

Expanding
horizons,
*enriching
experiences*

Annual Report &
Financial Statements 2024



Investing in our people, *driving our success*



Dermot Crowley
Chief Executive

As we embark on our journey towards our 2030 Vision, we are committed to expanding our horizons and enriching the experiences of our stakeholders. In 2024, we made significant strides in our growth strategy, aiming to have 21,000 rooms either open or under construction by 2030. Our people remain at the heart of our success. We have continued to invest in their development, with over 580 internal promotions and 675 participants in our Dalata Academy courses. Our commitment to creating an inclusive and supportive working environment ensures that our team members can grow personally and professionally. This focus on our people, alongside our dedication to innovation and sustainability, drives sustainable growth and long-term value creation. As we look to the future, we are excited about the opportunities ahead.

These printed financial statements are non-statutory financial statements having not been prepared in accordance with the European Single Electronic Format (ESEF) but represent a true copy of the human readable layer of the statutory financial statements which were prepared in accordance with ESEF and are available on the Group's website at <https://dalatahotelgroup.com/investor-relations/reports-and-presentations/>

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OUR STORY

The *heart* of hospitality

Our Purpose is to *grow* and evolve as an *innovative* and *sustainable* international hotel company, delivering excellence in customer *service*, driven by ambitious *people* flourishing within a culture of integrity, fairness and inclusion.

OUR BRANDS

maldron^o
HOTELS

Maldron Hotels can be found in 25 key locations throughout Ireland and the UK, with more exciting openings in the pipeline. Providing rest and relaxation that's always close to the action, Maldron Hotels pride themselves on delivering a warm welcome to every traveller.

Maldron Hotels are predominantly leisure-first hotels where our customer are always looking to make new memories and enjoy an epic base camp.

'It starts here' defines the strong sense of connection that a stay in a Maldron Hotel brings. It's about inviting hospitality, friendly energy and desire to make it the start of a fantastic experience.

Maldron Hotels are ideally located in the heart of the city. Our hotels exist to be the starting point for our guests' experiences both inside and outside our walls.



CLAYTON
HOTELS

Clayton Hotels is a collection of 26 well-appointed hotels throughout Ireland, the UK and Germany. Located in Cork, Dublin, Galway, Sligo, Limerick, Belfast, Cardiff, Leeds, London, Birmingham, Manchester, Bristol, Glasgow, Amsterdam and Düsseldorf, you're sure to find a destination to suit you. Clayton Hotels are renowned for offering a warm welcoming atmosphere and superior service.

At Clayton Hotels it is about the human connection, from the small gestures like a sincere smile to going the extra mile for our guests. Ultimately, personal is powerful and valuing your guest is at the very core of the 'heart of hospitality' at Dalata Hotel Group.

Clayton Hotels, *"Where it's personal"*



AT A GLANCE

Dalata Hotel Group plc is the UK and Ireland's largest independent four-star hotel operator, with ambitious plans to become the leading operator in the four-star segment in all target cities in Regional UK, and to grow its presence in London and Continental Europe. Dalata's portfolio comprises a mix of owned and leased four-star hotels under its two main brands, Clayton and Maldron. With just under 12,000 rooms currently in operation, Dalata aims to reach 21,000 rooms either in operation or development by 2030.

Financial Highlights

Revenue

€652m

2023: €608m



Adjusted EBITDA - APM (ii)

€234m

2023: €223m



Free Cashflow - APM (xi)

€124m

2023: €133m



Property, Plant and Equipment

€1.71bn

2023: €1.68bn



Operational Highlights

40.9%

'Like for Like' Hotel EBITDAR margin –
[see glossary](#)
2023: 42.3%

Enhanced

our customer experience and
employee engagement scores

Repositioned

our brands and overhauled all digital
marketing activity

31%

Reduction in Scope 1 and 2 carbon
emissions per room sold

Innovation

and efficiency projects driving strong
operational performance

5,314

Full and part-time employees
2023: 5,495



Current Portfolio Highlights

Total rooms (incl. pipeline)

13,315

2023: 12,961

30 owned hotels

6,397

rooms

22 leased hotels

5,294

rooms

3 managed hotels

299

rooms

Delivering *shareholder value* through our unique competitive strengths



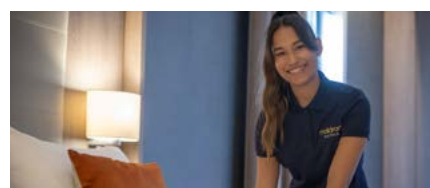
1. Strong platform led by a highly experienced executive management team

- Expert hotel operators with decentralised model and a strong emphasis on having a motivated, well-trained team with in-house promotional opportunities
- Embedded culture of innovation drives efficiencies while maintaining or enhancing customer satisfaction and employee engagement
- In-house acquisitions and development capabilities including freehold, leasehold and development projects



2. Refreshed, modern brands

- Brands which are strong in terms of messaging and delivery across all platforms
- Reputation for quality and service excellence
- Full operational flexibility (no third-party brand commitments)



3. Asset-rich portfolio of exceptional hotels in central locations

- Strategically diversified portfolio of modern and well-invested hotels
- Prime central locations across major cities in Ireland, the UK and Continental Europe



4. Strong and growing markets

- Highly attractive macroeconomic environment in the UK and Ireland, supporting hotel demand, with an opportunity for European growth
- Dublin remains an attractive market, with the 2nd highest European hotel occupancy and substantial supply limitations
- Dalata is the leading Irish hotel operator by number of rooms with c.6,000 rooms



5. Consistent and robust financial performance

- Highly cash-generative with a strong asset backed balance sheet provides flexibility and optionality – a platform for growth
- Leasehold assets with strong rent covers and average lease term of 29 years (excluding impact of Clayton Hotel Manchester Airport which holds a 200-year lease)



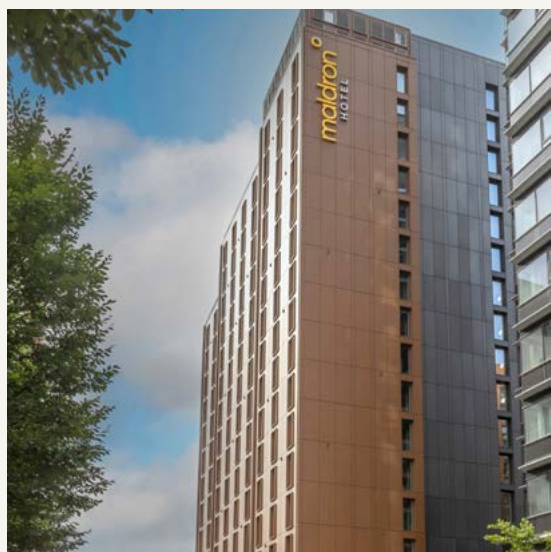
6. Ambitious growth strategy

- Targeting portfolio growth to 21,000 rooms, either open or in development, by 2030 (+80%)
- Actively expanding footprint in Dublin and target locations in the UK and Continental Europe
- Sustainability is at the forefront of the growth agenda with BREEAM minimum of 'Very Good' in the UK for newly developed hotels
- Track-record of securing and delivering opportunities that add value

Strong team and platform

Dalata has a track record of outperforming driven by our highly screensful platform and experienced leadership and management teams, underpinned by our strong culture. Our platform encompasses our talented people, skilled acquisitions and development team, the provision of specialised services, our focus on our brands and the training and development of our people.

Our decentralised model empowers and incentivises local managers, supported by experienced central office specialists, to optimise hotel performance. Decentralised decision-making enables an agile response to each property's unique market and competitive landscape.



Significant opportunity for expansion

Our growth strategy generates long-term shareholder value through disciplined capital allocation focused on investment returns. We aim 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. Our target is to increase our footprint from 12,000 to 21,000 bedrooms, either open or in development by 2030.

We remain focused on both the acquisition of existing hotels and the development of new hotels through a balanced mix of leasehold and freehold ownership. Our combined expertise as both a hotel operator and developer means we can design and develop hotels that are highly sustainable, and cost effective to build and operate.

See our [Ambitious Growth Strategy](#)

Market leading hotel brands in Ireland and driving awareness in UK and continental Europe

Clayton and Maldron are the two largest and most successful hotel brands in Ireland. Driving brand awareness and recognition is a priority, as we continue to expand in the UK and Continental Europe.

We have completed extensive research and invested significantly into our brands resulting in both a clearer visual identity and stronger market positioning, which will foster closer relationships with our customer base as the brands become increasingly recognisable.

See our [Marketing Transformation Journey](#)



Performance *Highlights*

Key progress in 2024

2024 was another very successful year for the Group as we continued to execute our strategy. Dalata delivered strong financial returns with a robust response to the challenges facing our industry during the year. Our efficiency and innovation projects continue to protect profitability, improve employee engagement, and deliver the excellent hospitality our hotels are renowned for. We also completed the refinance of our debt facilities (which were due to expire in October 2025) and launched two share buyback programmes.

Generated revenue of €652 million

underpinned by a resilient performance from existing hotels and new hotel additions during 2023 and 2024.

Delivered 'like for like' Hotel EBITDAR margin (APM iv) of 40.9% (2023: 42.3%) despite cost inflation,

supported by ongoing efficiency and innovation projects.

Strong cashflows for re-investment and shareholder returns

as illustrated by 2024 Free Cashflow (APM xi) of €124 million (2023: €133 million), payment of €27 million in dividends and announced €55 million in share buyback programmes.

Repositioned our brands based on investment in research and technology

to foster deeper connections with our customers and build a platform for long-term brand-value creation.

Refinanced with €600 million debt package, including diversified funding sources

demonstrating confidence of banking partners in Group's performance and prospects.

Continued active portfolio management,

announced sale of two Wexford properties for €30 million and secured exciting acquisition and development opportunities in Dublin and London during 2024.

Opened 838 new rooms

with four new Maldron hotels added in London, Liverpool, Brighton and Manchester.

Ambitious growth strategy

with current pipeline of 1,624 rooms and ambition to expand further in line with our 2030 Vision.

Key priorities for 2025

Maintain a strong balance sheet to drive performance and growth

The Group maintains a robust and stable capital structure to support the business and drive further growth. The Group's asset-backed balance sheet, with €1.7 billion in property, plant, and equipment, provides a platform for sustainable growth, offering liquidity when required, access to debt funding, and a strong covenant to attract and secure leasehold opportunities. It also provides protection when operating in a cyclical industry, helping to withstand the impact of rapid changes in the macroeconomic environment and unforeseen external shocks.

Continue to invest in new hotel opportunities

Our pipeline comprises 1,624 rooms including two hotels in Dublin (one subject to Competition and Consumer Protection Commission approval and one opening H2 2026), two new hotels in Edinburgh (opening H2 2026 and H1 2028), a new hotel in London (H2 2028) and three extensions planned to our existing hotels. The Group is ambitious to expand its portfolio further in line with its 2030 Vision.

Drive efficiency through innovative solutions

We aim to build on the culture of innovation within Dalata, challenging how we do things, and harnessing emerging technologies. We need to be innovative in how we operate our hotels to both reduce costs and increase revenues. We will continue to deliver on the projects implemented during 2023 and 2024. In 2025, we are also rolling out a number of new systems which have significant potential for the business, including a new Revenue Management System (Duetto), a new CRM system to support our corporate sales process and a customer experience platform.

Continued focus on capital efficiency

Dalata's capital allocation decisions will continue to consider disciplined growth, shareholder returns and its financial position and flexibility. Dalata is committed to pay and grow dividends through a progressive policy. An interim dividend of 4.1 cents per share, representing a dividend payment of €9 million, was paid in October 2024. The Board has proposed a final dividend of 8.4 cents per share (€18 million).

Strategic Priorities alignment



Financial Discipline



Governance



Portfolio Growth



Financial Discipline



Innovation



Financial Discipline



Governance



KPIs – *Financial*

Revenue

Refer to the Consolidated statement of profit or loss and other comprehensive income

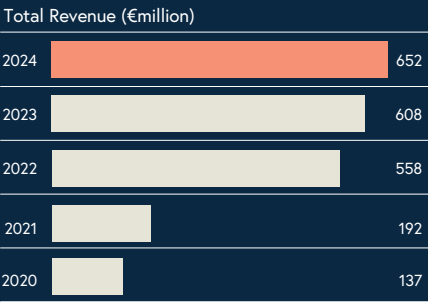
Total Group Revenue represents sales (excluding VAT) of goods and services, net of discounts provided in the normal course of business, and is recognised when services have been rendered.

Commentary

A key top-line measure of the overall growth and development of the business.

In 2024

Revenue exceeded €650 million underpinned by a resilient performance from existing hotels and new hotel additions.



Margin

Refer to [Note 2](#) Operating segments and the [glossary](#) for definition and reconciliation

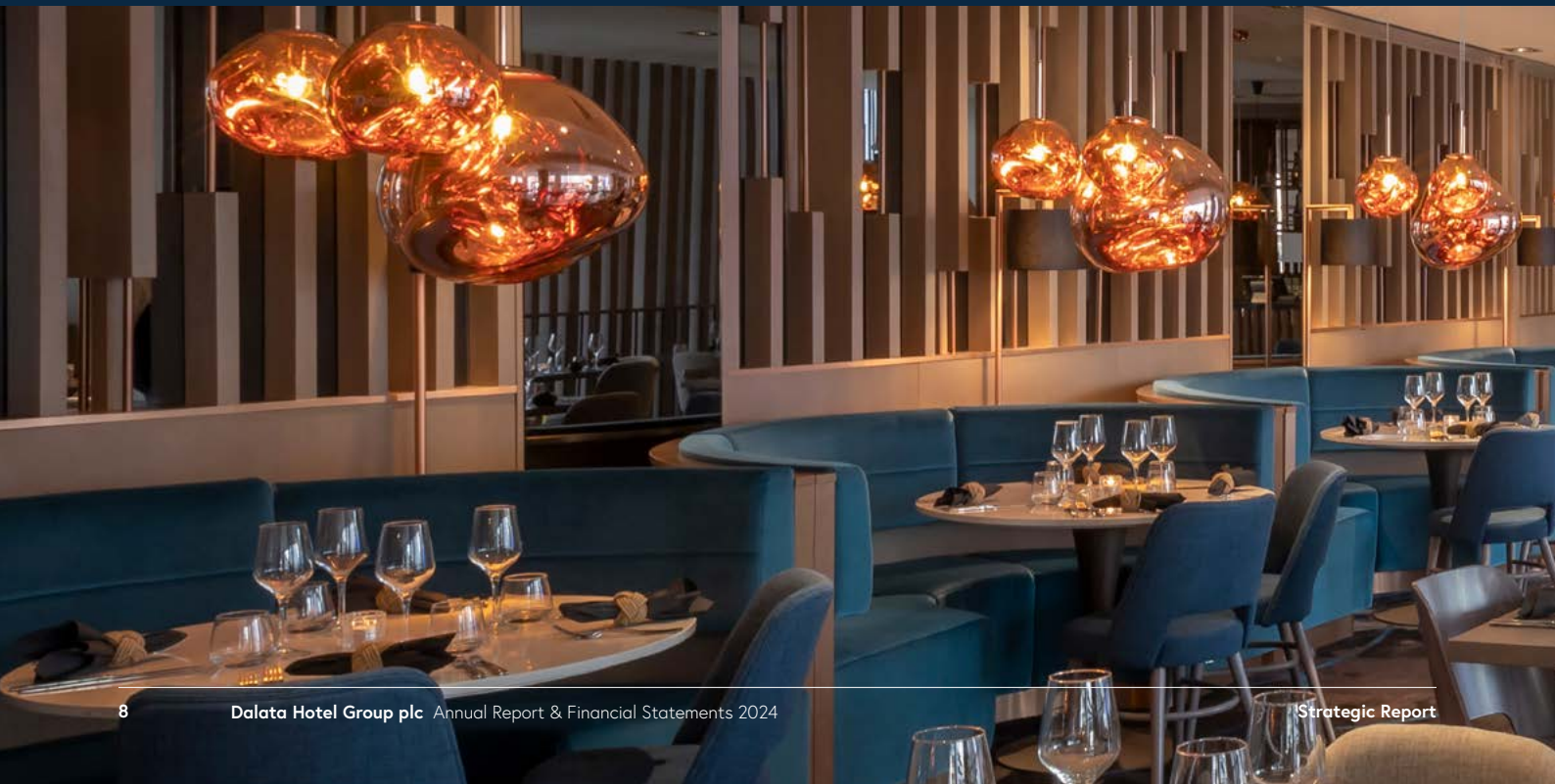
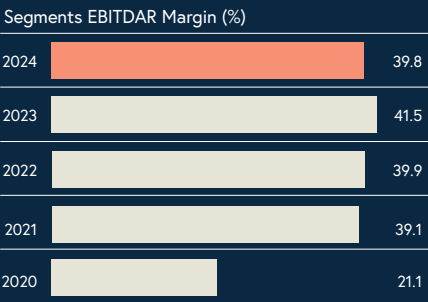
Earnings before interest and finance costs, tax, depreciation, amortisation and rent (EBITDAR) divided by revenue. By excluding lease costs, leased and owned properties are comparable.

Commentary

EBITDAR ([APM iv](#)) is our key measure of operational profitability and a focus on margin ensures we monitor the conversion of revenue to profit. Through our operational expertise and strong business model, we strive to maintain industry leading margins.

In 2024

We continued to drive innovation and cost efficiencies across the business to offset the impact of rising costs on business margins. We achieved a Hotel EBITDAR margin ([APM iv](#)) of 39.8% (2023: 41.5%) despite significant increases in statutory minimum pay rates.



Earnings

Refer to [Note 30](#) Earnings per share and the [glossary](#) for definition and reconciliation

Profit for the year divided by the number of ordinary shares and adjusted for the effect of items that are not reflective of normal trading activities or distort comparability either 'year on year' or with other similar businesses.


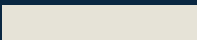
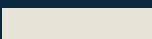

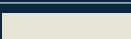
Commentary

A key measure of the effective delivery of profitable growth for our shareholders.

In 2024

The Adjusted Basic EPS ([APM v](#)) for 2024 was 40.4 cents/share (2023: 41.7 cents/share). Basic EPS was 35.5 cents/share (2023: 40.4 cents).

Adjusted EPS-Basic (cents/share)

2024		40.4
2023		41.7
2022		31.7
2021		-6.4
2020		-27.2

Cash

Refer [Financial Review](#) and [glossary](#) for definition and reconciliation

Net cash from operating activities less amounts paid for interest, finance costs, fixed lease payments and refurbishment capital expenditure and after adding back the cash paid in respect of items that do not reflect normal trading activities or distort comparability either year on year or with other similar businesses.


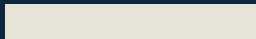
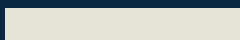


Commentary

The Group is focused on turning profit into cash for reinvestment and shareholder returns.

In 2024

Free Cashflow ([APM xi](#)) totalled €124 million (2023: €133 million) with €46 million invested in development capital expenditure and €76 million returned to shareholders via dividends and share buyback programmes.

Free CashFlow (€million)

2024		123.7
2023		133.4
2022		126.5
2021		28.0
2020		-40.8

Sustainability *Highlights*

Key progress in 2024

Work has commenced on the Net-Zero Transition plan, which is expected to be published in next year's Annual Report. Carbon emissions per room sold have been reduced by 31% compared to 2019. All hotels have received the gold standard from Green Tourism. Efforts continue to focus on reducing both embodied and operational carbon emissions, with two new hotels under construction in Dublin and Edinburgh designed with zero onsite carbon.

Our energy-related emissions
There has been a 31% reduction in Scope 1 & 2 carbon emissions per room sold in 2024 versus 2019. We are focused on developing strategies to directly source reliable green energy while prioritising the generation of renewable electricity onsite. Vehicle fleet decarbonisation commenced in 2023 and will continue until all diesel vehicles are replaced.

Female % on the senior management team
At Dalata, we are committed to fostering an inclusive and diverse workplace. Our senior management team is 42 % female, reflecting our dedication to gender diversity. We continuously work to remove barriers and create opportunities for women to advance their careers within Dalata. Our efforts include targeted leadership development programs, mentorship opportunities, and flexible working arrangements to support work-life balance. We are proud of the progress we have made and remain steadfast in our commitment to achieving gender parity in our leadership roles.

Our water consumption
We have reduced our water consumption per sleeper by 13% vs 2019 levels.

The difference in the average hourly wage of men and women across our workforce
Our Gender Pay Gap of 9.4% in 2024 is an increase of 0.5% on our 2023 figure.

Working with local communities
Working with local communities is vital to our commitment to sustainability and engagement with our neighbours.

Key priorities for 2025

Progressing sustainably
Continue to prioritise sustainability. Publish and implement our Net Zero Transition plan and explore new technologies to enhance our heating and cooling strategy.

Commitment to our people
Our greatest asset is our people. We invest in development courses and promote inclusive recruitment at Dalata. Our goal is to achieve Investors in Diversity Gold Accreditation. We monitor retention, employee engagement, inclusion and diversity, and internal promotions.

Strategic Priorities alignment

 Sustainability

 People

 Sustainability

 People

KPIs – *Non-Financial*



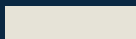
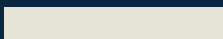
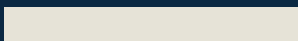
Carbon

- Focus: to reduce energy-related emissions
- Measured as tCO₂e per room let.
- Consumption of natural gas, kerosene, diesel, gas oil and electricity (scope 1 and 2 energy-related emissions)

Commentary

- In 2022 the Group set a target of a 20% reduction in energy-related emissions by 2026, using 2019 as the baseline.
- In 2024 we achieved a decrease in energy-related emissions of 31%. This was achieved through tactical management, capital expenditure and changes to the electricity fuel mix.
- The Group will set new targets when the climate transition plan is completed in 2025.

