

# FY 2024 Results

## Dalata delivers strong trading performance and paves the way to 21,000 rooms by 2030

ISE: DHG LSE: DAL

**Dublin and London | 6 March 2025:** Dalata Hotel Group plc ('Dalata' or the 'Group'), the UK and Ireland's largest independent four-star hotel operator, with a growing presence in Continental Europe, announces its results for the year ended 31 December 2024.

€million	2024	2023	Variance
Revenue	<b>652.2</b>	607.7	+7.3%
Adjusted EBITDA <sup>1</sup>	<b>234.5</b>	223.1	+5.1%
Profit after tax	<b>78.7</b>	90.2	-12.7%
Basic earnings per share (cents)	<b>35.5c</b>	40.4c	-12.1%
Adjusted basic earnings per share <sup>1</sup> (cents)	<b>40.4c</b>	41.7c	-3.1%
<b>Group key performance indicators ('like for like' or 'LFL')<sup>4</sup></b>			
RevPAR <sup>1</sup> (€)	<b>115.78</b>	114.66	+1.0%
Average room rate (ARR) <sup>1</sup> (€)	<b>143.98</b>	142.85	+0.8%
Occupancy %	<b>80.4%</b>	80.3%	+10 bps

### Attractive and strongly performing portfolio continues to deliver in 2024

- Revenue of €652.2 million, up 7.3% on 2023 with Adjusted EBITDA<sup>1</sup> of €234.5 million, up 5.1%, supported by additions to the portfolio in 2023 and 2024.
- 'Like for like'<sup>4</sup> RevPAR<sup>1</sup> of €115.78, up 1.0% versus 2023. Trading was stronger in H2 overall, while the Dublin portfolio outperformed the wider market for 2024.
- Despite significant statutory wage increases in Ireland and the UK (up 12.4% and 9.8% respectively versus 2023), 'like for like'<sup>4</sup> Hotel EBITDAR margin<sup>1</sup> was 40.9% (2023: 42.3%) – impact of cost inflation was halved due to innovation and efficiency projects (75 bps "saving") and lower year on year energy costs (65 bps "saving").
- Despite the increase in Adjusted EBITDA<sup>1</sup>, profit after tax decreased by €11.5 million (12.7%) to €78.7 million due to below EBITDA<sup>1</sup> increases in accounting charges from the refinancing and portfolio growth.
- Free Cashflow<sup>1</sup> generation, after refurbishment capex and finance costs of €123.7 million (55.8 cent per share).

### Portfolio

- Hotel Assets<sup>1</sup> of €1.7 billion at 31 December 2024 - 73% of value is located in Dublin and London.
- High quality long-term leases - weighted average lease term of 29.0 years remaining (excluding the impact of Clayton Hotel Manchester Airport which holds a 200 year lease).

### Capital Allocation

- Refinanced ahead of 2025 end date securing €600 million debt package in 2024 with increased level (+20%) and widened the pool of funders including a €124.7 million inaugural private placement.
- Strong financial position with Net Debt to EBITDA after rent<sup>1</sup> of 1.3x at 31 December 2024 and cash and undrawn loan facilities of €364.6 million (31 December 2023: €283.5 million).
- Focused on returns to shareholders – returned €27.1 million through dividend payments in 2024, €55.0 million of share buy backs between September 2024 and January 2025 and proposing further dividend today.
- The Board has proposed a final dividend of 8.4 cents per share (c. €17.8 million in total), 5.0% growth on the 2023 final dividend of 8.0 cents per share.

### 2030 Vision: targeting 80% growth to 21,000 rooms by end of decade

- The Dalata ambition is to become the leading hotel operator in the four-star segment of all target cities in Ireland and Regional UK with a growing presence in London and Continental Europe.
- 2030 Vision to reach 21,000 rooms by 2030 (+80%) will be achieved through our disciplined investment strategy combining acquisitions of existing hotels and development of new hotels and a balanced mix of leasehold and freehold ownership. Dalata have increased the pipeline by 910 rooms since announcing the target in October 2024:
  - Acquired Radisson Blu Hotel, Dublin Airport for €83 million (subject to CCPC<sup>2</sup> approval), which includes significant development potential;
  - Secured agreement for lease for the development of a new Clayton Hotel on Old Broad Street, London (154 rooms);
  - Secured our second hotel in Edinburgh in January 2025 with an agreement for lease for a new Clayton hotel (256 rooms) to be developed at 60 Morrison Street, ideally located next to the Edinburgh International Conference Centre. The all-electric building will include state-of-the-art heat pump technology and target a BREEAM excellent accreditation and is expected to open in H1 2028 (subject to planning).
- Opened four new Maldron hotels (838 rooms) in 2024 expanding the UK portfolio to over 5,000 rooms.
- Announced pipeline of over 1,600 rooms – the Maldron Hotel Croke Park, Dublin and Clayton Hotel St. Andrew Square, Edinburgh now under construction.
- Commitment to portfolio review resulted in disposal of two freehold hotels in Wexford, Ireland for €29.6 million, delivering an attractive return for shareholders, €10.8 million over acquisition cost (17% ahead of book value at June 2024, 18% IRR).

### The Dalata platform delivers strong trading performance and opportunities for portfolio expansion

- Engaged and skilled people empowered by decentralised model with experienced leadership and management teams.
- Operational expertise with industry leading margins - skilled in revenue management and cost control with a focus on innovation and resulting targeted initiatives which drives operational efficiencies, while also maintaining strong levels of customer satisfaction and employee engagement.
- Expertise and extensive experience in hotel acquisitions, development, and leasing.
- Strong emphasis on learning and development ensures we continue to deliver a great guest experience and provides a pipeline of talent to resource and de-risk new hotel openings.
- Specialised services platform drives high performance at the hotels, enables and de-risks rapid further expansion.
- Compelling, refreshed brands and transformed digital marketing efforts.

### Business highlights

- Strong culture and focus on people evident in excellent scores in employee engagement (2024: 9.0, 2023: 8.9) and customer satisfaction (2024: 85%, 2023: 84%).
- Continue to drive revenue and reduce costs through innovation and efficiency programmes:
  - Roll out of a new revenue management system is underway.
  - Implementing new systems including a new CRM system to better manage our corporate sales process, a customer experience platform to better understand the profile and behaviour of our customers, and a new recruitment system with exciting potential to improve the success rates and cost of our recruitment process.
  - Commenced project aimed at reducing rooms commissions.
- Launched major repositioning of our core brands in 2024 reinforced with new marketing campaigns and a customer experience training programme. Positive results to date, with 5% increase in 'LFL'<sup>4</sup> direct room nights booked in 2024 versus 2023, supported also by the consolidation of hotel websites, digital marketing activities and management of social media activities.
- Invested €26.6 million in refurbishment expenditure in 2024, including 346 bedrooms.
- 31% reduction in Scope 1 & 2 carbon emissions per room sold achieved in 2024 versus 2019 which is significantly ahead of a 20% reduction target by 2026.

## Outlook

The Group's 'like for like'<sup>14</sup> RevPAR<sup>1</sup> is expected to be 2.5% ahead of 2024 levels for the first quarter of 2025. In particular, the Dublin portfolio had a strong performance following the absorption of supply at the beginning of 2024 with RevPAR<sup>1</sup> for the same period expected to increase by 5% versus 2024.

As previously disclosed, the Group estimates that the recently announced changes in UK National Insurance, the increased minimum wage rates in Ireland and the increased living wage rates in the UK will increase hotel payroll by c. 5% in 2025 on a 'like for like basis'<sup>14</sup>. As demonstrated during 2023 and 2024, the Group is well positioned to mitigate the effects of inflation. The Group is confident that these additional costs will be mitigated through ongoing efficiency and innovation initiatives and RevPAR<sup>1</sup> growth in the market, in addition to the benefit of a €2 million reduction in contracted energy pricing.

The Group is confident for 2025 supported by future demand indicators across its markets, including growing air traffic forecasts and strong event calendars for the remainder of the year. Dalata will also benefit from the full year contribution of the hotels opened in 2024.

## Dividends

On 5 March 2025, the Board proposed a final dividend of 8.4 cents per share amounting to approximately €17.8 million. This proposed dividend is subject to approval by shareholders at the Annual General Meeting. The payment date for the final dividend will be 8 May 2025 to shareholders registered on the record date 4 April 2025.

### **Dermot Crowley, Dalata Hotel Group CEO, commented:**

*"Since 2021, Dalata has undergone a remarkable transformation. We have grown our portfolio by circa 35% through additions and new openings to almost 12,000 rooms, doubled our UK business, and successfully ventured into Continental Europe. Our brands and marketing processes have been revolutionised, and sustainability is now deeply embedded in our operations. Both our people and customers report higher satisfaction than ever before.*

*We have created a scalable platform, operating 55 hotels today with Hotel Assets<sup>1</sup> valued at €1.7 billion, generating over €650 million in revenue and an Adjusted EBITDA<sup>1</sup> after lease payments of €173.2 million. This growth and the significant value delivered to our shareholders are a testament to our dedicated and talented team, strong operating model, robust financial position, and disciplined growth strategy.*

*In 2024, we again demonstrated our ability to deliver on our ambitious growth plans while also delivering a strong operating performance. We achieved another record level of revenues and continue to convert to a strong bottom-line with Adjusted EBITDA<sup>1</sup> growth of over 5.1% to €234.5 million despite significant increases in pay rates. Our focus on innovation has allowed us achieve productivity savings without negatively impacting on our people or our guests. This has enabled us to reduce the impact of cost inflation on our margins.*

*We continued to deliver against our disciplined growth strategy in 2024, opening 838 new rooms and further strengthening our growth pipeline. We also disposed of two hotels representing a significant gain above the original purchase price, refinanced our debt facilities and launched our share buy back programmes which, together with our dividend, returned €75.8 million to shareholders in 2024. I would like to thank all my colleagues at our hotels and at our Central Office for their ongoing commitment and achievements.*

*Looking ahead, I am confident about Dalata's prospects. We are a modern, international, outward looking, and innovative hotel company. We have a clear strategy, underpinned by our 2030 Vision, and a team of exceptional people with an unwavering focus on delivering on our ambitious growth targets."*

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## About Dalata

Dalata Hotel Group plc is the UK and Ireland's largest independent four-star hotel operator, with a growing presence in Continental Europe. Established in 2007, Dalata is backed by €1.7bn in hotel assets with a portfolio of 55 hotels, primarily comprising a mix of owned and leased hotels operating through its two main brands, Clayton and Maldrón hotels. Dalata is ambitious to grow its portfolio of 11,990 rooms and pipeline of 1,624 rooms further in excellent locations in select, large cities and is targeting 21,000 rooms, either operational or in development, by 2030. For the year ended 31 December 2024, Dalata reported revenue of €652.2 million, basic earnings per share of 35.5 cent and Free Cashflow per Share of 55.8 cent. Dalata is listed on the Main Market of Euronext Dublin (DHG) and the London Stock Exchange (DAL). For further information visit: [www.dalatahotelgroup.com](http://www.dalatahotelgroup.com)

## Conference call and webcast details

The senior management team will host a conference call and webcast for institutional investors and analysts at 08:30 am (GMT) today, 6 March 2025. Please allow sufficient time for registration.

- For conference call details, [please register here](#)
- The webcast will be [available here](#)

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## Note on forward-looking information

This Announcement contains forward-looking statements, which are subject to risks and uncertainties because they relate to expectations, beliefs, projections, future plans and strategies, anticipated events or trends, and similar expressions concerning matters that are not historical facts. Such forward-looking statements involve known and unknown risks, uncertainties and other factors, which may cause the actual results, performance or achievements of the Group or the industry in which it operates, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. The forward-looking statements referred to in this paragraph speak only as at the date of this Announcement. The Group will not undertake any obligation to release publicly any revision or updates to these forward-looking statements to reflect future events, circumstances, unanticipated events, new information or otherwise except as required by law or by any appropriate regulatory authority.

## 2024 financial performance

€million	2024	2023
Revenue	652.2	607.7
<b>Hotel EBITDAR<sup>1</sup></b>	<b>259.5</b>	252.3
Hotel variable lease costs	(2.6)	(3.7)
<b>Hotel EBITDA<sup>1</sup></b>	<b>256.9</b>	248.6
Other income	1.5	1.5
Central costs	(20.3)	(21.1)
Share-based payments expense	(3.6)	(5.9)
<b>Adjusted EBITDA<sup>1</sup></b>	<b>234.5</b>	223.1
Adjusting items <sup>3</sup> (which impact EBITDA)	(2.7)	(2.9)
<b>Group EBITDA<sup>1</sup></b>	<b>231.8</b>	220.2
Depreciation of property, plant and equipment and amortisation	(39.6)	(33.4)
Depreciation of right-of-use assets	(33.8)	(30.7)
<b>Operating profit</b>	<b>158.4</b>	156.1
Interest on lease liabilities	(49.5)	(42.8)
Other interest and net finance costs	(17.7)	(7.8)
<b>Profit before tax</b>	<b>91.2</b>	105.5
Tax charge	(12.5)	(15.3)
<b>Profit for the year</b>	<b>78.7</b>	90.2
Earnings per share (cents) - basic	35.5	40.4
Adjusted earnings per share <sup>1</sup> (cents) - basic	40.4	41.7
Hotel EBITDAR margin <sup>1</sup> - all hotels	39.8%	41.5%
<b>Group KPIs (as reported)</b>		
RevPAR <sup>1</sup> (€)	116.33	114.67
Occupancy	79.6%	80.0%
Average room rate (ARR) <sup>1</sup> (€)	146.19	143.36
<b>'Like for like' Group KPI's<sup>1</sup></b>		
RevPAR <sup>1</sup> (€)	115.78	114.66
Occupancy	80.4%	80.3%
Average room rate (ARR) <sup>1</sup> (€)	143.98	142.85

## Summary of hotel performance

The Group delivered revenue of €652.2 million in 2024, representing growth of €44.5m (7.3%) versus 2023. This converted to €234.5 million of Adjusted EBITDA<sup>1</sup>, a 5.1% increase on 2023 levels. Growth is driven by additions to the portfolio during 2024 and the full year impact and ramp up of the hotels added during 2023, which together contributed €14.0 million to Adjusted EBITDA<sup>1</sup> growth. This was partially offset by a decrease of €7.2 million at the 'like for like'<sup>4</sup> hotels, primarily driven by trade at the Irish portfolio in the first half of the year.

'Like for like'<sup>4</sup> Group RevPAR<sup>1</sup> of €115.78 was 1.0% ahead of 2023. From May, trade at the Irish portfolio improved as the Dublin market digested the additional supply both in the form of new entrants and the return of rooms out of the market for government use for refugees. The Irish portfolio also absorbed the increased VAT rate from September 2023 (up 4.5%). RevPAR<sup>1</sup> for the portfolios in Dublin and Regional Ireland decreased marginally versus 2023, however the RevPAR<sup>1</sup> movement for the Dublin portfolio outperformed the wider market. The UK portfolio performed well throughout the year achieving 'like for like'<sup>4</sup> RevPAR<sup>1</sup> growth of 2.8%. Room revenue from corporate demand remains robust and ahead of 2023 levels. The Group also continues to benefit from strong corporate and tour business and achieved average room rates ahead of 2023.

The Group achieved food and beverage ('F&B') revenue growth of 5.9% in 2024 to €123.9 million (2023: €117.0 million), driven by portfolio growth. 'Like for like'<sup>4</sup> F&B revenue increased by 0.9% and the Group has maintained profitability despite the higher pay rates.

On a 'like for like'<sup>4</sup> basis, the Group's hotel cost base increased by 3.3% to €345.6 million led by payroll increases notably in statutory minimum pay rates in both Ireland and the UK. The National Minimum Wage increased by 12.4% in Ireland from January 2024 (January 2023 increase: 7.6%) and the National Living Wage increased by 9.8% in the UK from April 2024 (April 2023 increase: 9.7%). Labour costs represent approximately 40% of hotel costs and with limited RevPAR<sup>1</sup> growth in the first half of the year this resulted in a decrease of 140 bps to 'LFL'<sup>4</sup> Hotel EBITDAR margin<sup>1</sup>. The impact of cost inflation would have led to a

deterioration in “LFL” Hotel Margin<sup>1</sup> of 280bps however the impact was halved due to innovation and efficiency projects (75 bps “saving”) and lower year on year energy costs (65 bps “saving”).

The Group continues to manage inflationary pressures through initiatives that drive efficiency whilst also enhancing or maintaining customer and employee experiences. The projects rolled out in 2023 continued to have a strong impact during 2024 with the Group successfully reducing hours worked in the accommodation and food and beverage departments by 7% for the Irish portfolio versus 2023 on a ‘like for like’<sup>4</sup> basis. The Group’s relentless focus on sustainability has also achieved a reduction in energy consumption per room sold of 3% versus 2023, and a total reduction of 24% versus 2019 levels.

Overall, the Group delivered Hotel EBITDAR<sup>1</sup> of €259.5 million, representing 2.9% growth. This includes a saving from innovation and efficiency initiatives and reduction in energy consumption of €4.4 million and energy pricing reduction of €3.7 million during the year. The Group continues to integrate and drive performance at the newly added hotels including the two London hotels and a hotel in Amsterdam added to the portfolio in 2023 and the four new Maldron hotels opened during 2024.

All hotels €million	Revenue	Operating costs	Adjusted EBITDA <sup>1</sup>
Year ended 31 December 2023	607.7	(384.6)	223.1
Movement at ‘like for like’ <sup>4</sup> hotels	(0.1)	(7.1)	(7.2)
Hotels added to the portfolio during either year <sup>7</sup>	40.6	(26.6)	14.0
Movement at hotels which have exited the portfolio in 2024 and 2025	(1.0)	0.6	(0.4)
Movement in other income and Group expenses	-	3.1	3.1
Effect of FX	5.0	(3.1)	1.9
<b>Year ended 31 December 2024</b>	<b>652.2</b>	<b>(417.7)</b>	<b>234.5</b>

## Performance review | Segmental analysis

The following section analyses the results from the Group’s portfolio of hotels in Dublin, Regional Ireland, the UK and Continental Europe.

### 1. Dublin Hotel Portfolio

€million	2024	2023
<i>As reported (all hotels)</i>		
Room revenue	214.7	216.9
Food and beverage revenue	51.9	51.3
Other revenue	17.2	17.9
<b>Revenue</b>	<b>283.8</b>	<b>286.1</b>
<b>Hotel EBITDAR<sup>1</sup></b>	<b>132.3</b>	<b>135.9</b>
<b>Hotel EBITDAR margin<sup>1</sup> %</b>	<b>46.6%</b>	<b>47.5%</b>
<b>Performance statistics (all hotels)</b>		
RevPAR <sup>1</sup> (€)	132.02	133.87
Occupancy	83.5%	84.0%
Average room rate (ARR) <sup>1</sup> (€)	158.08	159.35
<b>Dublin owned and leased portfolio</b>		
Hotels at year end	17	17
Room numbers at year end	4,446	4,439

The Dublin portfolio consists of eight Maldron hotels and seven Clayton hotels, The Gibson Hotel and The Samuel Hotel. Ten hotels are owned, and seven hotels are operated under leases. There has been a minor increase in room numbers in the portfolio driven by the conversion of meeting space to bedrooms at one hotel.

2024 RevPAR<sup>1</sup> for the Dublin portfolio decreased by 1.4% versus 2023, outperforming the Dublin market (-2.2%). The portfolio achieved occupancy of 83.5% with ARR<sup>1</sup> of €158.08 representing a decrease of 0.8% decrease versus 2023. The Dublin market faced a challenging start to the year, primarily due to the absorption of additional supply and the 4.5% VAT increase implemented in September 2023. Trade improved as the year progressed supported by a number of key events which drove demand. Occupancy rates in Dublin remain strong with the city achieving the second highest occupancy for 2024 versus other European cities as reported by STR (Smith Travel Research). Dalata’s Dublin portfolio achieved 95 compression nights where occupancy surpassed 95%, compared to 60 in the broader market.

Total revenue for 2024 was €283.8 million, 0.8% behind 2023 levels, driven by lower RevPAR<sup>1</sup>. Food and beverage revenue of €51.9 million was 1.3% ahead of 2023 levels (€51.3 million).

The Dublin portfolio delivered Hotel EBITDAR<sup>1</sup> of €132.3 million for the year ended 31 December 2024, representing a 2.6% decline versus 2023 driven by the softer trading environment in the first half of the year along with a 12.4% increase in the National Minimum Wage rate from January 2024. The portfolio achieved a Hotel EBITDAR margin<sup>1</sup> of 46.6% for 2024, just 90 bps lower than 2023

despite the significant increase in its largest cost, labour costs, supported by the efficiency and innovation projects in addition to lower energy pricing in the first half of 2024.

## 2. Regional Ireland Hotel Portfolio

€million	2024	2023
<i>As reported (all hotels)</i>		
Room revenue	72.6	73.2
Food and beverage revenue	29.0	30.3
Other revenue	8.9	8.8
<b>Revenue</b>	<b>110.5</b>	<b>112.3</b>
<b>Hotel EBITDAR<sup>1</sup></b>	<b>35.0</b>	<b>37.0</b>
<b>Hotel EBITDAR margin<sup>1</sup> %</b>	<b>31.7%</b>	<b>33.0%</b>
<b>Performance statistics ('like for like'<sup>4</sup>)</b>		
RevPAR <sup>1</sup> (€)	109.56	110.16
Occupancy	77.2%	80.1%
Average room rate (ARR) <sup>1</sup> (€)	141.93	137.56
Hotel EBITDAR margin <sup>1</sup> %	33.1%	34.5%
<b>Regional Ireland owned and leased portfolio</b>		
Hotels at year end	12	13
Room numbers at year end	1,759	1,867

Following the disposal of the Group's two hotels in Wexford in November 2024 and January 2025, the Regional Ireland hotel portfolio comprises of six Maldron hotels and five Clayton hotels located in Cork (x4), Galway (x3), Limerick (x2), Portlaoise and Sligo. Ten hotels are owned, and one is operated under a lease.

'LFL'<sup>4</sup> RevPAR<sup>1</sup> for the Regional Ireland portfolio decreased by 0.5% versus 2023 levels. While occupancy was 290 bps below 2023 at 77.2%, the portfolio achieved a strong increase in ARR of 3.2% despite having absorbed a 4.5% VAT increase from September 2023. For reporting on 'like for like'<sup>4</sup> hotels, the two Wexford hotels, Maldron Hotel Wexford and Clayton Whites Hotel are excluded. However, the sale of the Clayton Whites Hotel was completed in January 2025.

Total revenue for 2024 was €110.5 million, €1.8 million (1.6%) behind 2023 levels, with lower food and beverage ('F&B') revenue on reduced occupancy levels.

The region delivered Hotel EBITDAR<sup>1</sup> of €35.0 million for the year ended 31 December 2024, representing a 5.5% decline on 2023 driven by additional payroll costs. On a 'like for like'<sup>4</sup> basis the portfolio achieved an EBITDAR margin<sup>1</sup> of 33.1% for 2024, 140 bps lower than 2023 despite the significant increase in its largest cost following the National Minimum Wage increase of 12.4% in January 2024. The impact of innovation and efficiency projects, as discussed previously, have helped limit the impact on profitability, along with the benefits from lower energy pricing in the first half of 2024.

## 3. UK Hotel Portfolio

Local currency - £million	2024	2023
<i>As reported (all hotels)</i>		
Room revenue	149.6	127.3
Food and beverage revenue	29.1	26.5
Other revenue	8.0	8.0
<b>Revenue</b>	<b>186.7</b>	<b>161.8</b>
<b>Hotel EBITDAR<sup>1</sup></b>	<b>68.4</b>	<b>62.2</b>
<b>Hotel EBITDAR margin<sup>1</sup> %</b>	<b>36.6%</b>	<b>38.4%</b>
<b>Performance statistics ('like for like'<sup>4</sup>)</b>		
RevPAR <sup>1</sup> (£)	86.63	84.28
Occupancy	79.8%	77.9%
Average room rate (ARR) <sup>1</sup> (£)	108.60	108.13
Hotel EBITDAR margin <sup>1</sup> %	37.4%	38.9%
<b>UK owned and leased portfolio</b>		
Hotels at year end	22	18
Room numbers at year end	5,080	4,242

At 31 December 2024, the UK hotel portfolio comprised 12 Clayton hotels and ten Maldron hotels. Five hotels are situated in London, four in Manchester following the opening of Maldron Hotel Manchester Cathedral Quarter in May, ten in other large regional UK cities and three in Northern Ireland. Ten hotels are owned and 12 are operated under a long-term lease.

'LFL'<sup>14</sup> RevPAR<sup>1</sup> for the UK portfolio increased by 2.8% for 2024 versus 2023 levels, with increases in both occupancy (+190 bps) and ARR<sup>1</sup> (+0.4%). The Group's hotels in Regional UK continued to build on a solid performance in the first half of the year, achieving RevPAR<sup>1</sup> growth of 2.8% in 2024 on a 'like for like'<sup>4</sup> basis'. The 'LFL'<sup>14</sup> London hotels grew RevPAR<sup>1</sup> by 2.6% in 2024 having performed particularly well in the second half of 2024.

Overall, total revenue for 2024 was £186.7 million, £24.9 million (15.4%) ahead of 2023 levels. The hotels recently added to the portfolio contributed £21.4 million of uplift, including the full year impact and ramp up of the two London hotels added in 2023 and the impact from the four new Maldron hotels opened in 2024. The 'like for like'<sup>4</sup> hotels contributed £3.5 million of growth led by strong performance of the hotels added in 2022 particularly in Bristol and Glasgow which was partially offset by the hotels in Manchester which were impacted by challenging market dynamics as a result of additional supply.

The UK portfolio delivered Hotel EBITDAR<sup>1</sup> of £68.4 million, £6.2m (10.0%) ahead of 2023 levels. The uplift was driven by hotels added to the portfolio during 2023 and 2024.

On a 'like for like'<sup>4</sup> basis the portfolio achieved an EBITDAR margin<sup>1</sup> of 37.4% for 2024, 150 bps lower than 2023, reflecting the increased cost environment, particularly the 9.8% increase in the National Living Wage from April 2024 which followed an April 2023 increase of 9.7%. The Group uses agency staff in the UK primarily in the accommodation department, however, the Group has brought rooms cleaning in-house at two of its hotels. This initiative is designed to replicate the productivity gains achieved through the efficiency project in Ireland, and early outcomes have been promising. Dalata are also looking at other UK hotels where this approach could be beneficial, alongside the rollout of additional efficiency measures, such as the successful introduction of self-check-in pods at reception.

#### 4. Continental Europe Hotel Portfolio

€million	2024	2023
<i>As reported (all hotels)</i>		
Room revenue	27.0	16.4
Food and beverage revenue	8.6	4.9
Other revenue	1.5	1.7
<b>Revenue</b>	<b>37.1</b>	<b>23.0</b>
<b>Hotel EBITDAR<sup>1</sup></b>	<b>11.3</b>	<b>7.7</b>
<b>Hotel EBITDAR margin<sup>1</sup> %</b>	<b>30.4%</b>	<b>33.6%</b>
<b>Continental Europe leased portfolio</b>		
Hotels at year end	2	2
Room numbers at year end	566	566

The Continental Europe hotel portfolio includes Clayton Hotel Düsseldorf (393 rooms) which was added to the portfolio in February 2022 and Clayton Hotel Amsterdam American (173 rooms) which was added in October 2023.

Revenue and Hotel EBITDAR<sup>1</sup> comparability is skewed year on year due to the addition of Clayton Hotel Amsterdam American which was added in the last quarter of 2023.

Clayton Hotel Düsseldorf performed well during the year despite the challenging backdrop of the German economy as the city benefited from hosting five major sporting events as part of UEFA Euro 2024 which attracted demand from all over the world. Clayton Hotel Amsterdam American has continued to progress and has secured high occupancies in 2024. The two hotels achieved a combined Rent Cover<sup>1</sup> of 1.3x for 2024.

#### Central costs and share-based payment expense

Central costs totalled €20.3 million for 2024 (2023: €21.1 million). The decrease is primarily driven by reduced bonus expense for directors in 2024 versus 2023.

#### Adjusting items

€million	2024	2023
Hotel pre-opening expenses	(1.9)	(0.5)
Acquisition-related costs	(1.1)	(4.4)
Impairment charges	(1.4)	-
Impairment reversal relating to right-of-use assets	1.7	-
Net property revaluation movements through profit or loss	-	2.0
<b>Adjusting items impacting EBITDA</b>	<b>(2.7)</b>	<b>(2.9)</b>
Modification loss on refinancing	(7.5)	-
Tax adjustment for adjusting items	(0.5)	(0.1)
<b>Adjusting items impacting profit after tax</b>	<b>(10.7)</b>	<b>(3.0)</b>



The Group incurred €1.9 million of pre-opening expenses during the year (2023: €0.5 million). In 2024, these expenses related to the opening of four Maldron hotels in the UK between May and August. Acquisition-related costs of €1.1 million are related to the professional fees incurred in the ongoing acquisition of Radisson Blu Hotel, Dublin Airport (subject to CCPC<sup>2</sup> approval) (2023: €4.4 million of costs related to the acquisition of Clayton Hotel London Wall and the Clayton Hotel Amsterdam American).

In line with accounting standards, impairment tests and reversal assessments were carried out on the Group's cash-generating units ('CGUs') at 31 December 2024. Each individual hotel is deemed to be a CGU for the purposes of impairment testing, as the cash flows generated are independent of other hotels in the Group. Following impairment assessments, the recoverable amount was deemed lower than the carrying amount in one of the Group's UK CGUs resulting in an impairment charge of €1.3 million (£1.1 million) relating to property, plant and equipment (2023: €nil). There was also a nominal impairment charge on investment property. At a separate UK CGU, which had previously incurred impairment charges, the recoverable amount was deemed higher than the carrying amount, resulting in an impairment reversal of €1.7 million (£1.5 million), relating to a right-of-use assets (2023: €nil).

The Group's property assets were revalued on 31 December 2024, resulting in unrealised revaluation gains of €13.1 million which were reflected in full through other comprehensive income and the revaluation reserve.

### Depreciation of right-of-use assets

Under IFRS 16, the right-of-use assets are depreciated on a straight-line basis to the end of their estimated useful life, typically the end of the lease term. The depreciation of right-of-use assets increased by €3.1 million to €33.8 million for the year ended 31 December 2024, primarily due to the three leased hotels opened in the summer of 2024 being; Maldron Hotel Manchester Cathedral Quarter (May 2024), Maldron Hotel Brighton (July 2024), and Maldron Hotel Liverpool City (July 2024), in addition to the full year impact of Clayton Hotel Amsterdam American (October 2023).

### Depreciation of property, plant and equipment and amortisation

Depreciation of property, plant and equipment and amortisation increased by €6.2 million to €39.6 million in 2024. The increase primarily relates to the additional depreciation of a freehold asset which Dalata opened in August 2024 (Maldron Hotel Shoreditch), of fixtures and fittings at the three new leasehold assets that became operational during the year, and of the full year depreciation in 2024 of the two freehold assets acquired during 2023 and fixtures and fittings acquired with the leasehold addition of Clayton Hotel Amsterdam American (October 2023).

### Finance Costs

€million	2024	2023
Interest expense on bank loans	16.7	15.6
Impact of interest rate swaps	(7.7)	(6.9)
Interest on private placement notes	1.6	-
Other finance costs	1.2	1.3
Finance costs before modification loss, net foreign exchange gain on financing activities, capitalised interest, and lease liability interest	11.8	10.0
Capitalised interest	(0.6)	(2.0)
Modification loss	7.5	-
Net foreign exchange gain on financing activities	(0.8)	(0.2)
Interest on lease liabilities	49.5	42.8
<b>Finance costs</b>	<b>67.4</b>	<b>50.6</b>
<b>Finance income</b>	<b>(0.2)</b>	<b>-</b>
<b>Net Finance costs</b>	<b>67.2</b>	<b>50.6</b>

Finance costs related to the Group's bank loans and private placement loan notes (before modification loss, net foreign exchange gain on financing activities, capitalised interest, and lease liability interest) amounted to €11.8 million in 2024, increasing by €1.8 million from 2023 (€10.0 million). The increase was primarily due to the different profile of debt following the refinance in October 2024 and additional interest on higher RCF debt drawdowns during the year.

The Group uses interest rate swaps to convert the interest rate on part of its bank loans from a floating rate to a fixed rate. The interest rate swaps, which hedged the interest rate on the previously drawn sterling term loan of £176.5 million, matured in October 2024. As a result of the refinancing in October 2024, the Group entered into new interest rate swaps to hedge the variable interest rate on the new €100 million Euro green term loan for four years to October 2028. The final year of the term debt, to 9 October 2029, is currently unhedged. The weighted average fixed interest rate is 2.18%.

Margins on the Group's bank loans are set with reference to the Net Debt to EBITDA after rent<sup>1</sup> covenant levels and ratchet up or down accordingly. The Group's weighted average interest cost on bank loans, including margin, was 3.3% for 2024 (2023: 3.2%).

The private placement notes carry a fixed coupon rate. However, where the Group's Net Debt to EBITDA after rent<sup>1</sup>, calculated in line with external borrowing covenants, exceeds certain ratchet levels, varying premiums are added to the coupon rate depending on the ratchet level. The weighted average coupon rate on private placement notes issued in 2024 is 5.43% (2023: nil).

Before hedging, the Group's weighted average interest cost on bank loans and private placement notes was 6.4% in 2024 (2023: 6.1%).

Following the completion of the refinance of the Group's debt package in October 2024, the Group recorded a modification loss of €7.5 million which was inclusive of €4.8 million of costs relating to the new facility.

