TRAVELODGE WAKEFIELD
INVESTMENT SALE

25 Yr CPI-linked Hotel Income
Fully Refurbished to Latest Travelodge Brand Standards

LOWER WARRENGATE • WAKEFIELD • WF1 1SA

Kimmre

INVESTMENT SUMMARY

- A purpose-built 73-key hotel in Wakefield city centre arranged over ground and three upper floors. The hotel has recently (2026) been fully refurbished to Travelodge's latest brand standards.
- Prominently situated a 15-minute walk from Wakefield Westgate Railway Station which connects the city to Leeds (10mins) and London's King's Cross (c2hrs). The property's positioning on A61 provides M1 motorway access at junctions 39 and 41 as well.
- Securely let to Travelodge Hotels Ltd (UK's second largest budget hotel operator) on a full repairing and insuring lease for 25 years, with the lease expiring in 2051. This reflects an Institutional grade income security.
- Passing rent £411,000 p.a. (£5,630 per key), delivering a hotel rent cover of 1.70x against the independently underwritten hotel P&L.
- Rent is reviewed every 5 years in line with CPI, subject to a collar and cap of 1% and 4% pa providing inflation protected income growth throughout the lease term. The next review is in July 2031.
- Wakefield submarket achieved the highest occupancy of all West Yorkshire submarkets at 73.9% (12-month to April 2026), with occupancy growth of +2.8% YoY - strongest in the region.
- No hotel is currently being developed in Wakefield which combined with current submarket performance demonstrates a structurally constrained market protecting hotel performance, profitability and rent affordability.
- Travelodge reported revenue of £206.8m in Q1 2026, up 4.2% on Q1 2025, outperforming the competitive MSE segment - demonstrating the brand's continued trading resilience.
- Investment price is substantially underpinned by the hotel's VP value.
- Freehold.

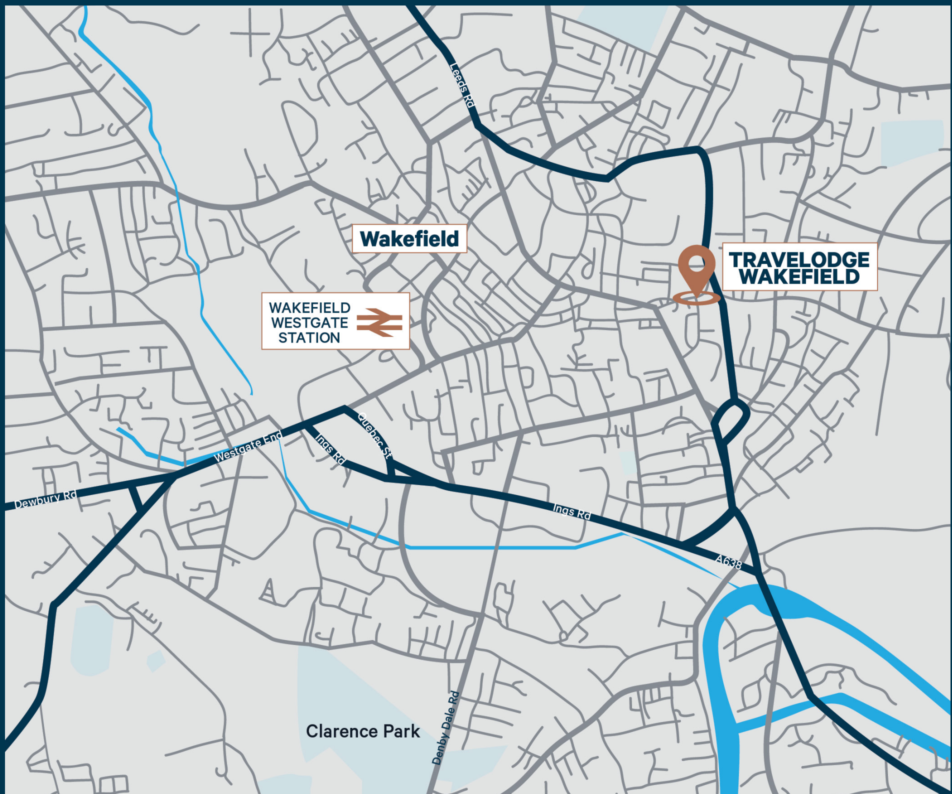
Kimmre is instructed to seek offers in excess of **£5,920,000**, subject to contract and exclusive of VAT. A purchase at this level reflects a **Net Initial Yield of 6.50%,** assuming purchaser's costs of **6.80%**, and equates to a low price per key of **£81,096.**