Our energy-related emissions/tCO₂e per room let

2024		0.008278
2023		0.008832
2022		0.010600
2021		0.017622
2020		0.023353




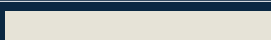

Water

- Focus: to reduce water withdrawals
- Measured as litres per sleeper

Commentary

- In 2022 the Group set a target of a 15% reduction in water withdrawals per sleeper by 2026, using 2019 as a baseline.
- In 2024 we reduced water withdrawals by 13%. This was delivered through the introduction of automated metering in the hotels to increase usage awareness and detect leakages. We also launched a new water management policy and water stewardship programmes.
- The Group intends to meet the 2022 target by 2026 at which point a new target will be established.

Water consumption/litres per sleeper

2024		166.68
2023		167.58
2022		178.82
2021		221.53
2020		279.67

Female Leaders

Female % on the senior management team

A measure of gender diversity among our hotel and central office senior managers.




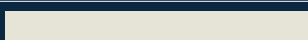

Commentary

The Group strives to have a gender-balanced management team, with balanced representation across the hotel and central office senior management.

In 2024

The establishment of our first ever employee resource group – **EmpowerHer Network @ Dalata** - will provide an employee voice to drive change in the company in terms of removing barriers for female career progression.

Female % on the senior management team

2024		42
2023		44
2022		45
2021		40
2020		37

Gender Pay Gap %

The difference in the average hourly wage of men and women across our workforce

Our measurement is based on average hourly pay rates.




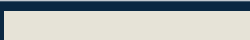

Commentary

The Group is committed to equality in this area. According to the latest EU data (from 2021), the average gender pay gap is 12.1%.

In 2024

Our Gender Pay Gap figure of 9.4% in 2024 is an increase of 0.5% on our 2023 figure of 8.9% and this is mainly due to the full reinstatement of bonus and LTIP (Long Term Incentive Plan) payments to all members of our Senior Leadership Team which increased our Gender Pay Gap slightly.

Gender Pay Gap %

2024		9.40
2023		8.90
2022		7.00
2021		7.02
2020		6.58

Driving success through *innovation and excellence*



Welcome to the annual report of the Dalata Hotel Group plc for 2024, another year of growth and success for our business.

In 2024 we opened four new hotels, one each in Brighton, Liverpool, London and Manchester. We have hotels under construction in Edinburgh and Dublin, and we have acquired, subject to CCPC clearance, the Radisson Blu Hotel Dublin Airport. With other projects in our pipeline or under consideration, our growth will continue strongly into the future.

People

Ours is the quintessential people business, and we have built an exceptional team in Dalata. We continue to use a decentralised operating model, which empowers hotel general managers and their teams to run each property as they would their own business. This model promotes excellence in customer service, and the achievement of operational efficiencies.

Our hotels are supported by our Central Office team in areas such as HR, Marketing, Revenue Management, Sales, Purchasing, IT, Health and Safety and Finance. We also have a very skilled and experienced team leading the identification and acquisition of properties to add to our portfolio.

During 2024 I met many of our people, in our hotels and in our support functions, and at all levels in the organisation. I continue to be enormously impressed with the levels of ambition, energy, professionalism and commitment to customer service that I observe across the Group. We see the direct results of this in our consistently high customer satisfaction scores.

I am also delighted to see the success of the Dalata Academy, which delivers valuable training and development to our people. The courses given by the Academy are of a very high quality and help to prepare our people for new challenges as they develop their careers within the organisation.

Profitable growth has brought great benefits to the Group over the years. In addition to improved financial position, our growth has created opportunities for our people to develop their careers, and for new people to join the organisation.

Marketing and Innovation

Our strategic investment in talent, research and technology over the past three years has enabled us to successfully reposition our brand portfolio in 2024. The strengthened market presence of Clayton (26 properties) and Maldron (25 properties), demonstrates the growing potential to unlock significant long-term value for shareholders as these powerful brand platforms continue to evolve.

Growth also allows us to invest in innovation and efficiency across our properties. As described in detail elsewhere in this Annual Report, we have researched, designed and implemented significant innovations within the business, resulting in reduced operating costs, with no adverse effects on customer satisfaction.

Culture

The Dalata culture is alive and well across the business. It can be observed in the hotels and in Central Office, and I have been delighted to experience it first hand during my visits to a wide variety of Dalata locations during the year.

Our people are focused on customer service. They work in an environment of fairness and transparency, they embrace innovation enthusiastically, and they support each other. This culture is absolutely central to the success of Dalata, and it is gratifying to see it protected and developed, particularly in new properties as they are assimilated into the Group.

Diversity and Sustainability

Despite recent moves elsewhere in the world to discredit the importance of diversity and sustainability, I remain convinced that a clear focus on both is essential to the continued success of Dalata. I have no doubt that business in particular, and society in general, benefit enormously from greater diversity in all its forms. I also believe that to prioritise sustainability as a business objective is to prioritise efficiency and effectiveness, as well as contributing to wider efforts to address climate change and other societal risks.

Our focus on diversity and inclusion is reaping rewards for the business, and it remains a key priority for Dalata. We have made significant progress, particularly in gender diversity, but we recognise that more needs to be done, and we are committed to achieving further success in wider aspects of diversity in the future.

At Board level, I am pleased to report that in 2024 we operated with four female directors and four male directors, and that two (Senior Independent Director and Chief Financial Officer) of the four positions identified by the Financial Conduct Authority as "senior board positions" are held by women. In addition, the positions of Chair of our Audit and Risk Committee, Chair of our Remuneration Committee, Chair of our ESG Committee, and Board responsibility for employee engagement, are all held by women.

In Dalata we continue to have a clear focus on sustainability, and significant business decisions are always taken with this in mind. The Chief Executive's review, and other parts of this Annual Report, set out our progress in this area in more detail. From the perspective of the Board, the Group's work in this area is monitored and directed by the ESG Committee, which ensures that our strategic direction always takes account of our sustainability objectives.

This year's **Directors' Report** is substantially expanded to incorporate our first Sustainability Report prepared in accordance with European Sustainability Reporting Standards (ESRS)¹ and has been subject to a limited assurance engagement by our external auditors KPMG. It is a very comprehensive document, and I commend the many people, led by Carol Phelan and our finance department, who contributed to its production.

Board and Senior Management

During 2024 Shane Casserly was appointed Deputy Chief Executive Officer of Dalata. This appointment reflects a broadening of Shane's executive responsibilities, and his consistently excellent contribution to the management and strategic direction of the Group.

With effect from 1 January 2025, Des McCann, our Chief Operating Officer, has joined the Board. Des has led the operations of the business with great energy and expertise since his appointment as COO, and his appointment as a director reflects the quality and importance of his contribution to the Group.

On behalf of the Board, I congratulate Shane and Des on these well-deserved appointments and wish them every success in their roles.

The Group continues to benefit from high levels of motivation, commitment and energy of an excellent executive team, led by Dermot Crowley. There is significant strength in depth across all management functions. The Group is also very well served by a Board that contains broad and deep experience and expertise. I am grateful to all directors and senior management for their dedication to the success of Dalata. I also wish to acknowledge the valuable help and support of our company secretary Seán McKeon and his team.

Conclusion

Dalata continues to grow profitably, and our 2030 Vision described in the Chief Executive's review gives an indication of the level of ambition in the Group. Although market conditions are not always favourable, our track record shows that, with commitment, hard work, creativity and innovation, we continue to progress. Our success has been, and will continue to be, the result of the dedication of an exceptional team of people across the organisation, and the continuation of the culture that has served us so well. On behalf of the Board, I would like to express our heartfelt appreciation of all the efforts of our people in all parts of the Dalata Group.

Finally, to you, our shareholders, I extend my thanks and appreciation for your continued support for our exceptional business.

John Hennessy

Non-executive Chair

¹ Covering the requirements of the Directive on Corporate Sustainability Reporting (CSRD) as transposed into the Irish law in Part 28 of the Companies Act 2014 which came into effect for reporting dates on or after the 1 January 2024.



Strategic *Report*

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The journey to our *2030 Vision*



We launched our 2030 Vision at our Capital Markets Day in October. We have clearly set out that we aim to have 21,000 rooms either open or under construction by 2030. We are already the largest 4-star operator in Ireland, and we are on the way to becoming the leading 4-star operator in our target Regional UK cities. We are targeting a significant increase in the number of hotels that we operate in London and other major European cities.

To achieve our 2030 Vision, we need to ensure that we are meeting the needs of our stakeholders as set out below. I am very excited about the years ahead as we realise our ambition to grow our presence significantly across Ireland, the UK and Europe.

Our Shareholders

Group RevPAR only grew by 1% for the year which was marginally ahead of the market performance. Our biggest cost is payroll and the average increase in pay rates was 8%. It is always challenging when the rate by which costs are growing is significantly higher than the rate in which revenues are growing. In that context, I am very pleased with how we mitigated the impact on our 'like-for-like' Hotel EBITDAR margin ([see glossary](#)) which only fell from 42.3% to 40.9%. Our focus on innovation ensured that we achieved increases in productivity throughout the business. This focus and the addition of new hotels contributed to an increase in Adjusted EBITDA ([APM ii](#)) from €223.1 million in 2023 to €234.5 million in 2024.

In 2023, we recommenced the payment of dividends. In 2024, we decided that it was appropriate to both pay dividends and also carry out two share buyback programmes totalling €55 million which facilitated the repurchase of 6% of our shares. We used the net proceeds from the disposal of our two Wexford hotels to fund the €25 million buyback.

We will continue to look at all options open to us to enhance shareholder value.

Our Customers

Over the last three years, we have significantly increased our investment in customer and consumer research. The results of this research have deepened our understanding of what our customers and guests expect from a hotel stay and specifically what they expect us to deliver at our hotels. Based on this research, we refreshed and repositioned our Dalata, Clayton, and Maldron brands. New creative campaigns were launched for both consumer brands, and we educated our teams on the positioning of the brands through our 'Heart of Hospitality' training programme.

We have made a strategic shift to a data-driven, technology-powered approach to marketing within Dalata, resulting in streamlined processes, enhanced online visibility, and measurable growth. We have consolidated our social media efforts, with all content planned and managed by one centralised team, allowing for premium, consistent brand messaging. We launched our refreshed websites to support the repositioned brands.

We are only at the start of our branding journey, and I am excited about the potential of the Maldron and Clayton brands to add shareholder value, where guests stay in our hotels not just because of their locations and physical appearance but also because they feel connected to Maldron or Clayton.

Our People

I have said on many occasions that hospitality is all about people, and we have great people at Dalata. We have continued to be very focused on our people strategy, which supports the operation of our existing hotels as well as providing the talent for our future growth.

We remain committed to training and development and providing career paths for our employees. There were over 580 internal promotions during 2024, and 675 people participated in our Dalata Academy development courses run during the year. This focus on development enabled us to open four new hotels in the UK during the year, with a significant percentage of the management positions filled by internal applicants.

We launched our Female Employee Resource Group, which has been tasked with identifying, understanding, and removing barriers to females progressing within the organisation. Our people are our greatest asset and will continue to provide us with a competitive advantage. The focus on people will remain top of my agenda as CEO for the coming years.

Our Environment

We have begun work on our Net-Zero Transition Plan, which we plan to publish in next year's Annual Report. While the Net-Zero Transition plan is in development, we are continuing to decarbonise with strategic actions to influence the plan. We remain focused on reducing both the embodied carbon and operational carbon emissions when designing new hotels. Our new hotels currently under construction in Dublin and Edinburgh have been designed to operate with zero onsite carbon. We continue to reduce our carbon emissions per room sold, achieving a reduction of 31% in 2024 versus 2019.

All our hotels achieved gold standard from Green Tourism in 2024. We launched a water stewardship programme and also increased our focus on reducing waste at our hotels. Our focus on sustainability is not only beneficial to the environment but also helps us reduce operational costs.

Innovation

I am encouraged that a culture of innovation has taken hold throughout the Group. We made great progress in 2024, but there is still so much to do. In an industry where pay rates are rising faster than revenues, we simply cannot afford to sit back. We must always be looking for smarter ways to do things. The innovation focus expanded in 2024 to explore ways in which we can use technology to increase revenues.

The projects rolled out in 2023 continued to have a very strong impact in 2024. In 2024 we reduced the hours worked in our accommodation and F&B departments by 7% in the Irish portfolio on a 'like-for-like' basis, versus 2023.

In 2024, we launched a new multilingual online training platform, with the multilingual feature enabling our training to be more inclusive and effective. The rollout of our new Revenue Management System (Duetto) has just begun and has significant potential for us as a business.

In 2025, we have already started rolling out a number of new systems, including a 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 both the success rates and cost of our overall recruitment process.

We have continued to deliver productivity gains through our focus on innovation without negatively impacting employee engagement or customer satisfaction. There have been a range of other smaller initiatives throughout the hotels and Central Office in our goal of working smarter. The focus on innovation will be as strong as ever in 2025.

Growth

We have almost doubled the number of hotels we operate in the UK from 12 in mid-2021 to 22 by the end of 2024. We opened new Maldron hotels in Manchester, Liverpool, Brighton, and London in 2024, all of which are performing strongly.

The current pipeline is robust, with our hotels in Edinburgh and Dublin currently under construction. We await clearance from the CCPC in Ireland on the purchase of the Radisson Blu Hotel Dublin Airport. I am very excited about the prospect of acquiring this hotel which has great potential.

We also announced in 2024 that we had entered an agreement to lease another 154-room hotel in the city of London, increasing our presence in that part of the city to four hotels containing 612 rooms. Today, we are announcing that we have entered into an agreement to lease a new 256 room Clayton hotel in Edinburgh.

Conclusion

2024 was another year of growth for Dalata, with increased revenues, increased EBITDA, and an increased number of rooms. We remain focused on creating and developing great teams around the Group, which gives us a powerful platform to support further growth. I am excited about the potential of our brands – we are more focused than ever on understanding and meeting the needs of our guests. Our focus on innovation and further investment in technology will enable us to further grow the earnings of our existing hotels and secure new, exciting hotels in our target markets.

We continue to engage with and listen to our shareholders and are focused on enhancing shareholder value. As CEO, I look forward to the future with optimism and thank all our stakeholders for their ongoing support. I hope that you find our Annual Report interesting and informative.

Dermot Crowley
Chief Executive

A strategy embedded in the *heart* of hospitality

Our Purpose is to *grow* and evolve as an *innovative* and *sustainable* international hotel company, delivering excellence in customer *service*, driven by ambitious *people* flourishing within a culture of integrity, fairness and inclusion.

Our Values



People

Dalata is the place where you can do great things – individually and as a team. You will have the opportunity to develop your talent, be recognised and rewarded for your commitment and pursue a fulfilling career.



Fairness

We pride ourselves on creating an objective, supportive and fair working environment for our employees, the people we deal with and the communities we work within. We are fair, consistent and balanced in everything we do.



Service

We ensure our service standards are consistently high at every opportunity. We strive for success, are enthusiastic about what we do and take responsibility for getting things right.



Individuality

Our people are as individual as our hotels. They bring their own personality, character and enthusiasm, ensuring the experience we provide is always warm, welcoming, genuine and friendly.

Our Vision is driven by Our Purpose and Our Values...

Our 2030 Vision



Leading hotel operator in 4-star segment of all target cities in Ireland & Regional UK



Growing Presence in London & Europe – future pathway for accelerated growth



Targeting to have **21,000 rooms by 2030** either open or in development (+80% on current portfolio of 12,000 rooms)



Meeting Room Information

Meeting Room

Meeting Room

ViewSonic



Key drivers for *growth*

Our strategic priorities are the key drivers for growth for Dalata, supporting a sustainable operating model that delivers strong financial performance and drives sustained stakeholder value.



Portfolio Growth

The Group's robust asset backing, strong business model with operational and development expertise provides a platform for further growth.

How are we performing

At our Capital Markets Day in London, in October 2024, we outlined our 2030 Vision to have 21,000 bedrooms either open or in development by 2030. We are targeting a number of cities across Ireland, the UK and Continental Europe as the pathway to achieving this ambition.

Our current pipeline consists of 1,624 rooms in key markets being Dublin, London, Edinburgh and Manchester. The construction of the 200-bedroom Maldron Hotel Croke Park, Dublin and the conversion of the office site in St Andrew Square, Edinburgh to a new 172-bedroom Clayton hotel have commenced with both hotels expected to open in H2 2026. A second 256-bedroom Clayton hotel in Edinburgh on Morrison Street is targeted for H1 2028 while we are targeting to open a new Clayton hotel, ideally located on Old Broad Street in London in H2 2028. Our pipeline also includes two large extensions to existing properties at Clayton Hotel Cardiff Lane, Dublin (115-bedroom extension) and Clayton Hotel Manchester Airport (216-bedroom extension) where we see great potential to expand the offerings at these locations.

Strategy in action

In 2024 we reached a significant milestone of over 5,000 rooms in operation across the UK. We opened four new hotels, including our fifth hotel in London, our fourth hotel in Manchester and our first hotels in Liverpool and Brighton. We also strengthened our pipeline further by securing an agreement for lease for the development of a new Clayton hotel at Old Broad Street, London. We have also exchanged contracts to acquire the effective freehold of the 229 bed Radisson Blu Hotel Dublin Airport, a well-invested property ideally located in close proximity to Terminal Two with significant development potential, subject to approval from the Competition and Consumer Protection Commission (CCPC).



Related links

See our [Strategic Framework](#)



People

Our people are essential to Dalata's ongoing and future success. Our strategy is to develop our future expertise from existing teams and retain motivated and skilled people who continue to deliver superior service to all our customers.

Related links

See our [Stakeholder Engagement](#)

How are we performing

In 2024, the Group continued to enhance its development programmes, focusing on nurturing talent from within. Over 50% of our core management teams in the new hotels opened from 2022-2024 were internally developed, creating opportunities for new senior managers to step up.

Complementing these initiatives, our Dalata Academy remains a vital resource for task and skills learning, fostering personal development and equipping our employees with the skills needed to deliver exceptional service to our guests. Our employee strategies, which include tangible benefits and a fair and respectful working environment, continue to support retention across our business.

Strategy in action

During 2024, 675 employees participated in development programmes across 16 streams.

In 2025, our priorities are to:

- maintain high levels of engagement,
- continue to develop the pipeline of talent,
- continue our focus on wellbeing and inclusion and diversity, and
- further increase our employer brand recognition.



Brands

As Dalata Hotel Group grows, developing strong brands is vital as we foster more meaningful connections and loyalty with our customers.

Related links

See our [Marketing Transformation Journey](#)

How are we performing

Over the last two years, we have been on a marketing transformation journey, supported by extensive research to reposition our consumer brands, the Dalata employer brand, and consolidate and streamline our digital marketing programmes. We are focused on increasing direct room nights booked and maximising our returns on investment; we achieved a 5% increase in direct room bookings in 2024 compared with 2023 on a 'like for like' basis.

Strategy in action

In 2024, we launched a major repositioning of our core brands to better define the customer proposition and positioning of our brands, in addition to building awareness and consistency across the business. The launch was supported by targeted marketing initiatives across digital marketing, cinema, radio, outdoor and the Group's first TV advertising campaign.

In 2025 our priorities are to:

- continue our brand-led customer journey, inspired by the **Heart of Hospitality**,
- increase our brand recognition, and
- better understand customer through data insights.



STRATEGIC PRIORITIES



Innovation

A culture of innovation and enterprise flourishes across all parts of our business, including operational, technological and central functions, and supports us in creating additional value while meeting guest and business performance needs.

How are we performing

We continue to analyse work practices across the business and roll out new technologies to increase productivity while maintaining or enhancing our strong customer satisfaction and employee engagement. We are also building in operational and design efficiencies to our recently opened and pipeline hotels to optimise workflow.

Strategy in action

We continue to build on the successful efficiency initiatives implemented in our accommodation and food and beverage departments during 2023. In 2024, we achieved a 7% reduction in labour hours across both departments in our 'like for like' Irish portfolio compared to 2023. Simultaneously, we saw improvements in both employee engagement and customer satisfaction scores within these departments across the Group. Collectively, these innovation and efficiency initiatives, in addition to energy consumption savings, resulted in a cost saving of €4.4 million year on year, representing a saving of approximately 75 bps to 'like for like' Hotel EBITDAR margin ([see glossary](#)).

Self-check-in pods at reception are now operational across 37 of our hotels and are increasing productivity while enhancing our customer experience by reducing wait times during busy periods and allowing our receptionists to focus on delivering excellent guest experience with more opportunity for up-selling. In 2024, we achieved a 7% decrease in front office reception hours versus 2023. We see opportunity to grow the use of self-check-in pods across our portfolio.

Dalata developed the newly opened Maldron Hotel Shoreditch, London with state-of-the-art operational and design efficiencies. Through strategic redesign, we increased bedroom capacity from 133 to 157, significantly enhancing the asset's value. The reconfigured ground floor features an integrated reception-bar area that maximizes space utilisation while enabling efficient staffing during off-peak periods. Furthermore, the prominent location of the guest check-in pods in reception provides an efficient option for guests to check-in. At Maldron Hotel Shoreditch, over 60% of guests choose to use the self-service pods for check-in, the highest adoption rate across the Group.