During the year, interest on bank loans and private placement loan notes of €0.6 million was capitalised to assets under construction, relating to the construction of Clayton Hotel St. Andrew Square, Edinburgh due to open in H2 2026.

Interest on lease liabilities for the year increased by €6.7 million to €49.5 million in 2024 primarily due to the impact of the three new leases of Maldron Hotel Manchester Cathedral Quarter (May 2024), Maldron Hotel Brighton (July 2024), and Maldron Hotel Liverpool City (July 2024), in addition to the full year impact of Clayton Hotel Amsterdam American (October 2023).

### Tax charge

The tax charge for the year ended 31 December 2024 of €12.5 million mainly relates to current tax in respect of profits earned in Ireland during the year. The effective tax rate has decreased from 14.5% in 2023 to 13.7% in 2024, primarily due to a higher proportion of expenses being eligible for tax deductions in 2024 compared to 2023.

At 31 December 2024, the Group has deferred tax assets of €33.1 million, of which €25.0 million relates to cumulative tax losses and interest expense carried forward which can be utilised to reduce corporation tax payments in future years.

### Earnings per share (EPS)

The Group's profit after tax of €78.7 million for 2024 (2023: €90.2 million) represents basic earnings per share of 35.5 cents (2023: 40.4 cents). Despite an increase in Adjusted EBITDA<sup>1</sup>, the Group's profit after tax declined by €11.5 million (12.7%) due primarily driven by a charge of €7.5 million following the completion of the refinance of the Group's debt package as well as the result of portfolio growth in 2023 and 2024 in increasing depreciation of property plant and equipment and IFRS 16 lease accounting charges.

### Strong cashflow generation

The Group generates positive Free Cashflow<sup>1</sup> to fund future acquisitions, development expenditure (€45.8 million) and shareholder returns.

Free Cashflow<sup>1</sup> for 2024 amounted to €123.7 million, a reduction of €9.7 million (-7.2%) from 2023 primarily due to cash effects within working capital including the timing of a large customer receipt which impacted the prior year in addition to lower earnings from the 'like for like'<sup>4</sup> portfolio. The new additions to the portfolio contributed an additional €7.5 million to 2024 Free Cashflow<sup>1</sup>, primarily driven by the full year impact of the three hotels added in 2023 while the 2024 new openings were cash neutral.

At 31 December 2024, the Group's Debt and Lease Service Cover<sup>1</sup> remains strong at 2.7x (31 December 2023: 3.0x) with cash and undrawn loan facilities of €364.6 million (31 December 2023: €283.5 million).

Free Cashflow <sup>1</sup>	2024	2023
Net cash from operating activities	218.3	171.4
Fixed lease payments	(61.3)	(53.5)
Other net interest and finance costs paid	(14.6)	(8.7)
Refurbishment capital expenditure paid <sup>1</sup>	(25.5)	(26.1)
Exclude impact of net tax payments under Debt Warehousing scheme	-	34.9
Add back pre-opening costs paid	1.9	0.5
Add back acquisition costs paid	0.5	4.4
Add back refinancing costs paid	4.4	-
Exclude impact of 2022 corporation tax payments in 2023	-	10.5
<b>Free Cashflow<sup>1</sup></b>	<b>123.7</b>	<b>133.4</b>
Weighted average shares outstanding - basic (million)	221.6	223.3
<b>Free Cashflow per Share<sup>1</sup> (cent)</b>	<b>55.8c</b>	<b>59.7c</b>

Net cash from operating activities in 2024 increased by €46.9 million primarily as 2023 was impacted by the full repayment of tax deferrals under the Irish government's debt warehousing scheme of €34.9 million in April 2023 and the payment of corporation tax of €10.5 million relating to 2022 during 2023. Excluding both these items, net cash from operating activities decreased by €1.5 million.

The Group made fixed lease payments of €61.3 million in 2024, a €7.8 million increase on 2023 (€53.5 million), driven primarily by the addition of three new leases in 2024 (Maldron Hotel Brighton, Maldron Hotel Manchester Cathedral Quarter and Maldron Hotel Liverpool City) and Clayton Hotel Amsterdam American in October 2023. Lease payments payable under lease contracts as at 31 December 2024 are expected to be €67.1 million for 2025. The Group has also committed to noncancellable lease rentals and other contractual obligations payable under agreements for leases which have not yet commenced at 31 December 2024. Further detail is included in note 14 to the consolidated financial statements.

Finance costs paid amount to €14.6 million, representing an increase of €5.9 million versus 2023 primarily due to costs paid relating to the debt refinance of €4.4 million.

On an annual basis, the Group allocates approximately 4% of revenue to refurbishment capital expenditure projects. The Group's investment in refurbishing its portfolio increased in 2024 to €26.6 million compared to 2023, however the timing of payments can be impacted due to the phasing and completion of projects during the year. On a paid basis, refurbishment capital expenditure amounted to €25.5 million in 2024 (2023: €26.1 million).

The Group received net proceeds of €8.3 million from the sale of Maldron Hotel Wexford in 2024. The sale of the Clayton Whites Hotel Wexford was completed in January 2025 for €21.0 million.

Dividends paid amounted to €27.1 million in 2024. In addition, Dalata announced two share buy back programmes, €30 million in September 2024 and €25 million in October 2024. Dalata executed share buy backs of €48.7 million during 2024 (with the remaining €6.5 million completed in January 2025) and share purchases for fulfilling requirements of share incentive schemes of €5.6 million.

The development expenditure paid of €45.8 million for 2024 primarily related to the construction of Maldron Hotel Shoreditch, costs paid on entering new leases and agreements for leases and the deposit of €4.2 million paid for the acquisition of the Radisson Blu Hotel Dublin Airport (subject to CCPC<sup>2</sup> approval).

At 31 December 2024, the Group has a commitment for future capital expenditure under its contractual arrangements which relates primarily to the construction of the new Clayton Hotel St. Andrew Square, Edinburgh (£34.6 million, €41.7 million) which is contractually committed and the refurbishment of the ground floor at Clayton Hotel Cardiff Lane (€6.5 million). Additionally, the Group has capex requirements to which it is not yet contractually committed to, estimated to be in excess of €160 million relating to four previously announced development and acquisition projects located in the UK and Ireland (over 730 rooms), including €83 million for the acquisition of the Radisson Blu Hotel, Dublin Airport (subject to CCPC<sup>2</sup> approval). It is expected this will be incurred as the projects are completed over the next four years.

## Balance sheet | Robust asset-backing provides security, flexibility and a platform for future growth

€million	2024	2023
<b>Non-current assets</b>		
Property, plant and equipment	1,711.0	1,684.8
Right-of-use assets	760.1	685.2
Intangible assets and goodwill	53.6	54.1
Other non-current assets <sup>5</sup>	41.9	32.5
<b>Current assets</b>		
Trade and other receivables and inventories	33.6	30.7
Cash and cash equivalents	39.6	34.2
Assets held for sale	20.8	-
Other current assets <sup>5</sup>	-	6.5
<b>Total assets</b>	<b>2,660.6</b>	<b>2,528.0</b>
Equity	1,419.4	1,392.9
Loans and borrowings at amortised cost	271.4	254.4
Lease liabilities	778.6	686.6
Trade and other payables	88.6	86.4
Other liabilities <sup>6</sup>	102.6	95.7
<b>Total equity and liabilities</b>	<b>2,660.6</b>	<b>2,528.0</b>

The Group maintains a strong balance sheet position at 31 December 2024 with property, plant and equipment of €1.7 billion in excellent locations, cash and undrawn loan facilities of €364.6 million, and Net Debt to EBITDA after rent<sup>1</sup> of 1.3x. This remains a cornerstone of the Group's capital allocation policy as it provides a platform for further growth through strategic optionality for asset acquisition and by enabling access to lower cost of debt and lease funding.

The Group's Normalised Return on Invested Capital<sup>1</sup> was 12.2% for 2024 decreasing from 13.9% in 2023 primarily due to new additions to the portfolio which have not reached full operating performance.

### Property, plant and equipment

Property, plant and equipment amounted to €1,711.0 million at 31 December 2024, including freehold assets of €1,638.3 million based on independent valuations and assets under construction of €30.7 million with the remainder primarily relating to fixtures and fittings at leased hotels. 73% of the Group's property, plant and equipment is located in Dublin and London.

The increase of €26.1 million since 31 December 2023 is driven by additions of €53.1 million, unrealised revaluation gains on property assets of €13.1 million, a foreign exchange gain on the retranslation of sterling-denominated assets of €27.8 million and capitalised borrowing and labour costs of €0.8 million. This is partially offset by the depreciation charge of €39.3 million for 2024,

€8.3 million for the disposal of Maldron Hotel Wexford, €19.7 million for reclass of Clayton Whites Hotel, Wexford to assets held for sale (which was subsequently sold post year end) and an impairment loss through profit or loss of €1.3 million.

During the year, the Group disposed of Maldron Hotel Wexford for gross consideration of €8.6 million, resulting in a net gain of €4.0 million after transaction costs, which was recognised in other comprehensive income. The cumulative revaluation reserve gain, net of tax charges, was transferred to retained earnings upon completion of the disposal.

In November 2024, management exchanged contracts for the sale of Clayton Whites Hotel, Wexford. At year-end, the property was revalued based on the agreed transaction values, and the fair value uplift was recognised in the revaluation reserve. Clayton Whites Hotel, Wexford was reclassified as a current asset held for sale as of 31 December 2024, with the sale completed in January 2025 for €21.0 million.

The Group revalues its property assets, at owned and effectively owned trading hotels, at each reporting date using independent external valuers. The principal valuation technique utilised is discounted cash flows which utilise asset-specific risk-adjusted discount rates and terminal capitalisation rates. The independent external valuation also has regard to relevant recent data on hotel sales activity metrics.

<b>Weighted average terminal capitalisation rate</b>	<b>2024</b>	<b>2023</b>
Dublin	7.41%	7.40%
Regional Ireland	8.56%	9.06%
UK	6.31%	6.77%
<b>Group</b>	<b>7.17%</b>	<b>7.47%</b>

  

<b>Additions through acquisitions and capital expenditure €million</b>	<b>2024</b>	<b>2023</b>
Total acquisitions and development capital expenditure	26.5	163.1
Total refurbishment capital expenditure <sup>1</sup>	26.6	23.4
<b>Additions to property, plant and equipment</b>	<b>53.1</b>	<b>186.5</b>

The Group incurred €26.5 million in acquisition and development capital expenditure, of which €14.0 million (£11.6 million) was related to the construction of Maldron Hotel Shoreditch in London, which opened in 2024. The Group also incurred costs of €4.3 million related to works at Clayton Hotel Cardiff Lane, €4.3 million on the acquisition of fixture and fittings at the three leasehold hotels opened in 2024 and €2.8 million related to the planning and design of the new Clayton Hotel St. Andrew Square, Edinburgh.

The Group incurred €26.6 million in refurbishment capital expenditure during the year, primarily related to the refurbishment of 346 bedrooms, enhancements to hotel public areas, upgrades to plant and machinery infrastructure, and improvements to health and safety systems.

### Right-of-use assets and lease liabilities

At 31 December 2024, the Group's right-of-use assets amounted to €760.1 million and lease liabilities amounted to €778.6 million.

<b>€million</b>	<b>Lease liabilities</b>	<b>Right-of-use assets</b>
At 31 December 2023	698.6	685.2
Additions	61.4	76.0
Depreciation charge on right-of-use assets	-	(33.8)
Interest on lease liabilities	49.5	-
Remeasurement of lease liabilities	13.8	14.7
Reversal of previous impairment charge	-	1.7
Lease payments	(61.3)	-
Translation adjustment	16.6	16.3
<b>At 31 December 2024</b>	<b>778.6</b>	<b>760.1</b>

Right-of-use assets are recorded at cost less accumulated depreciation and impairment. The initial cost comprises the initial amount of the lease liability adjusted for lease prepayments and accruals at the commencement date, initial direct costs and, where applicable, reclassifications from intangible assets or accounting adjustments related to sale and leasebacks.

Lease liabilities are initially measured at the present value of the outstanding lease payments, discounted using the estimated incremental borrowing rate attributable to the lease. The lease liabilities are subsequently remeasured during the lease term following the completion of rent reviews, a reassessment of the lease term or where a lease contract is modified.

During the year, a lease amendment, which was not included in the original lease agreement was made to Clayton Hotel Manchester Airport. This has been treated as a modification of lease liabilities and resulted in an increase to the lease liability of €7.2 million

(€6.0 million) and an increase to the carrying value of the right-of-use asset of €8.1 million (£6.8 million), which includes initial direct costs of €0.9 million (£0.8 million). Following agreed rent reviews and rent adjustments, which formed part of the original lease agreements, certain of the Group's leases were reassessed during the year. This resulted in an increase in lease liabilities and related right-of-use assets of €6.6 million (2023: €3.3 million).

The weighted average lease life of future minimum rentals payable under leases is 29.0 years (31 December 2023: 29.5 years), (excluding impact of Clayton Hotel Manchester Airport which holds a 200 year lease).

Additions during the year ended 31 December 2024 mainly relate to:

- In May 2024, the Group entered into a 35-year lease of Maldron Hotel Manchester Cathedral Quarter. This resulted in the recognition of a lease liability of €16.3 million (£13.9 million) and a right-of-use assets of €20.3 million (£17.2 million), which includes initial direct costs of €4.0 million (£3.3 million).
- In July 2024, the Group entered into a 35-year lease of Maldron Hotel Liverpool City. This resulted in the recognition of a lease liability of €21.4 million (£18.1 million) and a right-of-use assets of €27.4 million (£23.2 million), which includes initial direct costs of €6.0 million (£5.1 million).
- In July 2024, the Group entered into a 35-year lease of Maldron Hotel Brighton. This resulted in the recognition of a lease liability of €23.5 million (£19.8 million) and a right-of-use assets of €28.2 million (£23.9 million), which includes initial direct costs of €4.7 million (£4.1 million).

Over 90% of lease contracts at currently leased hotels include rent review caps which limit CPI/RPI-related payment increases to between 3% - 4% per annum.

Further information on the Group's leases including the unwind of right-of-use assets and release of interest charge is set out in note 14 to the consolidated financial statements.

### Bank loans and private placement loan notes

As at 31 December 2024, the Group had bank loans and private placement loan notes, at amortised cost, of €271.4 million which increased from 31 December 2023 (€254.4 million) due mainly to net loan drawdowns, loan note issuances and foreign exchange translation movements on sterling borrowings during the year. The undrawn committed loan facilities amounted to €325.0 million at 31 December 2024.

<b>At 31 December 2024</b>	<b>Sterling £million</b>	<b>Euro €million</b>	<b>Total €million</b>
Term Loan	-	100.0	100.0
<i>Revolving credit facility:</i>			
- Drawn in sterling	18.5	-	22.3
- Drawn in euro	-	25.0	25.0
<i>Private placement notes:</i>			
- Issued in sterling	52.5		63.3
- Issued in euro		62.0	62.0
<b>Bank loans drawn and private placement loan notes issued at 31 December 2024</b>	<b>71.0</b>	<b>187.0</b>	<b>272.6</b>
Accounting adjustment to bring to amortised cost			(1.2)
<b>Bank loans and private placement loan notes at amortised cost at 31 December 2024</b>			<b>271.4</b>

In October 2024, the Group successfully completed a refinancing of its existing banking facilities securing a €475 million multicurrency loan facility consisting of a €100 million green term loan and €375 million revolving credit facility for a five-year term to 9 October 2029, with two options to extend by a year. The Group also completed its inaugural issuance of €124.7 million of green loan notes to institutional investors for terms of five and seven years. The new facilities replace the original multicurrency loan facility consisting of a £176.5 million term loan facility and a €304.9 million revolving credit facility which were due to mature in October 2025.

In October 2024, the Group entered into interest rate swaps to hedge the variable interest rate on its new €100 million euro term loan for a four-year period to 9 October 2028. As at 31 December 2024, the interest rate swaps cover 100% of the Group's term euro denominated borrowings of €100 million for the period to 9 October 2028. The final year of the term debt, to 9 October 2029, is currently unhedged. The Group's revolving credit facilities of €47.3 million as at 31 December 2024 are unhedged. The private placement notes issued by the Group carry a fixed coupon rate but are subject to ratchet if Net Debt to EBITDA after rent<sup>1</sup> exceeds 3x.

The Group's covenants, comprising Net Debt to EBITDA (as defined in the Group's external borrowing facility agreement which is equivalent to Net Debt to EBITDA after rent<sup>1</sup>) and Interest Cover<sup>1</sup> tested as at 31 December 2024, showed Net Debt to EBITDA after rent<sup>1</sup> for the Group is 1.3x and Interest Cover<sup>1</sup> is 17.5 times. The Net Debt to EBITDA after rent<sup>1</sup> covenant limit is 4.0 times and the Interest Cover minimum is 4.0 times.

Drawn debt at 31 December 2024 is €147.3 million (2023: €258.7 million) comprised of a €100 million euro green term loan and revolving credit facility loans of £18.5 million (€22.3 million) in sterling and €25.0 million in euro denominated revolving credit facilities. Cash and cash equivalents was €39.6 million (2023: €34.2 million).

## Sustainability strategy

The Group has commenced working on a Net-Zero Transition Plan. However, while this is in development, Dalata is continuing to decarbonise with strategic actions to influence the plan.

Dalata remains focused on reducing both the embodied carbon and operational carbon emissions when designing new hotels. The new hotels currently under construction in Dublin and St. Andrew Square, Edinburgh have been designed to operate with zero on-site carbon emissions. Maldron Hotel Shoreditch, London which opened in 2024 is expected to receive a BREEAM 'Excellent' rating (Building Research Establishment Environmental Assessment Methodology).

The Group continues to reduce carbon emissions per room sold, achieving a reduction of 31% reduction in Scope 1 & 2 carbon emissions per room sold achieved in 2024 versus 2019 (compared to a target of 20% reduction on 2019 full year levels by 2026).

All of the Group's hotels achieved a gold standard from Green Tourism in 2024. The Group launched a water stewardship programme and also increased its focus on reducing waste across the hotels. Dalata's focus on sustainability is not only beneficial to the environment but also helps us reduce operational costs.

<sup>1</sup> See Supplementary Financial Information which contains definitions and reconciliations of Alternative Performance Measures ('APM') and other definitions.

<sup>2</sup> CCPC: Competition and Consumer Protection Commission

<sup>3</sup> Adjusting items in 2024 include impairment charges of €1.4 million, a reversal of previous impairment charges relating to right of use assets of €1.7m, hotel pre-opening expenses of €1.9 million (2023: €0.5 million) and acquisition related costs €1.1 million (2023: €4.4 million) which impact EBITDA. Additionally, the Group also incurred a modification loss of €7.5 million and tax impact of adjusting items of €0.5 million. Further detail on adjusting items is provided in the section titled 'Adjusting items.'

<sup>4</sup> 'Like for like' or 'LFL' analysis excludes hotels that were added to the portfolio or ceased trading under Dalata during 2023 or 2024. Clayton Whites Hotel, Wexford is also excluded from 'like for like' analysis as the hotel was sold in January 2025. The 'like for like' UK portfolio excludes the following hotels: Maldron Hotel Shoreditch, Maldron Hotel Liverpool City, Maldron Hotel Brighton, Maldon Hotel Cathedral Quarter Manchester, Maldron Hotel Finsbury Park, and Clayton Hotel London Wall. The 'like for like' Regional Ireland portfolio excludes Maldron Hotel Wexford, disposed of in November 2024, and Clayton Whites Hotel Wexford, disposed of in January 2025. Clayton Hotel Amsterdam American is also excluded from the 'like for like' stats for the Group. The 'like for like' London portfolio excludes Maldron Hotel Finsbury Park and Clayton Hotel London Wall.

<sup>5</sup> Other non-current assets comprise deferred tax assets, investment property and other receivables. Other current assets comprise current derivative assets.

<sup>6</sup> Other liabilities comprise deferred tax liabilities, provision for liabilities, derivative liabilities, other payables and current tax liabilities.

<sup>7</sup> New hotel additions: This refers to hotels added to the portfolio during 2023 (Maldron Hotel Finsbury Park, Clayton Hotel London Wall and Clayton Hotel Amsterdam American) and 2024 (Maldron Hotel Shoreditch, Maldron Hotel Liverpool City, Maldron Hotel Brighton, Maldon Hotel Cathedral Quarter Manchester).

## Principal risks and uncertainties

The Group continue to consider its risk environment, emerging risks, and risk profiles. The principal risks and uncertainties currently facing the Group are:

**External, economic and geopolitical risks** – Dalata is a customer-facing commercial business, and its performance is influenced by a broad range of factors outside the Group's direct control, including broader economic conditions, supply chain issues, and geopolitical events that affect consumer spending and demand. Government policies in areas such as employment, sales-related taxes and business costs are also closely considered. These factors can directly or indirectly impact the Group's strategy, labour costs and our direct cost base. However, these conditions may also provide opportunities for the Group.

The Board and executive management are continually updated on external factors and their potential impact on our business. The Group, with its experienced management team, healthy financial position supported by a strong asset-backed balance sheet and resilient information systems, is well-equipped to navigate the influence of external factors on our strategy and performance.

**Health, safety and security risks** - The Group now operates multiple hotels in Ireland, the UK and Continental Europe. Given the nature of these operations, health, safety, and security concerns remain a key priority for the board and executive management. Our strategy has always focused on prevention and detection in this risk area.

We have well-resourced health, safety and security teams, structures and oversight at Group and hotel levels with supporting health and safety policies and procedures to comply with relevant legislation, backed by detailed standard operating procedures (SOPs) and training. There is ongoing capital investment in hotel life, fire, security and safety systems and servicing, with prompt remediation of identified health and safety risks. The Group has a comprehensive crisis management and response plan, supported by training, awareness and simulation testing. There is a programme of external fire, health and safety and food safety audits, complemented by reviews by statutory external bodies, a comprehensive insurance and risk assessment programme, ongoing employee and management training and awareness programmes. Our new hotels are built to high health and safety standards, with health and safety a principal consideration in all refurbishments.

**Innovation strategy risk** – The Group's strategy focuses on innovation across our business, particularly in enhancing guest services, improving food offerings and increasing business process efficiencies. In addition, the hospitality market continues to

evolve, with ongoing changes and innovations in its structure and how it meets guest expectations. Technological advances play an increasingly significant role in innovation and service delivery, and our strategy includes assessing these associated risks.

We recognise the business imperative to innovate in our business, and innovation is embedded on our culture and a core objective for senior leadership. Comprehensive case-by-case assessments are completed, including measurable KPIs, costs and risks and the use of new or emerging technologies is closely evaluated. We conduct detailed research on customer wants and needs within our hotels, including reviewing market trends and obtaining feedback from customers and teams on initiatives taken. The Group allocates resources to develop and implement business efficiencies and innovation.

**People risk** – Our strategy is to develop our management and operational expertise from within our existing teams where possible. This expertise can be deployed throughout our business, particularly at management levels in our new hotels. We also aim to recruit and retain motivated and well-trained people to meet our customers' service expectations at our hotels.

The Group continues to invest in extensive development programmes across all levels of the organisation, in addition to providing a wide variety of other training programmes to all employees, helping them to develop their careers as they wish. We remain focused on the state of labour markets, both locally for hotels and from an overall perspective. Succession planning, linked to future business needs, is overseen by senior management. The development and close monitoring of retention strategies such as employee benefits, workplace culture, training, employee development programmes, progression opportunities, and working conditions continue.

**Cyber security, data and privacy risks** – In the current environment, all businesses face heightened information security risks due to increasingly sophisticated cyber-attacks, ransomware attacks, and those targeting company data. The emergence of AI-enhanced malicious tools has further increased the risk profile.

The ongoing security of our information technology platforms is crucial. The Group has invested in a modern, standardised technology platform supported by trusted IT partners. We have well-managed and resourced internal expertise, supported by established third-party technology partners. Established information technology security resources, systems, procedures and controls are in place. Our Information Security Management System is based on ISO27001 and audited twice annually.

**Expansion and development strategy risk** – The Group's strategy is to expand its activities in the UK and European markets through leases, acquisitions or new hotel developments. We recognise that current market conditions provide opportunities to the Group, and we continue to leverage our financial position to capitalise on opportunities should they arise.

The Group has proven acquisitions and development expertise within the Central Office team. The board has determined the Group's development strategy and criteria, scrutinising all development projects before commencement and regular updates are provided on the progress of the development programme. Our funding flexibility and asset backed balance sheet positions us as a preferred development partner.

**Risks to our culture and values** – We view Dalata's company culture as a critical asset, a market differentiator, and a source of competitive advantage. Our business model is dependent on retaining and growing our strong culture.

Our defined values are embedded in our behaviour, as set out in our Code of Conduct. Executive management consistently communicates these behaviours through face-to-face engagement and Group communication channels. A comprehensive employee engagement programme is also in place, where we actively seek feedback from our people on culture and values. Our extensive people management training allows all managers to support our "people first" culture and new team members complete induction training to understand our behaviours and culture. Our continued investment in development programmes embeds behaviour and values within our internal talent pipeline.

**Climate change, ESG and decarbonisation strategy risk** - The Board is keenly aware of the risks to society associated with climate change and environmental matters. We also recognise that being a socially responsible business supports our strategic objectives and benefits society and the communities in which we operate. Climate change and the drive for a sustainable and responsible business create risks and opportunities for our business. This area is continually evolving and has been subject to increased regulation, reporting and oversight requirements.

A climate change and decarbonisation programme is in place across our businesses, with published short-term environmental targets. The Board ESG committee has oversight responsibility for this key area. A senior executive-led environment steering group supports hotel initiatives. Material capital projects are reviewed through a sustainability lens as part of our overall strategy. The Group is included in the Carbon Disclosure Project (CDP), with associated reporting and external accreditation by Green Tourism. Significant resources have been allocated to develop and monitor initiatives related to our social and responsible business programme.

# STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ANNUAL REPORT AND THE FINANCIAL STATEMENTS

The Directors are responsible for preparing the annual report and the consolidated and Company financial statements, in accordance with applicable law and regulations.

Company law requires the Directors to prepare consolidated and Company financial statements for each financial year. Under that law, the Directors are required to prepare the consolidated financial statements in accordance with IFRS as adopted by the European Union and applicable law Commission Delegated Regulation 2018/815 regarding the single electronic reporting format including Article 4 of the IAS Regulation. The Directors have elected to prepare the Company financial statements in accordance with IFRS as adopted by the European Union as applied in accordance with the provisions of the Companies Act 2014.

Under company law, the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the assets, liabilities and financial position of the Group and Company and of the Group's profit or loss for that year. In preparing the consolidated and Company financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the Group's and Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Group or Company or to cease operations, or have no realistic alternative but to do so.

The Directors are also required by the Transparency (Directive 2004/109/EC) Regulations 2007 and the Transparency Rules of the Central Bank of Ireland to include a management report containing a fair review of the business and a description of the principal risks and uncertainties facing the Group.

The Directors are responsible for keeping adequate accounting records which disclose with reasonable accuracy at any time the assets, liabilities, financial position and profit or loss of the Company and which enable them to ensure that the financial statements of the Company comply with the provisions of the Companies Act 2014. The Directors are also responsible for taking all reasonable steps to ensure such records are kept by the Company's subsidiaries which enable them to ensure that the financial statements of the Group comply with the provisions of the Companies Act 2014 and Article 4 of the IAS Regulation. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for safeguarding the assets of the Company and the Group, and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. The Directors are also responsible for preparing a Directors' Report that complies with the requirements of the Companies Act 2014.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Group's and Company's website [www.dalatahotelgroup.com](http://www.dalatahotelgroup.com). Legislation in the Republic of Ireland concerning the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

## **Responsibility statement as required by the Transparency Directive and UK Corporate Governance Code.**

Each of the Directors, whose names and functions are listed in the Board of Directors section of this Annual Report, confirm that, to the best of each person's knowledge and belief:

- The consolidated financial statements, prepared in accordance with IFRS as adopted by the European Union, and the Company financial statements, prepared in accordance with IFRS as adopted by the European Union as applied in accordance with the provisions of the Companies Act 2014, give a true and fair view of the assets, liabilities, and financial position of the Group and Company at 31 December 2024 and of the profit of the Group for the year then ended;
- The Directors' Report contained in the Annual Report includes a fair review of the development and performance of the business and the position of the Group and Company, together with a description of the principal risks and uncertainties that they face;
- The Sustainability Statement contained in the Director's Report is prepared in accordance with ESRS and Article 8)4) of Regulation (EU) 2020/852 and our responsibilities for the Sustainability Statement are discussed in full in our statement of Directors' responsibilities for the Sustainability Statement; and
- The Annual Report and financial statements, taken as a whole, provides the information necessary to assess the Group's performance, business model and strategy and is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's position and performance, business model and strategy.

On behalf of the Board

**John Hennessy**  
Chair

**Dermot Crowley**  
Director

5 March 2025



**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER  
COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2024**

	Note	2024 €'000	2023 €'000
<b>Continuing operations</b>			
Revenue	<u>2</u>	<b>652,190</b>	607,698
Cost of sales		<b>(238,847)</b>	(214,509)
<b>Gross profit</b>		<b>413,343</b>	393,189
Administrative expenses	<u>4</u>	<b>(256,332)</b>	(238,530)
Other income	<u>5</u>	<b>1,447</b>	1,484
<b>Operating profit</b>		<b>158,458</b>	156,143
Net finance costs	<u>6</u>	<b>(67,220)</b>	(50,611)
<b>Profit before tax</b>		<b>91,238</b>	105,532
Tax charge	<u>9</u>	<b>(12,497)</b>	(15,310)
<b>Profit for the year attributable to owners of the Company</b>		<b>78,741</b>	90,222
<b>Other comprehensive income</b>			
<i>Items that will not be reclassified to profit or loss</i>			
Revaluation of property	<u>13</u>	<b>13,083</b>	92,098
Related deferred tax	<u>24</u>	<b>(3,513)</b>	(10,451)
		<b>9,570</b>	81,647
<i>Items that are or may be reclassified subsequently to profit or loss</i>			
Exchange gain on translating foreign operations		<b>27,095</b>	11,396
Loss on net investment hedge		<b>(8,590)</b>	(6,343)
Fair value movement on cash flow hedges	<u>23</u>	<b>923</b>	1,753
Cash flow hedges – reclassified to profit or loss	<u>23</u>	<b>(7,688)</b>	(6,949)
Related deferred tax	<u>24</u>	<b>1,660</b>	1,299
		<b>13,400</b>	1,156
<b>Other comprehensive income for the year, net of tax</b>		<b>22,970</b>	82,803
<b>Total comprehensive income for the year attributable to owners of the Company</b>		<b>101,711</b>	173,025

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER  
 COMPREHENSIVE INCOME  
 FOR THE YEAR ENDED 31 DECEMBER 2024 *(continued)*

	Note	2024 €'000	2023 €'000
<b>Earnings per share</b>			
Basic earnings per share	<u>30</u>	<b>35.5 cents</b>	40.4 cents
Diluted earnings per share	<u>30</u>	<b>35.3 cents</b>	39.9 cents

Notes 1 to 31 are an integral part of these consolidated financial statements.

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION AT 31 DECEMBER 2024

		2024 €'000	2023 €'000
<b>Assets</b>			
<b>Non-current assets</b>			
Intangible assets and goodwill	<u>12</u>	53,649	54,074
Property, plant and equipment	<u>13</u>	1,710,974	1,684,831
Right-of-use assets	<u>14</u>	760,151	685,193
Investment property		1,518	2,021
Deferred tax assets	<u>24</u>	33,100	24,136
Other receivables	<u>15</u>	7,362	6,418
<b>Total non-current assets</b>		<b>2,566,754</b>	<b>2,456,673</b>
<b>Current assets</b>			
Derivative assets	<u>23</u>	-	6,521
Trade and other receivables	<u>15</u>	30,842	28,262
Inventories	<u>16</u>	2,761	2,401
Cash and cash equivalents	<u>17</u>	39,575	34,173
Assets held for sale	<u>18</u>	20,717	-
<b>Total current assets</b>		<b>93,895</b>	<b>71,357</b>
<b>Total assets</b>		<b>2,660,649</b>	<b>2,528,030</b>
<b>Equity</b>			
Share capital	<u>19</u>	2,129	2,235
Share premium	<u>19</u>	507,365	505,079
Treasury share reserve	<u>19</u>	(19)	-
Capital reserves	<u>19</u>	107,104	106,988
Share-based payment reserve	<u>19</u>	7,955	8,417
Hedging reserve	<u>19</u>	(214)	4,891
Revaluation reserve	<u>19</u>	468,605	461,181
Translation reserve	<u>19</u>	6,323	(12,182)
Retained earnings		320,157	316,328
<b>Total equity</b>		<b>1,419,405</b>	<b>1,392,937</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Loans and borrowings	<u>22</u>	271,384	254,387
Lease liabilities	<u>14</u>	764,619	686,558
Deferred tax liabilities	<u>24</u>	92,763	84,441
Derivative liabilities	<u>23</u>	244	-
Provision for liabilities	<u>21</u>	5,708	6,656
Other payables	<u>20</u>	19	348
<b>Total non-current liabilities</b>		<b>1,134,737</b>	<b>1,032,390</b>

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AT 31 DECEMBER 2024** *(continued)*

		2024 €'000	2023 €'000
<b>Current liabilities</b>			
Lease liabilities	<u>14</u>	<b>13,939</b>	12,040
Trade and other payables	<u>20</u>	<b>88,652</b>	86,049
Current tax liabilities		<b>1,576</b>	2,659
Provision for liabilities	<u>21</u>	<b>2,340</b>	1,955
<b>Total current liabilities</b>		<b>106,507</b>	102,703
<b>Total liabilities</b>		<b>1,241,244</b>	1,135,093
<b>Total equity and liabilities</b>		<b>2,660,649</b>	2,528,030

Notes 1 to 31 are an integral part of these consolidated financial statements.