TRAVELODGE WAKEFIELD

SITUATION

The hotel occupies a prominent position on Lower Warrengate in Wakefield city centre, just a 15-minute walk from Wakefield Westgate railway station which is one of the city's two mainline stations. Wakefield Westgate provides direct and frequent services to Leeds (c.10 minutes), Sheffield (c.30 minutes) and London King's Cross (c.2 hours), served by both LNER and Northern Rail.

By road, the property benefits from excellent connectivity to the M1 motorway at Junctions 39–41, placing it within easy reach of Leeds, Sheffield, Barnsley and the broader Yorkshire and Humber region.



LOCATION

The hotel sits within easy walking distance of Trinity Walk Shopping Centre, Wakefield's principal retail destination, together with the city's established commercial core and a significant concentration of public sector, healthcare and professional service occupiers. This generates a consistent and diverse demand base spanning corporate travellers, contractors, leisure visitors and government workers providing year-round trading resilience that directly supports the covenant strength of the lease.

WAKEFIELD HOSPITALITY MARKET

SUBMARKET OVERVIEW

Wakefield comprises 22 hotel properties across approximately 1,037 rooms, divided between Upscale & Upper Midscale (322 rooms) and Midscale & Economy (652 rooms). The Midscale & Economy segment is the directly relevant competitive class for the subject hotel.

PERFORMANCE TO APRIL 2026 (12-MONTHS)

METRIC	WAKEFIELD	WEST YORKSHIRE	WAKEFIELD RANK
12-Mo Occupancy	73.9%	71.7%	#1 in region
Occupancy Growth YoY	+2.8%	-0.7%	Strongest growth
12-Mo ADR	£61	£63	#2 in region
12-Mo RevPAR	£44.74	£45	#2 in region
Under Construction	0 rooms	0 rooms	Empty pipeline
Midscale & Economy Occ	73.1%	71.5%	Above market
Midscale & Economy ADR	£55	£61	-

SUPPLY CONSTRAINT - A KEY DRIVER OF PERFORMANCE

There is no new hotel currently under construction or in the active development pipeline within Wakefield. The submarket has recorded zero new hotel deliveries in the past 12 months, and total room inventory has been broadly static since 2019. Across the wider West Yorkshire market, just 25 net new rooms have been added over the past three years confirming the deeply constrained development environment across the region.

This structural supply constraint is a primary driver of the resilient occupancy performance and provides strong confidence in the continued stability of the trading environment into which this investment is made.

WEST YORKSHIRE WIDER CONTEXT

West Yorkshire's 160 hotels (6,580 rooms) recorded 12-month to April 2026 occupancy of 71.7% and RevPAR of £45. The market cap rate currently stands at 6.7% which is closely aligned with the yield at which this asset is offered. This reflects consistent pricing with observed market evidence. CoStar forecasts stable occupancy in the 70–73% range through to 2031, with ADR growing modestly to c.£64.

Source: CoStar Hospitality Submarket Report, April 2026

DESCRIPTION

The Travelodge Wakefield is a purpose-built hotel constructed in 2003, providing 73 guest bedrooms arranged across the ground and three upper floors. The hotel includes a bar/restaurant on the ground floor. There is no gym or spa.

The property has recently undergone a comprehensive refurbishment to Travelodge's latest brand standards, covering all 73 guest bedrooms, bathrooms, public areas and the bar/restaurant. The hotel now presents in excellent condition throughout, with the refurbishment programme having delivered a materially improved guest product. The hotel was previously an independent hotel, and the refurbishment was carried out following a letting to Travelodge.

For an incoming investor, the recently completed refurbishment will require no near-term capital expenditure for the tenant. This distinguishes it from many comparable budget hotel investment opportunities currently in the market.