We are currently implementing a new revenue management system with significant business potential. This system will optimize our revenue strategy and performance through powerful analytics and real-time data insights, enhancing our ability to capitalise on revenue opportunities.

In 2025, we will implement several strategic systems: a CRM solution to streamline corporate sales, a customer experience platform to enhance our understanding of the customer journey through data insights, and a recruitment system designed to improve both hiring success rates and cost-efficiency.



Related links

See our [Financial Review](#)



Sustainability

Sustainability considerations are integrated in the business strategy and decision-making processes.

Related links

See our [Sustainability in Practice](#), [ESG Committee Report](#), [Sustainability Report](#), [Delivering Value for Stakeholders: Employees](#), [Suppliers](#), [Communities](#), [Planet and Society](#)

How are we performing

The management of sustainability matters is integrated within our business strategy and operations, with governance oversight from the Board's ESG Committee. We aim to lead in areas where the impact, risk or opportunity is greatest and aligned with strategic business objectives and risk management priorities. We maintain disciplined compliance with regulatory obligations in other areas.

Strategy in action

In 2024, we began developing our net-zero transition plan, commenced construction at two new hotels in Dublin and Edinburgh designed for zero onsite carbon emissions and saw all our hotels achieve Gold status in the Green Tourism accreditation programme. A senior management-led steering group has driven environmental initiatives across our properties, targeting energy consumption, waste management, recycling, and biodiversity. Each hotel has also implemented specific measures to reduce general and food waste while improving waste segregation practices. Many of these multi-year projects continue into 2025 and beyond.



Financial Discipline

The Group is focused on generating returns for its stakeholders through operational excellence, maintaining a robust and stable capital structure to support the business and securing opportunities to expand the portfolio that meet our investment criteria. We also create value through our property development and acquisition expertise which creates capital appreciation of hotel assets.

Related links

See our [Financial Review](#)

How are we performing

The combination of our decentralised model and strong operational expertise means we maximise revenue generation with a relentless focus on productivity and proactively managing inflationary pressures on our cost base. This ensures strong earnings and cash generation from our portfolio. We maintain a robust financial position backed by freehold and quality, long-leasehold assets. We actively manage our portfolio and deploy capital in commercially attractive areas which have greater potential for capital appreciation.

The Board has completed a comprehensive review of the Group's prospects for the next five years as outlined in our [Viability Statement](#).

Strategy in action

In 2024 we grew revenues to €652 million and Adjusted EBITDA (APM ii) to €234 million, and converted strongly to Free Cashflow (APM xi) of €124 million despite industry challenges. We achieved significant progress in mitigating the effects of payroll inflation through innovation and efficiency initiatives, along with lower energy costs in the first half of 2024.

We also returned over €80 million to shareholders through dividends and buyback programmes which completed in January 2025. We refinanced our existing debt facilities, securing a €600 million debt package including an inaugural private placement. The Group remains focused on securing opportunities for further growth in line with our investment criteria.



STRATEGIC PRIORITIES



Governance

We recognise that a high standard of corporate governance is fundamental to effective strategic decision-making value creation.

Related links

[Corporate Governance, Nomination Committee Report, Audit and Risk Committee Report, ESG Committee Report, Remuneration Committee Report](#)

How are we performing

The company's corporate governance performance is set out in detail in the corporate governance report. Highlights this year include the successful refinancing of group debt; the initiation of a share buyback programme, oversight of four new hotel openings and approval of several pipeline projects, and the successful disposal of two hotels.

Strategy in action

The board achieved effective governance in 2024 through its application of the UK Corporate Governance Code. Our approach to self-evaluation extended beyond compliance including expert third party support for the process in each of the last three years. We expanded the board diversity policy to create a more holistic board skills and diversity policy and maintain a dynamic skills matrix that informs both our succession planning and targeted recruitment efforts. The board's commitment to continuous learning was evidenced through expert briefings, site visits, and individual continuing development programmes.



Ambitious *Growth* Strategy

In 2024, Dalata advanced its strategic expansion with four new openings in the UK market. We are confident in our ability to deliver on our 2030 Vision due to our strong platform, our expertise in freehold, leasehold and development activities across our markets, and the quality of potential opportunities we are exploring.

Plans for further Ireland and UK growth

Targeting to have 21,000 rooms by 2030 either open or in development

	Ireland	Regional UK	London	Continental Europe
Strategy	Maintain leading market share. Targeting 20% in Dublin	Key 4 Star market player across targeted cities which have a strong RevPAR and mix of corporate and leisure demand	Continue to source opportunities in commercially attractive cities	
Ambition	Leading hotel operator in 4 Star segment of all target cities in Ireland & Regional UK		Growing Presence in London & Europe – future pathway for accelerated growth	
Current portfolio including pipeline (bedrooms)	6,860	4,848	1,041	566

Ireland – Maintain leading market share

Dalata is the largest hotel operator in the Irish market with 6,045 rooms in operation and a further 815 rooms in the pipeline via the acquisition of the Radisson Blu Hotel Dublin Airport (a 229-bedroom with significant development potential, acquisition is subject to CCPC approval), Maldron Hotel Croke Park, Dublin, a leasehold interest, and a 115-room extension to the existing Clayton Hotel Cardiff Lane, Dublin. Our ambition is to maintain a leading market share in the four-star segment in all major Irish cities with a 20% market share targeted for Dublin.

STRATEGIC PRIORITIES

UK – Strategic Growth

The Group's UK portfolio includes 5,080 rooms in operation, 809 pipeline rooms and considerable growth potential across our 12 target cities, including London.

Our ambition is for Dalata to become a key four-star market player in target regional cities, which benefit from solid demand drivers, strong RevPAR and a balanced mix of corporate and leisure demand. The map below sets out our target cities where we see opportunities to expand our market share along with York and Oxford, where we are not yet established. London remains a very attractive market where we want to continue growing our presence.

The 3 and 4-star segment in our targeted cities in regional UK is fragmented with a large number of small independent owners and operators and features a high concentration of older hotel stock

which may require refurbishment or exit the market. Development challenges are anticipated in the current high-cost and higher-interest rate environment. This, together with cost growth outpacing RevPAR growth, results in a very challenging environment for independent operators. Dalata's strong platform and portfolio of newer, more sustainable hotels in prime locations positions us well to capitalise on the opportunity to expand our market share.

London, a leading centre for business and tourism, continues to be a highly appealing market with strong RevPARs. In 2024, we opened our fifth hotel in the city, the Maldron Hotel Shoreditch, increasing our total room count in London to 1,041 (including our secured pipeline) and we are already seeing the benefits of clustering hotel functions.

We are keen to pursue further expansion in this attractive and sizeable market. However, we understand that patience and strategic discipline are crucial to succeed in this competitive environment.

27% of 3 and 4-star hotels in our target Regional UK cities are over 40 years old.

Continental Europe – Focused on large, commercially attractive European cities with strong RevPARs

The European market presents an exciting pathway for accelerated growth. As shown in the map below, we are targeting growth in the major destination cities in Continental Europe which provide attractive fundamentals and a balanced mix of leisure and corporate visitors, with the smallest market in Düsseldorf still exceeding 21,000 rooms. Our growth strategy is focused on cities with robust international and domestic demand that achieve high average room rates and occupancies where the Dalata operational model excels. We are experienced at identifying and securing strong central locations and our operational expertise consistently delivers high occupancy rates and strong

EBITDAR margins ([see glossary](#)). We also see considerable benefits from scale and clustering over time.

Since launching in the European market with Clayton Hotel Düsseldorf in February 2022, followed by Clayton Hotel Amsterdam American in October 2023, the Group is pleased with their performance to date. Our decentralised model with ongoing support from our existing central office structures, has proven highly effective in these large European cities. Both hotels are flourishing under the Clayton branding, transitioning seamlessly from Hotel Nikko and Hard Rock Hotel Amsterdam American. We are also leveraging our existing strong relationships with a number of the large airlines and international corporates and the strength of our GDS (Global Distribution System) profile to enhance awareness in these markets.

“All of our experience to date confirms that Europe, and particularly those large cities in Europe are a very attractive market for the Dalata model.”

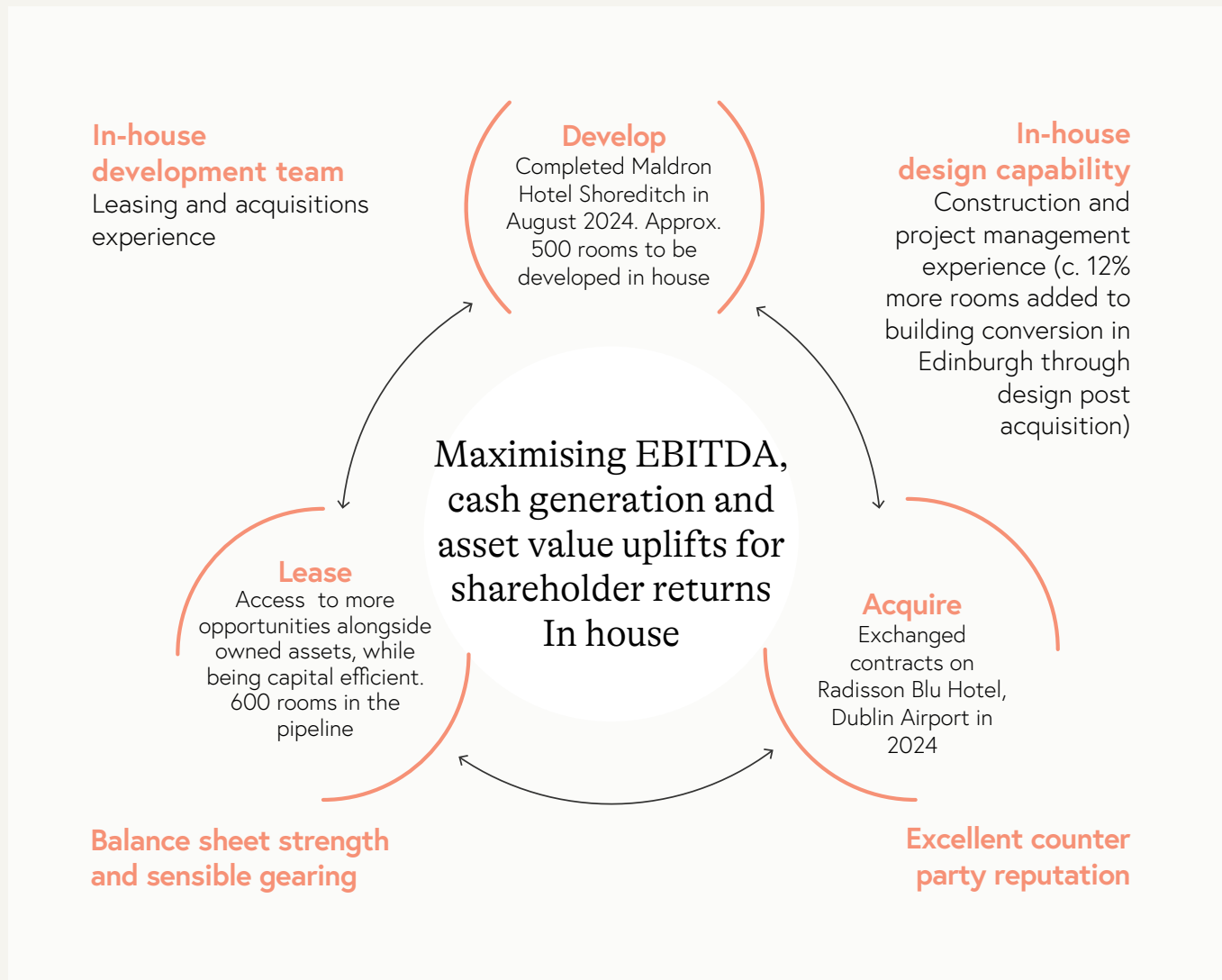
– Shane Casserly,
Deputy CEO

Our primary markets driving our expansion strategy



STRATEGIC PRIORITIES

Executing our Growth Strategy



Dalata Strengths

- Combining expertise as a hotel operator and developer means we can design hotels that are cost effective to build and operate.
- Strong asset backing enables an agile approach to new opportunities.
- Disciplined approach with an ability to move quickly on the right opportunities in the right locations.
- Excellent counter-party reputation provides access to off-market transactions.
- Perform best in central locations with strong demand fundamentals where we can achieve strong RevPAR and conversion to EBITDAR.
- Central operations team offering specialised services and skilled at supporting the opening and onboarding of hotels.
- Led by internally developed teams with a proven decentralised model that supports swift ramp-up.

15 new hotels added 2021-2024

- Circa 3,500 bedrooms across three geographies.
- 12 of the hotel developments had to be navigated through Covid times.
- Delivered 4 New Maldron hotels in the UK in summer 2024.
- Almost doubled UK room count from 2021 to 2024.

New hotels in 2024 represent over €100m investment financed through existing cash and banking facilities



Maldron Hotel Cathedral Quarter, Manchester

- Opened May 2024
- 188 bedrooms
- 4-star, city centre
- 35-year lease

Investment: c. £5m (€6m)



Maldron Hotel Liverpool

- Opened July 2024
- 268 bedrooms
- 4-star, city centre
- 35-year lease

Investment: c. £6m (€7m)



Maldron Hotel Brighton

- Opened July 2024
- 225 bedrooms
- 4-star, city centre
- 35-year lease

Investment: c. £4m (€5m)



Maldron Hotel Shoreditch, London

- Opened August 2024
- 157 bedrooms
- 4-star, excellent location
- Freehold

Investment: c. £73m (€86m)

STRATEGIC PRIORITIES

Our Pipeline Hotels and Extensions



St Andrew Square, Edinburgh

- Converting office to a 172 bedroom Clayton Hotel
- Strategically located near key corporate and leisure demand drivers
- Dalata developed hotel

H2 2026



Croke Park, Dublin

- 200 bedroom Maldron Hotel
- Ideally located adjacent to Croke Park Stadium in central Dublin
- 35-year Operating Lease

H2 2026



Morrison Street, Edinburgh

- 256 bedroom Clayton Hotel
- Office conversion ideally located next to Edinburgh International Conference Centre
- 35-year Operating Lease

H1 2028



Old Broad Street, London

- 154 bedroom Clayton Hotel
- To be developed on the Tower 42 Estate in the City of London
- 25-year Operating Lease

H2 2028



Radisson Blu Hotel Dublin Airport

- Exchanged contracts to acquire 229 bedroom hotel
- Well-invested hotel with significant development potential
- Purchase price of €83m

2025 subject to CCPC approval



Extension: Clayton Hotel Manchester Airport

- 216 bedrooms
- Bring hotel room count to 581 rooms
- Located within walking distance of Manchester Airport

Date H2 2028



Extension: Clayton Hotel Cardiff Lane, Dublin

- 115 bedrooms
- To complement the ground floor refurbishment of the reception and bar area currently underway and the new conference centre which opened in 2020

Date H1 2027

Marketing *Transformation* Journey

Our Brands

Maldron Hotels and Clayton Hotels are our primary brands, comprising 26 four-star Clayton Hotels and 25 Maldron Hotels. We also operate The Gibson Hotel and The Samuel Hotel brands. Within our portfolio, we manage several ancillary brands, including Grain & Grill restaurants under the Maldron Hotels banner, uniquely branded restaurants in Clayton Hotels, Red Bean Roastery hubs, and 10 Club Vitae leisure clubs across both hotel brands.



At Dalata we instinctively understand that hospitality is all about people and we deliver our brand of hospitality with heart on a daily basis. Individuality and charm lifts everyone's day so we know "Dalata is the heart of hospitality". Dalata is a Different Way, A Better Way.

Over the past two years, we have intensified our focus on enhancing customer experiences and strengthening our brands. We believe there is significant untapped potential in these areas, which will drive greater value for our business. Our goal is simple; to ensure that everyone we interact with enjoys a positive and memorable experience.

Exceptional customer service is a hallmark of all Dalata properties. This warm welcome is enabled by our flexible, decentralised business model, which allows us to tailor our offerings to meet the unique needs and expectations of our customers.

In 2024 and beyond, Dalata continues to evolve as a forward-thinking leader in the hospitality industry. By leveraging data-driven insights, cutting-edge technology, and a people-centric approach, we are enhancing guest experiences. Our focus on understanding customer preferences, streamlining digital operations, and enhancing brand equity, positions us to meet the changing demands of modern guests. Through innovation - whether in research tools or further developing our employer brand - we remain competitive in a dynamic market.

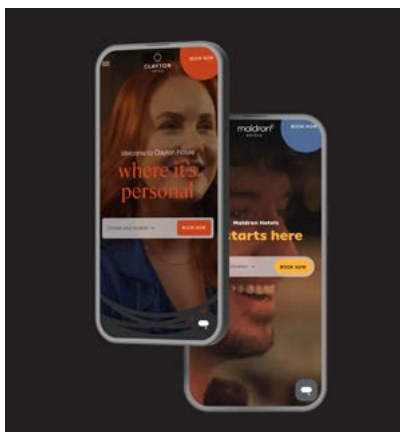
Our marketing transformation journey centres on the following key areas.



Customer Insights

Deepening our understanding of guest preferences is a core focus for Dalata, and in 2024, we leveraged innovative research tools to build these insights. Through our "100 Voices" Dalata Customer Panel, we collected and analysed direct feedback from a diverse group of guests, enabling us to shape and refine our services based on their experiences. Additionally, the use of eye-tracking technology and mystery shoppers gave us a precise understanding of guest interactions within our properties. These insights allowed us to identify and address specific touchpoints to improve our overall guest journey. In addition to our customer panel, we have implemented a comprehensive brand tracker that surveys 500 customers in Ireland and 1,000 in the UK market twice a year. This robust quantitative tool deepens our understanding of where we excel above the competition and where opportunities exist, as at Dalata we remain relentlessly focused on being the best in the hotel category.

We understand what drives customer visits to hotels and how our properties score across these areas. Our customer insights reaffirmed Dalata's core competency in prime hotel locations, which continues to be a significant advantage across our portfolio. Data from Booking.com also highlights strong overall satisfaction with the Clayton brand, where customers consistently praise the high standards of service and welcoming experience. This reinforces the value of Clayton within our portfolio, while insights also reveal an opportunity to further build on the Maldron brand.



Digital Transformation

Digital transformation has been a cornerstone of the Dalata marketing journey, focused on enhancing efficiency and maximizing guest engagement. In 2024, we reduced our websites from 59 individual sites to just 6 consolidated sites, centralising digital operations and ensuring a consistent, user-friendly experience across devices. The redesigned sites are optimised for search engines and mobile, offering a seamless booking process that prioritizes direct bookings, thereby reducing our reliance on third-party platforms. Through careful planning, risks to search rankings, and consequently traffic were identified with mitigation strategies put in place, maintaining then growing combined traffic to Clayton and Maldron sites from search engines by 11% in the second half 2024 versus the prior period.

Our digital marketing activities were streamlined further. Previously, nearly 60 manual reports were produced and distributed monthly; now, automated reporting allows our teams to allocate more resources toward strategic initiatives.

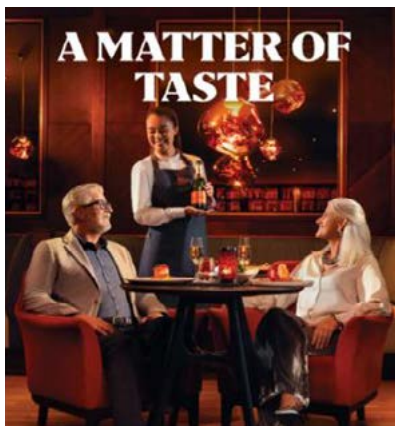
Additionally, we centralised social media management with a single, dedicated team responsible for all content planning and execution across platforms. This unified approach has reinforced our brand message and bolstered our social media presence, enabling Dalata to deliver a premium, cohesive narrative across all digital touchpoints. This resulted in 44% year on year growth in assisted revenue from paid social media campaigns supporting our book direct strategy.

STRATEGIC PRIORITIES



Employer Brand

Dalata's people are essential to our success, and we have worked to further build our employer brand launched in 2023. We showcased our supportive work environment, career development opportunities, and commitment to well-being across targeted recruitment campaigns. This activity has strengthened our ability to attract and retain top talent who share our commitment to guest satisfaction. Our employer brand serves as the foundation for a team of engaged ambassadors who enhance the guest experience and uphold Dalata's values.



Repositioning Our Brands

Customer insights revealed an opportunity to position our brands with greater meaning, creating modern identities that resonate with the reasons guests choose us. This led to refreshed brands that not only reflect the unique qualities and personalities of each brand, but also aligns with our guests' desires for a distinctive, memorable stay.

Clayton Hotels now emphasise a truly personal guest experience, with the brand message *"where it's personal"*. This positioning highlights Clayton's commitment to guest-centred service. Each Clayton property is a welcoming space where guests feel genuinely valued and appreciated.

Maldron Hotels has been reimagined as the epic basecamp for urban adventurers and active guests. Underpinned by the brand message of *"it starts here"*, Maldron is now positioned as a vibrant launchpad for exploration, whether for leisure or business. With modern amenities and proximity to local highlights, Maldron offers an ideal starting point for each guest's unique journey.