On behalf of the Board:

**John Hennessy**  
Chair

**Dermot Crowley**  
Director

5 March 2025

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2024

	Share capital	Share premium	Treasury share reserve	Capital reserves	Share- based payment reserve	Hedging reserve	Revaluation reserve	Translation reserve	Retained earnings	Total
	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000
At 1 January 2024	2,235	505,079	-	106,988	8,417	4,891	461,181	(12,182)	316,328	1,392,937
<b>Comprehensive income:</b>										
Profit for the year	-	-	-	-	-	-	-	-	78,741	78,741
<b>Other comprehensive income</b>										
Exchange gain on translating foreign operations	-	-	-	-	-	-	-	27,095	-	27,095
Loss on net investment hedge	-	-	-	-	-	-	-	(8,590)	-	(8,590)
Revaluation of properties ( <a href="#">note 13</a> )	-	-	-	-	-	-	13,083	-	-	13,083
Fair value movement on cash flow hedges ( <a href="#">note 23</a> )	-	-	-	-	-	923	-	-	-	923
Cash flow hedges – reclassified to profit or loss ( <a href="#">note 23</a> )	-	-	-	-	-	(7,688)	-	-	-	(7,688)
Release of cumulative revaluation gains on disposal of hotel	-	-	-	-	-	-	(2,146)	-	2,146	-
Related deferred tax	-	-	-	-	-	1,660	(3,513)	-	-	(1,853)
<b>Total comprehensive income for the year</b>	-	-	-	-	-	(5,105)	7,424	18,505	80,887	101,711
<b>Transactions with owners of the Company:</b>										
Equity-settled share-based payments ( <a href="#">note 8</a> )	-	-	-	-	3,615	-	-	-	-	3,615
Transfer from share-based payment reserve to retained earnings	-	-	-	-	(4,325)	-	-	-	4,325	-
Vesting of share awards and options ( <a href="#">note 8</a> )	10	2,286	-	-	-	-	-	-	-	2,296
Dividends paid ( <a href="#">note 19</a> )	-	-	-	-	-	-	-	-	(27,115)	(27,115)
Repurchase of treasury shares	-	-	(6,279)	-	-	-	-	-	-	(6,279)
Issue of treasury shares	-	-	6,260	-	-	-	-	-	(5,585)	675
Purchase and cancellation of shares ( <a href="#">note 19</a> )	(116)	-	-	116	-	-	-	-	(48,683)	(48,683)
Related deferred tax	-	-	-	-	248	-	-	-	-	248
<b>Total transactions with owners of the Company</b>	(106)	2,286	(19)	116	(462)	-	-	-	(77,058)	(75,243)
<b>At 31 December 2024</b>	<b>2,129</b>	<b>507,365</b>	<b>(19)</b>	<b>107,104</b>	<b>7,955</b>	<b>(214)</b>	<b>468,605</b>	<b>6,323</b>	<b>320,157</b>	<b>1,419,405</b>

Notes 1 to 31 are an integral part of these consolidated financial statements.

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2023

	Share capital	Share premium	Capital reserves	Share- based payment reserve	Hedging reserve	Revaluation reserve	Translation reserve	Retained earnings	Total
	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000
At 1 January 2023	2,229	504,910	106,988	5,011	8,788	379,534	(17,235)	232,541	1,222,766
<b>Comprehensive income:</b>									
Profit for the year	-	-	-	-	-	-	-	90,222	90,222
<b>Other comprehensive income</b>									
Exchange gain on translating foreign operations	-	-	-	-	-	-	11,396	-	11,396
Loss on net investment hedge	-	-	-	-	-	-	(6,343)	-	(6,343)
Revaluation of properties (note 13)	-	-	-	-	-	92,098	-	-	92,098
Fair value movement on cash flow hedges (note 23)	-	-	-	-	1,753	-	-	-	1,753
Cash flow hedges – reclassified to profit or loss (note 23)	-	-	-	-	(6,949)	-	-	-	(6,949)
Related deferred tax	-	-	-	-	1,299	(10,451)	-	-	(9,152)
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(3,897)</b>	<b>81,647</b>	<b>5,053</b>	<b>90,222</b>	<b>173,025</b>
<b>Transactions with owners of the Company:</b>									
Equity-settled share-based payments (note 8)	-	-	-	5,910	-	-	-	-	5,910
Transfer from share-based payment reserve to retained earnings	-	-	-	(2,504)	-	-	-	2,504	-
Vesting of share awards and options (note 8)	6	169	-	-	-	-	-	-	175
Dividends paid (note 19)	-	-	-	-	-	-	-	(8,939)	(8,939)
<b>Total transactions with owners of the Company</b>	<b>6</b>	<b>169</b>	<b>-</b>	<b>3,406</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(6,435)</b>	<b>(2,854)</b>
<b>At 31 December 2023</b>	<b>2,235</b>	<b>505,079</b>	<b>106,988</b>	<b>8,417</b>	<b>4,891</b>	<b>461,181</b>	<b>(12,182)</b>	<b>316,328</b>	<b>1,392,937</b>

Notes 1 to 31 are an integral part of these consolidated financial statements.

## CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2024

	2024 €'000	2023 €'000
<b>Cash flows from operating activities</b>		
Profit for the year	78,741	90,222
Adjustments for:		
Depreciation of property, plant and equipment	39,316	32,791
Depreciation of right-of-use assets	33,727	30,663
Amortisation of intangible assets	252	650
Impairment charge relating to investment property	96	-
Impairment charge/(reversal) relating to property, plant and equipment through profit and loss	1,322	(2,025)
Impairment reversal relating to right-of-use assets	(1,719)	-
Share-based payments expense	3,615	5,910
Interest on lease liabilities	49,487	42,751
Other net interest and finance costs	17,733	7,860
Tax charge	12,497	15,310
	<b>235,067</b>	<b>224,132</b>
Increase/(decrease) in trade and other payables and provision for liabilities	756	(33,625)
(Increase)/decrease in current and non-current receivables	(1,123)	4,562
(Increase)/decrease in inventories	(333)	110
Tax paid	(16,094)	(23,800)
<b>Net cash from operating activities</b>	<b>218,273</b>	<b>171,379</b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(53,621)	(120,277)
Deposits paid on acquisitions	(4,153)	-
Contract fulfilment cost payments	-	(1,965)
Costs paid on entering new leases and agreements for leases	(13,600)	(1,825)
Proceeds from sale of Maldron Hotel Wexford	8,345	-
Acquisitions of undertakings through business combinations, net of cash acquired	-	(90,294)
Purchase of intangible assets	-	(7)
<b>Net cash used in investing activities</b>	<b>(63,029)</b>	<b>(214,368)</b>
<b>Cash flows from financing activities</b>		
Interest paid on lease liabilities	(49,487)	(42,751)
Other net interest and finance costs paid	(14,595)	(8,726)
Receipt of bank loans	390,204	120,648
Repayment of bank loans	(510,818)	(64,374)
Issuance of private placement loan notes	124,694	-
Repayment of lease liabilities	(11,767)	(10,747)

**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 DECEMBER 2024 (continued)**

	2024 €'000	2023 €'000
Proceeds from vesting of share awards and options	2,296	175
Purchase of treasury shares	(5,604)	-
Purchase of own shares as part of buy back schemes	(48,683)	-
Dividends paid	(27,115)	(8,939)
<b>Net cash used in financing activities</b>	<b>(150,875)</b>	<b>(14,714)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>4,369</b>	<b>(57,703)</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>34,173</b>	<b>91,320</b>
Effect of movements in exchange rates	1,033	556
<b>Cash and cash equivalents at the end of the year</b>	<b>39,575</b>	<b>34,173</b>

Notes 1 to 31 are an integral part of these consolidated financial statements.



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

### 1 Material accounting policies

#### General information and basis of preparation

Dalata Hotel Group plc (the 'Company') is a Company domiciled in the Republic of Ireland. The Company's registered office is Termini, 3 Arkle Road, Sandyford Business Park, Dublin 18. The consolidated financial statements of the Company for the year ended 31 December 2024 include the Company and its subsidiaries (together referred to as the 'Group'). The financial statements were authorised for issue by the Directors on 5 March 2025.

The consolidated financial statements have been prepared in accordance with IFRS, as adopted by the EU. In the preparation of these consolidated financial statements the accounting policies set out below have been applied consistently by all Group companies.

The preparation of financial statements in accordance with IFRS as adopted by the EU requires the Directors to make estimates and assumptions that affect the reported amounts of assets and liabilities, as well as disclosure of contingent assets and liabilities, at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting year. Such estimates and judgements are based on historical experience and other factors, including expectation of future events, that are believed to be reasonable under the circumstances and are subject to continued re-evaluation. Actual outcomes could differ from those estimates.

In preparing these consolidated financial statements, the key judgements and estimates impacting these consolidated financial statements were as follows:

#### Significant judgements

- Carrying value of property measured at fair value ([note 10, 13, 18](#)).

#### Key sources of estimation uncertainty

- Carrying value of property measured at fair value ([note 10, 13, 18](#)); and
- Carrying value of goodwill and right-of-use assets including assumptions underpinning value in use ('VIU') calculations in the impairment tests ([notes 10, 12, 13, 18](#)).

#### Measurement of fair values

A number of the Group's accounting policies and disclosures require the measurement of assets and liabilities at fair value. When measuring the fair value of an asset or liability, the Group uses observable market data as far as possible, with non-financial assets being measured on a highest and best-use basis. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

*Level 1:* quoted prices (unadjusted) in active markets for identical assets or liabilities.

*Level 2:* inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

*Level 3:* inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Further information about the assumptions made in measuring fair values is included in [note 25](#) – Financial instruments and risk management (in relation to financial assets and financial liabilities) and [note 13](#) – Property, plant and equipment.

#### (i) Going concern

The year ended 31 December 2024 saw the Group deliver strong results and continue the execution of its growth strategy. The full year impact of hotels added in the previous year and the addition of new openings in the current year has led to an increase in Group revenue from hotel operations from €607.7 million to €652.2 million, as well as net cash generated from operating activities in the year of €218.3 million (2023: €171.4 million).

The Group remains in a very strong financial position with significant financial headroom. The Group has cash and undrawn loan facilities of €364.6 million (2023: €283.5 million). The Group is in full compliance with its external borrowing covenants at 31 December 2024. During the financial year, the Group refinanced its existing debt facilities, entering new facilities of circa €600.0 million, comprising a green term loan facility of €100.0 million, a multi-currency revolving credit facility of €375.0 million and private placement loan notes of €124.7 million. The new facilities have maturity profiles of between five and seven years. Current base projections show compliance with all covenants at all future testing dates and significant levels of headroom.

The Directors have considered the above, with all available information, and the current liquidity and financial position in assessing the going concern of the Group. On this basis, the Directors have prepared these consolidated financial statements on a going concern basis. Furthermore, they do not believe there is any material uncertainty related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern for a period of at least 12 months after the date of these financial statements.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (*continued*)

### 1 Material accounting policies (*continued*)

#### (ii) Statement of compliance

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ('IFRS') and their interpretations issued by the International Accounting Standards Board ('IASB') as adopted by the EU and those parts of the Companies Act 2014 applicable to companies reporting under IFRS and Article 4 of the IAS Regulation.

The following standards and interpretations were effective for the Group for the first time from 1 January 2024:

- Amendments to IAS 1 *Classification of Liabilities as Current or Non-Current, and Non-current Liabilities with Covenants*.
- Amendments to IFRS 16 *Lease Liability in a Sale and Leaseback*.
- Amendments to IAS 7 *Statement of Cash Flows* and IFRS 7 *Financial Instruments: Disclosures: Supplier Finance Arrangements*.

The above standards, amendments and interpretations have no material impact on the consolidated financial statements of the Group.

#### Accounting policies

The accounting policies applied in these consolidated financial statements are consistent with those applied in the consolidated financial statements as at and for the year ended 31 December 2023, apart from the accounting policy for held for sale assets and liabilities (xvii).

#### Standards issued but not yet effective

The following amendments to standards have been endorsed by the EU, are available for early adoption and are effective from 1 January 2025. The Group has not adopted these amendments to standards early, and instead intends to apply them from their effective date as determined by the date of EU endorsement. The potential impact of these amendments to standards on the Group is under review:

- Amendments to IAS 21 *The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability*.

The following standards and interpretations are not yet endorsed by the EU. The potential impact of these standards on the Group is under review:

- IFRS 19 *Subsidiaries without Public Accountability: Disclosures*. IASB effective date 1 January 2027.
- IFRS 18 *Presentation and Disclosure in Financial Statements*. IASB effective date 1 January 2027.
- Amendments to classification and measurement of financial instruments under IFRS 9 *Financial Instruments* and IFRS 7 *Financial Instruments: Disclosures*. IASB effective date 1 January 2026.
- Amendments to contracts referencing nature-dependent electricity under IFRS 9 *Financial Instruments* and IFRS 7 *Financial Instruments: Disclosures*. IASB effective date 1 January 2026.
- Amendments to IFRS 10 *Consolidated Financial Statements* and IAS28 *Investments in Associates and Joint Ventures for sale or contribution of Assets between an Investor and its Associate or Joint Venture*. Effective date deferred indefinitely.

#### (iii) Functional and presentation currency

These consolidated financial statements are presented in Euro, being the functional currency of the Company and the majority of its subsidiaries. All financial information presented in Euro has been rounded to the nearest thousand or million and this is clearly set out in the financial statements where applicable.

#### (iv) Basis of consolidation

The consolidated financial statements include the financial statements of the Company and all of its subsidiary undertakings.

#### Business combinations

The Group accounts for business combinations using the acquisition method when control is transferred to the Group.

The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. Any goodwill that arises is tested at least annually for impairment. Any gain on a bargain purchase is recognised in profit or loss immediately. Transaction costs are expensed as incurred, except if related to the issue of debt or equity securities.

When an acquisition does not represent a business, it is accounted for as a purchase of a group of assets and liabilities, not as a business combination. The cost of the acquisition is allocated to the assets and liabilities acquired based on their relative fair values, and no goodwill is recognised. Where the Group solely purchases the freehold interest in a property, this is accounted for as an asset purchase and not as a business combination on the basis that the asset(s) purchased do not constitute a business. Asset purchases are accounted for as additions to property, plant and equipment.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

### 1 Material accounting policies *(continued)*

#### (iv) Basis of consolidation *(continued)*

##### **Subsidiaries**

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated.

##### **(v) Revenue recognition**

Revenue represents sales (excluding VAT) of goods and services net of discounts provided in the normal course of business and is recognised when services have been rendered.

Revenue is derived from hotel operations and includes the rental of rooms, food and beverage sales, car park revenue and leisure centre membership in leased and owned hotels operated by the Group. Revenue is recognised when rooms are occupied and food and beverages are sold. Car park revenue is recognised when the service is provided. Leisure centre membership revenue is recognised over the life of the membership.

Management fees are earned from hotels managed by the Group. Management fees are normally a percentage of hotel revenue and/or profit and are recognised when earned and recoverable under the terms of the management agreement. Management fee income is included within other income.

Rental income from investment property is recognised on a straight-line basis over the term of the lease and is included within other income.

##### **(vi) Sales discounts and allowances**

The Group recognises revenue on a gross revenue basis and makes various deductions to arrive at net revenue as reported in profit or loss. These adjustments are referred to as sales discounts and allowances.

##### **(vii) Leases**

At inception of a lease contract, the Group assesses whether a contract is, or contains, a lease. If the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration, it is recognised as a lease.

To assess the right to control, the Group assesses whether:

- the contract involves the use of an identified asset;
- the Group has the right to obtain substantially all of the economic benefits from the use of the asset; and
- the Group has the right to direct the use of the asset.

A lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. The Group uses its incremental borrowing rate as the discount rate, which is defined as the estimated rate of interest that the lessee would have to pay to borrow, over a similar term and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The incremental borrowing rate is calculated for each individual lease.

The estimated incremental borrowing rate for each leased asset is derived from country-specific risk-free interest rates over the relevant lease term, adjusted for the finance margin attainable by each lessee and asset-specific adjustments designed to reflect the underlying asset's location and condition.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments (including in-substance fixed payments) less any lease incentives receivable;
- variable lease costs that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee;
- the exercise price under a purchase option that the Group is reasonably certain to exercise; and
- penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

Variable lease costs linked to future performance or use of an underlying asset are excluded from the measurement of the lease liability and the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in administrative expenses in profit or loss.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (*continued*)

### 1 Material accounting policies (*continued*)

#### (vii) Leases (*continued*)

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect lease payments.

The Group remeasures the lease liability where lease payments change due to changes in an index or rate, changes in expected lease term or where a lease contract is modified. When the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of any costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset, or a component thereof, or the end of the lease term. Right-of-use assets are reviewed on an annual basis or whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. The Group applies IAS 36 *Impairment of Assets* to determine whether a cash-generating unit with a right-of-use asset is impaired and accounts for any identified impairments through profit or loss. The right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability. The Group also applies IAS 36 *Impairment of Assets* to any cash-generating units, which have right-of-use assets which were previously impaired, to assess whether previous impairments should be reversed. A reversal of a previous impairment charge is accounted for through profit or loss and only increases the carrying amount of the right-of-use asset to a maximum of what it would have been if the original impairment charges had not been recognised in the first place.

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases of fixtures, fittings and equipment that have a lease term of 12 months or less and leases of low-value assets. Assets are considered low value if the value of the asset when new is less than €5,000. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

#### (viii) Share-based payments

The grant date fair value of equity-settled share-based payment awards and options granted to employees is recognised as an expense, with a corresponding increase in equity, over the vesting period of the awards and options.

This incorporates the effect of market-based conditions, where applicable, and the estimated fair value of equity-settled share-based payment awards issued with non-market performance conditions.

The amount recognised as an expense is adjusted to reflect the number of awards and options for which the related service and any non-market performance conditions are expected to be met, such that the amount ultimately recognised is based on the number of awards that met the related service and non-market performance conditions at the vesting date. The amount recognised as an expense is not adjusted for market conditions not being met.

On vesting of the equity-settled share-based payment awards and options, the cumulative expense recognised in the share-based payment reserve is transferred directly to retained earnings. An increase in ordinary share capital and share premium, in the case where the price paid per share is higher than the cost per share, is recognised reflecting the issuance of shares as a result of the vesting of the awards and options.

The dilutive effect of outstanding awards is reflected as additional share dilution in calculating diluted earnings per share.

#### (ix) Tax

Tax charge or credit comprises current and deferred tax. Tax charge or credit is recognised in profit or loss except to the extent that it relates to a business combination or items recognised directly in other comprehensive income or equity.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year using tax rates enacted or substantively enacted at the reporting date and any adjustment to tax payable in respect of previous years.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (*continued*)

### 1 Material accounting policies (*continued*)

#### (ix) Tax (*continued*)

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and amounts used for taxation purposes except for the initial recognition of goodwill and other assets and liabilities that do not affect accounting profit or taxable profit at the date of recognition and at the time of the transaction, do not give rise to taxable and deductible temporary differences.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

Deferred tax liabilities are recognised where the carrying value of land and buildings for financial reporting purposes is greater than their tax cost base.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable future taxable profits will be available against which the temporary difference can be utilised.

Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised. Such reductions are reversed when the probability of future taxable profits improves.

#### (x) Earnings per share ('EPS')

Basic earnings per share is calculated based on the profit or loss for the year attributable to owners of the Company and the basic weighted average number of shares outstanding. Diluted earnings per share is calculated based on the profit or loss for the year attributable to owners of the Company and the diluted weighted average number of shares and potential shares outstanding.

Shares are only treated as dilutive if their dilution results in a decreased earnings per share or increased loss per share.

Dilutive effects arise from share-based payments that are settled in shares. Conditional share awards to employees have a dilutive effect when the average share price during the period exceeds the exercise price of the awards and the market or non-market conditions of the awards are met, as if the current period end were the end of the vesting period. When calculating the dilutive effect, the exercise price is adjusted by the value of future services that have yet to be received related to the awards.

#### (xi) Property, plant and equipment

Land and buildings are initially stated at cost, including directly attributable transaction costs, (or fair value when acquired through business combinations) and subsequently at fair value.

Assets under construction include sites where new hotels are currently being developed and significant development projects at hotels which are currently operational. These sites and the capital investment made are recorded at cost. Borrowing costs incurred in the construction of major assets or development projects which take a substantial period of time to complete are capitalised in the financial period in which they are incurred. Capitalisation of interest is suspended when an active development is delayed over an extended period and where costs are not deemed recoverable. Once construction is complete and the hotel is operating, the assets will be transferred to land and buildings and fixtures, fittings and equipment at cost. The land and buildings element will subsequently be measured at fair value. Depreciation will commence when the assets are available for use.

Fixtures, fittings and equipment are stated at cost, less accumulated depreciation and any impairment provision.

Cost includes expenditure that is directly attributable to the acquisition of property, plant and equipment unless it is acquired as part of a business combination under IFRS 3 *Business Combinations*, where the deemed cost is its acquisition date fair value. In the application of the Group's accounting policy, judgement is exercised by management in the determination of fair value of land and buildings at each reporting date, residual values and useful lives.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (*continued*)

### 1 Material accounting policies (*continued*)

#### (xi) Property, plant and equipment (*continued*)

Depreciation is charged through profit or loss on the cost or valuation less residual value on a straight-line basis over the estimated useful lives of the assets which are as follows:

Buildings	50 years
Fixtures, fittings and equipment	3 – 15 years

Land is not depreciated.

Residual values and useful lives are reviewed and adjusted if appropriate at each reporting date.

Land and buildings are revalued by qualified valuers on a sufficiently regular basis using open market value (which reflects a highest and best-use basis) so that the carrying value of an asset does not materially differ from its fair value at the reporting date. External revaluations of the Group's land and buildings have been carried out in accordance with the Royal Institution of Chartered Surveyors (RICS) Valuation Standards and IFRS 13 *Fair Value Measurement*.

Surpluses on revaluation are recognised in other comprehensive income and accumulated in equity in the revaluation reserve, except to the extent that they reverse impairment losses previously charged to profit or loss, in which case the reversal is recorded in profit or loss. Decreases in value are charged against other comprehensive income and the revaluation reserve to the extent that a previous gain has been recorded there and thereafter are charged through profit or loss. Prior to the disposal of any land and building, or reclassification as held for sale, a property asset is revalued. Any carried forward revaluation surplus is transferred to retained earnings in other comprehensive income on the completion of the disposal of the property asset.

Fixtures, fittings and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. Assets that do not generate independent cash flows are combined into cash-generating units. If carrying values exceed estimated recoverable amounts, the assets or cash-generating units are written down to their recoverable amount. Recoverable amount is the greater of fair value less costs to sell and VIU. VIU is assessed based on estimated future cash flows discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset.

The Group also applies IAS 36 *Impairment of Assets* to any cash-generating units, with fixtures, fittings and equipment which were previously impaired and which are not revalued, to assess whether previous impairments should be reversed. A reversal of a previous impairment charge is accounted for through profit or loss and only increases the carrying amount of the fixtures, fittings and equipment to a maximum of what it would have been if the original impairment charges had not been recognised in the first place.

#### (xii) Investment property

Investment property is held either to earn rental income, or for capital appreciation, or for both, but not for sale in the ordinary course of business.

Investment property is initially measured at cost, including transaction costs, (or fair value when acquired through business combinations) and subsequently revalued by professional external valuers at their respective fair values. The difference between the fair value of an investment property at the reporting date and its carrying value prior to the external valuation is recognised in profit or loss.

The Group's investment properties are valued by qualified valuers on an open market value basis in accordance with the Royal Institution of Chartered Surveyors (RICS) Valuation Standards and IFRS 13 *Fair Value Measurement*.

#### (xiii) Goodwill

Goodwill represents the excess of the fair value of the consideration for an acquisition over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the acquiree. Goodwill is the future economic benefits arising from other assets in a business combination that are not individually identified and separately recognised.

Goodwill is measured at its initial carrying amount less accumulated impairment losses. The carrying amount of goodwill is tested annually for impairment, or more frequently if events or changes in circumstances indicate that it might be impaired. For the purposes of impairment testing, assets are grouped together into the smallest group of assets that generate cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the 'cash-generating unit').

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

### 1 Material accounting policies *(continued)*

#### **(xiii) Goodwill** *(continued)*

The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to cash-generating units that are expected to benefit from the synergies of the combination.

The recoverable amount of a cash-generating unit is the greater of its VIU and its fair value less costs to sell. In assessing VIU, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects a current market assessment of the time value of money and the risks specific to the asset.

An impairment loss is recognised in profit or loss if the carrying amount of a cash-generating unit exceeds its estimated recoverable amount. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the units on a pro-rata basis. Impairment losses of goodwill are not reversed once recognised.

The impairment testing process requires management to make significant judgements and estimates regarding the future cash flows expected to be generated by the cash-generating unit. Management evaluates and updates the judgements and estimates which underpin this process on an ongoing basis.

The impairment methodology and key assumptions used by the Group for testing goodwill for impairment are outlined in notes [10](#) and [12](#).

The assumptions and conditions for determining impairment of goodwill reflect management's best estimates and judgements, but these items involve significant inherent uncertainties, many of which are not under the control of management. As a result, accounting for such items could result in different estimates or amounts if management used different assumptions or if different conditions occur in the future.

#### **(xiv) Intangible assets other than goodwill**

An intangible asset is only recognised where the item lacks a physical presence, is identifiable, non-monetary, controlled by the Group and expected to provide future economic benefits to the Group.

Intangible assets are measured at cost (or fair value when acquired through business combinations), less accumulated amortisation and impairment losses.

Intangible assets are amortised over the period of their expected useful lives by charging equal annual instalments to profit or loss. The useful life used to amortise intangible assets relates to the future performance of the asset and management's judgement as to the period over which economic benefits will be derived from the asset.

#### **(xv) Inventories**

Inventories are stated at the lower of cost (using the first-in, first-out (FIFO) basis) and net realisable value. Inventories represent assets that are sold in the normal course of business by the Group and consumables.

#### **(xvi) Cash and cash equivalents**

Cash and cash equivalents comprise cash balances and call deposits with original maturities of three months or less, which are carried at amortised cost.

#### **(xvii) Held for sale assets and liabilities**

Assets and related liabilities are classified as held for sale if their carrying value will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met if, the sale is highly probable, the assets and related liabilities are available for immediate sale in their present condition, management is committed to the sale and the sale is expected to be completed within one year from the date of classification.

On initial classification as held for sale, non-current assets are measured at the lower of, their carrying amount and fair value less costs to sell. Any land and buildings revaluation gain/loss immediately prior to reclassification as held for sale is measured in accordance with the land and buildings revaluation policy.

#### **(xviii) Trade and other receivables**

Trade and other receivables are stated initially at their fair value and subsequently at amortised cost, less any expected credit loss provision. The Group applies the simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. Bad debts are written off to profit or loss on identification.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

### 1 Material accounting policies *(continued)*

#### **(xix) Trade and other payables**

Trade and other payables are initially recorded at fair value, which is usually the original invoiced amount. Fair value for the initial recognition of payroll tax liabilities is the amount payable stated on the payroll submission filed with the tax authorities. Fair value for the initial recognition of VAT liabilities is the net amount of VAT payable to, and recoverable from, the tax authorities. Trade and other payables are subsequently carried at amortised cost using the effective interest method. Liabilities are derecognised when the obligation under the liability is discharged, cancelled or expired.

#### **(xx) Foreign currency**

Transactions in currencies other than the functional currency of a Group entity are recorded at the rate of exchange prevailing on the date of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated into the respective functional currency at the relevant rates of exchange ruling at the reporting date. Foreign exchange differences arising on translation are recognised in profit or loss.

The assets and liabilities of foreign operations are translated into Euro at the exchange rate ruling at the reporting date. The income and expenses of foreign operations are translated into Euro at rates approximating the exchange rates at the dates of the transactions.

Foreign exchange differences arising on the translation of foreign operations are recognised in other comprehensive income and are included in the translation reserve within equity.

#### **(xxi) Provisions and contingent liabilities**

A provision is recognised in the statement of financial position when the Group has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

The provision in respect of self-insured risks includes projected settlements for known claims and incurred but not reported claims.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of an outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events, are also disclosed as contingent liabilities unless the probability of an outflow of economic benefits is remote.

#### **(xxii) Ordinary shares**

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of ordinary shares are recognised as a deduction from equity, net of any tax effects. Merger relief is availed of by the Group where possible. Repurchased shares are classified as treasury shares and are presented in the treasury share reserve. Repurchase of the Company's own equity instruments is recognised and deducted from equity with a transfer between the treasury share reserve and retained earnings when they are cancelled. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments. When treasury shares are sold or reissued subsequently, the amount received is recognised as an increase in equity and the resulting surplus or deficit on the transaction is presented within share premium.

#### **(xxiii) Loans and borrowings**

Bank loans and private placement notes are recognised initially at the fair value of the consideration received, less directly attributable transaction costs. Subsequent to initial recognition, bank loans and private placement notes are stated at amortised cost with any difference between cost and redemption value being recognised in profit or loss over the period of the bank loans and private placement loan notes on an effective interest rate basis. Commitment fees incurred in connection with bank loans are expensed as incurred to profit or loss.

#### **(xxiv) Net finance costs**

Finance costs comprise interest expense on bank loans, private placement notes and related financial instruments, commitment fees and other costs relating to financing of the Group.

Interest expense on bank loans and private placement notes are recognised using the effective interest method. The effective interest rate of a financial liability is calculated on initial recognition of a financial liability. In calculating interest expense, the effective interest rate is applied to the amortised cost of the liability.



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

### 1 Material accounting policies *(continued)*

#### **(xxiv) Net finance costs** *(continued)*

If a financial liability is deemed to be non-substantially modified (less than 10 percent different) (see policy (xxv)), the amortised cost of the liability is recalculated by discounting the modified cash flows at the original effective interest rate and the resulting modification gain or loss is recognised in finance costs in profit or loss. For floating-rate financial liabilities, the original effective interest rate is adjusted to reflect the current market terms at the time of the modification.

If a financial liability is deemed to be substantially modified (more than 10 percent different) (see policy (xxv)), the difference between the carrying amount of the financial liability derecognised and consideration paid is recognised as a modification gain/loss in finance costs in profit or loss. Any costs in relation to the new financial liability are recognised as part of this modification gain/loss in finance costs in profit or loss.

Finance costs incurred for qualifying assets, which take a substantial period of time to construct, are added to the cost of the asset during the period of time required to complete and prepare the asset for its intended use or sale. The Group uses two capitalisation rates being the Euro and Sterling weighted average interest rates of borrowings and loan notes, including the impact of hedging if any, which are applied to qualifying assets based on the currency of their geographic jurisdiction. Capitalisation commences on the date on which the Group undertakes activities that are necessary to prepare the asset for its intended use. Capitalisation of borrowing costs ceases when the asset is ready for its intended use and is suspended when an active development is delayed over an extended period.

Finance costs also include interest on lease liabilities.

#### **(xxv) Derecognition of financial liabilities**

The Group removes a financial liability from its statement of financial position when it is extinguished (when its contractual obligations are discharged, cancelled, or expire).

The Group also derecognises a financial liability when the terms and the cash flows of a modified liability are substantially different. The terms are substantially different if the discounted present value of the cash flows under the new terms, discounted using the original effective interest rate, including any fees paid to lenders net of any fees received, is at least 10 percent different from the discounted present value of the remaining cash flows of the original financial liability, discounted at the original effective interest rate, (the '10% test'). In addition, a qualitative assessment is carried out of the new terms in the new facility agreement to determine whether there is a substantial modification.

If the financial liability is deemed substantially modified, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability derecognised and consideration paid is recognised in profit or loss. Any costs in relation to the new financial liability are recognised in profit or loss.

If the financial liability is deemed non-substantially modified, the amortised cost of the liability is recalculated by discounting the modified cash flows at the original effective interest rate and the resulting modification gain or loss is recognised in profit or loss. Any costs and fees directly attributable to the modified financial liability are recognised as an adjustment to the carrying amount of the modified financial liability and amortised over its remaining term by re-computing the effective interest rate on the instrument.

#### **(xxvi) Derivative financial instruments**

The Group's borrowings expose it to the financial risks of changes in interest rates. The Group uses derivative financial instruments such as interest rate swap agreements to hedge these exposures. Interest rate swaps convert part of the Group's borrowings from floating to fixed interest rates. The Group does not use derivatives for trading or speculative purposes.

Derivative financial instruments are recognised at fair value on the effective date of the derivative contract plus directly attributable transaction costs and are subsequently re-measured at fair value. Derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative.

The full fair value of a hedging derivative is classified as a non-current asset or non-current liability if the remaining maturity of the hedging instrument is more than twelve months and as a current asset or current liability if the remaining maturity of the hedging instrument is less than twelve months.

The fair value of derivative instruments is determined by using valuation techniques. The Group uses its judgement to select the most appropriate valuation methods and makes assumptions that are mainly based on observable market conditions (Level 2 fair values) existing at the reporting date.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (*continued*)

### 1 Material accounting policies (*continued*)

#### (xxvi) Derivative financial instruments (*continued*)

The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged.