TENURE

Freehold (Title number: WYK882892)

SITE PLAN

ASSET OVERVIEW

ADDRESS	YEAR BUILT	REFURBISHMENT	KEYS	FOOD & BEVERAGE	TENURE	EPC
Lower Warrengate, Wakefield, WF1 1SA	2003	Recently completed to the latest 2026 Travelodge brand standards	73	Yes	Freehold	Available on request

TENANCY

The property is let on a full repairing and insuring (FRI) lease to Travelodge Hotels Ltd. The lease provides an unexpired term of approximately c.25 years to July 2051 with no tenant break options, offering long-dated, index-linked income from one of the UK's most established hotel operators.

Tenant	Travelodge Hotels Ltd
Lease Expiry	1 July 2051
Unexpired Term	c.25 years
Repair Basis	Full Repairing & Insuring (FRI)
Passing Rent	£411,000 per annum
Rent Per Key	£5,630 per annum
Rent Reviews	5-yearly CPI | 1% collar - 4% cap
Next Review	July 2031
Hotel Rent Cover	1.70x (against independently underwritten hotel P&L)

CPI RENT REVIEW - RUNNING YIELD PROFILE

The table below illustrates the projected running yield at the guide price under two scenarios: the floor assumption (1% p.a. CPI growth at collar) and the cap assumption (4% p.a. CPI growth at cap). The actual rent will be set by reference to CPI at each five-yearly review.

REVIEW YEAR	RENT @ 1% P.A. (FLOOR)	RENT @ CPI 2.5% P.A.*	RENT @ 4% P.A. (CAP)
Current (2026)	£411,000 - 6.50%	£411,000 - 6.50%	£411,000 - 6.50%
2031 (Review 1)	£432,000 - 6.83%	£465,000 - 7.35%	£500,000 - 7.91%
2036 (Review 2)	£454,000 - 7.17%	£526,100 - 8.32%	£608,400 - 9.63%
2041 (Review 3)	£477,200 - 7.54%	£595,300 - 9.41%	£740,200 - 11.72%
2046 (Review 4)	£501,500 - 7.92%	£673,500 - 10.65%	£900,600 - 14.26%

Illustrative 2.5% p.a. scenario based on a forecast CPI of 2.5% per annum. Actual rent reviewed five-yearly in accordance with CPI movement subject to collar/cap.

COVENANT OVERVIEW

Travelodge Hotels Ltd is the UK's second largest hotel brand by number of hotels and rooms. As at 31 March 2026, the group operates 631 hotels and c.49,190 rooms across the UK, Ireland and Spain, serving approximately 22 million business and leisure customers per year. The brand is deeply embedded in the UK hospitality landscape, with over 90% direct booking and c.80% through its own websites.

The group operates a low-cost, capital-efficient model across its portfolio of leased, managed and owned hotels. Coupled with a well-balanced customer base across corporate and leisure segments, this approach provides structural resilience throughout economic cycles. Over 96% of Travelodge hotels hold a 4-dot TripAdvisor rating or above, reflecting the consistent quality of the guest proposition.

KEY OPERATING STATISTICS (AS AT 31 MARCH 2026)

HOTELS	ROOMS	CUSTOMERS P.A.	OCCUPANCY (UK)	ADR (UK)	REVENUE
631	49,190	C.22M	84.0%	£67.88	£1BN+

Q1 2026 FINANCIAL PERFORMANCE

In its Q1 2026 Trading Update (released 27 May 2026), Travelodge reported the following key financial metrics:

METRIC	Q1 2026	VS Q1 2025
Total Revenue	£206.8m	+4.2%
UK LFL RevPAR	£44.02	-1.0%
UK LFL Occupancy	81.7%	+0.9pts
UK LFL ADR	£53.88	-2.2%
Cash on Balance Sheet	£90.3m (31 Mar 2026)	-
RevPAR vs MSE Market	Outperformed	+0.6pts

RECENT PERFORMANCE TREND

YEAR	REVENUE (£M)	EBITDA (£M)	REVPAR (£)
2019	728	129	42
2021	284	-74	17
2022	560	81	33
2023	910	161	53
2024	1,035	201	58
2025	1,037	213	57

STRATEGIC POSITION

- Outperforming the competitive MSE segment in both London and Regions in Q1 2026 and year-to-date.
- Booked revenue in Q2 2026 ahead of 2025 levels, supported by a strong events programme.
- Well-invested estate: refit programme well progressed with over two-thirds of the room estate refitted to brand standard - the subject hotel is part of this programme.
- Industry-leading revenue management capabilities and best-in-class direct distribution model.
- Confident in medium-term prospects for budget hotels with proven resilience through economic cycles, diversified customer base and strong market fundamentals.
- Robust liquidity position: £90.3m cash on balance sheet as at 31 March 2026, with £50m RCF currently undrawn.

