILORED    MODERN PREMIUM
REINTERPRETATION
A brand tailored to the local market | By the locals

A design & atmosphere that resonates with the locals, with great cultural sensitivity

A service offering adapted to the local market

Relevance for both domestic market as well as the international visitors seeking authentic local experiences
Guarantee of Consistent Premium
International service standards, answering needs & reassuring locals and international travelers alike

International brand power with associated distribution eco-system, awareness and prestige perception

Modern service & perception relevant to today’s traveler seeking simple yet innovative and premium experiences
Flexible space brand programming and local providers usually enabling lower development costs

Great for conversion of existing building/hotels

Great for development from Tier 1-3 cities / Near 55 hotels in network & 30 in pipeline

Brand USPs

Flexibility & affordable competitiveness
Network and Pipeline

56 Hotels

12,711 Rooms

12 Countries in 2019

25 New Hotels by 2024

5,934 New Rooms by 2023
Network and Pipeline

Official figures as of end Dec 2019
*Percentage of total room number

15%*
Americas
Network
8 Hotels
1,926 Rooms

2%*
Africa – Middle East
Network
1 Hotel
198 Rooms
Pipeline
5 Hotels
1,081 Rooms

83%*
Asia Pacific
Network
47 Hotels
10,587 Rooms
Pipeline
20 Hotels
4,853 Rooms

OPERATING MODE

<table>
<thead>
<tr>
<th>Managed</th>
<th>Franchised</th>
</tr>
</thead>
<tbody>
<tr>
<td>80%</td>
<td>20%</td>
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</tbody>
</table>
SAO PAULO VILA OLIMPIA
brazil
213 rooms
Flagships

RIO DE JANEIRO COPACABANA
brazil
253 rooms
Flagships

SHANGHAI CENTURY PARK
china
321 rooms
Flagships

FOSHAN JINSHA
china
219 rooms
Flagships

DANANG
vietnam
272 rooms
Flagships

JAKARTA KEMAYORAN
indonesia
483 rooms
Flagships

MYSORE
india
146 rooms
Flagships

WELLINGTON
new zealand
114 rooms
Flagships

AUCKLAND
new zealand
207 rooms
PHUKET PATONG
thailand
314 rooms
GANDHINAGAR GIFT CITY
india
151 rooms
Upcoming Openings