#### (xxvii) Cash flow hedge accounting

Cash flow hedge accounting is applied in accordance with IFRS 9 *Financial Instruments*. For those derivatives designated as cash flow hedges and for which hedge accounting is desired, the hedging relationship is documented at its inception. This documentation identifies the hedging instrument, the hedged item or transaction, the nature of the risk being hedged and its risk management objectives and strategy for undertaking the hedging transaction. The Group also documents its assessment, both at hedge inception and on a semi-annual basis, of whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in cash flows of hedged items.

Where a derivative financial instrument is designated as a hedge of the variability in cash flows of a recognised asset or liability, the effective part of any gain or loss on the derivative financial instrument is recognised in other comprehensive income and accumulated in equity in the hedging reserve. Any ineffective portion is recognised immediately in profit or loss as finance income or costs. The amount accumulated in equity is retained in other comprehensive income and reclassified to profit or loss in the same period or periods during which the hedged item affects profit or loss.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, exercised, or no longer qualifies for hedge accounting or the designation is revoked. At that point in time, any cumulative gain or loss on the hedging instrument recognised in equity remains in equity and is recognised when the forecast transaction is ultimately recognised in profit or loss. However, if a hedged transaction is no longer anticipated to occur, the net cumulative gain or loss accumulated in equity is reclassified to profit or loss.

#### (xxviii) Net investment hedges

Where relevant, the Group uses a net investment hedge, whereby the foreign currency exposure arising from a net investment in a foreign operation is hedged using borrowings held by a Group entity and loan notes issued by the Group that is denominated in the functional currency of the foreign operation.

Foreign currency differences arising on the retranslation of a financial liability designated as a hedge of a net investment in a foreign operation are recognised directly in other comprehensive income in the foreign currency translation reserve, to the extent that the hedge is effective. To the extent that the hedge is ineffective, such differences are recognised in profit or loss. When the hedged part of a net investment is disposed of, the associated cumulative amount in equity is reclassified to profit or loss.

#### (xxix) Adjusting items

Consistent with how business performance is measured and managed internally, the Group reports both statutory measures prepared under IFRS and certain alternative performance measures ('APMs') that are not required under IFRS. These APMs are sometimes referred to as 'non-GAAP' measures and include, amongst others, Adjusted EBITDA, Free Cashflow per Share, and Adjusted EPS.

The Group believes that the presentation of these APMs provides useful supplemental information which, when viewed in conjunction with the financial information presented under IFRS, provides stakeholders with a meaningful understanding of the underlying financial and operating performance of the Group.

Adjusted measures of profitability represent the equivalent IFRS measures adjusted to show the underlying operating performance of the Group and exclude items which are not reflective of normal trading activities or distort comparability either year on year or with other similar businesses.

### 2 Operating segments

The Group's segments are reported in accordance with IFRS 8 *Operating Segments*. The segment information is reported in the same way as it is reviewed and analysed internally by the chief operating decision makers, primarily, the Executive Directors.

The Group segments its leased and owned business by geographical region within which the hotels operate being Dublin, Regional Ireland, the UK and Continental Europe. These comprise the Group's four reportable segments.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

### 2 Operating segments *(continued)*

#### Dublin, Regional Ireland, the UK and Continental Europe segments

These segments are concerned with hotels that are either owned or leased by the Group. As at 31 December 2024, the owned portfolio consists of 31 hotels which it operates (31 December 2023: 31 hotels) and includes hotels for which the Group has majority or effective ownership. The Group also leases 22 hotel buildings from property owners (31 December 2023: 19 hotels) and is entitled to the benefits and carries the risks associated with operating these hotels.

The Group's revenue from leased and owned hotels is primarily derived from room sales and food and beverage sales in restaurants, bars and banqueting. The main costs arising are payroll, cost of goods for resale, commissions paid on room sales, utilities, other operating costs, and, in the case of leased hotels, variable lease costs (where linked to turnover or profit) payable to lessors.

	2024 €'000	2023 €'000
<b>Revenue</b>		
Dublin	<b>283,793</b>	286,130
Regional Ireland	<b>110,474</b>	112,317
UK	<b>220,813</b>	186,292
Continental Europe	<b>37,110</b>	22,959
<b>Total revenue</b>	<b>652,190</b>	607,698

Segmental revenue for each of the geographical locations represents the operating revenue (room revenue, food and beverage revenue and other hotel revenue) from leased and owned hotels situated in the Group's four reportable segments.

In November 2024, the Group disposed of Maldron Hotel, Wexford ([note 13](#)) and contracts were also exchanged for the sale of Clayton Whites Hotel, Wexford. This property was classified as held for sale at 31 December 2024 ([note 18](#)). Both hotels form part of the Regional Ireland segment.

The year ended 31 December 2024 saw the Group trade strongly and continue the execution of its growth strategy. The strong trade, the full year impact of hotels added during 2023 and the addition of four hotels during 2024 has led to an increase in Group revenue from hotel operations from €607.7 million to €652.2 million.

	2024 €'000	2023 €'000
<b>Segmental results – EBITDAR (APM (iv))</b>		
Dublin	<b>132,308</b>	135,883
Regional Ireland	<b>34,990</b>	37,018
UK	<b>80,965</b>	71,658
Continental Europe	<b>11,274</b>	7,707
<b>EBITDAR for reportable segments</b>	<b>259,537</b>	252,266
<b>Segmental results – EBITDA</b>		
Dublin	<b>130,233</b>	133,750
Regional Ireland	<b>34,856</b>	36,889
UK	<b>80,627</b>	71,082
Continental Europe	<b>11,177</b>	6,915
<b>EBITDA for reportable segments</b>	<b>256,893</b>	248,636

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

### 2 Operating segments *(continued)*

	2024 €'000	2023 €'000
<b>Reconciliation to results for the year</b>		
Segmental results – EBITDA	256,893	248,636
Other income	1,447	1,484
Central costs	(20,272)	(21,102)
Share-based payments expense	(3,615)	(5,910)
<b>Adjusted EBITDA</b>	<b>234,453</b>	<b>223,108</b>
<b>Adjusting items</b>		
Impairment charge relating to investment property	(96)	-
Impairment (charge)/reversal relating to property, plant and equipment through profit and loss	(1,322)	2,025
Impairment reversal relating to right-of-use assets	1,719	-
Hotel pre-opening expenses	(1,895)	(497)
Acquisition-related costs	(1,106)	(4,389)
<b>Group EBITDA</b>	<b>231,753</b>	<b>220,247</b>
Depreciation of property, plant and equipment	(39,316)	(32,791)
Depreciation of right-of-use assets	(33,727)	(30,663)
Amortisation of intangible assets	(252)	(650)
Interest on lease liabilities	(49,487)	(42,751)
Other net interest and finance costs	(17,733)	(7,860)
<b>Profit before tax</b>	<b>91,238</b>	<b>105,532</b>
Tax charge	(12,497)	(15,310)
<b>Profit for the year attributable to owners of the Company</b>	<b>78,741</b>	<b>90,222</b>

Group EBITDA represents earnings before interest on lease liabilities, other interest and finance costs, tax, depreciation of property, plant and equipment and right-of-use assets and amortisation of intangible assets.

Adjusted EBITDA is presented as an alternative performance measure to show the underlying operating performance of the Group excluding items which are not reflective of normal trading activities or distort comparability either year on year or with other similar businesses. Consequently, Adjusted EBITDA represents Group EBITDA before:

- Impairment reversal relating to right-of-use assets ([note 14](#));
- Impairment charge/(reversal) relating to property, plant and equipment through profit and loss ([note 13](#));
- Impairment charge relating to investment property;
- Hotel pre-opening expenses, which relate primarily to payroll expenses, sales and marketing costs and training costs of new staff, that are incurred by the Group in advance of new hotel openings ([note 4](#)); and
- Acquisition-related costs ([note 4](#)).

The line item 'central costs' includes costs of the Group's central functions including operations support, technology, sales and marketing, human resources, finance, corporate services and business development. Also included in central costs is the present value discounting of insurance provisions of €0.1 million (2023: unwinding of the discount on insurance provisions of €0.3 million) and the net reversal of prior period insurance provisions of €1.0 million (2023: €0.9 million) ([note 21](#)). Share-based payments expense is presented separately from central costs as this expense relates to employees across the Group ([note 7](#)).

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

### 2 Operating segments *(continued)*

'Segmental results – EBITDA' for Dublin, Regional Ireland, the UK and Continental Europe represents the 'Adjusted EBITDA' for each geographical location before central costs, share-based payments expense and other income. It is the net operational contribution of leased and owned hotels in each geographical location.

'Segmental results – EBITDAR' for Dublin, Regional Ireland, the UK and Continental Europe represents 'Segmental results – EBITDA' before variable lease costs ([note 30](#)).

#### Disaggregated revenue information

Disaggregated segmental revenue is reported in the same way as it is reviewed and analysed internally by the chief operating decision makers, primarily, the Executive Directors. The key components of revenue reviewed by the chief operating decision makers are:

- Room revenue which relates to the rental of rooms in each hotel. Revenue is recognised when the hotel room is occupied, and the service is provided;
- Food and beverage revenue which relates to sales of food and beverages at the hotel property. Revenue is recognised at the point of sale; and
- Other revenue includes revenue from leisure centres, car parks, meeting room hire and other revenue sources at the hotels. Leisure centre revenue is recognised over the life of the membership while the other items are recognised when the service is provided.

	2024 €'000	2023 €'000
<b>Revenue review by segment – Dublin</b>		
Room revenue	<b>214,644</b>	216,948
Food and beverage revenue	<b>51,938</b>	51,263
Other revenue	<b>17,211</b>	17,919
<b>Total revenue</b>	<b>283,793</b>	286,130

	2024 €'000	2023 €'000
<b>Revenue review by segment – Regional Ireland</b>		
Room revenue	<b>72,610</b>	73,218
Food and beverage revenue	<b>29,022</b>	30,336
Other revenue	<b>8,842</b>	8,763
<b>Total revenue</b>	<b>110,474</b>	112,317

	2024 €'000	2023 €'000
<b>Revenue review by segment – UK</b>		
Room revenue	<b>176,996</b>	146,584
Food and beverage revenue	<b>34,394</b>	30,491
Other revenue	<b>9,423</b>	9,217
<b>Total revenue</b>	<b>220,813</b>	186,292

	2024 €'000	2023 €'000
<b>Revenue review by segment – Continental Europe</b>		
Room revenue	<b>26,989</b>	16,353
Food and beverage revenue	<b>8,596</b>	4,935
Other revenue	<b>1,525</b>	1,671
<b>Total revenue</b>	<b>37,110</b>	22,959

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

### 2 Operating segments *(continued)*

#### Other geographical information

	2024				2023			
	Republic of Ireland €'000	UK €'000	Continental Europe €'000	Total €'000	Republic of Ireland €'000	UK €'000	Continental Europe €'000	Total €'000
<b>Revenue</b>								
Owned hotels	275,148	108,189	-	383,337	276,188	92,682	-	368,870
Leased hotels	119,119	112,624	37,110	268,853	122,259	93,610	22,959	238,828
<b>Total revenue</b>	<b>394,267</b>	<b>220,813</b>	<b>37,110</b>	<b>652,190</b>	<b>398,447</b>	<b>186,292</b>	<b>22,959</b>	<b>607,698</b>

	2024				2023			
	Republic of Ireland €'000	UK €'000	Continental Europe €'000	Total €'000	Republic of Ireland €'000	UK €'000	Continental Europe €'000	Total €'000
<b>EBITDAR</b>								
Owned hotels	116,036	41,761	-	157,797	118,632	37,284	-	155,916
Leased hotels	51,262	39,204	11,274	101,740	54,269	34,374	7,707	96,350
<b>Total EBITDAR</b>	<b>167,298</b>	<b>80,965</b>	<b>11,274</b>	<b>259,537</b>	<b>172,901</b>	<b>71,658</b>	<b>7,707</b>	<b>252,266</b>

	2024				2023			
	Republic of Ireland €'000	UK €'000	Continental Europe €'000	Total €'000	Republic of Ireland €'000	UK €'000	Continental Europe €'000	Total €'000
<b>Other information</b>								
Variable lease costs	2,209	338	97	2,644	2,262	576	792	3,630
Depreciation of property, plant and equipment	22,149	15,406	1,761	39,316	20,500	11,732	559	32,791
Depreciation of right-of-use assets	16,250	13,065	4,412	33,727	16,036	11,225	3,402	30,663
Interest on lease liabilities	17,651	25,356	6,480	49,487	17,797	21,048	3,906	42,751

#### Assets and liabilities

	2024				2023			
	Republic of Ireland €'000	UK €'000	Continental Europe €'000	Total €'000	Republic of Ireland €'000	UK €'000	Continental Europe €'000	Total €'000
<b>Assets</b>								
Intangible assets and goodwill	17,848	12,376	23,425	53,649	18,826	11,823	23,425	54,074
Property, plant and equipment	1,084,417	620,101	6,456	1,710,974	1,100,355	577,936	6,540	1,684,831
Right-of-use assets	280,868	401,597	77,686	760,151	296,774	306,381	82,038	685,193
Investment property	1,150	368	-	1,518	1,625	396	-	2,021
Other non-current receivables	7,362	-	-	7,362	3,287	3,131	-	6,418
Other current assets	37,903	30,515	4,760	73,178	35,033	23,388	6,415	64,836
Assets held for sale	20,717	-	-	20,717	-	-	-	-

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

### 2 Operating segments *(continued)*

#### Assets and liabilities *(continued)*

	2024				2023			
	Republic of Ireland €'000	UK €'000	Continental Europe €'000	Total €'000	Republic of Ireland €'000	UK €'000	Continental Europe €'000	Total €'000
<b>Total assets excluding derivatives and deferred tax assets</b>	<b>1,450,265</b>	<b>1,064,957</b>	<b>112,327</b>	<b>2,627,549</b>	1,455,900	923,055	118,418	2,497,373
Derivative assets				-				6,521
Deferred tax assets				<b>33,100</b>				24,136
<b>Total assets</b>				<b>2,660,649</b>				2,528,030
<b>Liabilities</b>								
Bank loans and private placement notes	<b>186,379</b>	<b>85,005</b>	-	<b>271,384</b>	4,000	250,387	-	254,387
Lease liabilities	<b>291,699</b>	<b>401,276</b>	<b>85,583</b>	<b>778,558</b>	300,157	310,697	87,744	698,598
Trade and other payables	<b>56,780</b>	<b>27,756</b>	<b>4,135</b>	<b>88,671</b>	55,063	24,985	6,349	86,397
<b>Total liabilities excluding derivatives, provision for liabilities and tax liabilities</b>	<b>534,858</b>	<b>514,037</b>	<b>89,718</b>	<b>1,138,613</b>	359,220	586,069	94,093	1,039,382
Provision for liabilities				<b>8,048</b>				8,611
Current tax liabilities				<b>1,576</b>				2,659
Deferred tax liabilities				<b>92,763</b>				84,441
Derivative liabilities				<b>244</b>				-
<b>Total liabilities</b>				<b>1,241,244</b>				1,135,093
<b>Revaluation reserve</b>	<b>390,606</b>	<b>77,999</b>	-	<b>468,605</b>	386,450	74,731	-	461,181

The above information on assets, liabilities and revaluation reserve is presented by region as it does not form part of the segmental information routinely reviewed by the chief operating decision makers.

Bank loans and private placement notes are categorised according to their underlying currency ([note 22](#)).

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

### 3 Statutory and other information

	2024	2023
	€'000	€'000
Depreciation of property, plant and equipment	39,316	32,791
Depreciation of right-of-use assets	33,727	30,663
Variable lease costs: land and buildings	2,644	3,630
Hotel pre-opening expenses	1,895	497

Hotel pre-opening expenses relate to costs incurred by the Group in advance of opening new hotels. In 2024, this related to four new hotels that opened throughout 2024. In 2023, this related to Maldron Hotel Finsbury Park, London, which opened during 2023. These costs primarily relate to payroll expenses, sales and marketing costs and training costs of new staff.

Variable lease costs relate to lease payments linked to performance which are excluded from the measurement of lease liabilities as they are not related to an index or rate or are not considered fixed payments in substance.

	2024	2023
	€'000	€'000
Audit of Group, Company and subsidiary financial statements	500	470
Other assurance services	362	32
Other non-audit services	37	37
	899	539

Auditor's remuneration for the audit of the Company financial statements was €20,000 (2023: €20,000). Other assurance services primarily relate to the Sustainability Statement and the review of the interim condensed consolidated financial statements.

#### Directors' remuneration

	2024	2023
	€'000	€'000
Salary and other emoluments	2,710	3,575
Gain on vesting of share-based awards	1,040	230
Fees	552	496
Pension costs – defined contribution	74	72
Transactions with past directors	492	225
	4,868	4,598

Transactions with past directors in 2024 relate to gains associated with the shares issued on vesting of awards under the 2021 LTIP scheme (2023: gains on vesting of awards under the 2020 LTIP). The gain on vesting of share-based awards represents the difference between the quoted share price per ordinary share and the exercise price on the vesting date ([note 8](#)) for all current directors.

Details of the directors' remuneration, interests in conditional share awards and compensation of former directors are set out in the Remuneration Committee report.



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

### 4 Administrative expenses

	2024	2023
	€'000	€'000
Administrative wages and salaries	76,500	69,178
Depreciation and amortisation ( <a href="#">note 12,13,14</a> )	73,295	64,104
Other administrative expenses	61,405	56,977
Utilities – electricity and gas	24,762	27,783
Commercial rates	16,016	14,924
Variable lease costs ( <a href="#">note 14</a> )	2,644	3,630
Hotel pre-opening expenses	1,895	497
Impairment charge/(reversal) relating to property, plant and equipment through profit and loss ( <a href="#">note 13</a> )	1,322	(2,025)
Acquisition-related costs	1,106	4,389
Impairment charge relating to investment property	96	-
Impairment reversal relating to right-of-use assets ( <a href="#">note 14</a> )	(1,719)	-
Reversal of prior period insurance provisions ( <a href="#">note 21</a> )	(990)	(927)
	<b>256,332</b>	<b>238,530</b>

Other administrative expenses include costs related to marketing, commissions and general administration.

### 5 Other income

	2024	2023
	€'000	€'000
Income from managed hotels	1,063	1,099
Rental income from investment property	384	385
	<b>1,447</b>	<b>1,484</b>

Income from managed hotels represents the fees and other income earned from services provided in relation to partner hotels which are not owned or leased by the Group.

Rental income from investment property relates to the following properties:

- Two commercial properties which are leased to third parties for lease terms of 25 and 30 years;
- A sub-lease of part of Clayton Hotel Cardiff, which is leased to a third party for a lease term of 20 years, with 8 years remaining at 31 December 2024; and
- A sub-lease of part of Clayton Hotel Düsseldorf, which is leased to a third party for a rolling lease term.

The carrying value of the investment properties at 31 December 2024 is €1.5 million (2023: €2.0 million). The movement during the year is primarily due to the reclassification of investment property adjacent to Clayton Whites Hotel, Wexford which has been classified as held for sale at 31 December 2024 ([note 18](#)).

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

### 6 Net finance costs

	2024	2023
	€'000	€'000
Finance income	(138)	-
<b>Finance income</b>	<b>(138)</b>	<b>-</b>
Interest on lease liabilities ( <a href="#">note 14</a> )	49,487	42,751
Interest expense on bank loans	16,736	15,665
Cash flow hedges – reclassified from other comprehensive income	(7,688)	(6,949)
Interest on private placement notes	1,597	-
Modification loss	7,525	-
Other finance costs	1,232	1,332
Net foreign exchange gain on financing activities	(865)	(180)
Interest capitalised to property, plant and equipment ( <a href="#">note 13</a> )	(666)	(2,008)
<b>Finance costs</b>	<b>67,358</b>	<b>50,611</b>
<b>Net finance costs</b>	<b>67,220</b>	<b>50,611</b>

In October 2024, the Group successfully completed a refinancing of its existing banking facilities to provide a €475 million multicurrency loan facility consisting of a €100.0 million green term loan and €375.0 million revolving credit facility for a five-year term to 9 October 2029, with two options to extend by a year. As a result, the Group assessed whether the discounted cash flows under the new facility discounted at the old effective interest rate were substantially different from the discounted cash flows under the original facility. Based on this assessment, the bank loans were deemed to be substantially modified which resulted in a modification loss of €7.5 million, which is inclusive of €4.8 million of costs relating to the new facility, being recognised in profit or loss during the year ended 31 December 2024 ([note 22](#)).

The Group also completed the issuance of €124.7 million of green private placement loan notes to institutional investors for terms of five and seven years. Costs in relation to the private placement are included in the carrying value of the loans notes and are amortised over the terms of the loan notes at the effective interest rate ([note 22](#)). The private placement notes carry a fixed coupon rate. However, where the Group's Net Debt to EBITDA after rent, calculated in line with borrowing covenants, exceeds certain ratchet levels, varying premiums are added to the coupon rate depending on the ratchet level.

The Group uses interest rate swaps to convert the interest rate on part of its bank loans from floating rate to fixed rate ([note 23](#)). The cash flow hedge amount reclassified from other comprehensive income is shown separately within finance costs and primarily represents the additional interest received by the Group as a result of the interest rate swaps. The Group's interest rate swaps, which hedged the interest rate on the previously drawn sterling term loan of £176.5 million, matured in October 2024. As a result of the refinancing in October 2024, the Group entered into new interest rate swaps to hedge the variable interest rate on the new term loan for four years to October 2028 ([note 23](#)). Margins on the Group's bank loans are set with reference to the Net Debt to EBITDA after rent covenant levels and ratchet up or down accordingly.

Other finance costs include commitment fees and other banking and professional fees. Net foreign exchange gains on financing activities relate principally to loans which did not form part of the net investment hedge ([note 25](#)).

Finance costs incurred for qualifying assets, which take a substantial period of time to construct, are added to the cost of the asset during the period of time required to complete and prepare the asset for its intended use or sale. The Group uses two capitalisation rates being the Euro and Sterling weighted average interest rates of borrowings and loan notes, including the impact of hedging if any, which are applied to qualifying assets based on the currency of their geographic jurisdiction. Capitalisation commences on the date on which the Group undertakes activities that are necessary to prepare the asset for its intended use. Capitalisation of borrowing costs ceases when the asset is ready for its intended use and is suspended when an active development is delayed over an extended period and where costs are not deemed recoverable.

Interest on bank loans and private placement loan notes amounting to €0.7 million was capitalised to assets under construction on the basis that these costs were directly attributable to the construction of qualifying assets ([note 13](#)) (2023: €2.0 million). The capitalisation rates applied by the Group, which were reflective of the weighted average interest cost in respect of sterling denominated borrowings for the relevant capitalisation period, were 3.85% (2023: 3.2%).

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

### 7 Personnel expenses

The average number of persons (full-time equivalents) employed by the Group (including Executive Directors), analysed by category, was as follows:

	2024	2023
Administration	991	886
Other	3,041	3,110
	<b>4,032</b>	3,996

The average number of persons (full-time equivalents) split by geographical region was as follows:

	2024	2023
Dublin (including the Group's central functions)	1,791	1,854
Regional Ireland	939	978
UK	1,096	1,013
Continental Europe	206	151
	<b>4,032</b>	3,996

The aggregate payroll costs of these persons were as follows:

	2024	2023
	€'000	€'000
Wages and salaries	159,680	140,674
Social welfare costs	15,274	14,187
Pension costs – defined contribution	3,310	1,702
Share-based payments expense	3,615	5,910
Severance costs	75	-
	<b>181,954</b>	162,473

Payroll costs of €0.4 million (2023: €0.5 million) relating to the Group's internal development employees were capitalised as these costs are directly related to development, lease and other construction work completed during the year ended 31 December 2024.

### 8 Share-based payments expense

The total share-based payments expense for the Group's employee share schemes charged to profit or loss during the year was €3.6 million (2023: €5.9 million), analysed as follows:

	2024	2023
	€'000	€'000
Long Term Incentive Plans	3,419	5,580
Share Save schemes	196	330
	<b>3,615</b>	5,910

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

### 8 Share-based payments expense *(continued)*

Details of the schemes operated by the Group are set out below:

#### Long Term Incentive Plans

During the year ended 31 December 2024, the Board approved the conditional grant of 1,634,668 ordinary shares ('the Award') pursuant to the terms and conditions of the Group's 2017 Long Term Incentive Plan ('the 2017 LTIP'). The Award was granted to senior employees across the Group (127 in total). Vesting of the Award is based on two independently assessed performance targets, 50% based on Total Shareholder Return ('TSR') and 50% based on Free Cashflow Per Share ('FCPS'). The performance period of this award is 1 January 2024 to 31 December 2026.

Threshold performance for the TSR condition, which is a market-based condition, is a performance measure against a bespoke comparator group of 19 listed peer companies in the travel and leisure sector, with threshold 25% vesting if the Group's TSR over the performance period is ranked at the median compared to the TSR of the comparator group. If the Group's TSR performance is at or above the upper quartile compared to the comparator group, the remaining 75% of the award will vest, with pro-rata vesting on a straight-line basis for performance in between these thresholds.

Threshold performance (25% vesting) for the FCPS condition, which is a non-market-based performance condition, is based on the achievement of FCPS of €0.631, as disclosed in the Group's 2026 audited consolidated financial statements, with 100% vesting for FCPS of €0.771 or greater. The FCPS based awards will vest on a straight-line basis for performance between these points.

Participants are also entitled to receive a dividend equivalent amount in respect of such number of shares as are released. The Remuneration Committee may amend or substitute a subsisting Performance Condition if one or more events occur which cause the Committee to consider that a substituted or amended Performance Condition would be more appropriate and would not be materially less or more difficult to satisfy than the subsisting Performance Condition.

Movements in the number of share awards are as follows:

	2024	2023
	Awards	Awards
Outstanding at the beginning of the year	4,089,901	4,837,170
Granted during the year	1,634,668	1,574,799
Forfeited during the year	(127,780)	(52,901)
Lapsed unvested during the year	-	(1,733,533)
Dividend equivalent	(10,744)	-
Exercised during the year	(1,081,517)	(535,634)
<b>Outstanding at the end of the year</b>	<b>4,504,528</b>	<b>4,089,901</b>

	2024	2023
	Awards	Awards
<b>Grant date</b>		
March 2021	-	1,099,661
March 2022	1,389,631	1,427,175
March 2023	1,498,692	1,540,346
May 2023	22,719	22,719
March 2024	1,593,486	-
<b>Outstanding at the end of the year</b>	<b>4,504,528</b>	<b>4,089,901</b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

### 8 Share-based payments expense *(continued)*

#### Awards vested

During the year ended 31 December 2024, the Company issued 1,092,261 shares on foot of the vesting of awards granted in March 2021 under the terms of the 2017 LTIP, of which 10,744 were dividend equivalents. The shares were issued through the Employee Benefit Trust ([note 19](#)).

The weighted average share price at the date of exercise of these awards was €4.32.

#### Measurement of fair values

The fair value, at the grant date, of the TSR-based conditional share awards was measured using a Monte Carlo simulation model. Non-market-based performance conditions attached to the awards were not taken into account in measuring fair value at the grant date.

The valuation and key assumptions used in the measurement of the fair values of awards at the grant date were as follows:

	March 2024	March 2023	March 2022
Fair value at grant date for TSR-based awards	€2.33	€2.93	€2.60
Fair value at grant date for FCPS-based awards	€4.50	€4.29	€3.89
Share price at grant date	€4.51	€4.30	€3.90
Exercise price	€0.01	€0.01	€0.01
Expected volatility for TSR-based awards	35.04% p.a.	54.83% p.a.	53.0% p.a.
Performance period	3 years	3 years	3 years
Risk-free rate	2.61%	2.78%	(0.31%)

Dividend equivalents accrue on awards that vest up to the time of vesting under the LTIP schemes, and therefore the dividend yield has been set to zero to reflect this. Such dividend equivalents will be released to participants in the form of additional shares on vesting subject to the satisfaction of performance criteria. In the absence of available market-implied and observable volatility, the expected volatility has been estimated based on the historic share price over a three-year period.

All active awards include FCPS-related performance conditions which are non-market-based performance conditions that do not impact the fair value of the award at the grant date, which equals the share price less exercise price. Instead, an estimate is made by the Group as to the number of shares which are expected to vest based on satisfaction of the FCPS-related performance condition, where applicable, and this, together with the fair value of the award at grant date, determines the accounting charge to be spread over the vesting period. The estimate of the number of shares which are expected to vest over the vesting period of the award is reviewed in each reporting period and the accounting charge is adjusted accordingly.

#### Share Save schemes

The Remuneration Committee of the Board of Directors approved the granting of share options under the UK and Ireland Share Save schemes (the 'Schemes') for all eligible employees across the Group from 2019 to 2024. Each Scheme is for three years and employees may choose to purchase shares over the six month period following the end of the three year period at the fixed discounted price set at the start of the three year period.

During the year ended 31 December 2024, two new schemes were granted to ROI and UK employees (no new schemes granted in 2023). 535 employees availed of the ROI Scheme and 259 employees availed of the UK scheme. The share price for the schemes has been set at a 25% discount for Republic of Ireland based employees and 20% for UK based employees in line with the maximum amount permitted under tax legislation in both jurisdictions.

During the year ended 31 December 2024, 2,000 ordinary shares were exercised on maturity of the share options granted as part of the Share Save scheme in 2019. There were also 1,260,587 options exercised on maturity of the share options granted as part of the Share Save scheme in 2020. The weighted average exercise price for options exercised during the year ended 31 December 2024 was €2.35.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

### 8 Share-based payments expense *(continued)*

Movements in the number of share options and the related weighted average exercise price ('WAEP') are as follows:

	2024		2023	
	Options	WAEP € per share	Options	WAEP € per share
Outstanding at the beginning of the year	1,480,299	2.39	1,695,307	2.53
Granted during the year	2,259,760	3.03	-	-
Forfeited during the year	(118,199)	2.73	(167,520)	2.78
Exercised during the year	(1,262,587)	2.26	(47,488)	3.46
<b>Outstanding at the end of the year</b>	<b>2,359,273</b>	<b>2.99</b>	<b>1,480,299</b>	<b>2.39</b>

The weighted average remaining contractual life for the share options outstanding at 31 December 2024 is 3.1 years (31 December 2023: 0.8 years).

### 9 Tax charge

	2024	2023
	€'000	€'000
<b>Current tax</b>		
Irish corporation tax charge	12,686	15,377
Foreign corporation tax charge	-	33
Under/(over) provision in respect of prior years	368	(560)
	<b>13,054</b>	<b>14,850</b>
Deferred tax (credit)/charge ( <a href="#">note 24</a> )	(557)	460
	<b>12,497</b>	<b>15,310</b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

### 9 Tax charge *(continued)*

The tax assessed for the year differs from the standard rate of corporation tax in Ireland for the year. The differences are explained below.

	2024 €'000	2023 €'000
Profit before tax	91,238	105,532
Tax on profit at standard Irish corporation tax rate of 12.5%	11,405	13,192
<b>Effects of:</b>		
Income taxed at a higher rate	832	1,131
Expenses not deductible for tax purposes	393	1,556
Impact of impairments not deductible/(revaluation gains not subject to tax)	161	(108)
Foreign losses taxed at higher rate	(1,424)	(1,137)
Under/(over) provision in respect of current tax in prior periods	368	(560)
Over provision in respect of deferred tax in prior periods	(919)	(893)
Impact of differing rates between current tax and deferred tax	905	991
Other differences	776	1,138
	<b>12,497</b>	<b>15,310</b>

The Group has recognised a tax charge of €12.5 million for the year ended 31 December 2024 (2023: €15.3 million). The tax charge primarily relates to current tax in respect of profits earned in Ireland during the year of €12.7 million (2023: €15.4 million).

The deferred tax credit for the year ended 31 December 2024 of €0.6 million (2023: deferred tax charge of €0.5 million) primarily relates to deferred tax in respect of tax losses which are available to utilise against future taxable profits, partially offset by a deferred tax charge arising in relation to temporary differences related to fixed assets and revaluations of land and buildings through profit and loss. The 2023 deferred tax charge primarily related to deferred tax arising on revaluation of land and buildings through profit and loss.

### 10 Impairment

At 31 December 2024, as a result of the carrying amount of the net assets of the Group being more than its market capitalisation, the Group tested each cash generating unit ('CGU') for impairment as this was deemed to be a potential impairment indicator. Impairment arises where the carrying value of the CGU (which includes, where relevant, revalued properties and/or right-of-use assets, allocated goodwill, fixtures, fittings and equipment) exceeds its recoverable amount on a value in use ('VIU') basis.