Data-driven insights show that guests choose Dalata properties for a combination of convenience, quality, and the assurance of a memorable experience - whether visiting for relaxation, work, or cultural discovery. By aligning our brands with these expectations, Dalata has crafted experiences that resonate more deeply, embodying the essence of *"The Heart of Hospitality."*



Sustainability *in practice*

At Dalata, we combine pragmatism with our core values to ensure every sustainability initiative delivers substantive business value. We strategically target areas where business success naturally aligns with societal and environmental benefits. Our guiding principle remains consistent: pursuing value-aligned initiatives that simultaneously advance our purpose and enhance long-term shareholder returns.

Our focus on decarbonisation aligns with the Paris Accord, aiming to limit global warming to well below 2°C above pre-industrial levels. However, before committing to science-based targets, we are evaluating the feasibility, including the economic impact. This approach ensures our actions benefit shareholders and sustain our long-term goals. Comprehensive analysis will guide our responsible and strategic commitment to environmental stewardship and shareholder value.

Read more here: [Delivering Value for our Stakeholders](#); [ESG Committee report](#); [ESRS](#)

We submit non-financial information to a small number of indices and monitor our standing compared with peers and stakeholder expectations.

	Index	2024 rank or rating
	MSCI ESG Rating	AAA 8 February 2025
	Sustainalytics ESG Risk rating	21.7 risk rating 12th percentile in travel, lodging and amusement Ranked 14 of 118 February 2025
	CDP	Climate change B Taking coordinated action on climate issues

Development and Construction

Since 2010, Dalata has opened nineteen new-build hotels, including four in 2024, and extended many others. It has two hotels in construction, at Croke Park, Dublin and St Andrew Square, Edinburgh, both designed to operate without producing onsite carbon emissions. The company continuously improves specifications to reduce embodied GHG emissions and minimise the building's lifetime operations emissions.

Hotel Operations

Dalata has 55 hotels in Ireland, the UK, Germany, and the Netherlands, as well as 10 Club Vitae Leisure Centres. A central office team supports the hotels; it includes specialists in human resources, procurement, health, safety and security management.

Facilities Management

Our small central facilities management team supports operations in our 55 hotels and 10 leisure centres. This team is dedicated to innovating and implementing strategies that consistently minimise resource use and environmental footprint, reinforcing our focus on sustainable management.

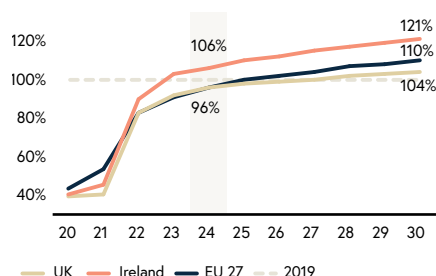
Refurbishment and Disposal

The Deputy CEO is responsible for the maintenance capital expenditure budget, which averages 4% of annual turnover. All significant refurbishment, plant, fixtures and fittings and replacement expenditure requests are challenged to ensure, where possible, we are adopting the most sustainable solution.

Trends and impacts on our *marketplace*

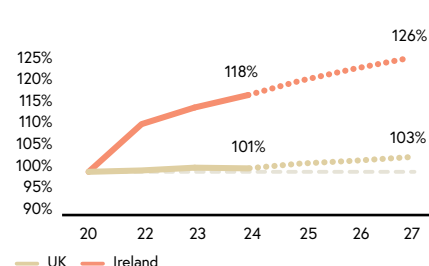
Further growth forecast in flight volumes

Source: Eurocontrol (Autumn 2024 Base scenario), instruction flight rules (IFR) movement



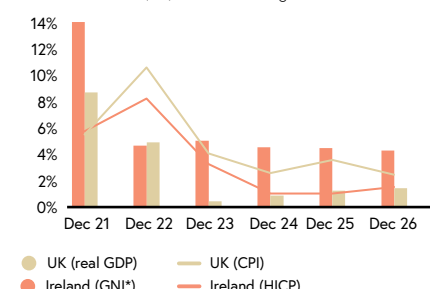
Growing numbers in employment supports local economies

Sources: Central Bank of Ireland (December 2024) and Office for Budget Responsibility (UK, October 2024)



Strong economic forecasts particularly for Ireland with falling inflation

Sources: Central Statistics Office (Ireland), Davy, Office for National Statistics (UK) and Bank of England



International Travel

International travel continued to grow across our main markets this year with Dublin Airport and London Heathrow Airport reporting their busiest year on record in terms of passenger volumes. Connectivity at our key regional markets such as Manchester in the UK and Cork in Regional Ireland also exceeded 2019 levels. This growth demonstrates a resilient tourism industry, where consumers continue to prioritise spending on travel despite facing cost pressures and competing areas of spend.

Looking ahead, medium term forecasts from Eurocontrol remain optimistic and supportive for growth within the industry. Travel into Ireland is estimated to reach 121% of 2019 levels by 2030 while the UK, which is yet to fully return to 2019 levels, is estimated to reach 104% of 2019 levels by 2030.

Population and economic growth

Ireland has experienced a strong increase in population in recent years, driven by large foreign direct investment which makes Ireland an attractive destination for net inward migration. This has resulted in Ireland reaching record levels of employment with

high participation rates to support both local and national economies. Modified Gross National Income, which has a more direct link to Irish economic growth and excludes globalisation effects, is forecast to grow by 4% in 2025 and 2026 (per Davy).

Hotel supply

The current size of the Dublin hotel market is approximately 29,000 rooms, with almost 2,000 new rooms added between 2023 and 2024. New hotel development remains challenging due to elevated construction costs and planning risks – particularly from the Dublin City Development Plan 2022-2028, which aims to prevent an overconcentration of hotels in the city. Savills estimate that 3,300 rooms, either under construction or at the pre-construction stage, will open over the next three years, representing an annual increase of c. 4%.

We estimate that c. 9% of current hotel supply in Dublin is contracted to the government for the provision of emergency accommodation and we do not expect a significant element of this to return to the market during 2025.

Based on our analysis of target UK cities, a significant portion of room supply in Regional UK is dated and we see strong potential to grow Dalata's market share in these cities. Almost 30% of rooms within the 3 and 4 star markets were identified as over 40 years old, compared to Dalata's modern well-invested portfolio.

Inflation

Inflation rates across Europe continued to ease during the year and, combined with multiple interest rate reductions by the European Central Bank and Bank of England, increases disposable income for consumers. Since the pandemic consumers have shown a preference to save a higher proportion of their income, evidenced by household savings rates being above long-term averages, however utilisation of these savings and increased consumer confidence provide further potential for economic growth.

In Ireland, the Harmonised Index of Consumer Prices (HICP) increased by 1.0% for the twelve-month period ending December 2024, while the Consumer Prices Index (CPI) rose by 2.5% for the same twelve-month period in the UK.



OUR BUSINESS MODEL

ESRS 2 (SBM-1 – (42))

Value Creation Over Time



Portfolio Growth

Our portfolio growth is driven by an experienced in-house acquisitions and development team, working closely with operations and finance to consistently deliver value accretive expansion opportunities.



Brands

We develop our brands to foster deeper guest connections and loyalty and to create long-term value for shareholders as our brand platforms continue to evolve.



Innovation

We believe a culture of innovation and enterprise is essential to maintain competitiveness, respond to customer and employee expectations, and create value for shareholders. We continuously innovate in our hotels and central office functions through technology and process improvements.



People

Our people are essential to Dalata's ongoing and future success. Our strategy is to develop our future expertise from existing teams and retain motivated and skilled people who continue to deliver superior service to all our customers.

Dalata is hotel brand owner, operator and developer.



Sustainability

We strive to be sustainable and responsible across all parts of our business, and our strategy is to embed sustainability considerations into all aspects of business performance and decision-making.



Financial Discipline

Dalata employs rigorous financial controls to optimise operational cash flow, strategically distributing funds between vetted development projects and shareholder returns to build sustainable long-term value while maintaining strong risk management.



Governance

Governance is the ingredient that ensures all the other parts function as they are designed to. Dalata's governance is described in detail in this report; the company adopts the Irish Corporate Governance Code in 2025.



Our Purpose is to **grow** and evolve as an **innovative** and **sustainable** international hotel company, delivering excellence in customer **service**, driven by ambitious **people** flourishing within a culture of integrity, fairness and inclusion.

Value created for stakeholders



Shareholders, Lenders and Note Holders, Landlords and Partners

Dalata delivered strong revenue growth, operating profitability and Free Cashflow generation (see APM xi) during 2024. Our strong operating performance, whilst remaining financially responsible, ensures we maintain and grow hotel asset values for our landlords and generate sustainable returns for shareholders.



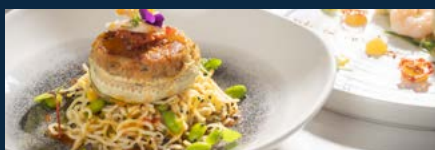
Employees

We continued to invest in our employees through our development programmes and Dalata Academy. Our strategy is to develop our hotel management teams from within where we can and provide them with the skills to continue providing our guests with the best possible service. We aim to provide a fair, inclusive and respectful working environment and, in 2024, launched a range of initiatives on employee wellbeing and mental health, diversity and inclusion and working environment. We monitor the effectiveness of our work through regular employee engagement surveys and use the feedback gathered to adapt and improve the employee experience.



Customers & Guests

We meet our customer and guest needs through a focus on customer service that is based on listening to their detailed feedback delivered through a range of different communication channels. During 2024, we conducted more in-depth customer research than ever before to understand what we're doing well and what we can improve. Our staff training and focus on guest safety and security are designed to optimise our guest experience, and for our corporate customers we aim to be easy to do business with.



Suppliers

As a large hospitality group, we provide a market for both large and local suppliers to showcase their products. Our supply chain initiatives enable smaller local producers to reach larger markets, and we encourage local and seasonal food and beverage offerings at all of our hotels. We also purchase responsibly and support our supply chain in this growing and important area.



Community

We aim to make a meaningful contribution to the communities where we operate. We encourage our teams to be involved with and support local employment, educational, sporting and charity initiatives. We foster a culture of community engagement through our three regional charity partners and a series of successful fundraising events across the year.



Planet & Society

We acknowledge the impact of our business on the planet and society. We believe that economic, environmental and social sustainability are interrelated, and we prioritise sustainability matters that are aligned with our strategic objectives or principal risk management activities. We actively identify ways to reduce energy consumption, our greenhouse gas emissions, waste generated, and water consumed in our hotels. Our sustainability objectives are met through a combination of in-house programmes and supply-chain initiatives.

STAKEHOLDER ENGAGEMENT

ESRS 2 (SBM-2 45); S1 (SBM-2 (12)); S4 (SBM-2 (12)); ESRS 2 (IRO-1 53 (a-h))

Shareholders, Lenders and Note Holders, Landlords and Partners

Strategy and Business Model alignment

The interest and views of shareholders, lenders and note holders and landlords and partners align with the following strategic priorities:



Portfolio Growth



Financial Discipline



Governance



Sustainability in practice

The Board pays close attention to the interests and views of shareholders, lenders and note holders, landlords and partners in a variety of its decisions. However, amendments to group strategy and the business model are made based on a wide variety of inputs by the board and the directors in the exercise of their fiduciary duties. Accordingly, it is not possible to identify amendments to group strategy or the business model the Group has made or plans to make that are based only on the interests and views of this group of stakeholders.



How we engage and the purpose of the engagement

We have various forms of engagement with our financial stakeholders, as their interest in the Group can differ depending on their relationship. Management and the Board ensure regular, open dialogue with shareholders and prospective investors, led by the CEO and CFO, with the support of the investor relations team. Meetings and calls are concentrated around results announcements. In 2024, Dalata participated in one hundred and twenty investor meetings, attended nine investor conferences and held two results roadshows in March and September. The Group held a Capital Markets Day in October 2024 which outlined its 2030 Vision, marketing transformation journey, growth strategy and financial position. The investor relations team are also available to answer investor enquiries.

The Group maintains regular communication with the investor community, issuing updates to the stock market to ensure our financial stakeholders remain up to date with new developments as appropriate. The CFO manages our relationships with our bank lenders and loan note holders, and the Deputy CEO manages our relationships with landlords and real estate investment partners to provide more insight into the Group's performance, understand their sustainability expectations and consider development opportunities. In 2024, two of our lenders completed questionnaires as part of stakeholder engagement exercise to validate the material matters identified as part of the double materiality assessment.

Outcomes

In 2024, the Group completed a refinancing of its external borrowing facilities which delivered a green term loan and private placement notes and continued to work closely with our real estate investment partners on acquisitions and development.

The results of the investor perception study (2023), Sustainalytics ESG risk ratings report (2023), MSCI ESG ratings report (2024), questionnaires completed by our lender members in 2024, and the views of shareholders expressed in one-to-one meetings were considered in the double materiality assessment and in the development of our ESG topics. One of the key findings identified from these engagements is the need to develop a net-zero transition plan. The plan is being developed and will be completed in 2025.

Board considerations

At each Board meeting, the CFO reports on our engagement with shareholders and potential investors and the feedback received. The Deputy CEO also regularly updates the Board on acquisitions and development, including engagement with real estate investors. The Audit and Risk Committee considered the views shared on the shareholders, lenders and investors as part of the findings in the double materiality.

Employees

Strategy and Business Model alignment

The interest and views of employees align with the following strategic priorities:



People



Innovation

The board pays close attention to the interests and views of employees in a variety of its decisions and in particular decisions that have a direct impact on the employee experience. However, amendments to group strategy and the business model are made based on a wide variety of inputs by the board and the directors in the exercise of their fiduciary duties. As we live in a constantly changing environment and while we have made no explicit amendments to our strategy and business model, the interests and views of employees always have a significant influence on the decisions we make.



How we engage and the purpose of the engagement

The Board engages with employees in a variety of ways. The Board and committees held all their meetings in 2024 at group hotel properties, which provided an opportunity to engage directly with employees and experience the hotel operating environment. Independent non-Executive Director Gervaise Slowey is designated as the director with responsibility for employee engagement. Details of her work in this capacity are outlined in the [Corporate Governance Report](#).

Each of the four executive directors spends a significant amount of time in our hotel properties and have extensive engagement with a wide range of employees at different levels of seniority, on a weekly and in some cases daily basis.

In June and November 2024, the Group conducted employee engagement surveys, and the Board was briefed on their findings. In May 2024, a sample of employees participated in an employee sustainability survey as part of stakeholder engagement exercise to validate the material matters identified as part of the double materiality assessment.

Monthly townhalls meetings are conducted at each hotel and in the central office to enable employees to express their views and perspectives to management.

Outcomes

We believe that fostering a culture of engagement in our workforce is essential to the success of the business. It has a direct impact on customer satisfaction and provides the basis for our capacity to successfully expand.

We act on the feedback we receive through the employee engagement surveys which identify the provision of secure employment, adequate wages, work life balance, an inclusive workplace and training and development opportunities as important to our workforce. The Group implemented work-life balance and diversity and inclusion initiatives to foster a more inclusive and supportive workplace and continues to develop its training and development programmes to meet the needs of employees and develop future leaders from within our teams to meet our portfolio growth strategy.

Board considerations and actions

The Board also considers a range of employee-related topics across its meeting agendas and is updated by executives on progress in this area. The ESG Committee considered the group's culture in November 2024 and inclusion and diversity, including gender pay and female progression barriers, in August 2024. The Board evaluated the group's learning and development strategy, including the Dalata Academy in April 2024. The Chief People Officer presented an overview of employee experience, covering onboarding, wellbeing, compliance and risk management, and career development to the Board in October 2024. The Audit and Risk Committee considered the results of the survey conducted with employees on sustainability matters as part of the findings of the double materiality assessment.

STAKEHOLDER ENGAGEMENT

Customers & Guests

Strategy and Business Model alignment

The interest and views of customers, business and leisure guests align with the following strategic priorities:



Innovation



People

The Board pays close attention to the interests and views of corporate customers, and business and leisure guests in a variety of its decisions and in particular decisions related to the location market positioning of its hotels and the facilities and the services we provide in them. However, amendments to group strategy and the business model are made based on a wide variety of inputs by the board and the directors in the exercise of their fiduciary duties. While influential on its decision making as a collective group, the Company has not made or does not plan to make amendments to its strategy and business model based only on the interests and views of this group of stakeholders however we work for our customers and as such their views are critical if we are to adapt our strategy and business model to suit their needs.



How we engage and the purpose of the engagement

Multiple levels of the business are engaged in actively seeking, reviewing, and reacting to feedback received from customers and guests through various channels. Central Office teams, including senior management, regularly meet large corporate customers via one-to-one meetings and sales conferences. In 2024, we conducted a review of the key sustainability matters identified in corporate customers request for proposals (RFPs) and guests' Trust You comments as part of stakeholder engagement exercise to validate the material matters identified as part of the double materiality assessment. By engaging with our customers and guests, we build more trust, provide sustainable solutions and identify areas for improvement in service delivery.

Outcomes

Continuing to deliver on our customers and guests' expectations is a significant factor in the group's continued strong performance. We understand that customers' and guests' needs continue to evolve, and that innovation in service delivery, technology, and operational structures support us in meeting these needs. We continue to invest in development and refurbishment. The key sustainability matters identified from the Trust You survey, and the corporate customers request for proposals were considered in the double materiality assessment. The key finding identified from these engagements is the provision of healthy, safe and secure environment. The Group continues to develop its health, safety and security processes and procedures to meet needs of its customers and guests.

Board considerations and actions

Senior executives briefed the Board on customer satisfaction and sentiment scores throughout the year. The Board also reviewed the findings of brand perception studies initiated in 2024. Innovations in guest service delivery were considered when included in the Chief Operating Officer's update. The board was briefed on public concern about the high cost of hotel accommodation and supported management's commitment to responsible pricing.

The Audit and Risk Committee considered the findings from the review of corporate customers request for proposals (RFPs) and guest feedback collated on the Trust You platform as part of the findings of the double materiality assessment. The Audit and Risk Committee also commissioned an Internal Audit review following a material overbooking of rooms at two of the Group's Manchester hotels in August 2024. The incident inconvenienced customers; the review identified the root causes and documented detailed learnings to mitigate the risk of future occurrences.

Suppliers

Strategy and Business Model alignment

The interest and views of suppliers align with the following strategic priorities:



Innovation



People

The Board pays close attention to the interests and views of suppliers in decisions particularly in relation to construction, development and other capital projects. However, the Company has not made or does not plan to make amendments to its strategy and business model based only on the interests and views of suppliers.



How we engage and the purpose of the engagement

Engaging with our suppliers is an ongoing process carried out by our management teams. The corporate development, procurement and human resources teams manage the relationships with our construction service providers and development partners, our food, beverage and consumables suppliers, and suppliers of workers respectively. Our procurement team held several meetings and conducted ESG surveys with key suppliers during 2023 and 2024 to consider ESG topics. The findings of these engagement were used to validate the material matters identified as part of the double materiality assessment. By engaging with our suppliers, we ensure their adherence to our supplier code of conduct, promote responsible sourcing and make more informed purchasing decisions.

Outcomes

Our operational supplier base and the stability of our supply chains are important factors for the board as these support the delivery of guest services at our hotels. Consideration is also given to actual and potential cost pressures in procuring goods and services. We also recognise that innovation, supported by our suppliers. Including our construction partners benefits us all. The results of the supplier meetings and ESG surveys held in 2023 were considered in the double materiality assessment. The findings identified from these supplier engagements include protecting the human right of workers in the value chain, reducing energy emissions and waste in delivery of products and services. The Group continues to work with its suppliers to deliver product and services whilst minimising the impact on the environment and protecting the human rights of the workers in the value chain as part of its procurement and construction processes.

Board considerations and actions

The Board is briefed by the Chief Operating Officer at each meeting on, among other areas, material supply contract renewals, any tender process and supply chain matters. The Board considers all development and construction projects before commencement. The Board also received updates on supplier innovations. In August 2024, the ESG Committee assessed the group's sustainable procurement strategy, progress, and engagement with tier-one suppliers. The Audit and Risk Committee considered the findings from the supplier meetings and ESG surveys held in 2023 as part of the findings of the double materiality assessment.

STAKEHOLDER ENGAGEMENT

Industry Representative Group and Government Organisations

Strategy and Business Model alignment

The interest and views of industry representative groups and government organisations align with the following strategic priorities:



Sustainability



People

The Group has not made or does not plan to make amendments to its strategy and business model based on the interests and views of industry representative groups and government organisations, however we engage and support those who further the best interest of our industry and business.



How we engage and the purpose of the engagement

Our senior managers are encouraged to engage at an industry level, through their membership of and voluntary service to industry bodies, including the Irish Hotels Federation and Ibec, and participation in government initiatives which increases awareness of issues facing the industry. In 2024, we considered the findings of reports published by Irish Tourism Industry Confederation, Fáilte Ireland and Tourism Ireland on material sustainability impacts and opportunities in the hospitality industry, as part of stakeholder engagement exercise to validate the material matters identified as part of the double materiality assessment.

Outcomes

Being active in industry bodies and governmental initiative is an important consideration for the Board, and we recognise our teams' engagement with Irish Hotel Federation, Ibec and Fáilte Ireland. The findings of reports published by industry representative groups and government organisations were considered in the double materiality assessment and in the management of sustainability matters. The key findings identified from the engagements related to the challenges associated with recruitment and staff retention and the need to develop a climate action plan. The Group updates its approach to recruitment and retention as employment market conditions evolves and is developing a climate action plan for completion in 2025.

Board considerations and actions

The Audit and Risk Committee considered the finding from reports published by industry representative groups and government organisations as part of the findings of the double materiality assessment.