SAO PAULO ITAIM
brazil

april 2020
Upcoming Openings

DUBAI AIRPORT
uae
361 Rooms

April 2020
Upcoming Openings

HANOI
vietnam
179 rooms

june 2020
Upcoming Openings

KHAO LAK BANGSAK
thailand
198 rooms

september 2020
<table>
<thead>
<tr>
<th>Location</th>
<th>Name</th>
<th>Rooms</th>
<th>Opening Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>AFRICA – MIDDLE EAST</td>
<td></td>
<td></td>
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<tr>
<td></td>
<td>GRAND MERCURE MAJUS DOHA C-RING ROAD, QATAR</td>
<td>283 ROOMS, MAY 2020</td>
<td></td>
</tr>
<tr>
<td></td>
<td>GRAND MERCURE AL GARHOUD, UNITED ARAB EMIRATES</td>
<td>361 ROOMS, SEPTEMBER 2020</td>
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<tr>
<td></td>
<td>GRAND MERCURE DUBAI JUMEIRAH TRIANGLE, UNITED ARAB EMIRATES</td>
<td>166 ROOMS, DECEMBER 2020</td>
<td></td>
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<tr>
<td>ASIA – PACIFIC</td>
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<tr>
<td></td>
<td>GRAND MERCURE KHAO LAK BANGSAK, THAILAND</td>
<td>198 ROOMS, SEPTEMBER 2020</td>
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<tr>
<td></td>
<td>GRAND MERCURE SHENZHEN NANSAN, CHINA</td>
<td>227 ROOMS, NOVEMBER 2020</td>
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<td></td>
<td>GRAND MERCURE PANJIN, CHINA</td>
<td>250 ROOMS, DECEMBER 2021</td>
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<td>GRAND MERCURE YINGKOU HUAIJUN, CHINA</td>
<td>330 ROOMS, DECEMBER 2021</td>
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<td></td>
<td>GRAND MERCURE ANHUI TAIHE, CHINA</td>
<td>300 ROOMS, DECEMBER 2022</td>
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<tr>
<td></td>
<td>GRAND MERCURE NANCHANG AN’YI, CHINA</td>
<td>280 ROOMS, DECEMBER 2022</td>
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<tr>
<td></td>
<td>GRAND MERCURE WUHAN AIRPORT, CHINA</td>
<td>240 ROOMS, DECEMBER 2021</td>
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<td></td>
<td>GRAND MERCURE WUHAN OPTICS VALLEY, CHINA</td>
<td>110 ROOMS, AUGUST 2020</td>
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<td></td>
<td>GRAND MERCURE XI’AN XIXIAN, CHINA</td>
<td>416 ROOMS, DECEMBER 2022</td>
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<td></td>
<td>GRAND MERCURE GUIYANG JINYANG, CHINA</td>
<td>268 ROOMS, DECEMBER 2022</td>
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<tr>
<td></td>
<td>GRAND MERCURE SHIYAN, CHINA</td>
<td>200 ROOMS, DECEMBER 2022</td>
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<tr>
<td></td>
<td>GRAND MERCURE NANNING PUKOU, CHINA</td>
<td>200 ROOMS, DECEMBER 2021</td>
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<tr>
<td></td>
<td>GRAND MERCURE SHANGHAI LINGANG, CHINA</td>
<td>212 ROOMS, DECEMBER 2021</td>
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<td>GRAND MERCURE HANG, VIETNAM</td>
<td>179 ROOMS, JUNE 2020</td>
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<td></td>
<td>GRAND MERCURE QUANG BINH, VIETNAM</td>
<td>236 ROOMS, DECEMBER 2021</td>
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<tr>
<td></td>
<td>GRAND MERCURE MAHA CIPTA MIRAMA MALANG, INDONESIA</td>
<td>240 ROOMS, SEPTEMBER 2021</td>
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<tr>
<td></td>
<td>GRAND MERCURE MAHA CIPTA BALI LEGIAN RESORT, INDONESIA</td>
<td>258 ROOMS, DECEMBER 2020</td>
<td></td>
</tr>
<tr>
<td></td>
<td>GRAND MERCURE BENGALURU AT GOPALAN MALL, INDIA</td>
<td>206 ROOMS, MARCH 2020</td>
<td></td>
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</tbody>
</table>
PASSION FOR RECREATING

A Taste of Place

All dimensions of the local food culture are revived with a modern premium flair: exciting Signature dishes or brews, reinvented street food, and traditional welcome delights and snacking...a revisited and inspiring local taste, endorsed by the locals.
A PASSION FOR RECREATING

Sensorial Immersion

Grand Mercure harmoniously combines and reinterprets local attitudes, atmospheres and settings to awaken all senses.
A PASSION FOR RECREATING

Revived Rituals

Each hotel embraces & revives selected fundamentals shaping a culture: important celebrations, a sense of etiquette & daily rituals to (re)discover, moments of conviviality & quality family time associated to cultural values...integrated into curated brand experiences.
A local way of being well

Every country of the world has its own conception of well-being. In its hotels, Grand Mercure embraces each of them accordingly to nurture its guests beyond the doors of the gym and the spa.
Soul Foods Concept

SOUL FOODS

An emotionally charged revival of each culture(s) comfort food & rituals across the guest journey.

Soul Foods* invites guests to (re)open a window into the soul of the culture and recall soothing memories, by reviving beloved cultural comfort foods - and most importantly the deeply-rooted rituals that accompany them - through immersive sensorial experiences right across the guest journey.

Blending high-quality local ingredients with traditional local cooking techniques and service rituals, we elevate each of these memories with modern premium flair to (re)connect guests and locals-alike with the culture’s roots in a refreshing way.
CULTURE HOSTS

Grand Mercure Heartists around the world are passionate about modern premium hospitality, and genuinely proud of their national culture. They are the local caretakers, revivers and storytellers of their hotel distinct cultural identity, delivering modern premium international standards of service to our guests with great cultural sensitivity.
GUEST JOURNEY & EXPERIENCE – KEY STANDARDS AT A GLANCE

The following list contains the key brand concepts & markers. Specific and detailed guidelines with rich elements & content bring each experiences to life in the guest journey. Brand standards as of end 2019, might be subject to changes.