At 31 December 2024, the market capitalisation of the Group (€994 million) was lower than the net assets of the Group (€1,419 million) (market capitalisation is calculated by multiplying the share price on that date by the number of shares in issue). Market capitalisation can be influenced by a number of different market factors and uncertainties. In addition, share prices reflect a discount due to lack of control rights. The Group as a whole is not considered to be a CGU for the purposes of impairment testing and instead each hotel operating unit is considered as a CGU as it is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

At 31 December 2024, the recoverable amounts of the Group's CGUs were based on VIU, determined by discounting the estimated future cash flows generated from the continuing use of these hotels. VIU cash flow projections are prepared for each CGU and then compared against the carrying value of the assets, including goodwill, properties, fixtures, fittings and equipment and right-of-use assets, in that CGU. The Group has not quantified any potential impact of decarbonisation on the carrying amounts of its assets as part of the impairment review. This approach may be reviewed in future periods in light of any emerging legislation or environmental policy changes.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

### 10 Impairment *(continued)*

The VIU estimates were based on the following key assumptions:

- Cash flow projections are based on operating results and forecasts prepared by management covering a ten year period in the case of freehold properties. This period was chosen due to the nature of the hotel assets and is consistent with the valuation basis used by independent external property valuers when performing their hotel valuations ([note 13](#)). For CGUs with right-of-use assets, the lease term was used;
- Revenue and EBITDA for 2025 and future years are based on management's best estimate projections as at 31 December 2024. Forecasted revenue and EBITDA are based on expectations of future outcomes taking into account the macro-environment, current earnings, past experience and adjusted for anticipated revenue and cost growth;
- Cash flow projections assume a long-term compound annual growth rate post 2029 of 2% (2023: 2%) in EBITDA for all CGUs;
- Cash flows include an average annual capital outlay on maintenance for the hotels dependent on the condition of the hotel or typically 4% (2023: 4%) of revenues but assume no enhancements to any property;
- In the case of CGUs with freehold properties, the VIU calculations also include a terminal value based on terminal (year ten) capitalisation rates consistent with those used by the external property valuers which incorporates a long-term growth rate of 2% for all properties;
- The cash flows are discounted using a risk adjusted discount rate specific to each property. Risk adjusted discount rates of 8.5% to 11.35% for Dublin assets (31 December 2023: 8.50% to 11.35%), 10.60% to 11.10% for Regional Ireland assets (31 December 2023: 10.00% to 12.75%), 7.60% to 10.20% for UK assets (31 December 2023: 7.40% to 11.50%), and 7.50% to 8.00% for Continental Europe assets (31 December 2023: 7.50% to 8.00%) have been used; and
- The values applied to each of these key assumptions are derived from a combination of internal and external factors based on historical experience of the valuers and of management and taking into account the stability of cash flows typically associated with these factors.

Following the impairment assessments carried out on the Group's CGUs at 31 December 2024, the recoverable amount was deemed lower than the carrying amount in one of the Group's UK CGUs and resulted in an impairment charge of €1.3 million (£1.1 million) relating to property, plant and equipment ([note 13](#)).

At 31 December 2024, the recoverable amount was deemed higher than the carrying amount in one of the Group's UK CGUs, which had previously incurred impairment charges, and resulted in an impairment reversal of €1.7 million (£1.5 million), relating to a right-of-use asset ([note 14](#)).

At 31 December 2024, the carrying value of the Group's other CGUs did not exceed their recoverable amount and no other impairment movements were required following the assessment.

If the 2025 EBITDA forecasts used in cashflow in VIU estimates for impairment testing as at 31 December 2024 had been forecast 10% lower, there would still have been no additional impairment for the year ended 31 December 2024 for right-of-use assets and fixtures, fittings and equipment and allocated goodwill.



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

### 11 Business combinations

During the year ended 31 December 2023, the Group acquired two business units requiring the acquisition method of accounting.

#### Acquisition of Clayton Hotel London Wall

On 3 July 2023, the Group acquired the long leasehold interest and trade of Apex Hotel London Wall, now trading as Clayton Hotel London Wall, for cash consideration of £53.4 million (€62.1 million).

The Group became party to a ground lease as part of the acquisition and recognised lease liabilities and right-of-use assets of £2.0 million (€2.3 million). The ground lease has a remaining life of 107 years. This exceeds the estimated useful life of the building as at the acquisition date and hence the building has been accounted for as an owned hotel.

The fair value of the identifiable assets and liabilities acquired were as follows:

	3 July 2023 Fair value	3 July 2023 Fair value
	£'000	€'000
<b>Recognised amounts of identifiable assets acquired and liabilities assumed</b>		
<b>Non-current assets</b>		
Hotel property	51,366	59,742
Fixtures, fittings and equipment	2,034	2,365
Right-of-use asset	2,017	2,346
<b>Current assets</b>		
Net working capital liabilities	(21)	(24)
<b>Non-current liabilities</b>		
Lease liability	(1,997)	(2,323)
<b>Current liabilities</b>		
Lease liability	(20)	(23)
<b>Total identifiable net assets</b>	<b>53,379</b>	<b>62,083</b>
<b>Total cash consideration</b>	<b>53,379</b>	<b>62,083</b>

The acquisition method of accounting has been used to consolidate the business acquired in the Group's consolidated financial statements. No goodwill has been recognised on acquisition as the fair value of the net assets acquired equated to the consideration paid.

Acquisition-related costs of £3.3 million (€3.8 million) were charged to administrative expenses in profit or loss in respect of this business combination.

#### Acquisition of Clayton Hotel Amsterdam American

On 3 October 2023, the Group acquired 100% of the share capital of American Hotel Exploitatie BV which holds the operational lease of the Hard Rock Hotel Amsterdam American, now trading as Clayton Hotel Amsterdam American, for cash consideration of €28.3 million and assumed net working capital liabilities of €1.2 million.

The remaining lease term is 18 years, with two 5-year tenant extension options. This resulted in the recognition of a lease liability of €41.0 million and a right-of-use asset of €41.0 million.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

### 11 Business combinations *(continued)*

The fair value of the identifiable assets and liabilities acquired were as follows:

	3 October 2023 Fair value €'000
<b>Recognised amounts of identifiable assets acquired and liabilities assumed</b>	
<b>Non-current assets</b>	
Right-of-use asset	41,036
Fixtures, fittings and equipment	6,065
Deferred tax asset	10,587
<b>Current assets</b>	
Trade and other receivables	974
Stock	98
Cash	8
<b>Non-current liabilities</b>	
Deferred tax liability	(10,587)
Lease liability	(40,066)
<b>Current liabilities</b>	
Trade and other payables	(970)
Lease liability	(264)
Accruals	41,036
<b>Total identifiable net assets</b>	<b>4,919</b>
<b>Total cash consideration</b>	<b>28,344</b>
<b>Goodwill</b>	<b>23,425</b>

Goodwill of €23.4 million has been recognised due to the acquisition of Clayton Hotel Amsterdam American, as the consideration exceeded the fair value of the identifiable net assets acquired.

The goodwill acquired as part of this transaction comprises certain intangible assets that cannot be separately identified. This includes future trading and the future growth opportunities the business provides to the Group's operations due to the geographical location of the hotel, access to the Amsterdam market, which restricts new hotel developments, and the skills and experience of an assembled workforce.

Acquisition-related costs of €0.6 million were charged to administrative expenses in profit or loss in respect of this business combination.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

### 12 Intangible assets and goodwill

	Goodwill €'000	Other intangible assets €'000	Total €'000
<b>Cost or valuation</b>			
Balance at 1 January 2024	102,769	2,804	105,573
Disposal	(176)	-	(176)
Reclassification to held for sale assets ( <a href="#">note 18</a> )	(550)	-	(550)
Effect of movements in exchange rates	553	-	553
<b>Balance at 31 December 2024</b>	<b>102,596</b>	<b>2,804</b>	<b>105,400</b>
Balance at 1 January 2023	79,106	2,797	81,903
Additions	23,425	7	23,432
Effect of movements in exchange rates	238	-	238
Balance at 31 December 2023	102,769	2,804	105,573
<b>Accumulated amortisation and impairment losses</b>			
Balance at 1 January 2024	(48,947)	(2,552)	(51,499)
Amortisation of intangible assets	-	(252)	(252)
<b>Balance at 31 December 2024</b>	<b>(48,947)</b>	<b>(2,804)</b>	<b>(51,751)</b>
Balance at 1 January 2023	(48,947)	(1,902)	(50,849)
Amortisation of intangible assets	-	(650)	(650)
Balance at 31 December 2023	(48,947)	(2,552)	(51,499)
<b>Carrying amounts</b>			
<b>At 31 December 2024</b>	<b>53,649</b>	<b>-</b>	<b>53,649</b>
At 31 December 2023	53,822	252	54,074

#### Goodwill

Goodwill is attributable to factors including expected profitability and revenue growth, increased market share, increased geographical presence, the opportunity to develop the Group's brands and the synergies expected to arise within the Group after acquisition.

During the year, the Group disposed of Maldron Hotel Wexford, disposing of goodwill of €0.2 million. At 31 December 2024, the goodwill associated with Clayton Whites Hotel, Wexford of €0.6 million, was reclassified to held for sale ([note 18](#)).

As at 31 December 2024, the goodwill cost figure includes €12.4 million (£10.3 million) which is attributable to goodwill arising on acquisition of foreign operations denominated in sterling. Consequently, such goodwill is subsequently retranslated at the closing rate. The retranslation at 31 December 2024 resulted in a foreign exchange gain of €0.6 million and a corresponding increase in goodwill. The comparative retranslation at 31 December 2023 resulted in a foreign exchange gain of €0.2 million.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

### 12 Intangible assets and goodwill *(continued)*

	Number of cash-generating units		
	At 31 December 2024	2024	2023
Carrying amount of goodwill allocated		€'000	€'000
Moran Bewley Hotel Group (i)	7	25,245	24,725
Other acquisitions (i)	2	810	1,327
2007 Irish hotel operations acquired (ii)	2	4,169	4,345
Clayton Hotel Amsterdam American (iii)	1	23,425	23,425
	12	53,649	53,822

The above table represents the number of CGUs to which goodwill was allocated at 31 December 2024.

#### Annual goodwill testing

The Group tests goodwill annually for impairment and more frequently if there are indications that goodwill might be impaired. Due to the Group's policy of revaluation of land and buildings, and the allocation of goodwill to individual CGUs, impairment of goodwill can occur for CGUs where the Group owns the freehold as the Group realises the profit and revenue growth and synergies which underpinned the goodwill. As these materialise, they are recorded as revaluation gains to the carrying value of the property and consequently, elements of goodwill may be required to be written off if the carrying value of the CGU (which includes revalued property and allocated goodwill) exceeds its recoverable amount on a VIU basis. The impairment of goodwill is recorded through profit or loss though the revaluation gains on property are taken to reserves through other comprehensive income provided there were no previous impairment charges through profit or loss.

At 31 December 2024, the recoverable amounts of the CGUs were based on VIU, determined by discounting the future cash flows generated from the continuing use of these hotels. Following the impairment assessment carried out at 31 December 2024, there was no impairment relating to the CGUs with a carrying value of goodwill (2023: €Nil). For freehold assets, costs of acquisition of a willing buyer which are factored in by external valuers when calculating the fair value price of the asset are significant for these assets (2024: Ireland 9.96%, UK 6.8%, 2023: Ireland 9.96%, UK 6.8%). Purchasers' costs are a key difference between VIU and fair value less costs of disposal as prepared by external valuers. [Note 10](#) details the assumptions used in the VIU estimates for impairment testing.

Future under-performance in any of the Group's major CGUs may result in a material write-down of goodwill which would have a substantial impact on the Group's results and equity.

#### *(i) Moran Bewley Hotel Group and other single asset acquisitions*

For the purposes of impairment testing, goodwill has been allocated to each of the hotels acquired as CGUs. The freehold interest in the property is owned by the Group and therefore these hotel properties are valued annually by independent external valuers. As such the recoverable amount of each CGU is based on a fair value less costs of disposal estimate, or where this value is less than the carrying value of the asset, the VIU of the CGU is assessed. The goodwill relating to Clayton Whites Hotel, Wexford was reclassified to held for sale ([note 18](#)).

#### *(ii) 2007 Irish hotel operations acquired*

For the purposes of impairment testing, goodwill has been allocated to each of the CGUs representing the Irish hotel operations acquired in 2007. Eight hotels were acquired at that time but only four of these hotels had goodwill associated with them. The goodwill related to one of these CGUs was fully impaired (€2.6 million) during the year ended 31 December 2020. During 2024 the Group disposed of Maldron Hotel Wexford and the goodwill relating to the hotel was derecognised. The remaining two hotels are valued annually by independent external valuers, as the freehold interest in the property is now also owned by the Group. Where hotel properties are valued annually by independent external valuers, the recoverable amount of each CGU is based on a fair value less costs of disposal estimate, or where this value is less than the carrying value of the asset, the VIU of the CGU is assessed. The recoverable amount at 31 December 2024 of each of these CGUs which have associated goodwill is based on VIU. VIU is determined by discounting the future cash flows to be generated from the continuing use of these hotels. Following the impairment assessment carried out at 31 December 2024, there was no impairment of goodwill relating to these CGUs.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

### 12 Intangible assets and goodwill *(continued)*

#### *(iii) Clayton Hotel Amsterdam American*

Goodwill of €23.4 million has been recognised due to the acquisition of the leasehold of Clayton Hotel Amsterdam American, as the consideration exceeded the fair value of the identifiable net assets acquired. The goodwill acquired as part of this transaction comprises certain intangible assets that cannot be separately identified. This includes future trading and the future growth opportunities the business provides to the Group's operations due to the geographical location of the hotel, access to the Amsterdam market, which restricts new hotel developments, and the skills and experience of an assembled workforce.

The recoverable amount at 31 December 2024 is based on VIU. VIU is determined by discounting the future cash flows to be generated from the continuing use of the hotel. Following the impairment assessment carried out at 31 December 2024, there was no impairment of goodwill.

#### Other intangible assets

Other intangible assets are fully amortised at 31 December 2024 (2023: €0.3 million).

### 13 Property, plant and equipment

	Land and buildings €'000	Assets under construction €'000	Fixtures, fittings and equipment €'000	Total €'000
<b>At 31 December 2024</b>				
Valuation	1,564,246	-	-	1,564,246
Cost	-	30,741	217,508	248,249
Accumulated depreciation (and impairment charges) *	-	-	(101,521)	(101,521)
<b>Net carrying amount</b>	<b>1,564,246</b>	<b>30,741</b>	<b>115,987</b>	<b>1,710,974</b>
<b>At 1 January 2024, net carrying amount</b>				
Additions through capital expenditure	64	21,123	31,891	53,078
Disposal	(7,347)	-	(861)	(8,208)
Assets held for sale ( <a href="#">note 18</a> )	(17,650)	-	(2,092)	(19,742)
Transfer from Assets under construction to Land and buildings, and Fixtures, fittings and equipment	91,350	(97,036)	5,686	-
Capitalised labour costs	52	47	23	122
Capitalised borrowing costs ( <a href="#">note 6</a> )	-	666	-	666
Revaluation gains through OCI	13,083	-	-	13,083
Impairment charge through profit or loss	(1,352)	-	30	(1,322)
Depreciation charge for the year	(14,663)	-	(24,653)	(39,316)
Translation adjustment	22,073	4,238	1,471	27,782
<b>At 31 December 2024, net carrying amount</b>	<b>1,564,246</b>	<b>30,741</b>	<b>115,987</b>	<b>1,710,974</b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

### 13 Property, plant and equipment *(continued)*

	Land and buildings	Assets under construction	Fixtures, fittings and equipment	Total
	€'000	€'000	€'000	€'000
The equivalent disclosure for the prior year is as follows:				
<b>At 31 December 2023</b>				
Valuation	1,478,636	-	-	1,478,636
Cost	-	101,703	187,951	289,654
Accumulated depreciation (and impairment charges) *	-	-	(83,459)	(83,459)
<b>Net carrying amount</b>	<b>1,478,636</b>	<b>101,703</b>	<b>104,492</b>	<b>1,684,831</b>
<b>At 1 January 2023, net carrying amount</b>				
Acquisitions through business combinations	59,742	-	8,430	68,172
Additions through capital expenditure	50,351	33,892	34,038	118,281
Capitalised labour costs	120	142	66	328
Capitalised borrowing costs ( <a href="#">note 6</a> )	-	2,008	-	2,008
Revaluation gains through OCI	92,098	-	-	92,098
Reversal of impairment charge through profit or loss	2,020	-	-	2,020
Depreciation charge for the year	(12,769)	-	(20,022)	(32,791)
Translation adjustment	5,730	1,105	433	7,268
<b>At 31 December 2023, net carrying amount</b>	<b>1,478,636</b>	<b>101,703</b>	<b>104,492</b>	<b>1,684,831</b>

\* Accumulated depreciation of buildings is stated after the elimination of depreciation, revaluation, disposals and impairments.

The carrying value of land and buildings (revalued at 31 December 2024) is €1,564.2 million (2023: €1,478.6 million). The value of these assets under the cost model is €1,037.2 million (2023: €959.9 million). In 2024, unrealised revaluation gains of €13.1 million have been reflected in other comprehensive income and in the revaluation reserve in equity (2023: €92.1 million). Impairment losses through profit and loss were €1.3 million and were reflected in administrative expenses through profit or loss (2023: Impairment reversal €2.0 million).

Included in land and buildings at 31 December 2024 is land at a carrying value of €563.4 million (2023: €521.9 million) which is not depreciated. There are €17.3 million of fixtures, fittings and equipment which have been depreciated in full but are still in use at 31 December 2024 (31 December 2023: €13.5 million).

Additions to assets under construction during the year end 31 December 2024 primarily relate to development expenditure incurred on the construction of the Clayton Hotel Edinburgh. On the completion of Maldron Hotel Shoreditch, the cumulative costs capitalised to assets under construction related to the hotel were transferred to land and buildings and fixtures, fittings and equipment.

During the year end 31 December 2024, the Group disposed of Maldron Hotel Wexford for a consideration of €8.6 million. The net proceeds amounted to €8.3 million. The gain after transaction costs amounted to €4.0 million, which has been measured in other comprehensive income. The cumulative revaluation reserve gain, net of tax charges of €1.9 million ([note 24](#)) was transferred to retained earnings on completion of the disposal.

During November 2024, management exchanged contracts for the sale of Clayton Whites Hotel, Wexford. At the end of the financial year, the hotel was revalued based on the agreed transaction values and the fair value uplift was recognised in the revaluation reserve. The fair value of the Clayton Whites Hotel, Wexford property was reclassified as a current asset held for sale at 31 December 2024 ([note 18](#)), with completion of the sale taking place in January 2025 ([note 28](#)).

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

### 13 Property, plant and equipment *(continued)*

Capitalised labour costs of €0.1 million (2023: €0.3 million) relate to the Group's internal development and building team and are directly related to asset acquisitions and construction and maintenance work completed in relation to the Group's property, plant and equipment.

Acquisitions through business combinations for the year ended 31 December 2023, relate to the acquisition of Clayton Hotel London Wall of £53.4 million (€62.1 million) and Clayton Hotel Amsterdam American of €6.1 million ([note 11](#)). Other additions through capital expenditure primarily relate to the 2023 acquisition of Maldron Hotel Finsbury Park, London, which totalled £49.5 million (€56.9 million).

Impairment assessments were carried out on the Group's CGUs at 31 December 2024. The recoverable amount was deemed lower than the carrying amount in one of the Group's UK CGUs and resulted in an impairment charge of €1.3 million (£1.1 million) relating to property, plant and equipment ([note 10](#)). No other impairment charge has been recorded for the Group's other CGUs as the recoverable amount was deemed higher than the carrying amount.

At 31 December 2024, impairment reversal assessments were carried out on the Group's CGUs where there had been a previous impairment of fixtures, fittings and equipment. Following this assessment, no impairment reversals of previous impairments were necessary (2023: €Nil) ([note 10](#)).

At 31 December 2024, property, plant and equipment with a carrying amount of €1,054.1 million (2023: €1,368.3 million) were pledged as security for bank loans and private placement notes.

The Group operates the Maldron Hotel Limerick and, since the acquisition of Fonteyn Property Holdings Limited in 2013, holds a secured loan over that property. The loan is not expected to be repaid. Accordingly, the Group has the risks and rewards of ownership and accounts for the hotel as an owned property, reflecting the substance of the arrangement.

The value of the Group's property at 31 December 2024 reflects open market valuations carried out as at 31 December 2024 by independent external valuers having appropriate recognised professional qualifications and recent experience in the location and value of the property being valued. The external valuations performed were in accordance with the Royal Institution of Chartered Surveyors (RICS) Valuation Standards.

#### Measurement of fair value

The fair value measurement of the Group's own-use property has been categorised as a Level 3 fair value based on the inputs to the valuation technique used. At 31 December 2024, 30 properties were revalued by independent external valuers engaged by the Group (31 December 2023: 31).

The principal valuation technique used by the independent external valuers engaged by the Group was discounted cash flows. This valuation model considers the present value of net cash flows to be generated from the property over a ten year period (with an assumed terminal value at the end of year 10). Valuers' forecast cash flow included in these calculations represents the expectations of the valuers for EBITDA (driven by average room rate ('ARR') (calculated as total revenue divided by total rooms sold) and occupancy) for the property and also takes account of the expectations of a prospective purchaser. It also includes their expectation for capital expenditure which the valuers, typically, assume as approximately 3%-4% of revenue per annum, dependent on the individual property's characteristics. This does not always reflect the profile of actual capital expenditure incurred by the Group. On specific assets, refurbishments are, by nature, periodic rather than annual. Valuers' expectations of EBITDA are based off their trading forecasts (benchmarked against competition, market and actual performance). The expected net cash flows are discounted using risk adjusted discount rates. Among other factors, the discount rate estimation considers the quality of the property and its location. The final valuation also includes a deduction of full purchaser's costs based on the valuers' estimates at 9.96% for assets located in the Republic of Ireland (31 December 2023: 9.96%) and 6.8% for assets located in the UK (31 December 2023: 6.8%).

The valuers use their professional judgement and experience to balance the interplay between the different assumptions and valuation influences. For example, initial discounted cash flows based on individually reasonable inputs may result in a valuation which challenges the price per key metrics (value of hotel divided by room numbers) in recent hotel transactions. This would then result in one or more of the inputs being amended for preparation of a revised discounted cash flow. Consequently, the individual inputs may change from the prior period or may look individually unusual and therefore must be considered as a whole in the context of the overall valuation.

It was noted by the independent valuers that climate risk and ESG considerations have had little or no impact on valuations at 31 December 2024.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (*continued*)

13 Property, plant and equipment (*continued*)

The significant unobservable inputs and drivers thereof are summarised in the following table:

**Significant unobservable inputs**

	Dublin	31 December 2024 Regional Ireland	UK	Total
	Number of hotel assets			
<b>RevPar (Revenue per available room)</b>				
<€/£100	1	4	6	11
€100-€125/£100-£125	4	5	2	11
>€125/£125	5	1	2	8
	10	10	10	30
<b>Terminal (Year 10) capitalisation rate</b>				
<8%	7	2	7	16
8%-10%	3	6	3	12
>10%	-	2	-	2
	10	10	10	30
<b>Price per key*</b>				
< €150k/£150k	1	6	4	11
€150k-€250k/£150k-£250k	2	4	1	7
€250k-€350k/£250k-£350k	3	-	2	5
> €350k/£350k	4	-	3	7
	10	10	10	30
<b>31 December 2023</b>				
	Dublin	Regional Ireland	UK	Total
	Number of hotel assets			
<b>RevPar (Revenue per available room)</b>				
<€/£100	-	-	2	2
€100-€125/£100-£125	2	7	4	13
>€125/£125	8	5	3	16
	10	12	9	31
<b>Terminal (Year 10) capitalisation rate</b>				
<8%	7	-	5	12
8%-10%	3	8	4	15
>10%	-	4	-	4
	10	12	9	31



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

### 13 Property, plant and equipment *(continued)*

	31 December 2023			Total
	Dublin	Regional Ireland	UK	
	Number of hotel assets			
<b>Price per key*</b>				
< €150k/£150k	1	9	4	14
€150k-€250k/£150k-£250k	1	2	1	4
€250k-€350k/£250k-£350k	5	1	2	8
> €350k/£350k	3	-	2	5
	10	12	9	31

\* Price per key represents the valuation of a hotel divided by the number of rooms in that hotel.

The significant unobservable inputs are:

- Valuers' forecast cash flows.
- Risk adjusted discount rates and terminal (Year 10) capitalisation rates are specific to each property;

Dublin assets:

- Risk adjusted discount rates range between 8.50% and 11.35% (31 December 2023: 8.50% and 11.35%).
- Weighted average risk adjusted discount rate is 9.41% (31 December 2023: 9.40%).
- Terminal capitalisation rates range between 6.50% and 9.35% (31 December 2023: 6.50% and 9.35%).
- Weighted average terminal capitalisation rate is 7.41% (31 December 2023: 7.40%).

Regional Ireland:

- Risk adjusted discount rates range between 9.75% and 12.75% (31 December 2023: 10.0% and 12.75%).
- Weighted average risk adjusted discount rate is 10.56% (31 December 2023: 11.06%).
- Terminal capitalisation rates range between 7.75% and 10.75% (31 December 2023: 8.0% and 10.75%).
- Weighted average terminal capitalisation rate is 8.56% (31 December 2023: 9.06%).

UK:

- Risk adjusted discount rates range between 7.30% and 11.50% (31 December 2023: 7.40% and 11.50%).
- Weighted average risk adjusted discount rate is 8.31% (31 December 2023: 8.77%).
- Terminal capitalisation rates range between 5.30% and 9.50% (31 December 2023: 5.40% and 9.50%).
- Weighted average terminal capitalisation rate is 6.31% (31 December 2023: 6.77%).

The estimated fair value under this valuation model may increase or decrease if:

- Valuers' forecast cash flow was higher or lower than expected; and/or
- The risk adjusted discount rate and terminal capitalisation rate was lower or higher.

Valuations also had regard to relevant price per key metrics from hotel sales activity.

The property revaluation exercise carried out by the Group's external valuers is a complex exercise, which not only takes into account the future earnings forecast for the hotels, but also a number of other factors, including and not limited to, market conditions, comparable hotel sale transactions, inflation and the underlying value of an asset. As a result, it is not possible for the Group to perform a quantitative sensitivity for a change in the property values. A change in an individual quantitative variable would not necessarily lead to an equivalent change in the overall outcome and would require the application of judgement of the valuers in terms of how the variable change could potentially impact on overall valuations.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

### 14 Leases

#### Group as a lessee

The Group leases property assets, which includes land and buildings and related fixtures and fittings, and other equipment, relating to vehicles, machinery and IT equipment. Information about leases for which the Group is a lessee is presented below:

#### Right-of-use assets

	Property assets €'000	Other equipment €'000	Total €'000
<b>Net book value at 1 January 2024</b>	<b>684,600</b>	<b>593</b>	<b>685,193</b>
Additions	75,816	206	76,022
Depreciation charge for the year	(33,531)	(196)	(33,727)
Remeasurement of lease liabilities	14,743	-	14,743
Reversal of previous impairment charge	1,719	-	1,719
Translation adjustment	16,198	3	16,201
<b>Net book value at 31 December 2024</b>	<b>759,545</b>	<b>606</b>	<b>760,151</b>
<b>Net book value at 1 January 2023</b>	<b>657,790</b>	<b>311</b>	<b>658,101</b>
Acquisitions through business combinations ( <a href="#">note 11</a> )	43,382	-	43,382
Additions	-	375	375
Depreciation charge for the year	(30,570)	(93)	(30,663)
Remeasurement of lease liabilities	7,808	-	7,808
Translation adjustment	6,190	-	6,190
<b>Net book value at 31 December 2023</b>	<b>684,600</b>	<b>593</b>	<b>685,193</b>

Right-of-use assets comprise leased assets that do not meet the definition of investment property.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

### 14 Leases *(continued)*

#### Lease liabilities

	2024	2023
	€'000	€'000
Current	12,040	10,347
Non-current	686,558	641,444
<b>Lease liabilities at 1 January</b>	<b>698,598</b>	<b>651,791</b>
Additions	61,363	375
Acquisitions through business combinations ( <a href="#">note 11</a> )	-	43,382
Interest on lease liabilities ( <a href="#">note 6</a> )	49,487	42,751
Lease payments	(61,254)	(53,498)
Remeasurement of lease liabilities	13,781	7,808
Translation adjustment	16,583	5,989
<b>Lease liabilities at 31 December</b>	<b>778,558</b>	<b>698,598</b>
Current	13,939	12,040
Non-current	764,619	686,558
<b>Lease liabilities at 31 December</b>	<b>778,558</b>	<b>698,598</b>

Additions during the year ended 31 December 2024 relate to:

- In May 2024, the Group entered into a 35 year lease of Maldron Hotel Manchester Cathedral Quarter. This resulted in the recognition of a lease liability of €16.3 million (£13.9 million) and a right-of-use asset of €20.3 million (£17.2 million), which includes initial direct costs of €4.0 million (£3.3 million).
- In July 2024, the Group entered into a 35 year lease of Maldron Hotel Liverpool. This resulted in the recognition of a lease liability of €21.4 million (£18.1 million) and a right-of-use asset of €27.4 million (£23.2 million), which includes initial direct costs of €6.0 million (£5.1 million).
- In July 2024, the Group entered into a 35 year lease of Maldron Hotel Brighton. This resulted in the recognition of a lease liability of €23.5 million (£19.8 million) and a right-of-use asset of €28.2 million (£23.9 million), which includes initial direct costs of €4.7 million (£4.1 million).

Acquisitions through business combinations during the year ended 31 December 2023 related to:

- In July 2023, the Group acquired the ground lease of the Apex Hotel London Wall, which was subsequently re-branded Clayton Hotel London Wall, with 107 years remaining on the lease at the date of acquisition. This resulted in the recognition of a lease liability of €2.3 million (£2.0 million) and a right-of-use asset of €2.3 million (£2.0 million).
- In October 2023, the Group acquired 100% of the share capital of American Hotel Exploitatie BV which held the operational lease of the Hard Rock Hotel Amsterdam American, now trading as Clayton Hotel Amsterdam American. The lease term remaining on acquisition was 18 years, with two 5-year tenant extension options. This resulted in the recognition of a lease liability of €41.0 million and right-of-use asset of €41.0 million.

The weighted average incremental borrowing rate for leases newly entered into during the year ended 31 December 2024 is 10.0% (2023: 8.8%).

During the year ended 31 December 2024, a lease amendment, which was not included in the original lease agreement was made to Clayton Hotel Manchester Airport. This has been treated as a modification of lease liabilities and resulted in an increase to the lease liability of €7.2 million (£6.0 million) and an increase to the carrying value of the right-of-use asset of €8.1 million (£6.8 million), which includes initial direct costs of €0.9 million (£0.8 million).

During the year ended 31 December 2023, a lease amendment, which was not included in the original lease agreement, was made to one of the Group's leases. This was treated as a modification of lease liabilities and resulted in an increase in lease liabilities and the carrying value of the right-of-use asset of €4.5 million.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

### 14 Leases *(continued)*

Following agreed rent reviews and rent adjustments, which formed part of the original lease agreements, certain of the Group's leases were reassessed during the year. This resulted in an increase in lease liabilities and related right-of-use assets of €6.6 million (2023: €3.3 million).

Variable lease costs which are linked to an index rate or are considered fixed payments in substance are included in the measurement of lease liabilities. These represent €80.0 million of lease liabilities at 31 December 2024 (31 December 2023: €61.2 million).

Non-cancellable undiscounted lease cash flows payable under lease contracts are set out below:

	At 31 December 2024			
	Republic of Ireland	Continental Europe	UK	Total
	€'000	€'000	£'000	€'000
During the year 2025	26,540	8,836	26,266	67,053
During the year 2026	24,457	8,836	25,783	64,388
During the year 2027	24,485	8,836	26,232	64,957
During the year 2028	24,565	8,836	26,300	65,119
During the year 2029	24,527	8,836	26,474	65,291
During the years 2030 – 2039	234,867	88,362	276,287	656,434
During the years 2040 – 2049	135,452	19,143	297,687	513,609
From 2050 onwards	59,594	-	817,603	1,045,632
	<b>554,487</b>	<b>151,685</b>	<b>1,522,632</b>	<b>2,542,483</b>

	At 31 December 2023			
	Republic of Ireland	Continental Europe	UK	Total
	€'000	€'000	£'000	€'000
Year ended 31 December 2024	26,283	8,780	19,588	57,603
During the year 2025	26,475	8,827	19,660	57,924
During the year 2026	24,577	8,827	19,753	56,133
During the year 2027	24,419	8,827	20,211	56,502
During the year 2028	24,500	8,827	20,327	56,717
During the year 2029	24,462	8,827	20,403	56,766
During the years 2030 – 2039	234,867	88,268	213,524	568,833
During the years 2040 – 2049	135,452	19,121	230,987	420,366
From 2050 onwards	59,594	-	145,688	227,235
	<b>580,629</b>	<b>160,304</b>	<b>710,141</b>	<b>1,558,079</b>

Sterling amounts have been converted using the closing foreign exchange rate of 0.82918 as at 31 December 2024 (0.86905 as at 31 December 2023).

The actual cash flows will depend on the composition of the Group's lease portfolio in future years and are subject to change, driven by:

- commencement of new leases;
- modifications of existing leases; and
- reassessments of lease liabilities following periodic rent reviews.

It excludes leases on hotels for which an agreement for lease has been signed.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

### 14 Leases *(continued)*

During the year ended 31 December 2024, the Group made lease amendments, which were not included in the original lease agreements, and entered new lease agreements. One of the lease amendments extended the remaining lease term from 60 to 200 years, significantly increasing the value of non-cancellable undiscounted lease cash flows payable and the weighted average lease life of future minimum rental payments.

The weighted average lease life of future minimum rentals payable under leases is 82.8 years (31 December 2023: 29.5 years). Excluding the lease at Clayton Manchester Airport which has a term of 200 years, the weighted average lease of future minimum rentals payable under leases would be 29.0 years. Lease liabilities are monitored within the Group's treasury function.

For the year ended 31 December 2024, the total fixed cash outflows relating to property assets and other equipment amounted to €61.3 million (31 December 2023: €53.5 million).