Affected Communities

Strategy and Business Model alignment

The interest and views of affected communities align with the following strategic priorities:



Sustainability



People

We live in a constantly changing environment and whilst we have made no explicit amendments to our strategy and business model, the views of affected communities play an important role in our decision making as our employees, customers and suppliers come from the communities in which we operate.



How we engage and the purpose of the engagement

Our business model is decentralised, allowing each hotel general manager to lead in building strong two-way relationships of trust with their local community, and address any community concerns. It also allows us to attract people into careers in the hospitality industry. Our senior managers are encouraged to engage at an industry level and our teams engage positively in every community where our hotels are located. Some of local engagements include charity partnerships, supporting local employment, community and charity organisations.

Outcomes

Being active in our communities is an important consideration for the Board, and we recognise our teams' engagement with and commitment to local community groups, charities and sporting organisations. The Group did not engage with the affected communities as part of the double materiality assessment.

Board considerations and actions

In April 2024, the ESG Committee considered a detailed update on the group's charity partner programme, fundraising and events calendar. In November 2024, the ESG Committee considered community engagement, including employability partnerships, work in progress on the development of a new volunteering policy, and the launch of a community fund to increase local impact.



Shareholders, Lenders and Note Holders, Landlords and Partners



Developing and maintaining strong relationships with our financial stakeholders is critical to our operations. These relationships provide the Group with access to long-term leases, debt and equity funding, supporting our continued successful growth and development. By focusing on the areas below, the Group creates value for these stakeholders by maintaining and enhancing asset values for landlords, ensuring strong financial discipline for our lenders and note holders and delivering sustainable returns to shareholders.

Hotel operations

- Dalata has extensive expertise in hotel operations with a track record of delivering industry leading margins. Our teams are skilled in revenue management and cost control with a focus on innovation and resulting targeted initiatives that are mitigating the impact of inflation on our business.

Acquisitions and development

- Dalata's disciplined growth strategy is focused on securing hotel opportunities that meet our strict investment criteria, including financial KPIs and location within our target markets. We also add value through our property development and acquisition expertise which creates capital appreciation of hotel assets.

See our [Ambitious growth strategy](#)

Strong financial position

- The Group maintains a strong financial position backed by freehold and quality, long leasehold assets. This is a cornerstone of our capital allocation policy as it provides a platform for further growth through strategic optionality for asset acquisition, enables access to lower cost of debt and lease funding and provides a source of protection while operating in a cyclical industry. The Group's portfolio has a track record of generating strong Free Cashflow (APM xi) and reinvesting it to create further value for the financial stakeholders.

Refer to the [Financial Review](#) for further information on the Group's strong operating performance, financial position and cashflow generation in 2024.

Employees



Inclusion, equal treatment and opportunities

- Launched Uniform and Grooming, and Workplace Transition and Trans policies to reflect a more inclusive working population.
- Developed training programmes via Dalata Online on unconscious bias, managing multicultural teams and held workshops on LGBTQ+.
- Launched monthly campaigns to raise awareness and foster an inclusive environment on race, ethnicity, and nationality, age, disability, mental health and LGBT+ community.
- Established a female employee resource group EmpowerHer Network @Dalata to support female employees.

Training and Skills Development

- Introduced two new development programmes and a robust internal promotion strategy.
- Provided operational skills training to new employees who entered hospitality for the first time.
- Graduate training programme welcomed 41 graduates across seven streams in 2024.

42%

Percentage of Females in Senior Leadership Team (44% in 2023)

52%

Percentage of Internal Promotions were Female in 2024 (56% in 2023)

9.4%

Mean Gender Pay Gap (8.9% in 2023)

- Over 100,000 e-learning courses were completed on the Dalata Online training portal in 2024.
- Nearly 700 employees participated in 17 internal management development programmes.

583

Internal Promotions in 2024 (585 in 2023)

Working Conditions

- As part of our commitment to provide a safe and fair working environment, we conducted regular audits of the practices in our own operations in relation to rates of pay, social protection standards, health and safety practices and training and human rights policies and procedures.
- We also conducted assessments on the operations of suppliers who provide workers to undertake employee duties covering these points.
- Conducted Bureau Veritas health and safety audits in all hotels in 2024 with an average compliance score of 91%
- 4,745 employees completed health and safety training representing a compliance rate of 94%.
- Employees have access to a Wellbeing Platform and Employee Assistance Platform (TELUS) which offers guidance on various aspects of well-being and mental fitness.

587

TELUS Current Active Platform Users (as of 31 December 2024)

61%

Employee Turnover (69.8% in 2023)

2.97%

Utilisation of TELUS employee assistance programme (2.17% in 2023)



Employee Engagement

- Monthly/quarterly townhalls were also established in each hotel and Central Office.
- Employee engagement surveys were conducted in June and November 2024.

91%

Employee participation in employee survey (88% in 2023)

9.0

Overall Engagement Score (8.9 in 2023)

Customers *& Guests*



Our 'Value for Money' score increased to **84**, up from **80** in 2023 showing positive momentum despite inflation and market fluctuations.

Positive sentiment regarding our locations improved to **91** from **90** in 2023.

Overall performance score grew to **86** from **85** in 2023.

Customer Research

- In 2023, we formed the Dalata Customer Panel comprising of 150 individuals from Ireland, the UK, Germany, and the Netherlands to provide feedback on the customer experience and help us gain a deeper understanding of our target audience. The results have helped us to build strong PoS and delivery systems.
- Undertook biannual quantitative research to benchmark Dalata's brand perceptions with similar organisations.

Customer and Guest Feedback

- Monitored feedback from 5.7 million sleepers in 57 hotels in 2024 on key measures such as customer service, cleanliness, atmosphere, location, and price, supported by monthly reports from online guest sentiment trackers.

Brand Repositioning and Digital Transformation

- Leveraging consumer research and brand tracking, we repositioned our brands to emphasise their unique value in 2024.
- Invested in digital technologies to streamline processes and increase online visibility.
- Launched new websites for all brands.

364,000

Customers used digital guest platform in 2024

Our Brands

Primary Brands



Secondary Brands



Ancillary Brands



Information Related Impacts

- Internal Audit commissioned an assessment of the data protection environment and the Group's compliance with GDPR.
- Ongoing employee data protection training.

Business Interruption

- Undertook a simulated cyber security event to test the robustness of its crisis management plan.
- Bi-annual external information security audits were conducted to determine compliance with ISO27001 and review security trends and scores

The following topics were not identified as a material impact, risk or opportunity in respect of customers and guests as part of the double materiality assessment, however Dalata recognises the importance of engaging with and understanding the needs of our customers and guests in delivering first class customer service.



Suppliers



Engagement with suppliers is focused on carbon emission reduction, sustainable sourcing, ethical practices and payment practices.

Carbon Emissions Reduction

- Engaged with suppliers via questionnaires and meetings on their sustainability credentials and carbon disclosure capabilities. Continue to collect carbon emissions Scope 1 & 2 data from Tier 1 suppliers.
- Larger suppliers have implemented predictive ordering systems which optimise delivery schedules, reduces the frequency of deliveries and associated carbon emissions.

Sustainable Sourcing

- Source ingredients from local suppliers with clear sustainability specifications.
- Dalata Signature Food range involves working closely with local suppliers thereby improved traceability.
- Collaborating with our suppliers on waste reduction initiatives.

Ethical Practices

- Commitment to ethical practices is reflected in the rigorous supplier approval process and the requirement for suppliers to sign up to the Supplier Code of Conduct.
- In 2024, we conducted a due diligence of the Group's largest suppliers which focused on suppliers' practices and policies relating to working conditions, human rights, environmental and social matters.

Payment Practices

- Prompt payments to suppliers through the centralised order-invoicing matching and payment platform. Details of the payment practices is outlined in [G1-6 Payment Practices](#).



Affected *Communities*



No topics were identified as a material impact, risk or opportunity in respect of affected communities as part of the double materiality assessment, however Dalata recognises the importance of working with and engaging with the communities in which it operates.

Charity Partnerships

- Three flagship charity partners were selected in 2022 based on a theme of health and wellbeing - which was chosen by employees.
- Hundreds of fundraising events organised across all properties throughout 2024, including 200 events as part of "Dalata Digs Deep Month in September, to raise vital funds for the three charity partners. Two group-wide events also held – Dalata's Got Talent in February and the Great Dalata Cycle in September.

Dalata's Got Talent event raised **over €36,000**

Great Dalata Cycle event raised **over €40,000**

Amount raised by employees for flagship charity partners: **€298,825**

Corporate Donations made to flagship charity partners: **€69,412**

Total Giving to flagship charity partners **€368,237**

Community Engagement

- Hotels support their local communities in various ways such as supporting people with barriers to employment, engaging with local schools, sponsorships, and providing free or low-cost spaces to community groups.
- Each hotel actively partners with local organisations and schools to support employability initiatives. In 2024, there were 92 partnerships between hotels and local employment support organisations and local schools. Through these partnerships 214 people participated in work placements, while 15 people were hired through the partnerships with local employment support organisations.

- At a central level, the Group has partnered with Down Syndrome Ireland over the last 2 years on a training and placement programme for adults with Down Syndrome. In 2023, the pilot programme had 5 participants who graduated, of which 2 gained permanent paid employment in Dalata. In 2024, seven participants completed the training and six-week placement, with six participants offered permanent employment after their placement. Another programme has already commenced in 2025. In February 2025 Dalata won the Outstanding Diversity Initiative Award at the National Diversity and Inclusion Awards in Ireland for the programme with Down Syndrome Ireland.



Planet *and Society*



Energy Management

- Commenced the installation of an energy management system and automated metering in the hotels to increase usage awareness, detect leakages, high and low-level alarms and inform changes in our behaviours.
- Exploring new technologies to inform its heating and cooling strategy with trials being held in a small number of hotels.
- Vehicle fleet decarbonisation commenced in 2023 and will continue until all diesel vehicles are replaced.
- Commitment to zero on-site carbon emissions for our upcoming projects in Edinburgh and Croke Park.
- Developing a climate transition plan which will be completed in 2025.

Water Management

- Commenced the installation of an energy management system and automated metering in the hotels to increase usage awareness, detect leakages, high and low-level alarms and inform changes in our behaviours.
- Launched new water management policy and water stewardship training programmes. 2,796 employees completed the training via Dalata Online and Uisce Éireann.
- Environmental Sustainability Leaders are developing hotel water maps with a group water charter to be completed in 2025.

Waste Management

- Established a waste management committee and appointed hotel waste champions with the responsibility for developing and implementing initiatives aimed at reducing waste.
- 1,995 employees completed the newly waste management training programme via Dalata Online.

- Improved waste management practices through greater segregation and recycling facilities. Waste management practices were inspected in seven hotels as part of the Green Tourism Audits conducted in 2024.
- Continued to develop the Dalata Signature Food range reducing food costs and waste.
- In 2024, the *To Good to Go* app reduced food waste by 20 tonnes.

Biodiversity

- Biodiversity was not identified as a material impact, risk or opportunity for the Group in double materiality assessment, however Dalata recognises its importance to environment and is committed to protecting it through its own operations and its value chain.
- In 2024, considered the impact of three primary areas: energy and water management, waste management, and the elimination of pesticides across our properties on biodiversity. Actions undertaken in relation to energy, water and waste management outlined above support biodiversity. Eliminated the use of pesticides in 2024.



Strong Performance, *Returns* & Strategic Growth



Revenue of
€652.2 million
up 7.3% on 2023

Free Cashflow¹ (APM xi) of
€123.7 million
71.4% conversion from Adjusted EBITDA¹
after deducting fixed lease payments

Bank loan facility and private
placement notes of
€600 million
Following successful refinance in 2024

Group 'like for like'² RevPAR¹ of
€115.78
up 1.0% on 2023

Basic EPS of
35.5c cent
(2023: Basic EPS of 40.4 cent)

Strong liquidity with cash and
undrawn facilities of
€364.6 million
(2023: €283.5 million)

Adjusted EBITDA¹ (APM ii) of
€234.5 million
up 5.1% on 2023

Property, plant and equipment of
€1.7 billion
(2023: €1.7 billion)

Strong returns in 2024 to shareholders
with
€75.8 million
through dividend payments and share
buybacks executed by 31 December 2024

Overview

I am pleased to report an excellent set of results for Dalata, as we delivered a strong financial performance and another year of growth in both revenue and Adjusted EBITDA¹. 2024 was certainly a busy year at Dalata and we continue to drive operational excellence and productivity gains, expand our portfolio and maintain a strong financial position.

We achieved revenue of €652.2 million, up 7.3% from 2023, which converted to Adjusted EBITDA¹ of €234.5 million (+5.1%), supported by the hotels added to the portfolio during 2023 and 2024. I am also pleased with how our existing hotels have responded to the challenges faced particularly the absorption of new supply in the Dublin market and payroll inflation.

RevPAR¹ was 1.0% ahead of 2023 levels for the year on a 'like for like' ('LFL')² basis with gains in occupancy and average room rates. From May, trade in 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%). RevPAR¹ for the portfolios in Dublin and Regional Ireland decreased marginally versus 2023. However, we continue to challenge ourselves to perform strongly regardless of market conditions, and I am pleased that the RevPAR¹ movement for our Dublin portfolio outperformed the wider Dublin market. Our UK portfolio also performed well achieving 'LFL'² RevPAR¹ growth of 2.8%.

On a 'LFL'² basis, the Group's hotel cost base increased by 3.3% to €345.6 million in 2024 led by payroll increases, notably in statutory minimum pay rates in both Ireland and the UK. The National Minimum Wage in Ireland increased by 12.4% from January 2024 and the National Living Wage in the UK increased by 9.8% from April 2024, which followed 2023 increases of 7.6% and 9.7%, respectively. As labour costs represent over 40% of our hotel cost base, and with limited RevPAR¹ growth in the first part of the year, this resulted in a 'LFL'² Hotel EBITDAR margin¹ of 40.9%, down 140 bps versus 2023. However, I am very pleased in how we limited the impact of payroll inflation on margin through our focus on productivity and reducing energy consumption (saving of 75 bps). Since 2023, our innovation projects and targeted initiatives have

proven incredibly successful for the business, reducing costs whilst maintaining or enhancing our customer and employee experience.

In 2024, we also made significant progress on our growth strategy. We opened four new Maldron hotels in the UK, further enhancing our portfolio and expanding our presence in our target cities. All of our new hotels are performing well and supported by experienced hotel management teams and our central office team who are skilled in on-boarding and integrating hotels to the portfolio. We also strengthened our growth pipeline with the acquisition of the 229 bed Radisson Blu Hotel Dublin Airport for €83 million (subject to CCPC⁶ approval) with potential for further development and secured an agreement for a new Clayton hotel to be developed in central London. Since year end, we have also secured another agreement for lease for a new Clayton hotel to be developed in Edinburgh. Our announced pipeline comprises 1,624 rooms and we have strong ambitions to increase this further in line with our 2030 Vision.

Dalata's property, plant and equipment amounted to €1.7 billion at the end of 2024 including gains on revaluation of €13.1 million recorded during 2024. The carrying value of our land and buildings is €0.5 billion greater than under the cost model, showcasing our ability to deliver value through our successful acquisition and development projects together with strong operating performances. 73% of the value of our property assets are located in Dublin and London, offering both protection, flexibility for sale and lease backs if desired and the opportunity for further uplifts in value.

During the year, we agreed the disposal of two hotels in Wexford, Ireland for €29.6 million and have returned the net proceeds to shareholders via a €25 million share buyback programme. The gross sales proceeds were 17% above balance sheet values at 30 June 2024 based on independent third party valuations and 57% above the combined acquisition cost of €18.8 million in 2015.

Group Revenue and earnings

€million	2024	2023
Revenue	652.2	607.7
Adjusted EBITDA ¹	234.5	223.1
Group EBITDA ¹	231.8	220.2
Profit after tax	78.7	90.2

Central costs and share-based payments expense

€million	2024	2023
Central costs	20.3	21.1
Share-based payments expense	3.6	5.9

In October, we completed the refinance of our debt facilities, securing a €600 million debt package with diversified funding sources including our inaugural private placement for €125 million. The new facility provides additional liquidity (+20%), extends the maturity of our debt and includes greater financial flexibility.

Our capital allocation priorities remain unchanged, and we continue to balance disciplined growth, capital efficiency and our financial position and flexibility with returns to shareholders. We returned €75.8 million to shareholders during 2024 through dividend payments and two share buyback programmes with a further €6.5 million paid in 2025 to complete the second buy back. These two buybacks resulted in 6% of shares being cancelled.

Revenue in 2024 grew by €44.5 million (+7.3%) to €652.2 million. The full year impact of the two hotels added in 2023 and four hotels added during 2024 contributed €40.6 million of this growth.

Adjusted EBITDA¹ grew by €11.4 million (+5.1%) to €234.5 million. The recently added hotels in 2023/2024 contributed €14.0 million which was partially offset by a decrease of €7.2 million at the 'like for like'² hotels, primarily driven by the performance of the Irish portfolio in the first half of the year.

We disclose Adjusted EBITDA¹ 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. Adjusting items⁵ which impacted EBITDA¹ in 2024 amounted to €2.7 million and comprised of hotel pre-opening costs of €1.9 million, acquisition-related costs of €1.1 million incurred on Radisson Blu Hotel Dublin Airport, a reversal of a previous impairment charge of right-of-use assets of €1.7 million and net impairment charges of €1.4 million. In the prior year, adjusting items of €2.9 million comprised of pre-opening expenses of €0.5 million and acquisition related costs of €4.4 million, partially offset by the reversal of prior period property revaluation losses of €2.0 million recorded through profit or loss.

Despite growth in Adjusted EBITDA¹, the Group's profit after tax of €78.7 million decreased by €11.5 million year on year, primarily due to the increase in accounting charges as a result of portfolio growth and the refinancing which included a modification loss of €7.5 million.

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

FINANCIAL REVIEW

Depreciation and amortisation

€million	2024	2023
Depreciation of property, plant and equipment	39.3	32.8
Depreciation of right-of-use assets	33.7	30.7
Amortisation of intangible assets	0.3	0.6
Total depreciation and amortisation	73.3	64.1

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).

The depreciation of right-of-use assets increased by €3.0 million to €33.7 million for the year ended 31 December 2024, primarily due to the opening of three leased hotels opened in the summer of 2024; 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).

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
Modification loss	7.5	-
Net foreign exchange gain on financing activities	(0.8)	(0.2)
Capitalised interest	(0.6)	(2.0)
Interest on lease liabilities	49.5	42.8
Finance costs	67.4	50.6
Finance income	(0.2)	-
Net finance costs	67.2	50.6

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, the maturity of the fixed interest rate swaps which were negotiated at lower rates in 2018 and 2020, 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 rent¹ 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: 3.6%).

The private placement notes carry a fixed coupon rate. However, where the Group's Net Debt to EBITDA after rent¹, 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%).

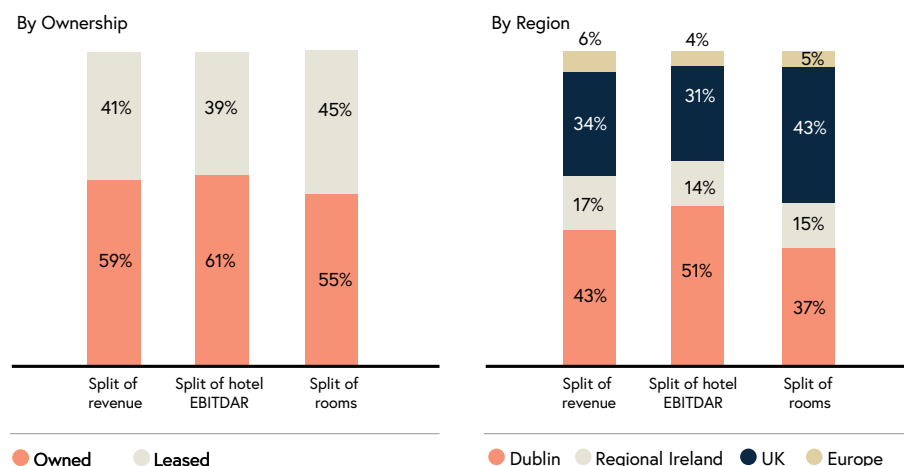
Following the completion of the refinance of the Group's debt package, the Group recorded a modification loss of €7.5 million which was inclusive of €4.8 million of costs relating to the new facility.

Interest on lease liabilities increased by €6.8 million to €49.5 million in 2024 primarily due to the impact of the three new leases 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 deductible for tax purposes in 2024, compared to 2023.

Group Snapshot of Owned and Leased Portfolio at 31 December 2024



FINANCIAL REVIEW

Trading Review by Segment

Dublin

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 primarily driven by the conversion of meeting space to bedrooms at one hotel.

2024 RevPAR¹ for the Dublin portfolio decreased by 1.4% versus 2023, outperforming the Dublin market (-2.2%). The portfolio achieved occupancy of 83.5% with ARR¹ of €158.08 representing a decrease of 0.8% 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 RevPAR¹. Food and beverage revenue of €51.9 million was 1.3% ahead of 2023 levels (€51.3 million).

The Dublin portfolio delivered Hotel EBITDAR¹ 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 from January 2024. The portfolio achieved Hotel EBITDAR margin¹ 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.

