

23 January 2017

easyHotel plc
("easyHotel" or "the Group")

Trading Update and
Disposal of asset in Ipswich

easyHotel, the owner, developer, operator and franchisor of "super budget" branded hotels, announces a trading update for the financial year to date in advance of its Annual General Meeting to be held today.

Since the start of the current financial year the Group has continued to make good progress and trading for the year ending 30 September 2017 is in line with the Board's expectations in both its owned and franchised hotels. Furthermore, the Group remains on track to deliver its development strategy announced in September 2016.

Disposal of asset in Ipswich

The Group announces an agreement to dispose of the A3 space at 3-5 Northgate Street in Ipswich under a 999-year leasehold agreement for a consideration of £0.14 million. The space, which is vacant, comprises a part of the ground floor (kiosk) of the building which will be converted into a coffee shop. easyHotel acquired the freehold of the building in January 2016 for £0.8 million.

Owned hotel development pipeline

- New hotel projects under construction in Birmingham (84-room), Liverpool (79-rooms), Manchester (115-rooms) and Ipswich (94 rooms) are progressing well. easyHotel Birmingham will open later this week, Liverpool and Manchester in March 2017 and Ipswich during Summer 2017.
- In Spain, planning permission was granted for the 204-room new build easyHotel Barcelona hotel located on Gran Via, on the main avenue of L'Hospitalet de Llobregat. Acquisition of the land was completed in November 2016 and an €8.25m facility was secured in January 2017 to part-fund development of the project. This 15 year bank facility due 2032 bears interest at Euribor +2.25%. The hotel is expected to open in 2018.
- In the United Kingdom, the development pipeline has been extended with long leasehold properties conditionally acquired in Sheffield and Leeds in December 2016 for conversion into 131-room and 94-room hotels, respectively. The purchase of both properties is subject to obtaining planning permission and the hotels are expected to open in 2018.

Franchised hotel development pipeline

- During the period two franchise hotels were opened, adding a further 238 rooms to the easyHotel network. easyHotel Brussels opened in October 2016 and easyHotel Amsterdam Arena Boulevard in November 2016. Both hotels have traded very strongly since opening.
- In addition, two further franchise hotel projects have been announced during the period. A 54-room hotel in Reading was announced in November 2016 and an 81-room hotel in Belfast, the first in Northern Ireland, was announced in January 2017. Both hotels are expected to open in the next financial year.

easyHotel's total committed development projects currently have 1,833 rooms under development, 801 of which are owned and 1,032 are being developed by franchise partners.

Ongoing professionalisation of the business

As part of the ongoing professionalisation of the business and as previously announced, the Group is investing in a new Hotel Management System. This fully integrated and automated system, provided by Hetras, will improve efficiency and enable the Group to further leverage its revenue management and dynamic pricing strategy, to maximise income. The system will be rolled out to all owned and franchise hotels in the coming months.

Guy Parsons, Chief Executive Officer, commented:

"The UK hotel market improved in November and December with Revpar growing in both months compared with 2015. Our owned hotels have continued to outperform the general market and their individual competitive set, as measured by STR Global. A similar market improvement has been experienced across much of continental Europe and our franchise hotels are performing in line with their respective markets.

"We remain on track to open eight new hotels, four owned and four franchised, in the current financial year and continue to make good progress in adding new projects to our development pipeline. Trading is in line with our expectations and we remain focused on implementation of our strategy as we continue to extend our footprint and establish easyHotel as the leading super budget hotel chain."

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Notes to Editors:

easyHotel is the owner, developer, operator and franchisor of branded hotels. Its strategy is to target the "super budget" segment of the hotel industry by marketing "clean, comfortable and safe" hotel rooms to its customers.

Operating hotels

easyHotel's three owned hotels currently comprise 390 rooms, and it has a further 19 franchised hotels with 1,643 rooms.

Owned hotels:

Old Street (London), Glasgow, Croydon.

Franchise locations:

Belgium (Brussels), Bulgaria (Sofia), Germany (Berlin, Frankfurt), Hungary (Budapest), The Netherlands (Amsterdam, Rotterdam, The Hague), Switzerland (Basel, Zurich), UAE (Dubai), United Kingdom (Edinburgh, London Heathrow, Central London, Luton).

Hotel development pipeline

The Company's committed development pipeline of owned and franchised hotels currently consists of:

Owned hotels:

United Kingdom (Liverpool, Manchester, Birmingham, Ipswich), Spain (Barcelona)

Subject to planning consent: United Kingdom (Sheffield, Leeds)

Franchise hotels:

UAE (Dubai), Germany (Bernkastel-Kues), Portugal (Lisbon), Turkey (Istanbul), The Netherlands (Amsterdam-Zaandam), United Kingdom (Belfast, Reading)

Website: www.easyHotel.com

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