#### Unwind of right-of-use assets and release of interest charge

The unwinding of the right-of-use assets as at 31 December 2024 and the release of the interest on the lease liabilities as at 31 December 2024 through profit or loss over the terms of the leases have been disclosed in the following tables:

	Depreciation of right-of-use assets			
	Republic of Ireland	Continental Europe	UK	Total
	€'000	€'000	£'000	€'000
During the year 2025	16,148	4,754	12,287	35,720
During the year 2026	14,165	4,754	11,942	33,321
During the year 2027	13,689	4,754	11,712	32,568
During the year 2028	13,516	4,754	11,510	32,151
During the year 2029	13,296	4,480	10,850	30,861
During the years 2030 – 2039	121,287	44,540	103,244	290,341
During the years 2040 – 2049	63,889	9,650	102,546	197,211
From 2050 onwards	24,878	-	68,905	107,978
	280,868	77,686	332,996	760,151

	Interest on lease liabilities			
	Republic of Ireland	Continental Europe	UK	Total
	€'000	€'000	£'000	€'000
During the year 2025	17,181	6,256	24,442	52,914
During the year 2026	16,641	6,061	24,371	52,094
During the year 2027	16,182	5,851	24,278	51,313
During the year 2028	15,684	5,624	24,153	50,437
During the year 2029	15,154	5,380	24,013	49,494
During the years 2030 – 2039	117,821	35,397	226,057	425,845
During the years 2040 – 2049	54,650	1,533	168,709	259,648
From 2050 onwards	9,475	-	673,879	822,180
	262,788	66,102	1,189,902	1,763,925

Sterling amounts have been converted using the closing foreign exchange rate of 0.82918 as at 31 December 2024.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

### 14 Leases *(continued)*

The actual depreciation and interest charge through profit or loss will depend on the composition of the Group's lease portfolio in future years and are subject to change, driven by:

- commencement of new leases;
- modifications of existing leases;
- reassessments of lease liabilities following periodic rent reviews; and
- impairments and reversals of previous impairment charges of right-of-use assets.

Impairment assessments were carried out on the Group's CGUs at 31 December 2024. No impairment charge has been recorded as the recoverable amount was deemed higher than the carrying amount for all the Group's CGUs. A reversal of previous impairment charges of €1.7 million (£1.4 million) relating to a UK CGU was recognised in profit or loss during the year ended 31 December 2024 (2023: €Nil) ([note 10](#)).

#### Leases of property assets

The Group leases properties for its hotel operations and office space. The leases of hotels typically run for a period of between 25 and 35 years and leases of office space for 10 years.

Some leases provide for additional rent payments that are based on a percentage of the revenue/EBITDAR that the Group generates at the hotel in the period. The Group sub-leases part of two of its properties to a tenant under an operating lease.

#### Variable lease costs based on revenue

These variable lease costs link rental payments to hotel cash flows and reduce fixed payments. Variable lease costs which are considered fixed in substance are included as part of lease liabilities and not in the following table.

Variable lease costs based on revenue for the year ended 31 December 2024 are as follows:

	Variable lease costs element €'000	Estimated impact on variable lease costs of 5% increase in revenue/EBITDAR €'000
Leases with lease payments based on revenue	2,644	506

Variable lease costs based on revenue for the year ended 31 December 2023 are as follows:

	Variable lease costs element €'000	Estimated impact on variable lease costs of 5% increase in revenue/EBITDAR €'000
Leases with lease payments based on revenue	3,630	782

#### Extension options

As at 31 December 2024, the Group, as a hotel lessee, has two hotels which each have two 5-year extension options. The Group assesses at lease commencement whether it is reasonably certain to exercise the options and reassesses if there is a significant event or change in circumstances within its control. At 31 December 2024, the Group has assessed that it is not reasonably certain that the options will be exercised. The relative magnitude of optional lease payments to lease payments is as follows:

	Lease liabilities recognised (discounted) €'000	Potential future lease payments not included in lease liabilities (discounted) €'000
Hotel leases	85,583	11,498

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

### 14 Leases *(continued)*

#### Termination options

The Group holds a termination option in an office space lease. The Group assesses at lease commencement whether it is reasonably certain not to exercise the option and reassesses if there is a significant event or change in circumstances within its control. At 31 December 2024, the Group has assessed that it is not reasonably certain that the option will not be exercised. The relative magnitude of optional lease payments to lease payments is as follows:

	Lease liabilities recognised (discounted)	Potential future lease payments not included in lease liabilities (discounted)
	€'000	€'000
Office building	3,411	1,475

#### Leases not yet commenced to which the lessee is committed

The Group has two agreements for lease at 31 December 2024 and details of the non-cancellable lease rentals and other contractual obligations payable under these agreements are set out hereafter. These represent the minimum future lease payments (undiscounted) in aggregate that the Group is required to make under the agreements. An agreement for lease is a binding agreement between external third parties and the Group to enter into a lease at a future date. The dates of commencement of these leases may change based on the hotel opening dates. The amounts payable may also change slightly if there are any changes in room numbers delivered through construction.

	At 31 December 2024	At 31 December 2023
	€'000	€'000
<b>Agreements for lease</b>		
Less than one year	-	9,503
One to two years	613	5,745
Two to three years	2,450	7,991
Three to five years	12,310	16,389
Five to fifteen years	69,307	86,181
Fifteen to twenty five years	75,209	92,658
After twenty five years	49,634	107,305
<b>Total future lease payments</b>	<b>209,523</b>	<b>325,772</b>

Included in the above table at 31 December 2024 are future lease payments for agreements for lease for Maldron Hotel Croke Park, Dublin and Clayton Hotel Old Broad Street, London. The lease for Maldron Hotel Croke Park, Dublin has a term of 35 years and the hotel is expected to open in H2 2026. The lease for Clayton Hotel Old Broad Street, London has a term of 25 years and the hotel is expected to open in H2 2028.

#### Other leases

The Group has applied the short-term and low-value exemptions available under IFRS 16 where applicable and recognises lease payments associated with short-term leases or leases for which the underlying asset is of low-value as an expense on a straight-line basis over the lease term. Where the exemptions were not available, right-of-use assets have been recognised with corresponding lease liabilities.

	2024	2023
	€'000	€'000
Expenses relating to short-term leases recognised in administrative expenses	250	174
Expenses relating to leases of low-value assets, excluding short-term leases of low-value assets, recognised in administrative expenses	496	365
	<b>746</b>	<b>539</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

### 14 Leases *(continued)*

For the year ended 31 December 2024, cash outflows relating to fixtures, fittings and equipment, for which the Group has availed of the IFRS 16 short-term and low-value exemptions, amounted to €0.7 million (31 December 2023: €0.5 million).

#### Group as a lessor

Lease income from lease contracts in which the Group acts as lessor is outlined below:

	2024	2023
	€'000	€'000
Operating lease income <a href="#">(note 5)</a>	<b>384</b>	385

The Group leases its investment property and has classified these leases as operating leases because they do not transfer substantially all of the risks and rewards incidental to ownership of these assets to the lessee. Operating lease income from sub-leasing right-of-use assets for the year ended 31 December 2024 amounted to €0.2 million (31 December 2023: €0.2 million).

The following table sets out a maturity analysis of lease payments, showing the undiscounted lease payments receivable:

	2024	2023
	€'000	€'000
Less than one year	<b>309</b>	364
One to two years	<b>297</b>	303
Two to three years	<b>287</b>	303
Three to four years	<b>254</b>	262
Four to five years	<b>254</b>	248
More than five years	<b>535</b>	767
<b>Total undiscounted lease payments receivable</b>	<b>1,936</b>	2,247

Sterling amounts have been converted using the closing foreign exchange rate of 0.82918 as at 31 December 2024 (31 December 2023: 0.86905).



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

### 15 Trade and other receivables

	2024	2023
	€'000	€'000
<b>Non-current assets</b>		
Other receivables	6,495	2,328
Prepayments	867	4,090
	<b>7,362</b>	<b>6,418</b>
<b>Current assets</b>		
Trade receivables	10,846	10,830
Prepayments	12,449	9,251
Contract assets	3,448	4,612
Accrued income	3,599	3,069
Other receivables	500	500
	<b>30,842</b>	<b>28,262</b>
<b>Total</b>	<b>38,204</b>	<b>34,680</b>

#### Non-current assets

Included in non-current other receivables at 31 December 2024 is a rent deposit of €1.4 million paid to the landlord on the sale and leaseback of a hotel property (31 December 2023: €1.4 million). This deposit is repayable to the Group at the end of the lease term. Also included is a deposit paid as part of another hotel property lease contract of €0.9 million (31 December 2023: €0.9 million) which is interest-bearing and refundable at the end of the lease term.

During the year, the Group paid a deposit of €4.2 million for the acquisition of the Radisson Blu Hotel Dublin Airport. This will be held in other receivables until the sale is finalised, which is subject to contractual conditions and regulatory approval.

Included in non-current prepayments at 31 December 2024 are costs of €0.9 million (31 December 2023: €4.1 million) associated with future lease agreements for hotels which are currently being constructed or in planning. Costs associated with leases which were signed during 2024 were reclassified to right-of-use assets on lease commencement.

#### Current assets

Trade receivables are subject to the expected credit loss model in IFRS 9 *Financial Instruments*. The Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the number of days past due.

#### Aged analysis of trade receivables

	Gross receivables	Expected credit loss	Impairment provision	Net receivables
	2024	Rate	2024	2024
	€'000	2024	€'000	€'000
Not past due	5,338	0.0%	-	5,338
Past due < 30 days	3,155	0.0%	-	3,155
Past due 30 – 60 days	1,171	0.0%	-	1,171
Past due 60 – 90 days	126	0.0%	-	126
Past due > 90 days	1,404	24.8%	(348)	1,056
	<b>11,194</b>		<b>(348)</b>	<b>10,846</b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

### 15 Trade and other receivables *(continued)*

	Gross receivables 2023 €'000	Expected credit loss Rate 2023	Impairment provision 2023 €'000	Net receivables 2023 €'000
Not past due	5,984	0.0%	-	5,984
Past due < 30 days	2,804	0.0%	-	2,804
Past due 30 – 60 days	1,337	0.0%	-	1,337
Past due 60 – 90 days	147	0.0%	-	147
Past due > 90 days	883	36.8%	(325)	558
	11,155		(325)	10,830

Management does not expect any significant losses from trade receivables that have not been provided for as shown above, contract assets, accrued income or other receivables. Details are included in the credit risk section in [note 25](#).

### 16 Inventories

	2024 €'000	2023 €'000
Goods for resale	1,987	1,882
Consumable stores	774	519
	2,761	2,401

Inventories recognised as cost of sales during the year amounted to €35.1 million (2023: €33.6 million).

### 17 Cash and cash equivalents

	2024 €'000	2023 €'000
Cash at bank and in hand	39,575	34,173
	39,575	34,173

### 18 Held for sale assets

On 19 November 2024, the Group announced that it had exchanged contracts for the sale of Clayton Whites Hotel, Wexford for €21.0 million. The Group treated the business unit as held for sale as of this date. Prior to the reclassification, hotel land and buildings were remeasured in accordance with the revaluation model, resulting in a fair value increase of €4.2 million and associated deferred tax liabilities were remeasured on a realisation basis. The net movement was recognised in other comprehensive income.

On 9 January 2025, the Group completed the sale for a cash consideration of €21.0 million. The net proceeds from the transaction amount to €20.7 million. The assets held for sale at 31 December 2024 relate to:

	Note	2024 €'000
Property, plant and equipment	<a href="#">13</a>	19,742
Goodwill	<a href="#">12</a>	550
Investment property		425
<b>Assets held for sale</b>		<b>20,717</b>

The above divestment is not regarded as a discontinued operation as it was not considered to be either a separate major line of business or geographical area of operations. Separately, the Group completed the disposal of the Maldron Hotel Wexford ([note 13](#)).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (*continued*)

19 Capital and reserves

At 31 December 2024

	Number	€'000
<b>Authorised share capital</b>	<b>10,000,000,000</b>	<b>100,000</b>
Ordinary shares of €0.01 each		

	Number	€'000
<b>Allotted, called-up and fully paid shares</b>	<b>212,872,966</b>	<b>2,129</b>
Ordinary shares of €0.01 each		

<b>Share premium</b>		<b>507,365</b>
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	Number	€'000
<b>Treasury reserve</b>	<b>4,153</b>	<b>(19)</b>

**Capital reserves**

	2024	2023
	€'000	€'000
Capital contribution	25,724	25,724
Merger reserve	81,264	81,264
Other un-denominated capital	116	-
	<b>107,104</b>	<b>106,998</b>

At 31 December 2023

	Number	€'000
<b>Authorised share capital</b>		
Ordinary shares of €0.01 each	10,000,000,000	100,000

	Number	€'000
<b>Allotted, called-up and fully paid shares</b>		
Ordinary shares of €0.01 each	223,454,844	2,235

<b>Share premium</b>		<b>505,079</b>
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**(a) Share capital**

All ordinary shares rank equally with regard to the Company's residual assets.

Between January and April 2024, the Company issued 975,316 shares of €0.01 per share at par, following the vesting of awards granted as part of the Share Save scheme in 2019 and 2020 ([note 8](#)). The weighted average exercise price at the date of exercise for options exercised during the year ended 31 December 2024 was €2.35 (2023: €3.57).

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

### 19 Capital and reserves *(continued)*

#### **(a) Share capital *(continued)***

In February 2024, an Employee Benefit Trust ('the Trust') was established to periodically make market purchases of ordinary shares of the company in order to satisfy exercises of vested options granted pursuant to the Group's Long Term Incentive Plans and the Share Save schemes. During the year ended 31 December 2024, 1,383,685 shares were purchased by the Trust. 1,092,261 of these shares were acquired to fulfil the exercise of vested options under the 2017 Long Term Incentive Plan award ([note 8](#)), while 287,271 shares were used to satisfy the exercise of vested options pursuant to the 2020 Share Save schemes. The remaining 4,153 shares are held by the Trust.

In September and October 2024, the Group announced two share buyback programmes to purchase the Company's ordinary shares of €0.01 for an aggregate value (excluding associated expenses) of up to €55 million (€30 and €25 million). The programmes concluded on 14 October 2024 and 27 January 2025 respectively. During the year ended 31 December 2024, the Group repurchased 11.6 million (2023: €Nil) ordinary shares under the programmes on Euronext Dublin at an average price of €4.20 per share which were subsequently cancelled. The 11.6m million ordinary shares cancelled via the share buyback programmes during the financial year represent 5.4% of the Company's total called up share capital. In January 2025, €6.5 million worth of shares were repurchased, concluding the second share buyback programme.

#### **(b) Treasury shares**

At 31 December 2024, the Trust held 4,153 of the Company's own shares (31 December 2023: Nil), which were acquired at a total cost of €0.02 million (31 December 2023: €Nil) which is recorded directly in equity under treasury share reserve.

#### **(c) Capital reserves**

##### **Capital contribution reserve**

As part of a Group reorganisation in 2014, the Company became the ultimate parent entity of the then existing Group, when it acquired 100% of the issued share capital of DHGL Limited in exchange for the issue of 9,500 ordinary shares of €0.01 each. By doing so, it also indirectly acquired the 100% shareholdings previously held by DHGL Limited in each of its subsidiaries. As part of that reorganisation, shareholder loan note obligations (including accrued interest) of DHGL Limited were assumed by the Company as part of the consideration paid for the equity shares in DHGL Limited.

The fair value of the Group (as then headed by DHGL Limited) at that date was estimated at €40.0 million. The fair value of the shareholder loan note obligations assumed by the Company as part of the acquisition was €29.7 million and the fair value of the shares issued by the Company in the share exchange was €10.3 million.

The difference between the carrying value of the shareholder loan note obligations (€55.4 million) prior to the reorganisation and their fair value (€29.7 million) at that date represents a contribution from shareholders of €25.7 million which has been credited to a separate capital contribution reserve. Subsequently, all shareholder loan note obligations were settled in 2014, in exchange for shares issued in the Company.

##### **Merger reserve**

The insertion of Dalata Hotel Group plc as the new holding company of DHGL Limited in 2014 did not meet the definition of a business combination under IFRS 3 *Business Combinations*, and, as a consequence, the acquired assets and liabilities of DHGL Limited and its subsidiaries continued to be carried in the consolidated financial statements at their respective carrying values as at the date of the reorganisation. The consolidated financial statements of Dalata Hotel Group plc were prepared on the basis that the Company is a continuation of DHGL Limited, reflecting the substance of the arrangement.

As a consequence, a merger reserve of €10.3 million (negative) arose in the consolidated statement of financial position. This represents the difference between the consideration paid for DHGL Limited in the form of shares of the Company, and the issued share capital of DHGL Limited at the date of the reorganisation which was a nominal amount of €95.

In September 2020, the Company completed a placing of new ordinary shares of €0.01 each in the share capital of the Company. 37.0 million ordinary shares were issued at €2.55 each which raised €92.0 million after costs of €2.4 million. The Group availed of merger relief to simplify future distributions and as a result, €91.6 million was recognised in the merger reserve being the difference between the nominal value of each share (€0.01 each) and the amount paid (€2.55 per share) after deducting costs of the share placing of €2.4 million.

##### **Other un-denominated capital**

The reserve represents the nominal value of the shares that were repurchased and cancelled during the financial year and serves to maintain the Company's capital structure. As noted above, the Company repurchased 11.6 million shares with a nominal value of €0.01 per share resulting in the transfer of €0.1 million (2023: €Nil) to the other un-denominated capital.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

### 19 Capital and reserves *(continued)*

#### **(d) Share-based payment reserve**

The share-based payment reserve comprises amounts equivalent to the cumulative cost of awards by the Group under equity-settled share-based payment arrangements, being the Group's Long Term Incentive Plans and the Share Save schemes. On vesting, the cost of awards previously recognised in the share-based payments reserve is transferred to retained earnings. Details of the share awards, in addition to awards which vested during the current year, are disclosed in [\(note 8\)](#) and in the Remuneration Committee report.

#### **(e) Hedging reserve**

The hedging reserve comprises the effective portion of the cumulative net change in the fair value of hedging instruments used in cash flow hedges, net of deferred tax.

#### **(f) Revaluation reserve**

The revaluation reserve relates to the revaluation of land and buildings in line with the Group's policy to fair value these assets at each reporting date [\(note 13\)](#), net of deferred tax.

#### **(g) Translation reserve**

The translation reserve comprises all foreign currency exchange differences arising from the translation of the financial statements of foreign operations, as well as the effective portion of any foreign currency differences arising from hedges of a net investment in a foreign operation [\(note 25\)](#).

#### **(h) Dividends**

A final dividend for the year ended 31 December 2023 of 8.0 cents was paid on 1 May 2024 on the ordinary shares in Dalata Hotel Group plc and amounted to €18.0 million (2023: €Nil).

An interim dividend for 2024 of 4.1 cents was paid on 4 October 2024 on the ordinary shares in Dalata Hotel Group plc and amounted to €9.1 million (2023: €8.9 million).

On 5 March 2025, the Board proposed a final dividend of 8.4 cents per share. This proposed dividend is subject to approval by the shareholders at the Annual General Meeting. The payment date for the final dividend will be 8 May 2025 to shareholders registered on the record date 4 April 2025. Based on the expected number of shares that will be in issue on this date, the amount of the proposed dividend will be €17.8 million. These consolidated financial statements do not reflect this dividend.

### 20 Trade and other payables

	2024	2023
	€'000	€'000
<b>Non-current liabilities</b>		
Other payables	19	348
	<b>19</b>	<b>348</b>
<b>Current liabilities</b>		
Trade payables	16,110	16,724
Accruals	45,906	45,839
Contract liabilities	15,244	13,459
Value added tax	7,396	4,957
Payroll taxes	3,788	3,641
Tourist taxes	208	1,429
	<b>88,652</b>	<b>86,049</b>
<b>Total</b>	<b>88,671</b>	<b>86,397</b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

### 20 Trade and other payables *(continued)*

Accruals at 31 December 2024 include €5.4 million related to amounts not yet invoiced for capital expenditure and for costs related to entering new leases and agreements for lease (31 December 2023: €6.2 million).

### 21 Provision for liabilities

	2024	2023
	€'000	€'000
<b>Non-current liabilities</b>		
Insurance provision	<b>5,708</b>	6,656
<b>Current liabilities</b>		
Insurance provision	<b>2,340</b>	1,955
	<b>8,048</b>	8,611

The reconciliation of the movement in the provision during the year is as follows:

	2024	2023
	€'000	€'000
At 1 January	<b>8,611</b>	9,179
Provisions made during the year – charged to profit or loss	<b>1,500</b>	2,500
Utilised during the year	<b>(1,219)</b>	(1,815)
Impact of discounting – credited to profit or loss	<b>146</b>	(326)
Reversed to profit or loss during the year	<b>(990)</b>	(927)
<b>At 31 December</b>	<b>8,048</b>	8,611

This provision relates to actual and potential obligations arising from the Group's insurance arrangements where the Group is self-insured. The Group has third party insurance cover above specific limits for individual claims and has an overall maximum aggregate payable for all claims in any one year. The amount provided is principally based on projected settlements as determined by external loss adjusters. The provision also includes an estimate for claims incurred but not yet reported and incurred but not enough reported.

The utilisation of the provision is dependent on the timing of settlement of the outstanding claims. The Group expects the majority of the insurance provision will be utilised within five years of the period end date, however, due to the nature of the provision, there is a level of uncertainty in the timing of settlement as the Group generally cannot precisely determine the extent and duration of the claim process. The provision has been discounted to reflect the time value of money.

The self-insurance programme commenced in July 2015 and increasing levels of claims data is becoming available. Claim provisions are assessed in light of claims experience and amended accordingly to ensure provisions reflect recent experience and trends. There has been a reversal of €1.0 million in the year ended 31 December 2024 of provisions made in prior periods (2023: €0.9 million).

### 22 Loans and borrowings

#### Non-current liabilities

	2024	2023
	€'000	€'000
Bank loans	<b>147,384</b>	254,387
Private placement notes	<b>124,000</b>	-
<b>Total bank loans and private placement notes</b>	<b>271,384</b>	254,387

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

### 22 Loans and borrowings *(continued)*

The amortised cost of bank loans at 31 December 2024 is €147.4 million (31 December 2023: €254.4 million). The drawn loan facility at that date is €147.3 million (2023: €258.7 million) comprised of a €100 million euro green term loan and revolving credit facility loans of £18.5 million (€22.3 million) in sterling denominated and €25.0 million in euro denominated revolving credit facilities. The undrawn bank loan facilities at 31 December 2024 is €325.0 million (2023: €249.3 million).

On 9 October 2024, the Group completed a refinancing of its existing banking facilities to provide a €475 million multicurrency loan facility consisting of a €100 million green term loan and a €375 million revolving credit facility for a five-year term to 9 October 2029, with two options to extend by a year. The Group also completed its inaugural issuance of €124.7 million of green loan notes to institutional investors for terms of five and seven years. The new facilities replace the original multicurrency loan facility consisting of a £176.5 million term loan facility and a €304.9 million revolving credit facility due to mature in October 2025.

In line with IFRS 9 derecognition criteria, the Group performed the 10 percent test (referred to in note 1 ([xxv](#)) derecognition of financial liabilities accounting policy) to assess whether the discounted present value of the cash flows under the new terms of the new banking facility, discounted using the original effective interest rate, including any lender fees paid, were at least 10 percent different from the discounted present value of the remaining cash flows of the original financial liability. As the cash flows were more than 10 percent different, the financial liabilities were deemed to be substantially modified and as a result, the original financial liabilities were derecognised, with the difference between the amortised cost of the original facility and the consideration paid on repayment, recognised as a modification loss in profit or loss. Costs of €4.8 million incurred in relation to the refinanced banking facility were also recognised as part of this modification loss in profit or loss. The total modification loss recognised in profit or loss was €7.5 million for the year ended 31 December 2024.

In October 2024, a total of €62.0 million of loan notes denominated in euro were issued by the Group (€22.0 million for a five year term and €40.0 million for a seven year term). At the same time, the Group also issued loan notes denominated in sterling of £52.5 million (£25.0 million for a five year term and £27.5 million for a seven year term). The private placement loan notes were initially recognised at fair value less directly related costs of €1.3 million and are recognised on an amortised cost basis thereafter.

The Group entered into four-year interest rate swaps to hedge the variable interest rate on the €100.0 million euro term loan ([note 23](#)).

At 31 December 2024, property, plant and equipment with a carrying amount of €1,054.1 million (2023: €1,368.3 million) were pledged as security for bank loans and private placement notes ([note 13](#)).

### Reconciliation of movements of liabilities to cash flows arising from financing activities for the year ended 31 December 2024.

	Liabilities					Equity				Total
	Bank loans and private placement notes	Lease liabilities	Trade and other payables	Derivatives (net)	Share capital	Share premium	Capital reserves	Treasury share reserve	Retained earnings	
	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	
<b>Balance as at 31 December 2023</b>	<b>254,387</b>	<b>698,598</b>	<b>86,397</b>	<b>(6,521)</b>	<b>2,235</b>	<b>505,079</b>	<b>106,988</b>	<b>-</b>	<b>316,328</b>	<b>1,963,491</b>
<b>Changes from financing cash flows</b>										
Proceeds from vesting of share awards and options	-	-	-	-	10	2,286	-	-	-	2,296
Other net interest and finance costs paid	(16,461)	-	(5,822)	7,688	-	-	-	-	-	(15,595)
Receipt of bank loans	390,204	-	-	-	-	-	-	-	-	390,204
Repayment of bank loans	(510,818)	-	-	-	-	-	-	-	-	(510,818)
Issuance of private placement loan notes net of costs paid	124,694	-	-	-	-	-	-	-	-	124,694
Interest paid on lease liabilities	-	(49,487)	-	-	-	-	-	-	-	(49,487)
Repayment of lease liabilities	-	(11,767)	-	-	-	-	-	-	-	(11,767)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

22 Loans and borrowings *(continued)*

	Liabilities				Equity					Total
	Bank loans and private placement notes	Lease liabilities	Trade and other payables	Derivatives (net)	Share capital	Share premium	Capital reserves	Treasury share reserve	Retained earnings	
	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	
Purchase of treasury shares	-	-	-	-	-	-	-	(5,604)	-	(5,604)
Purchase of own shares as part of buy back scheme	-	-	-	-	(116)	-	(48,567)	-	-	(48,683)
Dividends paid	-	-	-	-	-	-	-	-	(27,115)	(27,115)
<b>Total changes from financing cash flows</b>	<b>(12,381)</b>	<b>(61,254)</b>	<b>(5,822)</b>	<b>7,688</b>	<b>(106)</b>	<b>2,286</b>	<b>(48,567)</b>	<b>(5,604)</b>	<b>(27,115)</b>	<b>(150,875)</b>
<b>Liability-related other changes</b>										
The effect of changes in foreign exchange rates	9,758	16,583	1,514	-	-	-	-	-	-	27,855
Changes in fair value	-	-	-	(923)	-	-	-	-	-	(923)
Interest expense on bank loans and private placement notes	18,239	-	-	-	-	-	-	-	-	18,239
Other net finance costs movements	1,381	-	7,511	-	-	-	-	-	-	8,892
Other movements in trade and other payables	-	-	(929)	-	-	-	-	-	-	(929)
Additions to lease liabilities during the year	-	61,363	-	-	-	-	-	-	-	61,363
Interest on lease liabilities	-	49,487	-	-	-	-	-	-	-	49,487
Remeasurement of lease liabilities	-	13,781	-	-	-	-	-	-	-	13,781
<b>Total liability-related other changes</b>	<b>29,378</b>	<b>141,214</b>	<b>8,096</b>	<b>(923)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>177,765</b>
<b>Total equity-related other changes</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>48,683</b>	<b>5,585</b>	<b>30,944</b>	<b>85,212</b>
<b>Balance as at 31 December 2024</b>	<b>271,384</b>	<b>778,558</b>	<b>88,671</b>	<b>244</b>	<b>2,129</b>	<b>507,365</b>	<b>107,104</b>	<b>(19)</b>	<b>320,157</b>	<b>2,075,593</b>



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

22 Loans and borrowings *(continued)*

Reconciliation of movements of liabilities to cash flows arising from financing activities for the year ended 31 December 2023.

	Liabilities				Equity			Total
	Bank loans and private placement notes	Lease liabilities	Trade and other payables	Derivatives (net)	Share capital	Share premium	Retained earnings	
	€'000	€'000	€'000	€'000	€'000	€'000	€'000	
<b>Balance as at 31 December 2022</b>	<b>193,488</b>	<b>651,791</b>	<b>119,057</b>	<b>(11,717)</b>	<b>2,229</b>	<b>504,910</b>	<b>232,541</b>	<b>1,692,299</b>
<b>Changes from financing cash flows</b>								
Vesting of share awards and options	-	-	-	-	6	169	-	175
Other interest and finance costs paid	(14,414)	-	(1,261)	6,949	-	-	-	(8,726)
Receipt of bank loans	120,648	-	-	-	-	-	-	120,648
Repayment of bank loans	(64,374)	-	-	-	-	-	-	(64,374)
Interest on lease liabilities	-	(42,751)	-	-	-	-	-	(42,751)
Repayment of lease liabilities	-	(10,747)	-	-	-	-	-	(10,747)
Dividends paid	-	-	-	-	-	-	(8,939)	(8,939)
<b>Total changes from financing cash flows</b>	<b>41,860</b>	<b>(53,498)</b>	<b>(1,261)</b>	<b>6,949</b>	<b>6</b>	<b>169</b>	<b>(8,939)</b>	<b>(14,714)</b>
<b>Liability-related other changes</b>								
The effect of changes in foreign exchange rates	3,448	5,989	(480)	-	-	-	-	8,957
Changes in fair value	-	-	-	(1,753)	-	-	-	(1,753)
Interest expense on bank loans and private placement notes	15,665	-	-	-	-	-	-	15,665
Other movements in bank loans and private placement notes	(74)	-	1,152	-	-	-	-	1,078
Other movements in trade and other payables	-	-	(32,071)	-	-	-	-	(32,071)
Additions to lease liabilities during the year	-	375	-	-	-	-	-	375
Acquisition of lease liabilities through business combinations	-	43,382	-	-	-	-	-	43,382
Interest on lease liabilities	-	42,751	-	-	-	-	-	42,751
Remeasurement of lease liabilities	-	7,808	-	-	-	-	-	7,808
<b>Total liability-related other changes</b>	<b>19,039</b>	<b>100,305</b>	<b>(31,399)</b>	<b>(1,753)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>86,192</b>
<b>Total equity-related other changes</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>92,726</b>	<b>92,726</b>
<b>Balance as at 31 December 2023</b>	<b>254,387</b>	<b>698,598</b>	<b>86,397</b>	<b>(6,521)</b>	<b>2,235</b>	<b>505,079</b>	<b>316,328</b>	<b>1,856,503</b>

Net debt is calculated in line with external borrowing covenants and includes private placement notes issued and external bank loans drawn and owed to the banking club as at 31 December 2024 (rather than the amortised cost of the bank loans and private placement notes) less cash and cash equivalents. The below table also includes a reconciliation to net debt and lease liabilities.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (*continued*)

22 Loans and borrowings (*continued*)

Reconciliation of movement in net debt for the year ended 31 December 2024

	Sterling bank loan facility		Euro bank loan facility	Sterling private placement notes		Euro private placement notes	Total
	£'000	€'000	€'000	£'000	€'000	€'000	€'000
At 1 January 2024	221,367	254,723	4,000	-	-	-	258,723
<b>Cash flows</b>							
Facilities drawn down	128,657	153,204	237,000	-	-	-	390,204
Bank loans repaid	(331,524)	(394,818)	(116,000)	-	-	-	(510,818)
Loan notes issued	-	-	-	52,500	62,694	62,000	124,694
<b>Non-cash changes</b>							
Effect of foreign exchange movements	-	9,202	-	-	622	-	9,824
<b>At 31 December 2024</b>	<b>18,500</b>	<b>22,311</b>	<b>125,000</b>	<b>52,500</b>	<b>63,316</b>	<b>62,000</b>	<b>272,627</b>

Cash and cash equivalents

At 1 January 2024	34,173
Movement during the year	5,402
<b>At 31 December 2024</b>	<b>39,575</b>
<b>Net debt at 31 December 2024</b>	<b>233,052</b>

Reconciliation of net debt and lease liabilities

<b>Net debt at 31 December 2024</b>	<b>233,052</b>
Lease liabilities as at 1 January 2024	698,598
Additions	61,363
Interest on lease liabilities	49,487
Lease payments	(61,254)
Remeasurement of lease liabilities	13,781
Translation adjustment	16,583
<b>Lease liabilities at 31 December 2024 (note 14)</b>	<b>778,558</b>
<b>Net debt and lease liabilities at 31 December 2024</b>	<b>1,011,610</b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

### 22 Loans and borrowings *(continued)*

#### Reconciliation of movement in net debt for the year ended 31 December 2023

	Sterling facility £'000	Sterling facility €'000	Euro facility €'000	Total €'000
<b>Bank loans – drawn amounts</b>				
At 1 January 2023	176,500	199,001	-	199,001
<b>Cash flows</b>				
Facilities drawn down	72,882	84,648	36,000	120,648
Loan repayments	(28,015)	(32,374)	(32,000)	(64,374)
<b>Non-cash changes</b>				
Effect of foreign exchange movements	-	3,448	-	3,448
<b>At 31 December 2023</b>	<b>221,367</b>	<b>254,723</b>	<b>4,000</b>	<b>258,723</b>

#### Cash and cash equivalents

At 1 January 2023	91,320
Movement during the year	(57,147)
<b>At 31 December 2023</b>	<b>34,173</b>
<b>Net debt at 31 December 2023</b>	<b>224,550</b>

#### Reconciliation of net debt and lease liabilities

<b>Net debt at 31 December 2023</b>	<b>224,550</b>
Lease liabilities as at 1 January 2023	651,791
Acquisitions through business combinations	43,382
Additions	375
Interest on lease liabilities	42,751
Lease payments	(53,498)
Remeasurement of lease liabilities	7,808
Translation adjustment	5,989
<b>Lease liabilities at 31 December 2023 (note 14)</b>	<b>698,598</b>
<b>Net debt and lease liabilities at 31 December 2023</b>	<b>923,148</b>

### 23 Derivatives

The Group has entered into interest rate swaps with a number of financial institutions in order to manage the interest rate risks arising from the Group's borrowings (note 22). Interest rate swaps are employed by the Group to partially convert the Group's bank loans from floating to fixed interest rates.