Source: Travelodge Q1 2026 Trading Update Presentation, 27 May 2026. EBITDA figures on a pre-IFRS 16 adjusted basis.

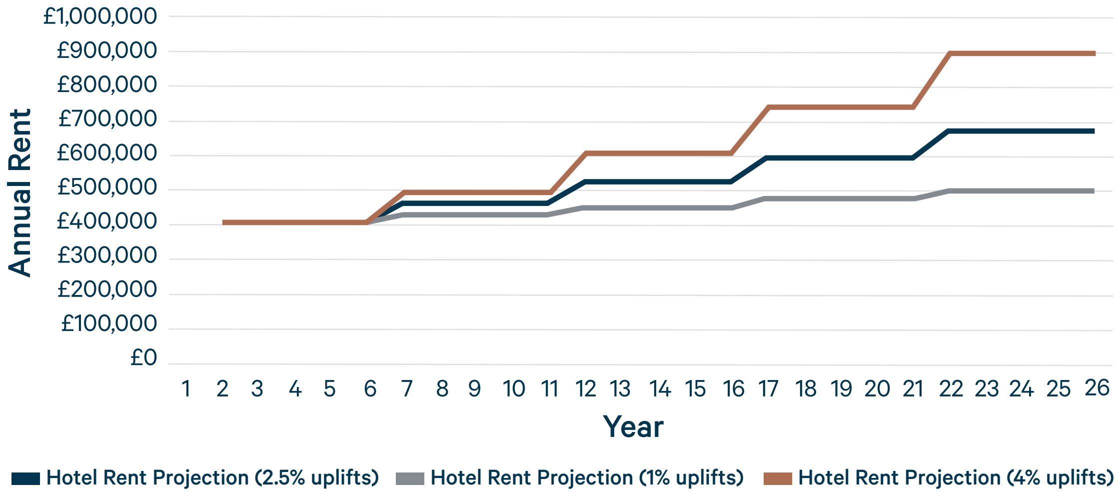
TOTAL PROJECTED INCOME GENERATION

Over the 25-year lease term, CPI-linked rent reviews are projected to generate cumulative rental income of ~ **£13.4 million.** Figure 1 illustrates projected total rental income under three CPI scenarios (minimum, projected and maximum) assuming five-yearly rent reviews with annual CPI increases subject to a 1% collar and a 4% cap.

CPI SCENARIO	TOTAL 25-YEAR INCOME	INCOME MULTIPLE ON PURCHASE PRICE
Collar (1% p.a.)	c.£11.4m	c.1.9×
Projected CPI (2.5% p.a.)	c.£13.4m	c.2.3×
Cap (4% p.a.)	c.£15.8m	c.2.7×

The income multiples above reflect rental income alone, the investor retains full freehold ownership of the asset at lease expiry, providing additional value at exit.

25-YEAR HOTEL INCOME PROJECTION



(Figure 1)

VACANT POSSESSION VALUE & DOWNSIDE PROTECTION

A distinctive feature of this investment is the close relationship between the asking price and the underlying going-concern hotel value, providing investors with a meaningful structural floor on the downside.

THE CORE ARGUMENT

Kimmre's independent underwrite analysis which is conducted on a vacant possession (operator) basis, demonstrates a going-concern value for the property of £c5,630,000. This compares to the asking price of £5,920,000, reflecting a VP Coverage Ratio of approximately 0.95x.

This means the intrinsic trading value of the hotel as an independently operated asset provides near-complete coverage of the investment price. This value holds true whether the property is run under an alternative brand or as a managed hotel. Purchasers are therefore not solely reliant on the continuation of the Travelodge lease to recover their investment; the underlying hotel real estate and its going-concern trading value independently substantiate the pricing.