**ARRIVAL & DEPARTURE**
- Signature Local Transfer (Scented towel & Local Bites)
- Local Welcome Ritual
- Scentorial Immersion (Signature scent experience)
- Culture Host (2021)

**GUEST ROOMS**
- Local Bites VIP In-Room Arrival
- Local Bathroom Amenities
- Signature Local Room Service (Soul Foods)
- Local Bites VIP Turn Down

**F&B**
- Breakfast Culture (Soul Foods)
- Brew Culture (Soul Foods)
- Local Signature Dish (Soul Foods)
- Local Bites (Soul Foods)

**WELLNESS FACILITIES**
- Spa
- Fitness Center
- Local Wellbeing Rituals

**MEETINGS & EVENTS**
- Culture Breaks (Brew Culture & Local Bites)
- Culture Host (2021)

**Taste of Place**
- Sensorial Immersion
- Revived Rituals
- Local way of being well
- Mandatory
Visual Identity

The visual identity adapts and reflects the local roots of the brand in each culture.
COMMUNICATION PLATFORMS

A regional activation for enhanced relevance & reach

Social Media

New inspirational brand platforms on Facebook, Instagram and China Social Media channels to further drive brand awareness and traffic to our Brand website.

Launch April 2020

Events with local ambassadors

‘Traces of Brasilidade’ Talk Show (Brazil)

Nearly 1 million people impacted

BRAND WEBSITE

A fully revamped brand website as a key lever to drive hotel distribution performance and brand engagement.

Launch April 2020

BRAND PARTNERSHIPS

Global & Local Brand partners & activations to drive brand awareness, distribution and hotel revenue performance.

New Global Partner 2020
Awards

25 LEADING AWARDS ACROSS 12 PROPERTIES IN 2019
Top region: China with 14 awards

- Beautiful China Golden Olive Awards – 2 Awards
- Rakuten Travel – 1 Award
- TripAdvisor – 2 Awards
- World Luxury Travel Awards – 1 Award
### Brand Performance

#### Brand Awareness*

- **40%**
- Significant Awareness among affluent travelers (aided and unaided) in 5 key markets

Our objective is to raise awareness in Key markets for the brand (China, Indonesia, Brazil) and maintain it throughout the network.

#### Brand Perception*

- Grand Mercure has a local positioning in each property
  - 56% frequent guests think about the brand as hotels with premium international standards
  - 46% think the brand provides a contemporary perspective on local customs
  - 36% think the brand helps them reconnect with the country’s unique culture

Our objective is to further drive perception of the brand both as a Modern Premium and Locally rooted.

#### Brand Margin*

- **48€**
- Brand Margin* measures the financial premium which the brand name adds to the intrinsic value of the same hotel stay with an unbranded alternative

Our objective is to raise brand margin in key markets: China, Indonesia and Brazil.

#### Reputation Performance Score**

- **88 pts.**
- The Reputation Performance Score measures the overall hotel online reputation based on several sources: Guest Satisfaction Survey (GSS & Net Promoter Score), Trip Advisor, Booking, Ctrip etc. It is the most representative hotel’s reputation KPI, requires at least 100 guests’ feedback and give positive reputation score out of 100%

Our objective is to reach 89+ by 2021.

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*BEAM report 2019
**December 2019
Brand Awareness (%)

Source: BEAM - Brand Equity & Awareness Monitoring December 2019 | Base: Affluent & Luxury hotel users = users having spent at least 1 stay in a luxury hotel over the last 12 months, 6 nights + in any type of paid-for accommodation, top 30% income within country
Brand Margin® measures the financial premium which the brand name adds to the intrinsic value of the same hotel stay with an unbranded alternative. A Brand Margin® of 10€ means that « Consumers think it is worth paying on average 10€ more per night to stay with brand X compared to an unbranded equivalent ». Base: people having stayed in paid-for accommodation in the last 12 months and somewhat/very familiar with the brand.

Brand Margin® in €. Traveller representative
Figures as of end 2019
Reputation Performance Score

High Reputation Score in Constant Progression Across the Network

Source: TrustYou by end of 2019
Accor Distribution Solution*

Accor offers > 110 global distribution channels at best market conditions

- laccor.com multi-brand portal
- 18 BRAND WEBSITES
- 7 MOBIL APP
  - 35 points of sales animated by countries
- 900 SALES AGENTS
  - operate in
- 9 CALL CENTERS
  - in 20 languages
- 1,470 HOTELS
  - use Cluster facilities
- 1,500+ HOTELS
  - use TARs for their own bookings

*All Accor brands excluding recently integrated: Delano, SLS, The House of Originals, Mondrian, Hyde, greet, Mantis, Tribe

125+ PARTNERS*
- search/metasearch/OTA/GDS/IDS

*Included
Grand Mercure Distribution Performance Powered by Accor

For Luxury & Premium Brands

33% FOCUS WEB
(ACCOR WEB + WEB PARTNER)
10M ROOM NIGHTS
€2,019M ROOM REVENUE

63% OF LUXURY & PREMIUM ROOM REVENUE COMES THROUGH ACCOR CENTRAL RESERVATION SYSTEM

38% DIRECT SALES
37% HOTEL PMS
25% INDIRECT SALES
19%
15%
7%
4%

WEB PARTNERS (OTAs)