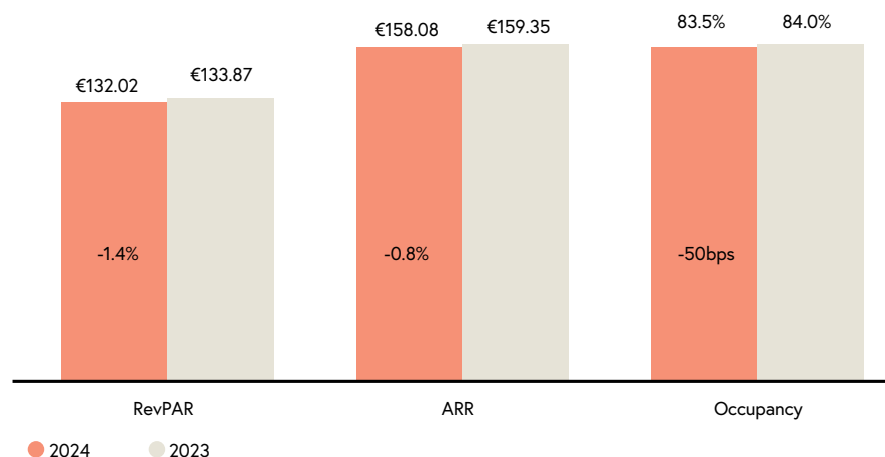
Dublin (All hotels)

€million	2024	2023
Room revenue	214.7	216.9
Food and beverage revenue	51.9	51.3
Other revenue	17.2	17.9
Total revenue	283.8	286.1
Hotel EBITDAR ¹	132.3	135.9
Hotel EBITDAR margin % ¹	46.6%	47.5%

Dublin owned and leased portfolio ³	2024	2023
Hotels	17	17
Room numbers	4,446	4,438

- 1 See Financial Review endnotes
3 See Financial Review endnotes

Dublin – performance statistics



Regional Ireland

Following the disposal of the Group's two hotels in Wexford in November 2024 and January 2025, the Regional Ireland hotel portfolio comprises 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'² RevPAR¹ 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 ARR¹ of 3.2% despite having absorbed a 4.5% VAT increase from September 2023. For reporting on 'LFL'² 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 EBITDAR¹ of €35.0 million for the year ended 31 December 2024, representing a 5.5% decline on 2023 driven by additional payroll costs. The portfolio achieved a 'LFL'² Hotel EBITDAR margin¹ 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.

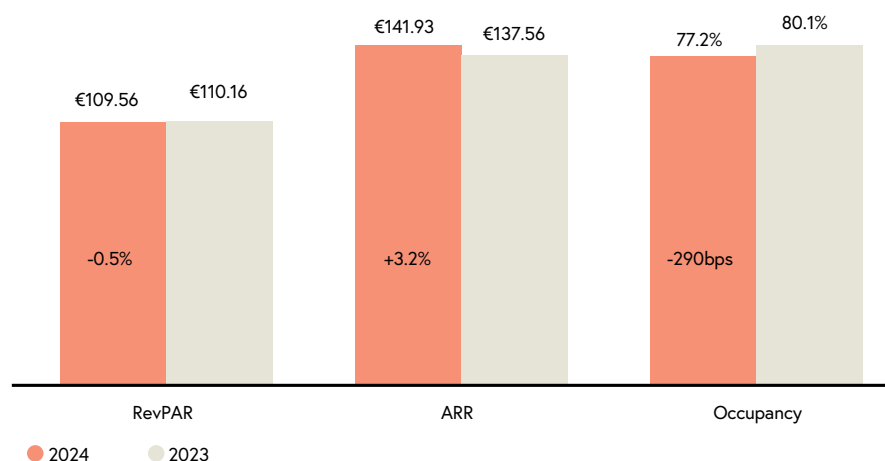
Regional Ireland (All hotels)

€million	2024	2023
Room revenue	72.6	73.2
Food and beverage revenue	29.0	30.4
Other revenue	8.9	8.7
Total revenue	110.5	112.3
Hotel EBITDAR ¹	35.0	37.0
Hotel EBITDAR margin % ¹	31.7%	33.0%

Regional Ireland owned and leased portfolio ³	2024	2023
Hotels	12	13
Room numbers	1,759	1,867

- 1 See [Financial Review endnotes](#)
- 2 See [Financial Review endnotes](#)
- 3 See [Financial Review endnotes](#)

Regional Ireland – 'like for like' performance statistics²



FINANCIAL REVIEW

United Kingdom (local currency)

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'² RevPAR¹ for the UK portfolio increased by 2.8% for 2024 versus 2023 levels, with increases in both occupancy (+190 bps) and ARR¹ (+0.4%). The Group's hotels in the Regional UK portfolio continued to build on a strong performance in the first half of the year, achieving RevPAR¹ growth of 2.8% in 2024 on a 'like for like basis'². The 'LFL' London² hotels grew RevPAR¹ 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. Hotels recently added to the portfolio contributed £21.4 million of uplift, through 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 'LFL'² 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 EBITDAR¹ of £68.4 million, £6.2m (10.0%) ahead of 2023 levels. The uplift is primarily driven by hotels added to the portfolio during 2023 and 2024.

United Kingdom (All hotels)

£million	2024	2023
Room revenue	149.6	127.3
Food and beverage revenue	29.1	26.5
Other revenue	8.0	8.0
Total revenue	186.7	161.8
Hotel EBITDAR ¹	68.4	62.2
Hotel EBITDAR margin % ¹	36.6%	38.4%

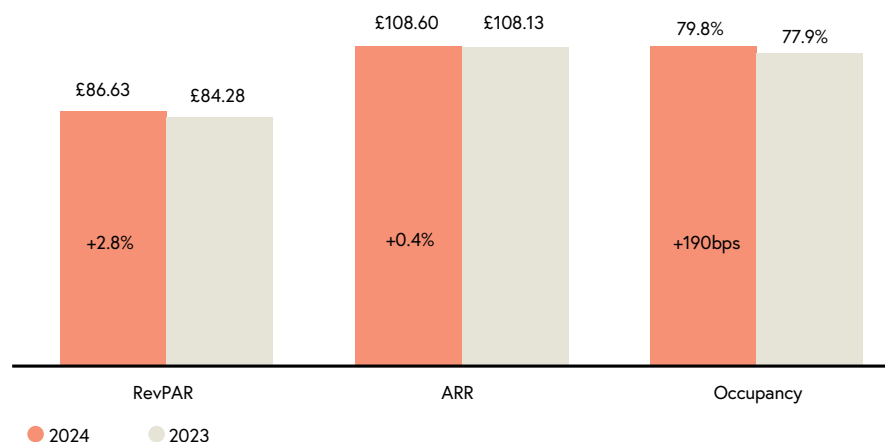
UK owned and leased portfolio ³	2024	2023
Hotels	22	18
Room numbers	5,080	4,242

1 See Financial Review endnotes

2 See Financial Review endnotes

3 See Financial Review endnotes

UK – 'like for like' performance statistics²



The portfolio achieved a 'LFL'² Hotel EBITDAR margin¹ 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%. In the UK, we use agency staff in areas like accommodation, however, the Group has brought rooms cleaning in-house at two of our hotels. This initiative is designed to replicate the productivity gains achieved through the efficiency project in Ireland, and early outcomes have been promising. We are also looking at other UK hotels where this approach could be beneficial, alongside the rollout of additional efficiency measures.

Continental Europe

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 EBITDAR¹ comparability is skewed period on period 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 Cover¹ of 1.3x for 2024.

Continental Europe (All hotels)

€million	2024	2023
Room revenue	27.0	16.4
Food and beverage revenue	8.6	4.9
Other revenue	1.5	1.7
Total revenue	37.1	23.0
Hotel EBITDAR ¹	11.3	7.7
Hotel EBITDAR margin % ¹	30.4%	33.6%

Continental Europe leased portfolio ³	2024	2023
Hotels	2	2
Room numbers	566	566

¹ See [Financial Review endnotes](#)

³ See [Financial Review endnotes](#)

Free Cashflow¹ of
€123.7 million
 (2023: €133.4 million)

Debt and Lease Service Cover¹ of
2.7x
 (2023: 3.2x)

Proposed final dividend per share of
8.4 cents
 (2023: 8.0 cents)

Free Cashflow per Share¹ of
55.8 cent
 (2023: 59.7 cent)

Net cash used in investing activities of
€63.0 million

Cash and undrawn facilities of
€364.6 million
 (2023: €283.5 million)

FINANCIAL REVIEW

Cashflow generation funding growth ambitions

€million	2024	2023
Net cash from operating activities	218.3	171.4
Fixed lease payments ⁴	(61.3)	(53.5)
Other net interest and finance costs paid	(14.6)	(8.7)
Refurbishment capital expenditure	(25.5)	(26.1)
	116.9	83.1
Exclude cash impact of adjusting items:		
Refinancing costs paid	4.4	-
Pre-opening costs paid	1.9	0.5
Acquisition-related costs paid	0.5	4.4
Net impact of tax payments under Debt Warehousing scheme	-	34.9
2022 corporation tax payments in 2023	-	10.5
Free Cashflow ¹	123.7	133.4
Weighted average number of shares (millions)	221.6	223.3
Free Cashflow per Share (cent) ¹	55.8	59.7

The Group generates positive Free Cashflow¹ to fund future acquisitions, development expenditure and shareholder returns.

Free Cashflow¹ 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'² portfolio in 2024. The new additions to the portfolio made a positive impact to 2024 Free Cashflow¹, primarily driven by the full year impact of the three hotels added in 2023.

Net cash from operating activities in 2024 increased by €46.9 million 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 leasehold hotels in 2024 and the full year impact of Clayton Hotel Amsterdam American added in October 2023.

Other net interest and 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.

The Group paid €25.5 million in refurbishment capital expenditure¹ during the year, primarily related to the refurbishment of bedrooms, enhancements to hotel public areas, upgrades to plant and machinery infrastructure, and improvements to health and safety systems. The Group allocates approximately 4% of hotel revenue to refurbishment capital expenditure¹.

During the year, the Group received an inflow of €8.3 million from the sale of Maldron Hotel Wexford, paid growth capital expenditure of €45.8 million, paid dividends of €27.1 million, and completed share buybacks of €48.7 million and share purchases for fulfilling share incentive schemes requirement of €5.6 million. The growth capital expenditure primarily related to the construction of Maldron Hotel Shoreditch and costs paid on entering new leases and agreements for leases.

¹ See [Financial Review endnotes](#)

⁴ See [Financial Review endnotes](#)

Asset-backed Balance Sheet

The Group's balance sheet position remains strong with property, plant and equipment of €1.7 billion in excellent locations, low levels of gearing and cash and undrawn debt facilities of €364.6 million. Our balance sheet provides security for the facilities provided by our banking club and for obtaining lease covenants at competitive yields with real estate partners.

The carrying value of the Group's property, plant and equipment increased by €26.2 million to €1,711.0 million at the end of 2024 (2023: €1,684.8 million). The increase since 31 December 2023 is driven by additions of €53.1 million, net unrealised revaluation gains on property assets of €11.8 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 2024 depreciation charge of €39.3 million, €8.3 million for disposal of Maldron Hotel Wexford and €19.7 million for the reclass of Clayton Whites Hotel, Wexford to assets held for sale (which was subsequently sold post year end).

Capital Structure

We are committed to strategically managing our capital structure, ensuring the optimal balance of leases, debt, and equity. This approach allows us to stay agile and effectively respond to emerging opportunities and challenges.

Asset-backed balance sheet provides

Optionality to sell an asset to provide cash for protection or re-investment

Strong covenant for real estate partners who are funding some of our growth

Security for our lenders and note holders

Lenders and note holders

In October 2024, we successfully completed the refinancing of our existing borrowing facilities. Our new facilities include 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 October 2029, with two options to extend by a year. We also completed our inaugural private placement of €124.7 million 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.

We are pleased with the completion of these new facilities, as they not only increase our debt facility to €600 million but also diversify our funding sources and provide enhanced flexibility. The combination of a green term loan and the issuance of green loan notes highlights our commitment to sustainability. Securing these favourable terms underscores the Group's strong asset backing, financial discipline and credit quality of Dalata.

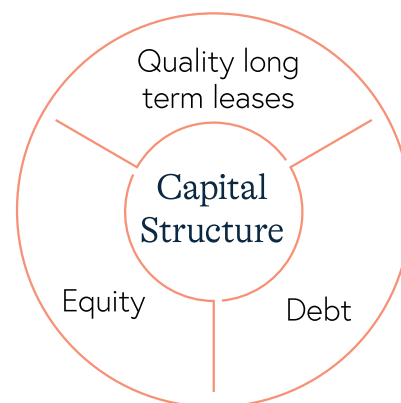
The Group's covenants, comprising Net Debt to EBITDA (as defined in the Group's external borrowings facility agreement which is equivalent to Net Debt to EBITDA

after rent¹) and Interest Cover¹ tested as at 31 December 2024 showed Net Debt to EBITDA after rent¹ for the Group was 1.3x and Interest Cover is 17.5 times. Our drawn debt at 31 December 2024 of €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 at 31 December 2024 amounted to €39.6 million (2023: €34.2 million).

Landlords and Real Estate Partners

Our strong reputation as a reliable counterparty, coupled with our solid financial position and ability to fund acquisitions through cash flow and existing facilities, provides us with access to off-market deals. We remain committed to expanding our network of real estate partners and strengthening our position as a partner of choice.

Lease liabilities on the balance sheet under IFRS 16 amounted to €778.6 million at year-end (31 December 2023: €698.6 million). The corresponding right-of-use assets were €760.2 million at year-end (31 December 2023: €685.2 million). We have lease cover of 1.7x (2023: 1.8x) with an average outstanding lease term of 29.0



years excluding the impact of Clayton Hotel Manchester Airport which distorts this due to having 200 years of a lease term.

Shareholders

In 2024, we announced two share buyback programmes for €30 million in September 2024 and €25 million in October 2024. We completed the €30 million share buyback in October 2024 and have completed the €25 million buyback in January 2025.

The Group continues to follow a progressive dividend strategy whilst also focusing on investments in new hotel ventures that will deliver long-term, sustainable value for our shareholders. The Board has proposed a final dividend of 8.4 cents per share, bringing the full-year dividend to 12.5 cents per share, subject to approval at the AGM.

Carol Phelan

Chief Financial Officer

Endnotes

1. See [Supplementary Financial Information](#) which contains definitions and reconciliations of Alternative Performance Measures ("APM") and other definitions.
2. The 'like for like' or 'LFL' analysis excludes hotels that were added to the portfolio or ceased trading under Dalata during 2023 and 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' Regional Ireland portfolio excludes Maldron Wexford Hotel and Clayton Whites Hotel Wexford which ceased trading under Dalata in November 2024 and January 2025 respectively. The 'like for like' UK portfolio excludes the following hotels: Maldron Hotel Shoreditch, Maldron Hotel Liverpool City, Maldron Hotel Brighton, Maldron Hotel Cathedral Quarter Manchester, Maldron Hotel Finsbury Park and Clayton Hotel London Wall. The 'like for like' London portfolio excludes Maldron Hotel Finsbury Park and Clayton Hotel London Wall. Clayton Hotel Amsterdam American is also excluded from the 'like for like' analysis for the Group.
3. The room numbers and hotel numbers reported for the Group's owned and leased portfolio includes hotels that were operational at year-end.
4. Under IFRS 16, fixed lease payments are represented by lease repayments and interest on the statement of cash flows.
5. Adjusting items in 2024 which impact EBITDA include hotel pre-opening expenses of €1.9 million, acquisition-related costs of €1.1 million, impairment charges of €1.4 million, offset by an impairment charge reversal relating to right of use assets of €1.7 million. Additionally, the Group also incurred a modification loss of €7.5 million and tax impact of adjusting items of €0.5 million.
6. CCPC: Competition and Consumer Protection Commission.

RISK MANAGEMENT

Dalata’s risk management framework – three interlinked elements

Risk governance - the overarching framework to oversee risk



The Board is responsible for Dalata's risk management and internal control framework. It integrates risk considerations into its decision-making process, aligning with the Group's overall strategies. Dalata's risk appetite and risk culture are also key components of the risk governance framework.

The Audit & Risk Committee assists the Board in managing risk. Its standing agenda includes reviewing current principal risks, emerging risks, outcomes of targeted risk reviews and internal control assessments.

Additionally, we have an Executive Risk Committee comprising executive directors, the Company Secretary and Head of Risk & Compliance, and central office senior management. Chaired by the CEO, this group meets at least six times annually

to evaluate risks across our business, commission specific risk analyses, engage on emerging risks and review the internal control framework.

Executive management and hotel and operational teams are crucial in ongoing risk management. Detailed risk management processes and systems support these activities.

We also have specific risk and oversight functions supporting our hotels, including health and safety, finance, and compliance. These functions conduct regular assessments on risk-related matters and are supported by external experts in targeted risk areas. A separate internal audit function evaluates the risk management environment and supports the Audit and Risk Committee.

Risk assessment & reporting - supporting our risk governance structure

This framework sets out the process for managing risks and the methodology for identifying, analysing, and reporting risks. This is a dynamic process, with the Group's risk register, principal risks and emerging risk profiles being updated at least quarterly.



Internal control framework – how risks are managed in our day-to-day business

Dalata has established a comprehensive internal control framework to manage risk and protect business assets across our hotel portfolio. Centralised controls for higher-risk financial, compliance and operational activities are in place. Our investment in standardised business platforms and technologies supports sound internal controls, which can be efficiently and effectively monitored.

Our decentralised hotel management model is supported by hotel-specific internal controls that align with our overall internal control framework. A suite of daily, weekly and monthly control processes support risk management. Regular assessments by our risk and oversight functions, along with internal audits, consider the effectiveness of these controls.

The Audit & Risk committee considers the overall effectiveness of the internal control framework annually, as well as through internal audit report outcomes and other assessments completed during the year.

Risk management review

In 2024, our risk management framework continued to evolve in response to business needs.

Throughout the year, the Board assessed risks associated with the group's development programme, including potential new leases and acquisitions, opportunities in new markets and the divestment of two regional Ireland hotels. The Board also closely monitored market sentiment, room supply in key cities, and both broader and hotel-specific cost environments. Our innovation programme has consistently delivered increased efficiencies while meeting customer expectations. Accurate financial and non-financial information supports our risk assessments and responses to these broader matters.

The Board also reviewed the group's refinancing programme and associated risks, successfully completed in October 2024. The share buyback programmes, announced in September, were considered regarding their operation and related market abuse regulatory matters.

At each of this year's meetings, the Audit & Risk Committee evaluated the Group's principal risks and the emerging risk environment. This included considering papers on risk appetite, internal controls, and risk mitigations. The committee engaged with internal and external expertise on several risk-related topics, such as information security, data protection compliance, tax, insurance, claims market conditions, and health and safety risks.

The progress of the group's Corporate Sustainability Reporting Directive (CSRD) climate and non-financial reporting project, culminating in our first sustainability report, was reviewed by the Audit & Risk Committee with management and KPMG during the year. The group's plan for future reporting is being developed and will be considered further in 2025.

The Executive Risk Committee met six times in 2024, usually aligning with the Audit & Risk Committee meeting schedule. Throughout the year, the committee thoroughly examined the group's risk appetite, risk indicators and parameters in key risk categories, which the Audit & Risk Committee reviewed in November. The committee also addressed risks related to external events in some of our hotel cities, revenue management processes and internal controls and specific health, safety and security risks.

Emerging risks and horizon scanning are integral to our risk assessment process. During 2024, the Executive Risk Committee and the Audit & Risk Committee identified, recorded, and discussed these risks. When a risk materialises or increases in status, it is added to the group risk register and included in the overall risk discussions.

The principal risks facing the Group are outlined below. These are not presented in a particular order, as we believe the risks, their business impact and mitigations are often interrelated and should be viewed as such.

RISK MANAGEMENT

Principal Risk Analysis

External, economic & 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.

These include 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. These conditions may also provide opportunities for the Group.

Potential risk & impact

An extended period of uncertainty and significant unexpected cost increases, when combined with external factors, could hinder the Group's financial performance and its ability to achieve its objectives.

How we manage the risk

- The Board and executive management are continually updated on external factors and their potential impact on our business.
- The Group is in a healthy financial position, supported by a strong asset-backed balance sheet. Scenario stress testing has also been conducted.
- Our investment in modern technology and information platforms ensures we have up-to-date and reliable data to support prompt decision-making.
- The Group benefits from an experienced management team with functional expertise in relevant areas.

2024 Commentary

The Group has effectively navigated an uncertain environment for several years. Our business and people have responded to challenges such as the pandemic, conflicts in Europe and the Middle East, supply chain disruptions and increased costs, particularly in utilities and employment.

We conducted detailed business reviews across our portfolio throughout the year and completed a thorough budget-setting process for 2025 in late 2024.

Our business reacted effectively to the evolving business environment in 2024. While we anticipate continued uncertainty, we remain confident that our risk management strategies will minimise the impact on Group performance of unexpected external factors.

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.

Potential risk & impact

There is a risk that our innovation strategy may not yield productive business efficiencies or significant improvements to our guest experiences.

Additionally, there could be additional costs associated with technologies that fail to deliver changes as expected.

How we manage the risk

- Embedding a culture of innovation throughout the Group is a core objective for senior leadership, with overall responsibility assigned to the Deputy CEO. Each function's executive manager is tasked with identifying potential improvements through innovation.
- Comprehensive case-by-case assessments are completed, including measurable KPIs, costs and risks. 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.
- Resources are allocated to develop and implement business efficiencies and innovation.

2024 Commentary

The innovation process has led to numerous changes in how we approach tasks both centrally and in our hotels. We believe these innovations will provide us with a competitive advantage. Our innovation journey has multiple strands and will continue in 2025.