VP VALUATION SUMMARY

Methodology	DCF (5-year hold) + Exit Capitalisation
Discount Rate Applied	9.0%
Exit Capitalisation Rate	8.0%
Rebranding Capex Assumed	£730,000 (£10,000 per key) - deducted
VP Going Concern Value (gross)	£6,795,000
VP Going Concern Value (net of capex)	£6,065,000
VP Value (net after purchaser's costs of 6.8%)	£5,653,000
Asking Price	£5,920,000
VP Coverage Ratio	0.95x (net of capex and costs) - investment price substantially supported

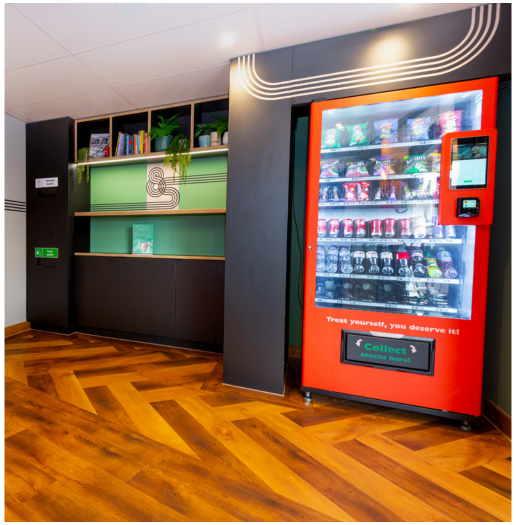
STABILISED OPERATING ASSUMPTIONS

The VP model assumes the hotel is operated independently or rebranded and stabilised over a three-year ramp-up period. The stabilised assumptions adopted are conservative relative to observed Wakefield submarket data:

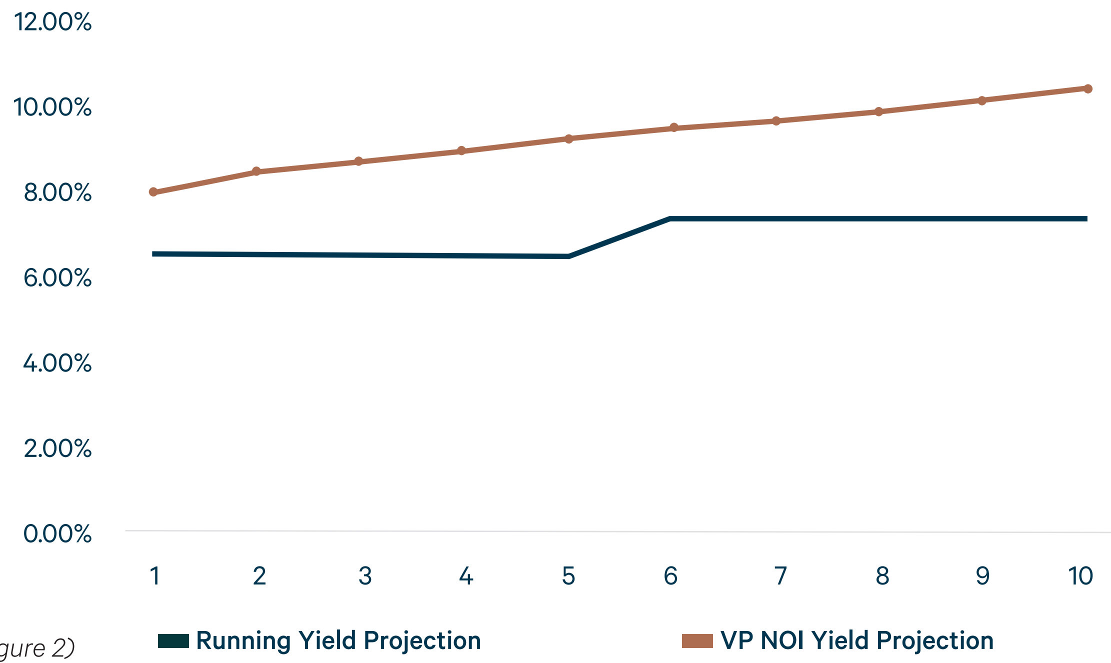
	YEAR 1	YEAR 2	ESTABILISED (YR 3+)
Occupancy	72%	75%	78%
ADR	£55	£57	£59
RevPAR	£39.60	£42.75	£46.02
Total Revenue	£1.264m	£1.358m	£1.460m
Hotel NOI	£467,950	£499,807	£556,469

- The stabilised occupancy assumption of 78% is directly supported by Wakefield submarket data, which recorded 73.9% for the 12-month to April 2026 - with the Midscale & Economy segment at 73.1%.
- The modelled ADR of £55–£59 aligns closely with observed Wakefield Midscale & Economy ADR of £55 with 2.5% p.a. growth applied.
- Rebranding capex of £730,000 (£10,000/key) has been prudently deducted. Given the recently completed full refurbishment to Travelodge brand standards, this is a conservative allowance. Any incoming rebrand would benefit from a recently refurbished and well-invested physical asset.