In October 2024, as a result of the Group's refinancing, the Group entered into interest rate swaps to hedge the variable interest rate on its new €100.0 million euro term loan for a four year period to 9 October 2028. The weighted average fixed interest rate is 2.18%.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

### 23 Derivatives *(continued)*

During the year ended 31 December 2024, the Group issued €62.0 million of euro private placement loan notes and £52.2 million sterling private placement loan notes. Interest rates cannot vary on the private placement loan notes except where the Group's Net Debt to EBITDA after rent, calculated in line with external borrowing covenants exceeds certain ratchet levels, at which point varying premiums are added to the coupon rate depending on the ratchet level. Consequently, no hedging was put in place.

At 31 December 2023 and up to 8 October 2024, the Group had interest rate swaps which hedged the SONIA benchmark rate on the previously held sterling term denominated borrowings of £176.5 million, which fixed the SONIA benchmark rate between 0.95% and 0.96%. These swaps matured in October 2024.

At 31 December 2024, the interest rate swaps cover 100% of the Group's term euro denominated borrowings for the period to 9 October 2028. The final year of the term debt, to 9 October 2029, is currently unhedged. All derivatives have been designated as hedging instruments for the purposes of IFRS 9. Hedging accounting has been applied and is fully effective at both inception and 31 December 2024.

#### Fair value

	2024	2023
	€'000	€'000
<b>Non-current liabilities</b>		
Derivative liabilities	(244)	-
<b>Current assets</b>		
Derivative assets	-	6,521
<b>Total derivative (liabilities) / assets</b>	<b>(244)</b>	<b>6,521</b>
	2024	2023
	€'000	€'000
<b>Included in other comprehensive income</b>		
Fair value gain on interest rate swaps	923	1,753
Reclassified to profit or loss ( <a href="#">note 6</a> )	(7,688)	(6,949)
	<b>(6,765)</b>	<b>(5,196)</b>

The amount reclassified to profit or loss primarily represents the additional interest received by the Group as a result of the variable interest rates being higher than the swap rates.

### 24 Deferred tax

	2024	2023
	€'000	€'000
Deferred tax assets	33,100	24,136
Deferred tax liabilities	(92,763)	(84,441)
<b>Net deferred tax liabilities</b>	<b>(59,663)</b>	<b>(60,305)</b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

### 24 Deferred tax *(continued)*

	2024	2023
	€'000	€'000
<b>Movements in year</b>		
At 1 January – net liability	<b>(60,305)</b>	(49,751)
Credit/(charge) for year – to profit or loss ( <a href="#">note 9</a> )	<b>557</b>	(460)
Movement for year – to equity	<b>(1,822)</b>	(9,152)
Realisation of tax charge associated with hotel disposal – to equity	<b>1,907</b>	-
Acquired net deferred tax liabilities	-	(942)
<b>At 31 December – net liability</b>	<b>(59,663)</b>	(60,305)

The majority of the deferred tax liabilities result from the Group's policy of ongoing revaluation of land and buildings. Where the carrying value of a property in the financial statements is greater than its tax base cost, the Group recognises a deferred tax liability. This is calculated using applicable Irish and UK corporation tax rates. The use of these rates, in line with the applicable accounting standards, reflects the intention of the Group to use these assets for ongoing trading purposes. Where the Group disposes of a property or holds a property for sale, the actual tax liability is calculated with reference to rates for capital gains on commercial property.

The net deferred tax liabilities have increased from €84.4 million at 31 December 2023 to €92.8 million at 31 December 2024. This relates primarily to an increase in taxable gains recognised on properties and an increase in temporary differences between the net book value and tax written down value of fixed assets.

A deferred tax asset of €25.0 million (2023: €18.1 million) has been recognised in respect of cumulative tax losses and interest carried forward at 31 December 2024 of €100.0 million (31 December 2023: €73.7 million). The tax losses can be carried forward indefinitely for offset against future taxable profits and cannot be carried back for offset against profits earned in earlier periods.

The increase in the deferred tax asset recognised on tax losses and interest carried forward from €18.1 million at 31 December 2023 to €25.0 million at 31 December 2024, relates to the increase in foreign tax losses and interest recognised during the year ended 31 December 2024 partially offset by losses utilised in Ireland and the UK.

Included within the €100.0 million tax losses and interest carried forward at 31 December 2024, is a balance of €40.6 million (31 December 2023: €30.8 million) relating to interest expenses carried forward in the UK. In the UK, there is a limit on corporation tax deductions taken each year for interest expense incurred. The unused interest expense carried forward by the UK Group companies at 31 December 2024 can be carried forward indefinitely and offset against future taxable profits.

A deferred tax asset has been recognised in respect of Irish and foreign tax losses and interest, to the extent that it is probable that, after the carry back of tax losses to earlier periods, there will be sufficient taxable profits in future periods to utilise the carried forward tax losses and interest.

In considering the available evidence to support the recognition of the deferred tax asset, the Group takes into consideration the impact of both positive and negative evidence including historical financial performance, projections of future taxable income and the enacted tax legislation.

In preparing forecasts to determine future taxable profits, there are a number of positive factors underpinning the recoverability of the deferred tax assets:

- Prior to the Covid-19 pandemic, the Group displayed a history of profit growth every year. When normal trading resumed in 2022 the Group returned to profitability and currently forecasts that taxable profits will continue to be earned in future years against which losses can be offset.
- The Group is confident that it is well positioned to take advantage of opportunities that will arise during 2025 and into the future, including the opening of a large pipeline of new hotels which will contribute particularly to the utilisation of UK tax losses, which can be carried forward and utilised on a group basis. The Group added four hotels in the UK in 2024. The Group has two new hotels in the pipeline in the UK, which will contribute to future growth.
- The absence of expiry dates for carrying forward foreign and Irish tax losses.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

### 24 Deferred tax *(continued)*

The Group also considered the relevant negative evidence in determining the recoverability of deferred tax assets:

- The quantum of profits required to be earned to utilise the tax losses carried forward; and
- Forecasts of future taxable profitability are subject to inherent uncertainty which is heightened due to the ongoing impact of operating cost increases, in particular payroll costs, and external geopolitical and economic factors outside of the Group's control.

Based on the Group's financial projections, the deferred tax asset of €25.0 million recognised in respect of tax losses and interest expense carried forward of €100.0 million is estimated to be recovered in full by the year ending 31 December 2030, with the majority being recovered by the end of the year ending 31 December 2028.

The total tax losses on which deferred tax is not recognised at 31 December 2024 is €15.1 million (2023: €9.1 million). The tax effect of these unrecognised tax losses at 31 December 2024 is €3.9 million (2023: €2.3 million). These specific losses are not permitted to be group relieved and there is uncertainty over sufficient future profits in the foreseeable future arising in the respective Group companies to utilise the losses not recognised.

Deferred tax arises from temporary differences relating to:

	Net balance at 1 January	Recognised in profit or loss	Recognised in equity	Realisation of tax charge associated with hotel disposal	Net deferred tax	Deferred tax assets	Deferred tax liabilities
	2024	2024	2024	2024	2024	2024	2024
	€'000	€'000	€'000	€'000	€'000	€'000	€'000
Property, plant and equipment	(77,910)	(7,706)	(3,730)	1,907	(87,439)	961	(88,400)
Leases	1,140	837	-	-	1,977	60,982	(59,005)
Tax losses and interest carried forward	18,095	6,878	-	-	24,973	24,973	-
Hedging reserve	(1,630)	-	1,660	-	30	30	-
Share Based Payment Reserve	-	548	248	-	796	796	-
Deferred tax (liabilities)/assets	(60,305)	557	(1,822)	1,907	(59,663)	87,742	(147,405)
Offsetting of temporary differences related to ROU assets and lease liabilities on individual entity basis	-	-	-	-	-	(54,642)	54,642
Net deferred tax (liabilities)/assets per statement of financial position	(60,305)	557	(1,822)	1,907	(59,663)	33,100	(92,763)

  

	Net balance at 1 January	Recognised in profit or loss	Recognised in equity	Acquired net deferred tax liabilities	Net deferred tax	Deferred tax assets	Deferred tax liabilities
	2023	2023	2023	2023	2023	2023	2023
	€'000	€'000	€'000	€'000	€'000	€'000	€'000
Property, plant and equipment	(63,563)	(2,954)	(10,451)	(942)	(77,910)	1,081	(78,991)
Leases	(969)	2,109	-	-	1,140	62,243	(61,103)
Tax losses and interest carried forward	17,710	385	-	-	18,095	18,095	-
Hedging reserve	(2,929)	-	1,299	-	(1,630)	-	(1,630)
Deferred tax (liabilities)/assets	(49,751)	(460)	(9,152)	(942)	(60,305)	81,419	(141,724)
Offsetting of temporary differences related to ROU assets and lease liabilities on individual entity basis	-	-	-	-	-	(57,283)	57,283
Net deferred tax (liabilities)/assets per statement of financial position	(49,751)	(460)	(9,152)	(942)	(60,305)	24,136	(84,441)

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

### 24 Deferred tax *(continued)*

The Group has multiple legal entities across the UK and Ireland that will not settle current tax liabilities and assets on a net basis and their assets and liabilities will not be realised on a net basis. Therefore, deferred tax assets and liabilities are recognised on an individual entity basis and are not offset on a Group or jurisdictional basis.

IAS 12 requires separate presentation of deferred tax assets and liabilities arising on right-of-use assets and corresponding lease liabilities recognised under IFRS 16. Such deferred tax assets and liabilities are presented separately in the table above. The deferred tax assets and liabilities related to leases are offset on an individual entity basis and presented net in the statement of financial position.

### 25 Financial instruments and risk management

#### Risk exposures

The Group is exposed to various financial risks arising in the normal course of business. Its financial risk exposures are predominantly related to the creditworthiness of counterparties and risks relating to changes in interest rates and foreign currency exchange rates.

The Group uses financial instruments throughout its business: bank loans, private placement notes and cash and cash equivalents are used to finance the Group's operations; trade and other receivables, trade and other payables and accruals arise directly from operations; and derivatives are used to manage interest rate risks and to achieve a desired profile of borrowings. The Group creates a net investment hedge with bank loans and private placement notes to hedge the foreign exchange risk from investments in certain UK operations. The Group does not trade in financial instruments.

The following tables show the carrying amount of Group financial assets and liabilities including their values in the fair value hierarchy for the year ended 31 December 2024. The tables do not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value. A fair value disclosure for lease liabilities is not required.

	Financial assets measured at fair value	Financial assets measured at amortised cost	Total carrying amount	Level 1	Level 2	Level 3	Total
	2024	2024	2024	2024	2024	2024	2024
	€'000	€'000	€'000	€'000	€'000	€'000	€'000

#### Financial assets

Trade and other receivables excluding prepayments ( <a href="#">note 15</a> )	-	24,888	24,888				
Cash at bank and in hand ( <a href="#">note 17</a> )	-	39,575	39,575				
	-	64,463	64,463				

	Financial liabilities measured at fair value	Financial liabilities measured at amortised cost	Total carrying amount	Level 1	Level 2	Level 3	Total
	2024	2024	2024	2024	2024	2024	2024
	€'000	€'000	€'000	€'000	€'000	€'000	€'000

#### Financial liabilities

Derivatives ( <a href="#">note 23</a> ) - hedging instruments	(244)	-	(244)	-	(244)	-	(244)
Bank loans ( <a href="#">note 22</a> )	-	(147,384)	(147,384)	-	(147,384)	-	(147,384)
Private placement notes ( <a href="#">note 22</a> )	-	(124,000)	(124,000)	-	(124,000)	-	(124,000)
Trade and other payables and accruals ( <a href="#">note 20</a> )	-	(62,035)	(62,035)				
	(244)	(333,419)	(333,663)				

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

### 25 Financial instruments and risk management *(continued)*

The following tables show the carrying amount of Group financial assets and liabilities including their values in the fair value hierarchy for the year ended 31 December 2023. The tables do not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value. A fair value disclosure for lease liabilities is not required.

	Financial assets measured at fair value	Financial assets measured at amortised cost	Total carrying amount	Level 1	Level 2	Level 3	Total
	2023	2023	2023	2023	2023	2023	2023
	€'000	€'000	€'000	€'000	€'000	€'000	€'000
<b>Financial assets</b>							
Derivatives (note 23) - hedging instruments	6,521	-	6,521		6,521		6,521
Trade and other receivables excluding prepayments (note 15)	-	21,339	21,339				
Cash at bank and in hand (note 17)	-	34,173	34,173				
	6,521	55,512	62,033				

	Financial liabilities measured at fair value	Financial liabilities measured at amortised cost	Total carrying amount	Level 1	Level 2	Level 3	Total
	2023	2023	2023	2023	2023	2023	2023
	€'000	€'000	€'000	€'000	€'000	€'000	€'000
<b>Financial liabilities</b>							
Bank loans (note 22)	-	(254,387)	(254,387)		(254,387)		(254,387)
Trade and other payables and accruals (note 20)	-	(62,911)	(62,911)				
	-	(317,298)	(317,298)				

#### **Fair value hierarchy**

The Group measures the fair value of financial instruments based on the degree to which inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurements. Financial instruments are categorised by the type of valuation method used. The valuation methods are as follows:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: Inputs other than quoted prices included in Level 1 that are observable for the financial instrument, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: Inputs for the financial instrument that are not based on observable market data (unobservable inputs).

The Group's policy is to recognise any transfers between levels of the fair value hierarchy as of the end of the reporting period during which the transfer occurred. During the year ended 31 December 2024, there were no reclassifications of financial instruments and no transfers between levels of the fair value hierarchy used in measuring the fair value of financial instruments.

#### **Estimation of fair values**

The principal methods and assumptions used in estimating the fair values of financial assets and liabilities are explained hereafter.

#### **Cash at bank and in hand**

For cash at bank and in hand, the carrying value is deemed to reflect a reasonable approximation of fair value.

#### **Derivatives**

Discounted cash flow analyses have been used to determine the fair value of the interest rate swaps, taking into account current market inputs and rates (Level 2).



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

### 25 Financial instruments and risk management *(continued)*

#### **Receivables/payables**

For the receivables and payables with a remaining term of less than one year or on demand balances, the carrying value net of impairment provision, where appropriate, is a reasonable approximation of fair value. The non-current receivables and payables carrying value is a reasonable approximation of fair value.

#### **Bank loans and private placement notes**

For bank loans and private placement notes, the fair value was calculated based on the present value of the expected future principal and interest cash flows discounted at interest rates effective at the reporting date. The carrying value of floating rate interest-bearing bank loans is considered to be a reasonable approximation of fair value. There is no material difference between margins available in the market at year end and the margins that the Group was paying at the year end.

#### **(a) Credit risk**

##### **Exposure to credit risk**

Credit risk is the risk of financial loss to the Group arising from granting credit to customers and from investing cash and cash equivalents with banks and financial institutions.

##### **Trade and other receivables**

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The Group is due €0.5 million (2023: €0.5 million) from a key institutional landlord under a contractual agreement where the landlord reimburses the Group for certain amounts spent on capital expenditure in that specific property. Non-current receivables include rent deposits of €2.3 million (2023: €2.3 million) owed by two landlords at the end of the lease term ([note 15](#)). Other than this, there is no concentration of credit risk or dependence on individual customers due to the large number of customers. Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Outstanding customer balances are regularly monitored and reviewed for indicators of impairment (evidence of financial difficulty of the customer or payment default). The maximum exposure to credit risk is represented by the carrying amount of each financial asset.

The ageing profile of trade receivables at 31 December 2024 is provided in [note 15](#). Management does not expect any significant losses from trade receivables, apart from those provided for in [note 15](#), contract assets, accrued income or other receivables.

##### **Cash and cash equivalents**

Cash and cash equivalents comprise cash at bank and in hand and give rise to credit risk on the amounts held with counterparties. The maximum credit risk is represented by the carrying value at the reporting date. The Group's policy for investing cash is to limit risk of principal loss and to ensure the ultimate recovery of invested funds by limiting credit risk.

The Group reviews regularly the credit rating of each bank and, if necessary, takes action to ensure there is appropriate cash and cash equivalents held with each bank based on their credit rating. During the year ended 31 December 2024, cash and cash equivalents were held in line within predetermined limits depending on the credit rating of the relevant bank or financial institution.

The carrying amount of the following financial assets represents the Group's maximum credit exposure. The maximum exposure to credit risk at year end was as follows:

	Carrying amount 2024 €'000	Carrying amount 2023 €'000
Trade receivables	10,846	10,830
Other receivables	6,995	2,828
Contract assets	3,448	4,612
Accrued income	3,599	3,069
Cash at bank and in hand	39,575	34,173
	<b>64,463</b>	<b>55,512</b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

### 25 Financial instruments and risk management *(continued)*

#### (b) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities. In general, the Group's approach to managing liquidity risk is to ensure as far as possible that it will always have sufficient liquidity, through a combination of cash and cash equivalents, cash flows and undrawn credit facilities to:

- Fund its ongoing activities;
- Allow it to invest in hotels that may create value for shareholders; and
- Maintain sufficient financial resources to mitigate against risks and unforeseen events.

The year ended 31 December 2024 saw the Group deliver strong results and continue the execution of its growth strategy. The full year impact of hotels added in the previous year and the addition of new openings in the current year has led to an increase in Group revenue from hotel operations from €607.7 million to €652.2 million, as well as net cash generated from operating activities in the year of €218.3 million (2023: €171.4 million). The Group has cash and undrawn loan facilities of €364.6 million at 31 December 2024 (2023: €283.5 million).

In October 2024, the Group successfully completed a refinancing of its existing banking facilities to provide a €475.0 million multicurrency loan facility consisting of a €100.0 million green term loan and €375.0 million revolving credit facility for a five-year term to 9 October 2029, with two options to extend by a year. The Group also completed its inaugural issuance of €124.7 million of green loan notes to institutional investors for terms of five and seven years. The new facilities replace the original multicurrency loan facility consisting of a £176.5 million term loan facility and a €304.9 million revolving credit facility due to mature in October 2025 ([note 22](#)). The refinancing further strengthens the Group's financial position, providing greater financial flexibility through the extension of the debt facilities and supports the business as it continues to deliver on its exciting growth strategy.

The Group remains in a very strong financial position with significant financial headroom. The Group is in full compliance with its covenants at 31 December 2024. The Group's covenants relate to Net Debt to EBITDA, as defined in the Group's external borrowings agreements which is equivalent to Net Debt to EBITDA after rent, (see APM (xv) in Supplementary Financial Information section) and Interest Cover (see APM (xvi) in Supplementary Financial Information section). The Net Debt to EBITDA covenant limit is 4.0 times and the Interest Cover minimum is 4.0 times. At 31 December 2024, Net Debt to EBITDA after rent for the Group is 1.3x and Interest Cover is 17.5 times.

The Group monitors its Debt and Lease Service Cover (see APM (xiii) in Supplementary Financial Information section), which is 2.7 times for the year ended 31 December 2024 (31 December 2023: 3.0 times), in order to monitor gearing and liquidity taking into account both external lending and lease financing. The Group have prepared financial projections and subjected them to scenario testing which also supports ongoing liquidity risk assessment and management. Further detail of this is disclosed in the Viability Statement.

The following are the contractual maturities of the Group's financial liabilities at 31 December 2024, including estimated undiscounted interest payments. In the below table, bank loans are repaid in line with their maturity dates, even though the Group has the flexibility to repay and draw the revolving credit facility throughout the term of the facilities which would improve its liquidity position. The non-cancellable undiscounted lease cashflows payable under lease contracts are set out in [note 14](#).

	Carrying value	Contractual cashflows					
		Total	6 months	6 – 12	1 – 2	2 – 5	5 – 7
		2024	or less	months	years	years	years
	€'000	€'000	€'000	€'000	€'000	€'000	€'000
Bank loans	(147,384)	(179,974)	(3,392)	(3,448)	(6,840)	(166,294)	-
Private placement notes	(124,000)	(166,318)	(3,423)	(3,479)	(6,902)	(72,220)	(80,294)
Trade and other payables and accruals	(62,035)	(62,035)	(62,016)	-	(19)	-	-
	(333,419)	(408,327)	(68,831)	(6,927)	(13,761)	(238,514)	(80,294)

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

### 25 Financial instruments and risk management *(continued)*

The equivalent disclosure for the prior year is as follows:

	Carrying value	Total	Contractual cashflows					
			2023	2023	6 months	6 – 12	1 – 2	2 – 5
					or less	months	years	years
€'000	€'000	€'000	€'000	€'000	€'000			
Bank loans	(254,387)	(281,042)	(8,347)	(7,978)	(264,717)	-		
Trade and other payables and accruals	(62,911)	(62,911)	(62,563)	-	(348)	-		
	(317,298)	(343,953)	(70,910)	(7,978)	(265,065)	-		

#### (c) Market risk

Market risk is the risk that changes in market prices and indices, such as interest rates and foreign exchange rates, will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

#### (i) Interest rate risk

The Group is exposed to floating interest rates on its debt obligations and uses hedging instruments to mitigate the risk associated with interest rate fluctuations. The Group has entered into interest rate swaps ([note 23](#)) which hedge the variability in cash flows attributable to interest rate risk. All such transactions are carried out within the guidelines set by the Board. The Group seeks to apply hedge accounting to manage volatility in profit or loss.

The Group determines the existence of an economic relationship between the hedging instrument and the hedged item based on the reference interest rates, maturities and notional amounts. The Group assesses whether the derivative designated in each hedging relationship is expected to be effective in offsetting changes in cash flows of the hedged item using the hypothetical derivative method.

In October 2024, the Group entered into interest rate swaps to hedge the variable interest rate on its new €100.0 million euro term loan for a four year period to 9 October 2028. As at 31 December 2024, the interest rate swaps cover 100% of the Group's term euro denominated borrowings of €100.0 million for the period to 9 October 2028. The final year of the term debt, to 9 October 2029, is currently unhedged. The Group's revolving credit facilities of €47.3 million as at 31 December 2024 are unhedged.

The private placement notes issued by the Group carry a fixed coupon rate. Interest rates cannot vary on the private placement loan notes except where the Group's Net Debt to EBITDA after rent, calculated in line with external borrowing covenants, exceeds certain ratchet levels, when varying premiums are added to the coupon rate depending on the ratchet level. Where the Group's Net Debt to EBITDA after rent exceeds 3 times, a premium of 50 basis points is added to the coupon rate and where the Group's Net Debt to EBITDA after rent exceeds 4 times, a premium of 75 basis points is added to the interest rate at the time.

Up to 8 October 2024 and as at 31 December 2023, interest rate swaps covered 100% of the Group's term Sterling denominated borrowings of £176.5 million.

The interest rate profile of the Group's interest-bearing financial liabilities as reported to the management of the Group is as follows:

	Nominal amount	
	2024	2023
	€'000	€'000
<b>Variable rate instruments</b>		
Financial liabilities – borrowings	147,311	258,723
Effect of interest rate swaps	(100,000)	(203,095)
	47,311	55,628

These interest-bearing financial liabilities do not equate to amortised cost of bank loans and instead represent the drawn amounts of bank loans which are owed to external lenders. The private placement notes have a fixed coupon rate so are excluded from the above table.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

### 25 Financial instruments and risk management *(continued)*

The weighted average interest rate on bank loans, including margin, in 2024 was 3.33% (2023: 3.20%). Margins on the Group's bank loans are set with reference to the Group's Net Debt to EBITDA after rent in line with external borrowing covenants and ratchet up or down accordingly. Following the Group's refinancing in October 2024, the applicable margin on the term loan is 1.7% and on the revolving credit facility loans is 1.3% based on the Group's Net Debt to EBITDA after rent at the time which was in the 1- 2 times ratchet level. If the Group's Net Debt to EBITDA after rent exceeded 2 times, a premium of 25 basis points would be added on to each margin rate.

The weighted average coupon rate on private placement notes issued in 2024 was 5.43% (2023: €Nil). The following table displays the coupon rates applicable on the private placement notes which were issued during the year ended 31 December 2024.

Term	Euro loan notes coupon rate	Sterling loan notes coupon rate
5 year	4.51%	6.13%
7 year	4.71%	6.28%

The interest expense for the year ended 31 December 2024 has been sensitised in the following tables for a reasonably possible change in variable interest rates for both Euro and Sterling bank loans. The weighted average variable interest rate includes the impact of hedging on hedged portions of the underlying loans. As the drawn term loan in 2024 was fully hedged with interest rate swaps and these swaps were in the money for the entire period of 2024, there is no impact on the interest incurred on these term loans in the following sensitivity as the rates were fixed (note 23).

The Group have reviewed the EURIBOR and SONIA forward curves for the next ten years, as well as reviewing the historical rates for EURIBOR and SONIA/LIBOR over the past ten years. In relation to the upward sensitivity for the Sterling variable interest rate, the Group believes that a reasonable change in SONIA would be an uplift to 5.5%, which would give the Group a weighted average Sterling variable interest rate of 1.9% including the impact of interest rate swaps.

In relation to the upward sensitivity for the Euro variable interest rate, the Group believes that a reasonable change in EURIBOR would be an uplift to 3.9%, which would give the Group a weighted average Euro variable interest rate of 2.4%, including the impact of interest rate swaps.

In relation to the downward sensitivity, the Group has used an interest rate of zero as there is a floor embedded in the bank loan facilities, which prevents the Group from benefiting from any reduction in rates sub-zero, however, it results in an additional interest cost for the Group on hedged loans. As a result of this downward sensitivity analysis and taking into account the impact of hedging, the weighted average Sterling variable interest rate is 0.8% and the weighted average Euro variable interest rate is 1.9%.

As the private placement notes issued during the year ended 31 December 2024 carry fixed coupon rates, there is no impact on the interest incurred on them and therefore excluded from this sensitivity analysis. The finance income earned during the year ended 31 December 2024 has not been sensitised in the following tables due to its immateriality.

The impact on profit or loss is shown hereafter. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

	2024 actual weighted average variable benchmark rate	Sensitised weighted average as a result of upward sensitivity	Sensitised weighted average as a result of downward sensitivity
Euro variable rate	2.3%	2.4%	1.9%
Sterling variable rate	1.8%	1.9%	0.8%

  

	2023 actual weighted average variable benchmark rate	Sensitised weighted average as a result of upward sensitivity	Sensitised weighted average as a result of downward sensitivity
Euro variable rate	3.0%	3.9%	0.0%
Sterling variable rate	1.7%	1.7%	1.1%

The weighted average variable interest rates in the above tables include the impact of hedging and exclude margin costs

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (*continued*)

25 Financial instruments and risk management (*continued*)

**Sensitivity analysis for variable rate instruments**

	Effect on profit or loss	
	Increase in rate €'000	Decrease in rate €'000
<b>2024</b>		
(Increase)/decrease in interest on bank loans	(151)	2,226
Decrease/(increase) in tax charge	19	(278)
<b>(Decrease)/increase in profit</b>	<b>(132)</b>	<b>1,948</b>
<b>2023</b>		
(Increase)/decrease in interest on bank loans	(71)	1,487
Decrease/(increase) in tax charge	9	(186)
(Decrease)/increase in profit	(62)	1,301

**Contracted maturities of estimated interest payments from swaps**

The following table indicates the periods in which the cash flows associated with the interest rate swaps are expected to occur and the carrying amounts of the related hedging instruments for the year ended 31 December 2024. A positive cash flow in the below table indicates the variable rate for interest rate swaps, based on forward curves as at 31 December 2024, is forecast to be higher than fixed rates. The below amounts only refer to the undiscounted interest forecasted to be incurred under the interest rate swap liabilities.

	Carrying amount €'000	31 December 2024		
		Total €'000	12 months or less €'000	More than 1 year €'000
<b>Interest rate swaps</b>				
Liabilities	(244)	(243)	33	(276)

The following table indicates the periods in which the cash flows associated with cash flow hedges are expected to impact profit or loss and the carrying amounts of the related hedging instruments for the year ended 31 December 2024. A positive cash flow in the table indicates the variable rate for interest rate swaps, based on forward curves as at 31 December 2024, is forecast to be higher than fixed rates. The below amounts only refer to the undiscounted interest forecasted to be incurred under the interest rate swap liabilities.

	Carrying amount €'000	31 December 2024		
		Total €'000	12 months or less €'000	More than 1 year €'000
<b>Interest rate swaps</b>				
Liabilities	(244)	(243)	33	(276)

The following table indicates the periods in which the cash flows associated with the interest rate swaps are expected to occur and the carrying amounts of the related hedging instruments for the year ended 31 December 2023:

	Carrying amount €'000	31 December 2023		
		Total €'000	12 months or less €'000	More than 1 year €'000
<b>Interest rate swaps</b>				
Assets	6,521	7,573	7,573	-

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

### 25 Financial instruments and risk management *(continued)*

The following table indicates the periods in which the cash flows associated with cash flow hedges are expected to impact profit or loss and the carrying amounts of the related hedging instruments for the year ended 31 December 2023:

	31 December 2023			
	Carrying amount	Total	12 months or less	More than 1 year
	€'000	€'000	€'000	€'000
<b>Interest rate swaps</b>				
Assets	6,521	7,573	7,573	-

#### ***(ii) Foreign currency risk***

As per the Risk Management section of the annual report, the Group is exposed to fluctuations in the Euro/Sterling exchange rate.

The Group is exposed to transactional foreign currency risk on trading activities conducted by subsidiaries in currencies other than their functional currency and to foreign currency translation risk on the retranslation of foreign operations to Euro.

The Group's policy is to manage foreign currency exposures commercially and through netting of exposures where possible. The Group's principal transactional exposure to foreign exchange risk relates to interest costs on its Sterling bank loans and private placement notes. This risk is mitigated by the earnings from UK subsidiaries which are denominated in Sterling.

The Group's gain or loss on retranslation of the net assets of foreign currency subsidiaries is taken directly to the translation reserve.

The Group limits its exposure to foreign currency risk by using Sterling bank loans and private placement notes to hedge part of the Group's investment in UK subsidiaries. At 31 December 2024, £52.5 million of private placement loan notes (€63.3 million) are designated as net investment hedges. This net investment hedge was fully effective from the date of issuance of these loan notes in October 2024, to 31 December 2024. In 2023 and from 1 January 2024 to 9 October 2024, the Group had £176.5 million sterling denominated term borrowings which hedged part of the Group's investment in UK subsidiaries (2023: £176.5 million (€203.1 million)). The net investment hedge was fully effective during this period.

This enables gains and losses arising on retranslation of those foreign currency borrowings to be recognised in Other Comprehensive Income, providing a partial offset in reserves against the gains and losses arising on translation of the net assets of those UK operations.

#### ***Sensitivity analysis on transactional risk***

The Group performed a sensitivity analysis on the impact on the Group's profit after tax and equity had foreign exchange rates been different. The impact of different foreign exchange rates was considered both on Sterling bank loans and Sterling private placement loan notes. The Group reviewed the historical Euro/Sterling foreign exchange rates for the previous ten years as well as the current forward curves for Euro/Sterling foreign exchange rates for the following five years which takes into account periods of market volatility. Based on the analysis, the Group have chosen to use 0.73 to calculate the impact of Euro weakening against Sterling and 0.94 in the upward sensitivity of Euro strengthening against Sterling.

	Profit		Equity	
	Strengthening of Euro	Weakening of Euro	Strengthening of Euro	Weakening of Euro
	€'000	€'000	€'000	€'000
Decrease/(increase) in interest costs on Sterling bank loans and private placement notes	870	(1,449)	870	(1,449)
Impact on tax charge	(109)	181	(109)	181
<b>Increase/(decrease) in profit</b>	<b>761</b>	<b>(1,268)</b>		
<b>Increase/(decrease) in equity</b>			<b>761</b>	<b>(1,268)</b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

### 25 Financial instruments and risk management *(continued)*

#### (d) Capital management

The Group's policy is to maintain a strong capital base to preserve investor, creditor and market confidence and to sustain future development of the business. Management monitors the return on capital to ordinary shareholders.

The Board of Directors seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position. The Group's target is to achieve a pre-tax leveraged internal rate of return of at least 15% on investments and typically a rent cover of 1.85 times in year three for leased assets.

Typically, the Group monitors capital using a ratio of Net Debt to EBITDA after rent which excludes the effects of IFRS 16, in line with its external borrowings covenants. This is calculated based on the prior 12-month period. The Net Debt to EBITDA after rent as at 31 December 2024 is 1.3 times (31 December 2023: 1.3 times).

The Group also monitors Net Debt and Lease Liabilities to Adjusted EBITDA which, at 31 December 2024, is 4.3x (31 December 2023: 4.1x) (APM (viii)).

The Group's approach to capital management has ensured that it continues to maintain a very strong financial position.