GDS/IDS

INFLUENCED HOTEL DIRECT*
*E-mails & cluster services

VOICE

OFFICIAL FIGURES AS OF END 2019

FOR LUXURY & PREMIUM BRANDS
New Booking Engine & APP

- **1 MULTIBRAND PORTAL**
  - ALL.ACCOR.COM

  - 300M Website + App visits
  - 2,200 Destinations
  - 18 Languages

- **1 LIFESTYLE COMPANION APP**

  - 56% Mobile and App visits*
  - 1 Download every minute

- **18 BRAND.COM WEBSITES**

  - Plugged to ALL.ACCOR.COM

*year 2019 + from dec 2019 to Mid Feb 2020, since launch of ALL

Source: CRS by end of 2019
New Loyalty Program

THE ONLY LIFESTYLE LOYALTY PROGRAM

NEW LIMITLESS EXPERIENCES AND EXTENDED OPPORTUNITIES TO EARN & REDEEM POINTS

NEW BENEFITS
- 2 New tiers (diamond & limitless hidden tier)
- 34 Brands and +
- Suite Night Upgrade
- F&B outside a stay

NEW PARTNERSHIPS
- PSG – Games / Net media value +€200m to ALL
- AEG – Worldwide arenas & festivals
- IMG – Taste festivals

Source: CRS by end of 2019
Competition

Source: CRS by end of 2019
<table>
<thead>
<tr>
<th><strong>HOTEL</strong></th>
<th><strong>AAA ULTRA CITY CENTER LOCATION, HISTORIC CONVERSION</strong></th>
<th><strong>WORLDWIDE</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>RECOMMENDED NUMBER OF ROOMS</strong></td>
<td>150 keys and +</td>
<td>150 keys and +</td>
</tr>
<tr>
<td><strong>ROOM AVERAGE SIZE</strong></td>
<td>24 – 32 sqm</td>
<td>28 – 36 sqm</td>
</tr>
<tr>
<td><strong>TGFA / ROOM</strong></td>
<td>60 – 70 sqm</td>
<td>80 – 90 sqm</td>
</tr>
<tr>
<td><strong>RECOMMENDED NUMBER OF ROOMS</strong></td>
<td>120 keys and +</td>
<td>150 keys and +</td>
</tr>
<tr>
<td><strong>ROOM AVERAGE SIZE</strong></td>
<td>28 – 36 sqm + balcony</td>
<td>30 – 40 sqm + balcony</td>
</tr>
<tr>
<td><strong>TGFA / ROOM</strong></td>
<td>80 – 90 sqm</td>
<td>80 – 110 sqm</td>
</tr>
</tbody>
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<table>
<thead>
<tr>
<th><strong>FOOD &amp; BEVERAGE</strong></th>
<th><strong>1 All day dining</strong></th>
<th><strong>1 lobby bar</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>WELL-BEING</strong></td>
<td><strong>Speciality restaurant(1)</strong></td>
<td><strong>Bespoke Spa market driven</strong></td>
</tr>
<tr>
<td><strong>MEETINGS &amp; OTHERS</strong></td>
<td><strong>Meeting rooms</strong></td>
<td><strong>Ballroom</strong></td>
</tr>
<tr>
<td></td>
<td><strong>Executive centre available</strong></td>
<td><strong>Business centre available</strong></td>
</tr>
<tr>
<td></td>
<td><strong>Kids Club(1)</strong></td>
<td><strong>(1) Based on market demand</strong></td>
</tr>
</tbody>
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<table>
<thead>
<tr>
<th><strong>PRIME LOCATIONS</strong></th>
<th><strong>SECONDARY LOCATIONS</strong></th>
<th><strong>AIRPORTS SUBURBS</strong></th>
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<tbody>
<tr>
<td><strong>INTERNATIONAL CAPITALS</strong></td>
<td><strong>KEY CITIES &amp; RESORTS</strong></td>
<td><strong>MAJOR DOMESTIC DESTINATIONS</strong></td>
</tr>
<tr>
<td><strong>OTHER CITIES &amp; ATTRACTIVE TOURISTIC DESTINATIONS</strong></td>
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</table>
Design & Technical Services

WHAT'S HAPPENING IN 2020?

• Style Book
• Design Brief
• Construction and Renovation Standards
• Brew Concept
THANK YOU