In the event of the hotel being vacant, Figure 2 highlights the jump in income an investor would receive on a managed and franchise basis.



HOTEL VP NOI VS LEASE RENT INCOME



(Figure 2)

Source: Kimmre Research & CoStar, April 2026

INVESTMENT COMPS & RATIONALE

STATUS	DATE	TENURE	PROPERTY	CLASSIFICATION	ROOMS	LEASE LENGTH (UNEXPIRED TC)	RENT REVIEW	YIELD	PRICE £	PRICE PER KEY
Sold	Jul-26	Freehold	Travelodge Birmingham Moor Street, Birmingham City Centre	Economy	88	25.10	5-Yearly CPI, 1-4%	6.60%	£10,000,000	£113,600
Sold	Oct-25	Freehold	Travelodge, West Hill Road, Bournemouth	Economy	110	18.00	5-Yearly RPI, Uncapped	6.85%	£11,194,111	£101,765
Sold	Oct-25	Freehold	Travelodge London Excel Hotel, 1016 Dockside Rd, London	Economy	131	22.20	5-Yearly CPIH, 1-4%	6.00%	£14,234,942	£108,664
Sold	Jul-25	Freehold	Travelodge, London Beckton	Economy	113	20.00	5-Yearly RPI, 1-4%	6.60%	£12,000,000	£106,195
Sold	Mar-25	Long leasehold	Travelodge Herchel St, Slough	Economy	156	22.00	5-yearly CPI, 1-4%	6.25%	£9,537,020	£61,135
Sold	Nov-24		Travelodge, Chester, 23 Little Jon Street	Economy	60	16.90	5-Yearly RPIX, Uncapped	6.75%	£5,341,636	£61,135
Sold	Oct-24	Freehold	Travelodge, 19-31 Piccadilly Gardens, Manchester	Economy	157	13.00	5-Yearly RPI, Uncapped	6.32%	£24,000,000	£152,866

INVESTMENT RATIONALE

City Centre Location
Adjacent to Wakefield Westgate station, with direct rail to Leeds and London.

Freehold
73-key hotel, fully refurbished in 2026 to Travelodge's latest standards.

Long Income
25 years unexpired on FRI lease to Travelodge, no tenant breaks.

Index-Linked Rental Growth
5-yearly CPI reviews, collared at 1% and capped at 4%.

Strong Underpin
1.70x rent cover, with price further underpinned by vacant possession value.

Resilient, Supply-Constrained Market
Highest occupancy in West Yorkshire, with zero new hotel supply.

PROPOSAL

Kimmre is instructed to seek offers in excess of £5,920,000 (Five Million, Nine Hundred and Twenty Thousand Pounds), subject to contract and exclusive of VAT.

A purchase at this level reflects the following pricing metrics:

Asking Price	Offers in excess of £5,920,000
Net Initial Yield	6.50% (assuming purchaser's costs of 6.80%)
Price Per Key	£81,096
Passing Rent	£411,000 per annum
Unexpired Term	c.25 years to July 2051

RUNNING YIELD PROFILE - 2.50% CPI FORECAST

YEAR 5 (2031)	YEAR 10 (2036)	YEAR 15 (2041)	YEAR 20 (2046)
C. 7.35%	**C. 8.32%**	**C. 9.41%**	**C. 10.65%**

TRANSACTION DETAILS

VAT: The property is elected for VAT. It is anticipated the transaction will be structured as a Transfer of a Going Concern (TOGC), subject to the purchaser confirming appropriate VAT status.

EPC: Available on request.

AML: A successful bidder will be required to provide information satisfying Anti-Money Laundering requirements upon agreement of Heads of Terms.

Data Room: A Virtual Data Room (VDR) is available to interested parties upon request. The VDR contains title documentation, lease, EPC, recent accounts, operating data and survey reports.

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