### 26 Commitments

#### Section 357 Companies Act 2014

Dalata Hotel Group plc, as the parent company of the Group and for the purposes of filing exemptions referred to in Section 357 of the Companies Act 2014, has entered into guarantees in relation to the liabilities and commitments of the Republic of Ireland registered subsidiary companies which are listed below:

Suvanne Management Limited	Candlevale Limited
Carasco Management Limited	DHG Arden Limited
Heartside Limited	Merzolt Limited
Palaceglen Limited	Pondglen Limited
Songdale Limited	Lintal Commercial Limited
Amelin Commercial Limited	Pillo Hotels Limited
DHG Burlington Road Limited	Loadbur Limited
Dalata Support Services Limited	DHG Cordin Limited
Bernara Commercial Limited	Leevian Limited
Adelka Limited	Fonteyn Property Holdings Limited
DS Charlemont Limited	DHG Dalton Limited
DHG Barrington Limited	DHG Glover Limited
Fonteyn Property Holdings No. 2 Limited	DHG Harton Limited
DHG Eden Limited	DHG Indigo Limited
Galsay Limited	DHG Fleming Limited
Williamsberg Property Limited	

#### Capital commitments

The Group has the following commitments for future capital expenditure under its contractual arrangements.

	2024	2023
	€'000	€'000
Contracted but not provided for	55,783	20,569

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

### 26 Commitments *(continued)*

This relates primarily to the construction of a new hotel in Edinburgh (€41.7 million) which is contractually committed and the development of Clayton Cardiff Lane (€6.5 million). It also includes committed capital expenditure at other hotels in the Group.

The Group has further commitments in relation to fixtures, fittings and equipment in some of its leased hotels. Under certain lease agreements, the Group has committed to spending a percentage of turnover on capital expenditure in respect of fixtures, fittings and equipment in the leased hotels over the life of the lease. The Group has estimated this commitment to be €66.9 million (31 December 2023: €77.3 million) spread over the life of the various leases with the majority ranging in length from 17 years to 33 years. The turnover figures used in this estimate are based on 2025 budgeted revenues.

### 27 Related party transactions

Under IAS 24 *Related Party Disclosures*, the Group has related party relationships with Shareholders and the Executive Directors of the Company.

#### **Remuneration of key management**

Key management is defined as the Directors of the Company and does not extend to any other members of the Executive Management Team. The compensation of key management personnel is set out in the Remuneration Committee report. In addition, the share-based payments expense for key management in 2024 was €1.0 million (2023: €0.9 million).

There are no other related party transactions requiring disclosure in accordance with IAS 24 in these consolidated financial statements.

### 28 Subsequent events

On 9 January 2025, the group completed the sale of the Clayton Whites Hotel, Wexford for a cash consideration of €21.0 million.

In January 2025, the group repurchased €6.5 million worth of shares, concluding the second share buyback programme announced in October 2024.

In February 2025, the Group entered a lease agreement for a hotel to be developed at 60 Morrison Street, Edinburgh, which is expected to open in 2028, subject to planning permission.

On 5 March 2025, the Board proposed a final dividend of 8.4 cents per share. This proposed dividend is subject to approval by the shareholders at the Annual General Meeting. The payment date for the final dividend will be 8 May 2025 to shareholders registered on the record date 4 April 2025. Based on the expected number of shares that will be in issue on this date, the amount of the proposed dividend will be €17.8 million. These consolidated financial statements do not reflect this dividend.

### 29 Subsidiary undertakings

A list of all subsidiary undertakings at 31 December 2024 is set out below:

Subsidiary undertaking	Country of Incorporation	Activity	Ownership	
			Direct	Indirect
DHG Glover Limited <sup>1</sup>	Ireland	Holding company	100%	-
DHG Fleming Limited <sup>1</sup>	Ireland	Financing company	100%	-
DHG Harton Limited <sup>1</sup>	Ireland	Holding company	100%	-
DHGL Limited <sup>1</sup>	Ireland	Holding company	-	100%
Dalata Limited <sup>1</sup>	Ireland	Holding company	-	100%
Hanford Commercial Limited <sup>1</sup>	Ireland	Hotel and catering	-	100%
Anora Commercial Limited <sup>1</sup>	Ireland	Hotel and catering	-	100%
Ogwell Limited <sup>1</sup>	Ireland	Hotel and catering	-	100%
Caruso Limited <sup>1</sup>	Ireland	Hotel and catering	-	100%
C I Hotels Limited <sup>1</sup>	Ireland	Hotel and catering	-	100%



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

29 Subsidiary undertakings *(continued)*

Subsidiary undertaking	Country of Incorporation	Activity	Ownership	
			Direct	Indirect
Tulane Business Management Limited <sup>1</sup>	Ireland	Hotel and catering	-	100%
Dalata Support Services Limited <sup>1</sup>	Ireland	Hotel management	-	100%
Fonteyn Property Holdings Limited <sup>1</sup>	Ireland	Hotel management	-	100%
Fonteyn Property Holdings No. 2 Limited <sup>1</sup>	Ireland	Hotel and catering	-	100%
Suvanne Management Limited <sup>1</sup>	Ireland	Hotel and catering	-	100%
Carasco Management Limited <sup>1</sup>	Ireland	Hotel and catering	-	100%
Amelin Commercial Limited <sup>1</sup>	Ireland	Hotel and catering	-	100%
Lintal Commercial Limited <sup>1</sup>	Ireland	Hotel and catering	-	100%
Bernara Commercial Limited <sup>1</sup>	Ireland	Property investment	-	100%
Pillo Hotels Limited <sup>1</sup>	Ireland	Dormant company	-	100%
Loadbur Limited <sup>1</sup>	Ireland	Hotel and catering	-	100%
Heartside Limited <sup>1</sup>	Ireland	Hotel and catering	-	100%
Pongdglan Limited <sup>1</sup>	Ireland	Hotel and catering	-	100%
Candlevale Limited <sup>1</sup>	Ireland	Hotel and catering	-	100%
Songdale Limited <sup>1</sup>	Ireland	Hotel and catering	-	100%
Palaceglan Limited <sup>1</sup>	Ireland	Hotel and catering	-	100%
Adelka Limited <sup>1</sup>	Ireland	Property holding company	-	100%
Leevlan Limited <sup>1</sup>	Ireland	Hotel and catering	-	100%
DHG Arden Limited <sup>1</sup>	Ireland	Hotel and catering	-	100%
DHG Barrington Limited <sup>1</sup>	Ireland	Hotel and catering	-	100%
DHG Cordin Limited <sup>1</sup>	Ireland	Hotel and catering	-	100%
DS Charlemont Limited <sup>1</sup>	Ireland	Hotel and catering	-	100%
Galsay Limited <sup>1</sup>	Ireland	Hotel and catering	-	100%
Merzolt Limited <sup>1</sup>	Ireland	Hotel and catering	-	100%
DHG Burlington Road Limited <sup>1</sup>	Ireland	Hotel and catering	-	100%
DHG Eden Limited <sup>1</sup>	Ireland	Hotel and catering	-	100%
DHG Dalton Limited <sup>1</sup>	Ireland	Property holding company	-	100%
Williamsberg Property Limited <sup>1</sup>	Ireland	Hotel and catering	-	100%
DHG Indigo Limited <sup>1</sup>	Ireland	Holding company	-	100%
DHG Belfast Limited <sup>2</sup>	N Ireland	Hotel and catering	-	100%
DHG Derry Limited <sup>2</sup>	N Ireland	Hotel and catering	-	100%
DHG Derry Commercial Limited <sup>2</sup>	N Ireland	Dormant company	-	100%

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

### 29 Subsidiary undertakings *(continued)*

Subsidiary undertaking	Country of Incorporation	Activity	Ownership	
			Direct	Indirect
DHG Brunswick Limited <sup>2</sup>	N Ireland	Hotel and catering	-	100%
Dalata UK Limited <sup>3</sup>	UK	Holding company	-	100%
Dalata Cardiff Limited <sup>3</sup>	UK	Hotel and catering	-	100%
Trackdale Limited <sup>3</sup>	UK	Hotel and catering	-	100%
Islandvale Limited <sup>3</sup>	UK	Dormant company	-	100%
Crescentbrook Limited <sup>3</sup>	UK	Hotel and catering	-	100%
Hallowridge Limited <sup>3</sup>	UK	Hotel and catering	-	100%
Rush (Central) Limited <sup>3</sup>	UK	Property holding company	-	100%
Hotel La Tour Birmingham Limited <sup>3</sup>	UK	Hotel and catering	-	100%
SRD (Trading) Limited <sup>3</sup>	UK	Hotel and catering	-	100%
SRD (Management) Limited <sup>3</sup>	UK	Hotel and catering	-	100%
DHG Finsbury Park Limited <sup>3</sup>	UK	Property holding company	-	100%
DHG Castle Limited <sup>3</sup>	UK	Hotel and catering	-	100%
DHG Phoenix Limited <sup>3</sup>	UK	Property holding company	-	100%
Hintergard Limited <sup>4</sup>	Jersey	Property holding company	-	100%
Dalata Deutschland Holding GmbH <sup>5</sup>	Germany	Holding company	-	100%
Dalata Deutschland Hotelbetriebs GmbH <sup>5</sup>	Germany	Hotel and catering	-	100%
American Hotel Exploitatie B.V. <sup>6</sup>	Netherlands	Hotel and catering	-	100%
DHG Amsterdam B.V. <sup>6</sup>	Netherlands	Holding company	-	100%
Dalata Coliseo S.L. <sup>7</sup>	Spain	Dormant company	-	100%

1. The registered address of these companies is Termini, 3 Arkle Road, Sandyford Business Park, Dublin 18, D18C9C5.

2. The registered address of these companies is Butcher Street, Londonderry, County Derry BT48 6HL, UK.

3. The registered address of these companies is St Mary Street, Cardiff, Wales, CF10 1GD, UK.

4. The registered address of this company is 12 Castle Street, St Helier Jersey, JE2 3RT.

5. The registered address of this company is Thurn-und-Taxis-Platz 6, 60313 Frankfurt am Main, Germany.

6. The registered address of this company is Leidsekade 97, 1017 PN Amsterdam, Netherlands.

7. The registered address of this company is Calle Trafalgar, 25, Principal PTA, 1, Barcelona, Spain.

During the 2023 year the registered address for the Irish subsidiary undertakings was changed from 4<sup>th</sup> Floor, Burton Court, Burton Hall Drive, Sandyford, Dublin 18 to Termini, 3 Arkle Road, Sandyford Business Park, Dublin 18.

### 30 Earnings per share

Basic earnings per share is computed by dividing the profit for the year available to ordinary shareholders by the weighted average number of ordinary shares outstanding during the year. Diluted earnings per share is computed by dividing the profit for the year available to ordinary shareholders by the weighted average number of ordinary shares outstanding and, when dilutive, adjusted for the effect of all potentially dilutive shares.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

### 30 Earnings per share *(continued)*

The following table sets out the computation for basic and diluted earnings per share for the years ended 31 December 2024 and 31 December 2023.

	2024	2023
Profit attributable to shareholders of the parent (€'000) – basic and diluted	78,741	90,222
Adjusted profit attributable to shareholders of the parent (€'000) – basic and diluted	89,460	93,213
Earnings per share – Basic	35.5 cents	40.4 cents
Earnings per share – Diluted	35.3 cents	39.9 cents
Adjusted earnings per share – Basic	40.4 cents	41.7 cents
Adjusted earnings per share – Diluted	40.1 cents	41.2 cents
Weighted average shares outstanding – Basic	221,621,597	223,299,760
Weighted average shares outstanding – Diluted	223,320,862	226,396,287

The difference between the basic and diluted weighted average shares outstanding for the year ended 31 December 2024 is due to the dilutive impact of the conditional share awards granted in 2021, 2022, 2023 and 2024. For the year ended 31 December 2023, the difference between basic and diluted EPS is due to the dilutive impact of the conditional share awards granted in 2020, 2021, 2022 and 2023.

Adjusted earnings per share (basic and diluted) are presented as alternative performance measures to show the underlying performance of the Group excluding the tax adjusted effects of items considered by management to not reflect normal trading activities or distort comparability either year on year or with other similar businesses [\(note 2\)](#).

As a result of the refinancing in October 2024, the Group recognised a modification loss of €7.5 million in net finance costs in profit or loss for the year ended 31 December 2024. As this is not reflective of normal trading activity, it is presented as an Adjusting item to arrive at Adjusted profit before tax and Adjusted profit after tax.

	2024	2023
	€'000	€'000
<b>Reconciliation to adjusted profit for the year</b>		
Profit before tax	91,238	105,532
<b>Adjusting items <a href="#">(note 2, 6)</a></b>		
Impairment charge/(reversal) relating to property, plant and equipment through profit and loss	1,322	(2,025)
Impairment charge relating to investment property	96	-
Impairment reversal relating to right-of-use assets	(1,719)	-
Modification loss on refinancing	7,525	-
Hotel pre-opening expenses	1,895	497
Acquisition-related costs	1,106	4,389
<b>Adjusted profit before tax</b>	<b>101,463</b>	<b>108,393</b>
Tax charge <a href="#">(note 9)</a>	(12,497)	(15,310)
<b>Adjusting items in tax charge</b>		
Tax adjustment for adjusting items	494	130
<b>Adjusted profit for the year</b>	<b>89,460</b>	<b>93,213</b>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (*continued*)

**31 Approval of the financial statements**

The financial statements were approved by the Directors on 5 March 2025.

# Supplementary Financial Information

## Alternative Performance Measures ('APMs') and other definitions

The Group reports certain alternative performance measures ('APMs') that are not defined under International Financial Reporting Standards ('IFRS'), which is the framework under which the consolidated financial statements are prepared. These are sometimes referred to as 'non-GAAP' measures.

The Group believes that reporting these APMs provides useful supplemental information which, when viewed in conjunction with the IFRS financial information, provides stakeholders with a more comprehensive understanding of the underlying financial and operating performance of the Group and its operating segments.

These APMs are primarily used for the following purposes:

- to evaluate underlying results of the operations; and
- to discuss and explain the Group's performance with the investment analyst community.

The APMs can have limitations as analytical tools and should not be considered in isolation or as a substitute for an analysis of the results in the consolidated financial statements which are prepared under IFRS. These performance measures may not be calculated uniformly by all companies and therefore may not be directly comparable with similarly titled measures and disclosures of other companies.

The definitions of and reconciliations for certain APMs are contained within the consolidated financial statements. A summary definition of these APMs together with the reference to the relevant note in the consolidated financial statements where they are reconciled is included below. Also included below is information pertaining to certain APMs which are not mentioned within the consolidated financial statements but which are referred to in other sections of this report. This information includes a definition of the APM, in addition to a reconciliation of the APM to the most directly reconcilable line item presented in the consolidated financial statements. References to the consolidated financial statements are included as applicable.

### (i) Adjusting items

Adjusting items are presented to show items which are not reflective of normal trading activities or distort comparability either year on year or with other similar businesses. The adjusting items are disclosed in note 2 and note 30 to the consolidated financial statements. Adjusting items with a cash impact are set out in APM xi below.

### (ii) Adjusted EBITDA

Adjusted EBITDA is an APM representing earnings before interest on lease liabilities, other net interest and finance costs, tax, depreciation of property, plant and equipment and right-of-use assets and amortisation of intangible assets, adjusted to show the underlying operating performance of the Group and excludes items which are not reflective of normal trading activities or which distort comparability either year on year or with other similar businesses.

*Reconciliation: Note 2*

### (iii) EBITDA and Segmental EBITDA

EBITDA is an APM representing earnings before interest on lease liabilities, other net interest and finance costs, tax, depreciation of property, plant and equipment and right-of-use assets and amortisation of intangible assets. Also referred to as Group EBITDA.

*Reconciliation: Note 2*

Segmental EBITDA represents 'Adjusted EBITDA' before central costs, share-based payments expense and other income for each of the reportable segments: Dublin, Regional Ireland, the UK and Continental Europe. It is presented to show the net operational contribution of leased and owned hotels in each geographical location. Also referred to as Hotel EBITDA.

*Reconciliation: Note 2*

### (iv) EBITDAR and Segmental EBITDAR

EBITDAR is an APM representing earnings before interest on lease liabilities, other net interest and finance costs, tax, depreciation of property, plant and equipment and right-of-use assets, amortisation of intangible assets and variable lease costs.

Segmental EBITDAR represents Segmental EBITDA before variable lease costs for each of the reportable segments: Dublin, Regional Ireland, the UK and Continental Europe. It is presented to show the net operational contribution of leased and owned hotels in each geographical location before lease costs. Also referred to as Hotel EBITDAR.

*Reconciliation: Note 2*

### (v) Adjusted earnings per share (EPS) (basic and diluted)

Adjusted EPS (basic and diluted) is presented as an APM to show the underlying performance of the Group excluding the tax adjusted effects of items considered by management to not reflect normal trading activities or which distort comparability either year on year or with other similar businesses.

*Reconciliation: Note 30*

**(vi) Net Debt**

This APM is presented to show Net Debt as calculated in line with external borrowing covenants and includes private placement notes issued and external bank loans drawn and owed to the lenders and note holders as at year end (rather than the amortised cost of the bank loans and private placement notes), less cash and cash equivalents.

Reconciliation: Refer below

**(vii) Net Debt and Lease Liabilities**

This APM is presented to show Net Debt (see definition vi) plus Lease Liabilities at year end.

Reconciliation: Refer below

**(viii) Net Debt and Lease Liabilities to Adjusted EBITDA**

Net Debt and Lease Liabilities (see definition vii) divided by the 'Adjusted EBITDA' (see definition ii) for the year. This APM is presented to show the Group's financial leverage after including the accounting estimate of lease liabilities under IFRS 16 Leases.

Reconciliation: Refer below

**(ix) Net Debt to Value**

Net Debt (see definition vi) divided by the valuation of property assets as provided by independent external valuers at year end. This APM is presented to show the gearing level of the Group.

Reconciliation: Refer below

Reconciliation of Net Debt APMs - definitions (vi), (vii), (viii), (ix)	Reference in financial statements	31 Dec 2024 €'000	31 Dec 2023 €'000
Bank loans and private placement notes at amortised cost	Statement of financial position	271,384	254,387
Accounting adjustment to bring to amortised cost		1,243	4,336
Bank loans drawn and private placement notes issued	Note 22	272,627	258,723
Less cash and cash equivalents	Statement of financial position	(39,575)	(34,173)
<b>Net Debt (APM vi)</b>	A Note 22	<b>233,052</b>	<b>224,550</b>
Lease Liabilities - current and non-current	Statement of financial position	778,558	698,598
<b>Net Debt and Lease Liabilities (APM vii)</b>	B Note 22	<b>1,011,610</b>	<b>923,148</b>
Adjusted EBITDA (APM ii)	C Note 2	234,453	223,108
<b>Net Debt and Lease Liabilities to Adjusted EBITDA (APM viii)</b>	B/C	<b>4.3x</b>	<b>4.1x</b>
Valuation of property assets as provided by external valuers <sup>1</sup>	D	1,638,334	1,545,314
<b>Net Debt to Value (APM ix)</b>	A/D	<b>14.2%</b>	<b>14.5%</b>

<sup>1</sup> Property assets valued exclude assets under construction and fixtures, fittings and equipment in leased hotels.

**(x) Lease Modified Net Debt to Adjusted EBITDA**

Lease Modified Net Debt, defined as Net Debt (see definition vi) plus eight times the Group's lease cash flow commitment, divided by 'Adjusted EBITDA' (see definition ii) for the year. The Group's lease cash flow commitment is based on its non-cancellable undiscounted lease cash flows payable under existing lease contracts for the next financial year as presented in note 14. This APM is presented to show an alternative view of the Group's leverage calculated in line with methodology used by the investment community including some credit rating agencies.

Reconciliation: Refer below

Reconciliation of Lease Modified Net Debt to Adjusted EBITDA APM - definition (x)	Reference in financial statements	31 Dec 2024 €'000	31 Dec 2023 €'000
Non-cancellable undiscounted lease cash flows payable under lease contracts in the next financial year	A Note 14	67,053	57,603
Modified Lease Debt	B=A*8	536,424	460,824
Net Debt (APM vi)	C Note 22	233,052	224,550
Lease Modified Net Debt	D=B+C	769,476	685,374
Adjusted EBITDA (APM ii)	E Note 2	234,453	223,108
<b>Lease Modified Net Debt to Adjusted EBITDA (APM x)</b>	D/E	<b>3.3x</b>	<b>3.1x</b>

**(xi) Free Cashflow**

Net cash from operating activities less amounts paid for other net interest and finance costs, refurbishment capital expenditure, fixed lease payments and after adding back the cash paid in respect of items that are deemed one-off and thus not reflecting normal trading activities or distort comparability either year on year or with other similar businesses (see definition i). This APM is presented to show the cash generated from operating activities to fund acquisitions, development expenditure, repayment of debt and shareholder returns.

Reconciliation: Refer below

**(xii) Free Cashflow per Share (FCPS)**

Free Cashflow (see definition xi) divided by the weighted average shares outstanding - basic. This APM forms the basis for the performance condition measure in respect of share awards made after 3 March 2021.

FCPS for LTIP performance measure purposes has been adjusted to exclude the impact of items that are deemed one-off and thus not reflecting normal trading activities or distorting comparability either year on year or with other similar businesses. The Group takes this approach to encourage the vigorous pursuit of opportunities, and by excluding certain one-off items, drive the behaviours sought from the executives and encourage management to invest for the long-term interests of shareholders.

Reconciliation: Refer below

**(xiii) Debt and Lease Service Cover**

Free Cashflow (see definition xi) before payment of lease costs, other net interest and finance costs divided by the total amount paid for lease costs, other net interest and finance costs. This APM is presented to show the Group's ability to meet its debt and lease commitments.

Reconciliation: Refer below

Reconciliation of APMs (xi), (xii), (xiii)	Reference in financial statements	2024 €'000	2023 €'000	
Net cash from operating activities	Statement of cash flows	218,273	171,379	
Other net interest and finance costs paid	Statement of cash flows	(14,595)	(8,726)	
Refurbishment capital expenditure paid		(25,547)	(26,050)	
<u>Fixed lease payments:</u>				
- Interest paid on lease liabilities	Statement of cash flows	(49,487)	(42,751)	
- Repayment of lease liabilities	Statement of cash flows	(11,767)	(10,747)	
		116,877	83,105	
<u>Exclude adjusting items with a cash effect:</u>				
Net impact from tax deferrals from government Covid-19 support schemes <sup>1</sup>		-	34,917	
2022 corporation tax payment in 2023 <sup>2</sup>		-	10,451	
Acquisition-related costs paid	Note 2	495	4,389	
Pre-opening costs paid	Note 2	1,895	497	
Refinancing costs paid <sup>3</sup>		4,430	-	
<b>Free Cashflow (APM xi)</b>	A	123,697	133,359	
Weighted average shares outstanding – basic	B	Note 30	221,621,597	223,299,760
<b>Free Cashflow per Share (APM xii) – cents</b>	A/B	55.8	59.7	
Total lease costs paid <sup>4</sup>		64,766	57,373	
Other net interest and finance costs paid (excluding refinancing costs paid) <sup>3</sup>		10,165	8,726	
Total lease costs, net interest and finance costs paid	C	74,931	66,099	
Free Cashflow before lease and finance costs	D=A+C	198,628	199,458	
<b>Debt and Lease Service Cover (APM xiii)</b>	D/C	2.7x	3.0x	

<sup>1</sup> During the prior year, the Group paid deferred VAT and payroll tax liabilities totalling €34.9 million under the Debt Warehousing scheme in the Republic of Ireland. This non-recurring initiative was introduced under Irish government Covid-19 support schemes and allowed the temporary retention of an element of taxes collected between March 2020 and May 2022 to assist businesses who experienced cash flow and trading difficulties during the pandemic.

<sup>2</sup> During the prior year, the Group paid €10.5 million of Irish corporation tax relating to the 2022 financial year due to available payment schedule following pandemic losses.

<sup>3</sup> Included in other net interest and finance costs paid of €14.6 million per the consolidated statement of cash flows are costs paid totalling €4.4 million relating to the refinancing of the Group's existing banking facilities completed during the year.

<sup>4</sup> Total lease costs paid comprises payments of fixed and variable lease costs during the year.

**(xiv) Normalised Return on Invested Capital**

Adjusted EBIT after rent divided by the Group's average normalised invested capital. The Group defines normalised invested capital as total assets less total liabilities at the year end and excludes the accumulated revaluation gains/losses included in property, plant and equipment, loans and borrowings, cash and cash equivalents, derivative financial instruments and taxation related balances. The Group also excludes the impact of items which are quasi-debt in nature, the investment in the construction of future assets including payments relating to future leased assets and deposits paid which are refundable at the end of the lease term or relate to acquisitions which had not completed at year end. The Group's net assets are adjusted to reflect the average level of acquisition investment spend and the average level of working capital for the accounting period. In most years, the average normalised invested capital is the average of the opening and closing normalised invested capital for the year.

Adjusted EBIT after rent represents the Group's operating profit for the year restated to remove the impact of adjusting items (see definition i) and to replace depreciation of right-of-use assets with fixed lease payments.

The Group presents this APM to provide stakeholders with a meaningful understanding of the underlying financial and operating performance of the Group.

Reconciliation: Refer below

**(xiv) Normalised Return on Invested Capital (continued)**

Reconciliation of APM (xiv)	Reference in financial statements	2024 €'000	2023 €'000
Operating profit	Statement of comprehensive income	158,458	156,143
Add back/(less):			
Total adjusting items as per the financial statements	Note 2	2,700	2,861
Depreciation of right-of-use assets	Note 2	33,727	30,663
Fixed lease payments	Note 14	(61,254)	(53,498)
<b>Adjusted EBIT after rent</b>	A	<b>133,631</b>	<b>136,169</b>
Net assets at balance sheet date	Statement of financial position	1,419,405	1,392,937
Add back			
Loans and borrowings	Statement of financial position	271,384	254,387
Deferred tax liabilities	Statement of financial position	92,763	84,441
Current tax liabilities	Statement of financial position	1,576	2,659
Derivative liabilities	Statement of financial position	244	-
Less			
Revaluation uplift in property, plant and equipment <sup>1</sup>	Note 13	(527,005)	(518,770)
Cash and cash equivalents	Statement of financial position	(39,575)	(34,173)
Deferred tax assets	Statement of financial position	(33,100)	(24,136)
Derivative assets	Statement of financial position	-	(6,521)
Invested capital	B	1,185,692	1,150,824
Average invested capital	C	1,168,258	1,067,107
Return on Invested Capital	A/C	11.4%	12.8%
Non-current other receivables	D Statement of financial position	(7,362)	(6,418)
Assets under construction at year end	E Note 13	(30,741)	(101,703)
<b>Normalised invested capital</b>	B-D-E	<b>1,147,589</b>	<b>1,042,703</b>
<b>Average normalised invested capital</b>	F	<b>1,095,146</b>	<b>979,075</b>
<b>Normalised Return on Invested Capital (APM xiv)</b>	A/F	<b>12.2%</b>	<b>13.9%</b>

<sup>1</sup> Includes the combined net revaluation uplift included in property, plant and equipment since the revaluation policy was adopted in 2014 or in the case of hotel assets acquired after this date, since the date of acquisition. The carrying value of land and buildings, revalued at 31 December 2024, is €1,564.2 million (31 December 2023: €1,478.6 million). The value of these assets under the cost model is €1,037.2 million (31 December 2023: €959.9 million). Therefore, the revaluation uplift included in property, plant and equipment is €527.0 million (31 December 2023: €518.8 million). Refer to note 13 to the financial statements.

**(xv) Net Debt to EBITDA after rent (external borrowing covenants)**

Net Debt (see definition vi) divided by EBITDA after rent for the year. EBITDA after rent is defined as Adjusted EBITDA (see definition ii) less fixed lease payments and is calculated in line with external borrowing covenants which specify the inclusion of pre-opening expenses and exclusion of share-based payment expense. EBITDA (see definition iii) relating to any hotels disposed during the covenant period are excluded, while full period EBITDA relating to hotels acquired during the covenant period are included.

Prior to the refinancing of the Group's existing banking facilities, fixed lease costs were required to be measured under IAS 17 Leases by our banking covenants. Under the terms of the refinanced facilities, fixed lease costs are measured as fixed lease payments recognised per the statement of cash flows under IFRS 16 Leases.

This APM is presented to show the Group's financial leverage in line with external borrowing covenants.

Reconciliation: Refer below

**(xvi) Interest Cover (external borrowing covenants)**

EBITDA after rent (see definition xv) divided by net interest and other finance costs paid or payable during the year. The calculation excludes professional fees paid or payable during the year in line with banking covenants.

Reconciliation: Refer below



**(xvi) Interest Cover (external borrowing covenants) (continued)**

Reconciliation of external borrowing covenants APMs (xv), (xvi)	Reference in financial statements	2024 €'000	2023 €'000
Operating profit	Statement of comprehensive income	158,458	156,143
Add back/(less):			
Total adjusting items as per the financial statements	Note 2	2,700	2,861
Depreciation of property, plant and equipment	Note 2	39,316	32,791
Depreciation of right-of-use assets	Note 2	33,727	30,663
Amortisation of intangible assets	Note 2	252	650
Share-based payment expense	Note 2	3,615	5,910
Fixed lease payments	Note 14	(61,254)	-
Fixed lease costs		-	(53,531)
Pre-opening costs	Note 2	(1,895)	(497)
EBITDA relating to hotels disposed by the Group during the covenant period		(914)	-
<b>EBITDA after rent</b>	<b>A</b>	<b>174,005</b>	<b>174,990</b>
<b>Net Debt (APM vi)</b>	<b>B</b>	Note 22	<b>224,550</b>
<b>Net Debt to EBITDA after rent (APM xv)</b>	<b>B/A</b>		<b>1.3x</b>
Other net interest and finance costs paid	Statement of cash flows	14,595	8,726
Exclude refinancing costs paid		(4,430)	-
Other adjustments required by external borrowing covenants		(201)	258
Other net interest and finance costs per external borrowing covenants	C	9,964	8,984
<b>Interest Cover (APM xvi)</b>	<b>A/C</b>	<b>17.5x</b>	<b>19.5x</b>

**(xvii) Hotel EBITDA (after rent) from leased portfolio**

'Segmental EBITDAR' (see definition iv) from leased hotels less the sum of variable lease costs and fixed lease payments relating to leased hotels. This excludes variable lease costs and fixed lease payments relating to majority, or effectively owned hotels. This APM is presented to show the net operational contribution from the Group's leased hotel portfolio after lease costs.

Reconciliation: Refer below

**(xviii) Rent Cover**

'Segmental EBITDAR' (see definition iv) from leased hotels divided by the sum of variable lease costs and fixed lease payments relating to leased hotels. This excludes variable lease costs and fixed lease payments that do not relate to fully leased hotels. This APM is presented to show the Group's ability to meet its lease commitments through the net operational contribution from its leased hotel portfolio.

Reconciliation: Refer below

Reconciliation of APMs (xvii), (xviii)	Reference in financial statements	2024 €'000	2023 €'000	
'Segmental EBITDAR' from leased hotels	A	Note 2	101,740	96,350
Variable lease costs		Note 2	2,644	3,630
Fixed lease payments		Note 14	61,254	53,498
Total variable and fixed lease costs			63,898	57,128
Exclude variable and fixed lease costs not relating to fully leased hotels			(2,518)	(2,267)
Variable and fixed lease costs from leased hotels	B		61,380	54,861
<b>Hotel EBITDA (after rent) from leased portfolio (APM xvii)</b>	<b>A-B</b>		<b>40,360</b>	<b>41,489</b>
<b>Rent Cover (APM xviii)</b>	<b>A/B</b>		<b>1.7x</b>	<b>1.8x</b>

## Glossary

### **Revenue per available room (RevPAR)**

Revenue per available room is calculated as total rooms revenue divided by the number of available rooms, which is also equivalent to the occupancy rate multiplied by the average daily room rate achieved. This is a commonly used industry metric which facilitates comparison between companies.

### **Average Room Rate (ARR) - also Average Daily Rate (ADR)**

ARR is calculated as rooms revenue divided by the number of rooms sold. This is a commonly used industry metric which facilitates comparison between companies.

### **'Like for like' hotels**

'Like for like' or 'LFL' analysis excludes hotels that newly opened or ceased trading under Dalata during the current or comparative periods. Clayton Whites Hotel, Wexford is also excluded from 'like for like' analysis as the hotel was sold in January 2025. For newly acquired, previously operating hotels, where pre-acquisition data is available, these hotels are included on a 'like for like' basis for analysis. 'Like for like' metrics are commonly used industry metrics and provide an indication of the underlying performance.

### **Segmental EBITDAR margin**

Segmental EBITDAR margin represents 'Segmental EBITDAR' as a percentage of revenue for the following Group segments: Dublin, Regional Ireland, the UK and Continental Europe. Also referred to as Hotel EBITDAR margin.

### **Effective tax rate**

The Group's tax charge for the year divided by the profit before tax presented in the consolidated statement of comprehensive income.

### **Fixed lease costs**

Fixed costs incurred by the lessee for the right to use an underlying asset during the lease term as calculated under IAS 17 Leases.

### **Hotel assets**

Hotel assets represents the value of property, plant and equipment per the consolidated statement of financial position at 31 December 2024.

### **Refurbishment capital expenditure**

The Group typically allocates approximately 4% of revenue to refurbishment capital expenditure to ensure the portfolio remains fresh for its customers and adheres to brand standards.

### **Balance Sheet Net Asset Value (NAV) per Share**

Balance Sheet NAV per Share represents net assets per the consolidated statement of financial position divided by the number of shares outstanding at year end.