We are also mindful of long-term trends in hospitality and hotels, particularly those related to guest technology, climate change, and sustainability.

Health, safety and security risks

The Group 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.

Potential risk & impact

There is a risk that a significant operational health and safety event, such as a fire, food safety incident, or public health issue, could occur at a hotel and not be adequately managed. This could result in loss of life, injury, or significant property damage.

Such an event could impact the Group's reputation and its operational activities, have financial repercussions and divert management resources.

How we manage the risk

- Well-resourced health, safety and security teams, structures and oversight at group and hotel levels.
- Supporting health and safety policies and procedures to comply with relevant legislation, backed by detailed SOPs and training.
- Ongoing capital investment in hotel life, fire, security and safety systems and servicing, and prompt remediation of identified health and safety risks.
- A comprehensive crisis management and response plan, supported by training, awareness and simulation testing.
- A programme of external fire, health and safety and food safety audits, complemented by reviews by statutory external bodies.
- Comprehensive insurance and risk assessment programme across the hotel portfolio.
- 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.

2024 Commentary

In June 2024, management updated the Audit & Risk Committee on developments across the Group's health and safety environment.

Our Bureau Veritas hotel risk assessments programme continued in 2024, yielding strong results consistent with the 2023 outcomes. We introduced new unannounced external fire safety inspections, and this programme is ongoing.

We enhanced our hotel security monitoring systems and continued our key card lock and CCTV upgrade programmes.

Throughout 2024, our hotels completed routine H&S checks and procedures in line with our company's operating policies, all of which are supported and monitored by our central H&S team. Many of these checks are completed through an online portal, enabling comprehensive reporting and analysis. We partnered with external experts to deliver an extensive safety and security training programme to our teams.

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.

Potential risk & impact

There is a risk that we may not be able to implement our management development strategy as planned or recruit and retain sufficient resources to operate our expanding business effectively. This could impact our guest service delivery, hotel performance and our growth strategy.

How we manage the risk

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

2024 Commentary

Our strategy in this area remains unchanged.

The Group operates in a competitive labour market. During the year, we implemented various recruitment and retention strategies focused on pay rates, flexible working, and enhanced benefits.

In 2024, 670 people (2023: 800) were on a structured management development programme, while 583 (2023: 585) people were internally promoted, evidencing our people development strategy.

We continued to promote our employer brand, aiming to position Dalata as the employer of choice in our industry. Our commitment to developing a diverse and inclusive workplace also supports our development and recruitment strategies.

RISK MANAGEMENT

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.

Potential risk & impact

There is an ongoing risk that the Group's information systems could be subjected to a significant cyber event, potentially leading to data loss or theft, denial of service, or other negative impacts.

A cyber event could potentially cause disruption to our business operations. A loss of confidential or personal data could harm the Group's reputation and result in financial penalties.

How we manage the risk

- The ongoing security of our information technology platforms is crucial to the Board. The Group has invested in a modern, standardised technology platform supported by trusted IT partners.
- 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.
- Tested technology business continuity and recovery plans are in place.
- An established data privacy and protection structure, including dedicated specialist resources, operates centrally and across our business.
- Our teams participate in ongoing training and awareness programmes on technology and data privacy risks.
- External expertise provides support and monitoring of cyber and privacy risks.

2024 Commentary

During 2024, the Board and the audit and risk committee received internal and external briefings on technology and data protection risks, including a data protection compliance assessment. They considered emerging new technologies, such as AI, increased phishing sophistication, end user risk and risks associated with external industry partners.

The Group continued to invest in enhancing its technology and infrastructure, conducting various technology security reviews, including phishing and ransomware simulations, penetration testing, and vulnerability scans. We regularly evaluate our defensive systems and procedures to make changes where improvements are appropriate. We also completed a desktop crisis management simulation relating to a cyber event.

Privacy initiatives included management and team training, data impact assessments, and improved data protection awareness.

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.

Potential risk & impact

There is a risk that as the development programme continues, fewer opportunities will meet our financial or operational thresholds, or the opportunities that do arise may have a higher risk profile.

Changes in the cost of financing, yields, and availability of investment funds could also impact the strategy, potentially hindering our expansion.

Additionally, there are inherent risks associated with expanding into new markets.

How we manage the risk

- We have 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. Monthly updates are provided on the progress of the development programme.
- Our funding flexibility and financial strength position us as a preferred development partner.
- Agreed financial criteria and due diligence are completed for all projects, including specific site selection criteria, detailed city analysis, and market intelligence.
- Rigorous look-back review of prior projects to provide future learnings.
- A track record of successful new hotel projects and acquisitions enables engagement with high-profile partners.

2024 Commentary

All development opportunities have been thoroughly researched and considered by the Board before any commitment.

The Group's hotel pipeline and expected opening dates are proceeding as planned.

In 2024, the Group opened four new UK hotels and announced two new hotel projects in Dublin and London. Work has also started on the development of new hotels in Dublin and Edinburgh, and an extension of an existing hotel in Dublin city centre will commence in 2025.

Risks to our culture and values

The Board and executive management view Dalata's company culture as a critical group asset, a market differentiator, and a source of competitive advantage.

Our business model is dependent on retaining and growing our strong culture.

Potential risk & impact

There is a risk that the Group's continued expansion, in terms of the number of hotels and countries where we operate, may dilute the company culture that has been a key to our success.

This could weaken our performance or result in actions that may not reflect the Group's values.

How we manage the risk

- Defined group 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 in place, where we actively seek feedback from our people on culture and values.
- Our new team members complete induction training to understand our behaviours and culture.
- Extensive people management training allows all managers to support our "people first" culture.
- Continued investment in development programmes embeds behaviour and values within our internal talent pipeline.

2024 Commentary

The ESG committee considers culture within its remit. Culture remains a priority for the Board and executive management, with a non-executive director responsible for employee engagement.

Two group-wide employee engagement surveys were completed in 2024, providing valuable insight for executive management.

Climate change, Sustainability & 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 is now subject to increased regulation, reporting and oversight requirements.

Potential risk & impact

There is a risk that we may not meet stakeholder expectations, particularly regarding target setting, environmental performance reporting and corporate performance.

Failure to meet our strategic goals in this risk area could affect stakeholders' perceptions of the Group and our financial performance.

How we manage the risk

- The Board ESG committee has oversight responsibility for this key area.
- A climate change and decarbonisation programme across our businesses, including interim short-term targets.
- 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.
- Management resources have been allocated to develop and monitor initiatives related to our social and responsible business programme.

2024 Commentary

The ESG Committee actively supports the Board in overseeing the development and implementation of the Group's strategy and targets in this area.

The Group is currently developing its net-zero transition plan, which will form the basis of our future decarbonisation plan and include targets, financial costs, and implementation considerations.

While developing these targets and strategic plans, we continue investigating and executing decarbonising initiatives. Some of these include the direct procurement of green electricity, fleet decarbonisation, onsite electricity generation, and property decarbonisation projects.

RISK MANAGEMENT

Viability Statement

The Board has a reasonable expectation that the Group remains viable, will be able to continue in operation and meet its liabilities as they fall due over the five years to December 2029

In accordance with provision 31 of the UK Corporate Governance Code, the Directors have assessed the Group's prospects and viability over the five-year period ending 31 December 2029 through the Group's strategic, risk and financial planning processes.

This assessment is made based on a comprehensive analysis of the Group's:

Business model and strategy (refer to Our Strategic Framework , Our Business Model and Strategic Priorities)
Robust assessment of the principal risks that could potentially threaten the business model, future performance, solvency or liquidity of the Group within the viability period and the mitigating factors available (refer to Principal Risk Analysis)
Current trading performance and financial position (refer to Financial Review)
Policies and processes for capital management, financial risk management objectives, details of its financial instruments and hedging activities and exposures to credit and liquidity risk (refer to Note 25 of consolidated financial statements)
Contracted capital expenditure (refer to Note 26 of consolidated financial statements)
Agreements for lease not yet commenced (refer to Note 14 of consolidated financial statements)
Profile of debt facilities (refer to Note 25 of consolidated financial statements)
Future trading prospects in scenarios as set out below

The Group's loans and borrowings are set out in [Note 22](#) of the consolidated financial statements. During the year, the Group successfully 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.

Assessment process

The directors concluded that five years was an appropriate period for the assessment, for the following reasons:

- It is in line with the Group's forecasting horizon;
- It coincides with the Group's strategic planning horizon used for investment and development projects;
- It aligns with the Group's risk assessment timeline of current risks facing the Group;
- All current committed projects are expected to be substantially completed during this period, and the risks associated with this phase of development are fully considered; and
- An extended period would inherently incorporate greater uncertainty around market performance and expectations.

Whilst all the risks identified in our [Principal Risk Analysis](#), including the financing environment for further expansion, could have an impact on the Group's performance, the specific risks which pose the greatest threat to the business model, future performance, solvency and liquidity are:

External, economic & geopolitical risks

Broader economic conditions, supply chain issues, and geopolitical events that affect consumer spending and demand, could result in an extended period of uncertainty and significant unexpected cost increases when combined with external factors, could hinder the Group's financial performance and its ability to achieve its objectives.

Innovation strategy risk

The Group's innovation strategy may not yield productive business efficiencies or significant improvements to our guest experiences. Failing to respond to changes in our markets and customer behaviour and adapt to changes in the broader hospitality market could then cause a loss of competitiveness and challenge the success of our business model.

People risk

The Group cannot implement its management development strategy as planned or recruit and retain sufficient resources to operate its business effectively. This could impact the Group's guest service delivery, hotel performance and growth strategy.

Climate change, sustainability & decarbonisation strategy risk

The Group fails to meet stakeholder expectations on sustainability, particularly concerning target setting, environmental performance reporting and corporate performance, impacting stakeholders' perception of the Group and its financial performance.

The other principal risks and uncertainties, while also deemed important, are difficult to model for sensitivity analysis as the financial impact would vary depending on the extremity of the situation. However, the possible impact of these other risks is not believed to be as potentially material as those tested in the scenarios either individually or in combination.

Dalata's strategic, risk and financial planning processes

Strategic review

- Annual review of the current plan led by the Deputy Chief Executive Officer
- Board Annual Strategy Days (refer to [Corporate Governance Report](#))
- Updates and approval for new projects are discussed at Board meetings (refer to [Corporate Governance Report](#))

Risk assessment

- Robust assessment of the principal risks (refer to [Principal Risk Analysis](#))



Financial planning process

- Preparation of a budget for the next financial year and projections for the following four financial years
- Subjected to stress testing and sensitivity analysis
- Regularly updated

Stress testing

Based on its risk assessment, the Group has modelled severe but plausible scenarios which could affect the viability of the Group and considered our proposed responses. Under each scenario, the Group can comfortably meet all its liabilities and obligations as they fall due and remains in compliance with its debt covenants.

Scenarios modelled

Scenario	Assumptions and level of severity reviewed	Related principal risk(s)
A. Reduced trading due to external, economic and geopolitical factors An extended period of macro-economic and/or geopolitical uncertainty reduces consumer confidence, discretionary spending and corporate travel budgets, negatively impacting the demand for hotels.	An 18-month downturn results in a 15% decline to RevPAR and 10% to food and beverage ('F&B') revenue versus the base case projections over the period. The lost revenue has a significant impact on profitability and cash flow due to the Group's high operating leverage.	External, economic & geopolitical risks
B. Reduced trading if the Group does not respond and/or adapt to changes in guest expectations and the broader hospitality sector The Group's innovation and sustainability strategies fail to meet changing consumer expectations which results in a loss of competitiveness, impacting the Group's financial performance.	Permanent decline of 10% to RevPAR and 5% to F&B revenue versus the base case projections in each of the years modelled, with resulting impact on profitability and cash flow.	Innovation strategy risk Climate change, sustainability & decarbonisation strategy risk
C. Prolonged elevated cost base The upward pressures on pay rates, either driven by government policy or market conditions, continues for an extended period of time. Gas and electricity costs are also higher than expected due to additional costs incurred to procure green energy or from higher carbon taxes. Furthermore, the Group's innovation projects fail to deliver the forecasted productivity and consumption savings, which altogether, negatively impacts the Group's financial performance.	Hotel pay rates outpace general inflation and gas and electricity costs are higher than expected in each of the years modelled. Additionally, the expected savings from productivity gains and consumption of gas and electricity as a result of the Group's innovation projects are not achieved.	External, economic & geopolitical risks People risk
D. Increased levels of capital expenditure required to meet environmental initiatives The Group's portfolio requires additional investment in capital expenditure to align with decarbonisation initiatives to ensure we continue to meet changing stakeholder expectations on sustainability and avoid a loss of competitiveness.	An additional 1% of revenue is spent each year on capital projects related to environmental initiatives (c. 25% increase in refurbishment capital expenditure per annum versus base case projections).	Climate change, sustainability & decarbonisation strategy risk
<div style="display: flex; justify-content: space-between; align-items: center;"> <div style="text-align: center;">  </div> <div style="text-align: center;"> E. A combination of scenarios A, B, C and D Directors believe this is a severe scenario and unlikely. Principal risks as above </div> <div style="text-align: center;">  </div> </div>		

RISK MANAGEMENT

Mitigating actions

Under each of the above-mentioned scenarios, no mitigating actions are deemed necessary to assure the ongoing viability of the Group. If the impact of risks materialising did require mitigating actions, there are a number of actions available to the Group, as demonstrated during the Covid-19 pandemic. These include:

- Decrease expenses through a reduction in all non-essential spend, including bonuses
- Postpone refurbishment capital expenditure supported by the Group's modern, well-invested portfolio
- For a more severe scenario, spend could be reduced further to include only committed and emergency refurbishment capital expenditure and an introduction of a combination of pay cuts and reduced hours for employees
- Postpone all uncommitted development capital expenditure/trigger break clauses where applicable
- Execute a sale of one of its hotel assets
- Enter negotiations with banking partners to agree on further support and flexibility
- Engage with landlords to postpone rent payments
- Withdraw dividends
- Raise equity from shareholders

Reverse Stress Test

Management has also considered a reverse stress test scenario which models the decline in revenue that the Group would be able to absorb before cash and undrawn facilities are reduced to zero by December 2026.

This scenario is calculated before reflecting any additional mitigating actions other than reductions in the level of refurbishment capital expenditure and dividends paid. However, as previously mentioned, a number of mitigating actions could be taken to improve the cash position of the Group under such a scenario.

Despite such a severe stress test which the directors do not consider reasonably possible, the Group would be able to continue operating until December 2026 before cash and undrawn facilities are reduced to zero, having taken a revenue reduction of 53% per annum compared to the base case. While the Group would breach covenants from June 2025, for the purposes of looking at the Group's liquidity, this stress test assumes the ongoing consent and support of our banking club to access available debt facilities until maturity.

Related principal risk(s)

The reverse stress test scenario indirectly considers all principal risks.

Conclusion

In conclusion, having considered the above scenarios and the mitigating actions available to the Group, the Board has a reasonable expectation that the Group remains viable, will be able to continue in operation and will meet its liabilities as they fall due over the five years to December 2029.

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CHAIR'S OVERVIEW

Dear Shareholder,

I am pleased to introduce our Corporate Governance Report for the year ended 31 December 2024. This report provides details about the Board and an explanation of our individual roles and responsibilities as well as providing an insight into the activities of the Board and Committees over the year and how we seek to ensure the highest standards of corporate governance remain embedded throughout the Company, underpinning and supporting our business and the decisions we make.



Corporate Governance Code

The company adopted the principles and provisions of the UK Corporate Governance code (the UK Code) and the Irish Corporate Governance Annex (the Irish Annex) on a comply or explain basis during 2024. This governance report sets out how Dalata has applied the principles of the Code throughout the year.

Compliance with the UK Code in 2024

Provision 38. As detailed in the Remuneration Committee report, we expanded our Irish pension scheme on January 1, 2024, to include more employees with a 3% contribution rate. This important enhancement to our workforce's financial wellbeing means that more pension-eligible employees in Ireland (where our executive directors reside) now receive this 3% contribution, compared to the 5% rate for directors. The Remuneration Committee views this expansion as a positive development that serves our employees' best interests, and within this context, does not consider it appropriate to reduce the executive directors' pension contribution level.

Provision 19. As I approach the eleventh anniversary of my appointment as company Chair, I want to address my tenure beyond the nine-year period outlined in Provision 19 of the UK Code. In last year's Nomination Committee report, we explained the specific circumstances that justified this extension under the limited exceptions allowed by Provision 19. I am pleased to report that the Board has initiated the succession process, which we expect to conclude successfully in 2025, as previously communicated to shareholders during our late 2022 consultation. The Board is satisfied that the limited circumstances permitting the extension of my term continue to apply.

Subject to the explanations above, the Company complied with the UK Code and the Irish Corporate Governance Annex throughout 2024.

Adoption of the Irish Corporate Governance Code (the Irish Code) effective 1 January 2025

The Irish and UK stock exchanges have historically been very closely linked, and as a result, the UK Code was applied to Irish companies listed in Ireland (and the UK), supplemented by the Irish Annex for certain categories of companies.

Euronext Dublin established a working group in early 2024 to examine the development of an Irish Code. Launching its consultation with market participants it noted:

"As a member of the European Union, Ireland is part of the evolving Capital Markets Union, whereby the European public company regulatory infrastructure continues to be developed. Therefore, different imperatives and issues can and may be expected to continue to influence corporate governance in Ireland, relative to the UK. In addition, Ireland is one of only two jurisdictions in the 49 surveyed by the OECD in 2022 (including all OECD, G20 and Financial Stability Board members) which does not have its own national corporate governance code. An Irish Corporate Governance Code, developed within, and for the Irish market, will enable and provide greater clarity for issuers and investors and ensure that changes in corporate governance in the UK can be assessed for relevance and appropriateness before being automatically applicable to Irish companies. A local code allows for greater flexibility to adapt and evolve as the corporate, legal and economic climate changes, ensuring that governance standards remain relevant and effective for the Irish market."

The Board resolved to adopt the Irish Code effective 1 January 2025 following consultation with advisors and careful consideration of the matter. The Irish Code uses the same principle and provision basis as is used in the UK Code, adapted for the Irish market. The adaptations were developed following an examination of corporate governance regimes applicable to public companies in 10 different jurisdictions with strong public markets and a detailed consultation with market participants. The Company participated in this consultation process.

Dalata considers its strong corporate governance to be a strategic pillar underpinning the company's development and the creation of shareholder value. Shareholders may be assured of this ongoing commitment; the Board has made no changes to policy or governance practice on foot of its decision to adopt the Irish Code.

Board compositions, succession

Throughout the year, we have maintained our focus on Board succession, ensuring an optimal balance of skills, experience, and diversity to support our business objectives.

In September 2024, we were pleased to announce the appointment of Des McCann, Chief Operating Officer, to the Board, effective 1 January 2025.

Shane Casserly, a member of the Board since 1 January 2020 was appointed Deputy Chief Executive in September 2024. Shane was formerly Corporate Development Director.

Board Effectiveness

In 2024, the Board conducted a review of its effectiveness through an internal process with guidance from consultants at Independent Audit. The Board is satisfied that it continues to work well on overall basis. We identified some areas for improvement and will seek to remedy these by adopting the recommendations produced by the review. For more details, please refer to the [Corporate Governance Report](#).

Strategy

In October 2024, the company launched its Vision 2030 at a capital markets event held in London. In it we outline our headline growth goal of 21,000 rooms either open or under construction by 2030. The vision and objectives set out for 2030 were developed by the Board arising from its annual review of strategy and we are committed to executing this strategic vision effectively.

Dividends

The Board are responsible for setting the Group's dividend policy. An interim dividend of 4.1 cent per share, amounting to €9.1 million, was paid to shareholders on 4 October 2024. The Board is recommending a final dividend of 8.4 cent per share for the year ended 31 December 2024, subject to shareholder approval at the AGM on 30 April 2025.

Stakeholder Engagement

Our management team maintains an active shareholder engagement program and regularly reports to the Board on investor sentiment. Gervaise Slowey, our Non-executive Director responsible for workforce engagement, continued her direct interactions with employees across all levels of our business, providing updates at each Board meeting. Details of her work are outlined in the Corporate Governance Report. In addition, Elizabeth McMeikan our Remuneration Committee Chair, engaged with shareholders regarding executive compensation and proposed amendments to the directors' remuneration policy for 2025.


I am proud to serve as Chair of Dalata, and we will continue to focus on building on our success and creating long-term value for our shareholders. If any shareholder wishes to contact me about the annual report's content, I would be pleased to hear from you by email via the company secretary at companysecretarial@dalatahotelgroup.com.

John Hennessy

Non-executive Chair

CHAIR'S OVERVIEW

Governance at a Glance



See the UK Corporate Governance Code on www.frc.org.uk

Employee Engagement

In 2024, we achieved an 9.0/10 employee engagement score, which is 1.0 above the Workday Peakon Employee Voice consumer benchmark.

9.0/10
Employee Engagement (8.9/10 2023)

44% Female (4)

8.9/10
Senior Leaders show employees that wellbeing matters to them (8.6/10 2023)

56% Male (5)
(50% Male, 50% Female 2023)

12 hotel visits

undertaken by the Board throughout the year for meetings. (11 hotel visits 2023)

Board Overview

- Principal responsibilities include:
- Establishing the Group's strategy, business objectives and long-term plans.
 - Review and approval of acquisitions, capital projects and group financing.
 - Overseeing the business and affairs of the Group in light of emerging risks and opportunities.
 - Selecting and maintaining a succession plan for key members of management.
 - Review and approval of the annual budget.

Board meetings and attendance

The Board held eight formal meetings in 2024 and met for additional sessions in, June and November to receive presentations from members of the management team, review strategy and for its annual training day.

Member	Attended
John Hennessy	10/10
Dermot Crowley	10/10
Shane Casserly	10/10
Carol Phelan	10/10
Jon Mortimore	10/10
Elizabeth McMeikan	10/10
Cathriona Hallahan	10/10
Gervaise Slowey	10/10

BOARD OF DIRECTORS

ESRS 2 (Gov-1 (21c))

Leadership



John Hennessy

Non-Executive Chair



Appointed: 27 February 2014

Expertise: John is a Chartered Director and a practising barrister. He is a fellow of Chartered Accountants Ireland and of the Chartered Institute of Arbitrators. He is also an accredited mediator. He is a former non-executive chair of CPL Resources plc.

Principal Skills: Core Industry, Financial/Audit & Risk, Legal/Public Policy, M&A/Capital Markets



Dermot Crowley

Chief Executive



Appointed: 28 January 2014

Expertise: Dermot was appointed as CEO in November 2021, having joined Dalata as Deputy CEO in 2012. He was instrumental in the IPO in 2014 and €450m acquisition of Moran Bewley Hotels in 2015. Since becoming CEO, Dermot has led the development of the Group's brands, the embedding of an innovation culture and sustainability focus, and the significant acceleration in growth. Prior to joining Dalata, Dermot held senior positions in Ion Equity (an Irish Private Equity firm), Jurys Doyle Hotel Group, Renault Ireland and Forte Hotels. From 2000 to 2006, he was Head of Acquisitions and Development at Jurys Doyle Hotel Group, where he led the rollout of the Jurys Inn brand in the UK. Dermot is a Fellow of Chartered Accountants Ireland, having trained in PwC, and holds a first-class honours Business degree from University College Cork.

Principal Skills: Core Industry, Financial/Audit & Risk, International Markets, M&A/Capital Markets, Senior Executive



Shane Casserly

Deputy Chief Executive



Appointed: 1 January 2020

Expertise: Shane joined Dalata in 2014 as Head of Strategy and Development. He joined the Board in January 2020 as Corporate Development Director and was appointed as Deputy CEO in September 2024. Shane has led the identification and delivery of key strategic asset acquisitions and developments for the company in Ireland and the UK, and has spearheaded Dalata's move into continental Europe. Prior to joining Dalata, Shane held senior positions with at Irish Private Equity firm Ion Equity, Jurys Doyle Hotel Group, Microsoft Europe and Musgrave Group. Within Jurys Doyle Hotel Group, from 2004 to 2007, his focus was on the rollout of the Jurys Inn brand in the UK, ultimately being appointed Head of Acquisitions and Development in 2006. Shane is a Fellow of Chartered Accountants Ireland, having trained in PwC, and holds a Commerce degree from University College Cork.

Principal Skills: Core Industry, Financial/Audit & Risk, International Markets, M&A/Capital Markets, Environmental, Senior Executive

BOARD OF DIRECTORS



Carol Phelan
Chief Financial Officer



Appointed: 1 January 2022

Expertise: Carol was appointed as CFO in July 2021, having originally joined Dalata in 2014. Carol previously held the role of Group Head of Financial Reporting, Treasury and Tax from 2017 and was instrumental in driving financial strategy, including the Group's inaugural green private placement in 2024, and the development of the finance function during a period of rapid growth and expansion. Prior to joining Dalata, Carol held senior finance positions at KPMG Transaction Services and, from 2007 to 2014, at Irish Private Equity firm Ion Equity as an Associate Director. Carol is a Fellow of Chartered Accountants Ireland, having trained in KPMG, holds a degree in Business Studies with French from University of Limerick and a first-class honours Master of Accounting degree from University College Dublin Michael Smurfit Graduate Business School.

Principal Skills: Core Industry, Financial / Audit & Risk, International Markets, M&A/ Capital Markets, Senior Executive



Des McCann
Chief Operating Officer



Appointed: 1 January 2025

Expertise: Des joined Dalata in 2011 as a hotel General Manager. He was promoted to Group General Manager – Clayton Hotels in 2018 before being appointed as COO in January 2022. He was appointed to the Board of Dalata in January 2025. Since taking over as COO, Des has been instrumental in promoting the culture of innovation that is driving operational efficiencies and enhancing guest experiences across the Group's properties. Prior to this, Des served as General Manager of The Clyde Hotel, The Ballsbridge Hotel, and Clayton Hotel Dublin Airport, bringing extensive hotel operations experience to his current position. Des is a graduate of the National College of Ireland, has served on the Board of the Irish Hospitality Institute and is a former National Council member of the Irish Hotels Federation.

Principal Skills: Core Industry, People/ Social, Senior Executive.



Elizabeth McMeikan
Non-Executive Director



Appointed: 8 October 2019

Expertise: Elizabeth is an experienced non-executive director and remuneration committee chair and was the former senior independent director at Unite plc, J.D. Wetherspoon plc and Flybe plc. She is currently Chair at Nichols plc, senior independent director at McBride plc, and Custodian Property Income REIT plc. She is also a non-executive director at Fresca Group Ltd.

Principal Skill: Communications/ Marketing/ Customer Service, People/ Social, Health & Safety, International Markets, Legal/ Public Policy, Senior Executive



Cathriona Hallahan
Non-Executive Director



Appointed: 1 November 2021

Expertise: Cathriona is a non-exec Director on a number of Boards, including Dalata Hotel Group plc, Keelings, FoodCloud, Beats Medical, Tap Retail and the Public Interest Body for PwC. She is also currently Chair of Trinity Business School Advisory Board. Prior to her retirement, Cathriona had spent 35 years working for Microsoft Ireland in a number of Regional and Global roles. Her last role was Managing Director/CEO of Microsoft in Ireland where she represented Microsoft in Ireland on all strategic policy, corporate affairs and communications.

Principal Skills: Cybersecurity/Digital, Communications/Marketing/Customer Service, Financial/Audit & Risk, People/Social, Health & Safety, Legal/Public Policy, Senior Executive



Gervaise Slowey
Non-Executive Director



Appointed: 1 December 2021

Expertise: Gervaise is a non-executive director who serves on the Boards of Molten Ventures plc, Wells Fargo Bank International and Eason Retail plc. Previously, she was CEO of Communicorp (now Bauer Media Audio Ireland), Ireland's largest independent radio group, for four years to the end of 2016, and before that, she held senior roles in Ogilvy Worldwide for 16 years, most recently as Global Client Director. Gervaise completed the Sustainability Leadership Program at Cambridge University in 2021 and further added to her Sustainability skills at Imperial College London in 2024.

Principal Skills: Communications/Marketing/Customer Service, People/Social, International Markets, M&A/Capital Markets, Environmental, Senior Executive,



Jon Mortimore
Non-Executive Director



Appointed: 1 August 2023

Expertise: Jon is non-executive director with over 30 years' experience in senior finance positions within global consumer brands, hospitality and retail in both listed and private equity structures. He retired as CFO of Dr Martens plc in early 2024 and was previously CFO at Avant Homes and Travelodge Hotels and Finance Director at WHSmith Retail and Hodder Headline Publishing. Jon is a qualified Accountant.

Principal Skills: Core Industry, Financial/Audit & Risk, International Markets, M&A/Capital Markets, Senior Executive



Seán McKeon
Company Secretary, Head of Risk and Compliance

Sean joined Dalata at its formation in 2007 as CFO and Company Secretary. As the company grew, his role transitioned to Company Secretary, Head of Risk and Compliance in 2017. In addition to his company secretarial responsibilities, Sean manages the company's risk universe as well as being responsible for compliance across a number of areas. Prior to joining Dalata, Sean held senior finance positions in Dunnes Stores, Keelings, Aer Rianta International and Diageo. Sean is a Fellow of Chartered Accountants Ireland and is an MBA (Master in Business Administration) graduate of University College Dublin Michael Smurfit Graduate Business School.

BOARD OF DIRECTORS

Board Matrix

Name	Age	Independent	Committee memberships 2024				Other current listed boards
			A&RCo	RemCo	NomCo	ESG	
John Hennessy	68	N*		Member	Chair		
Dermot Crowley	58	N					
Elizabeth McMeikan	62	Y	Member	Chair	Member		3
Shane Casserly	56	N				Member	
Cathriona Hallahan	60	Y	Chair		Member	Member	
Gervaise Slowey	57	Y		Member		Chair	1
Carol Phelan	46	N					
Jon Mortimore	57	Y	Member			Member	1
Des McCann	42	N					

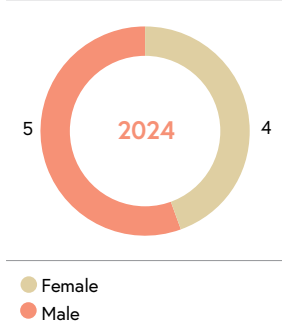
*Independent on appointment

Principal Skills (Number of Board Members)

Core Industry	6
Cybersecurity/Digital	1
Communications/Marketing/Customer Service	3
Environmental	2
Financial/Audit & Risk	6
People/Social	4
Health and Safety	2
International Markets	6
Legal/Public Policy	3
Mergers & Acquisitions/Capital Markets	6
Senior Executive	8

Board Diversity in Figures (Number of Board Members)

Gender



Tenure

>9 years	2
7-9 years	0
4-6 years	4
1-3 years	2
<1 year	1

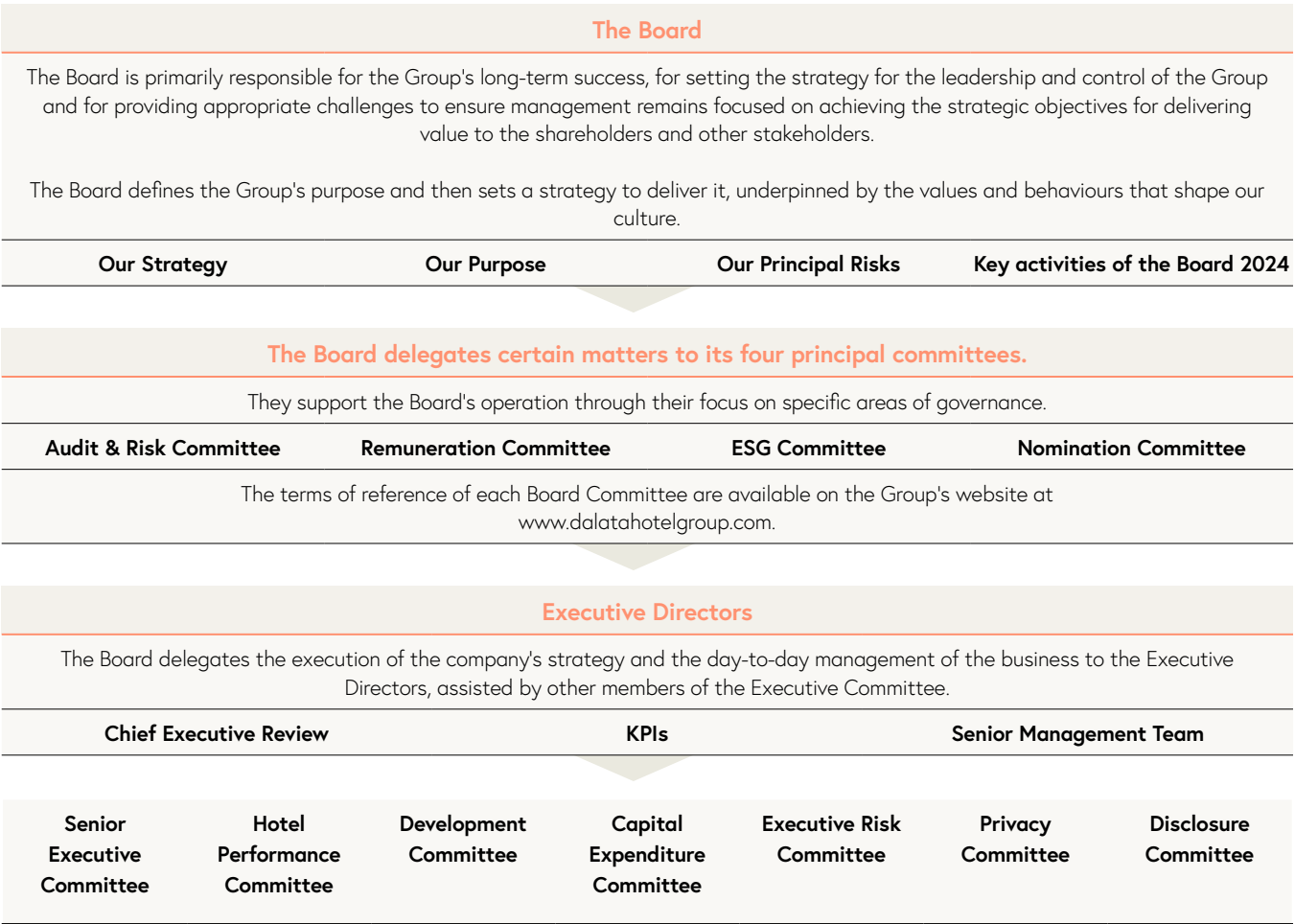
CORPORATE GOVERNANCE REPORT

Our Governance Framework

The Board oversees the Group's governance framework, reviews and approves the strategy, monitors management's performance against agreed targets and ensures appropriate controls are in place and operating effectively. The Board ensures leadership through effective oversight and review, and executive decisions and implementation of strategy are delegated to management.



See the list of matters reserved for the Board on our website, www.dalatahotelgroup.com.



The Group actively engages with stakeholders affected by the Board's strategy and principal decisions, including shareholders, employees, customers and guests, communities, banks and landlords. We also engage with suppliers, industry peers, government and regulatory authorities. Further details on our engagement with stakeholders and how these engagements inform our strategy, and

decisions can be found in the [Stakeholder Review](#) section.

Board membership

As of this report's date, the Board comprises nine members - a non-executive chair, four non-executive directors and four executive directors.

The directors believe that the Board's

composition provides the necessary skills, knowledge and experience gained from a diverse range of industries and backgrounds required to manage the Group.

The experience of each director is set out in their biographies, and the Board considers that their biographies reflect suitable breadth and depth of strategic management experience.

CORPORATE GOVERNANCE REPORT

Role of the Board

The Board is primarily responsible for the Group's long-term success, setting the strategy for its leadership and control, providing appropriate challenges to ensure management remains focused on achieving the strategic objectives, and delivering value to shareholders and other stakeholders.

The Board defines the company's purpose and then sets a strategy to deliver it, underpinned by the values and behaviours that shape our culture.

A sound understanding of how value is created over time has been key in steering strategies toward the level of sustainable value creation we have delivered. A cornerstone of safeguarding our long-term ambitions has been a commitment to high standards of corporate governance, as well as a Board of Directors with a depth of experience and expertise. In making and implementing actions, the Board aims to manage the contrast between short-term pressures and the long-term impacts of decisions.

The Board also provides rigorous challenges to management and ensures the Group maintains effective risk management and internal control systems and that the highest standard of business conduct is maintained. Some of the business conduct matters reviewed by the Board include health and safety, compliance training completion rates, workforce policies, company values and culture, whistleblowing, anti-bribery and corruption, and human rights and modern slavery. For more information on whistleblowing, anti-bribery and corruption, as well as human rights and modern slavery, please refer to the [Audit & Risk Committee Report](#). For company values and culture, please see the [ESG Committee Report](#).

Information flow at meetings

Before each Board meeting, the directors receive their papers on a fully encrypted electronic portal system. These papers include detailed monthly accounts and reports from the Chief Executive, Chief Financial Officer, Deputy Chief Executive and Chief Operating Officer.

The Chief Executive, Chief Financial Officer, Deputy Chief Executive and Chief Operating Officer ensure that the Board is kept fully aware on a timely basis of business issues and prospects throughout the Group.

The executive management team structure and the open communication approach in the Group enable issues to be raised quickly. Many of these key issues are brought to the attention of the Board.

During each meeting, the Chair of each Board subcommittee presents a report to the Board on the recent activities and discussions of their respective committees.

In consultation with the Chair and Chief Executive, the Company Secretary manages the provision of information to the Board for their formal Board meetings and at other appropriate times.

The Chair and Chief Executive also maintain regular informal contact with all directors.

Whistleblowing

The Group's whistleblowing arrangements include a dedicated speak-up email address through which all employees and third parties can confidentially raise concerns about possible wrongdoings. All whistleblowing incidents are reviewed and formally investigated by the relevant functional heads. In January 2025, the Audit and Risk committee considered the Group's whistleblowing policy and arrangements. The committee reviewed the whistleblowing reports and outcomes, noting that all reports received through the company's speak-up email mailbox (or other channels) during 2024 were either dealt with through the company's grievance procedure or otherwise resolved with the reporting party. The Board is satisfied that the Group's whistleblowing arrangements are operating effectively.

Division of Responsibilities

Board Roles

There is a clear division between the executive and non-executive responsibilities, ensuring accountability and oversight. The Chair and Chief Executive roles are separately held, and their responsibilities are well defined, set out in writing and reviewed by the Board.

Chair - John Hennessy	<ul style="list-style-type: none">• Leads the Board, sets each meeting agenda and ensures the Board receives accurate, timely and precise information to monitor, challenge and guide and make sound decisions.• Promotes a culture of open debate between the executive and non-executive directors and holds meetings with the non-executive directors without the executive directors present.• Regularly meets with the Chief Executive and other senior management to stay informed.• Ensures effective communication with shareholders and other stakeholders.• Promotes high standards of corporate governance; and• Promotes and safeguards the interests and reputation of the company.
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Chief Executive - Dermot Crowley	<ul style="list-style-type: none"> • Provides stable leadership of the company, including representing the company to customers, suppliers, governments, shareholders, financial institutions, employees, the media, the community and the public and enhances the Group's reputation. • Leads the executive directors and senior management team in running the Group's business. • Develops and implements Group objectives and strategy having regard to shareholders and other stakeholders. • Manages the Group's risk profile and ensures appropriate internal controls are in place; and • Ensures compliance with legal, regulatory, corporate governance, social, ethical and environmental requirements.
Senior Independent Director - Elizabeth McMeikan	<ul style="list-style-type: none"> • Works closely with the Chair, acting as a sounding board and providing support. • Responsible for conducting an annual performance review of the Chair. • Provides advice and judgement to the Chair as necessary, serving as an intermediary to the other directors when necessary; and • Is available for shareholders with concerns that cannot be addressed through the normal channels of Chair or Chief Executive.
Non-Executive Directors	<ul style="list-style-type: none"> • Review the performance of executive management. • Review Group financial information and provide advice to management; and • Assist in strategy development and ensure appropriate and effective internal control systems and risk management are in place.
Company Secretary - Sean McKeon	<ul style="list-style-type: none"> • Ensures compliance with Board procedures and provides support to the Chair to ensure Board effectiveness. • Ensures the Board has high-quality information, adequate time and appropriate resources to function effectively and efficiently. • Provides advice and keeps the Board updated on corporate governance developments; and • Facilitates the directors' induction programmes and assists with professional development.
Designated Non-Executive Director with Responsibility for Workforce Engagement - Gervaise Slowey	<ul style="list-style-type: none"> • Monitors the effectiveness of engagement programmes established for employees. • Provides regular updates to the Board. • Attends regular engagement with employees from various sectors of the business; and • Monitors Culture

Time commitment

Under the terms of their appointment, all directors agreed to the 'Time Commitment Schedule', requiring them to allocate sufficient time to discharge their responsibilities effectively. As part of the board evaluation process completed in October 2024, each non-executive director confirmed that they continue allocating sufficient time to effectively discharge their responsibilities. Also, any potential appointment to the Board of another company must be approved by the Chair.

Conflicts of interest

The Board considers potential conflicts of interest as a standing agenda item at each Board meeting, and each director must notify the company in advance of any interest in any transaction to be considered by the Board.

Meetings and attendance

The Board meets regularly to ensure that all its duties are discharged effectively. Board meetings are intentionally held at Dalata hotels in different locations to broaden the Board's exposure to the markets in which the Group operates and to provide opportunities to meet frontline colleagues.

The board held eight formal meetings in 2024 and met for additional sessions in June and November to review strategy and for its annual training day. The board also held three conference calls in relation to particular matters and received a series of presentations from management arranged to coincide with board meetings. The calls and management presentations were attended by all board members; these are not included in the attendance table below

Independence

The Board considers the independence of each of the non-executive directors upon appointment and on an annual basis. The Board has determined all the non-executive directors, except for the Chair, who was independent on appointment, to be independent within the meaning of the term as defined in the Code.

Appointments to Board

The nomination committee is responsible for a formal, rigorous and transparent procedure for the appointment of new directors.

Re-election of directors

In accordance with the provisions of the Code, the company's director re-election policy requires that all directors should retire at the 2024 Annual General Meeting and offer themselves for election.

Ongoing director training and development

The Board is committed to continuous development of knowledge and skills within its membership, particularly in areas where it has been challenging to recruit non-executive directors with specialist skills. In 2024, ESG Committee Chair, Gervaise Slowey, undertook the Sustainability Leadership programme at Imperial College Business School, London over fifteen weeks, supplementing the Sustainability Leadership programme she completed at Cambridge University in 2021.

CORPORATE GOVERNANCE REPORT

The Board received two half-day presentations in May and October 2024 from management team members covering various topics related to their areas of responsibility, including:

- Central Office committee structures;
- Capex approval process;
- Corporate sales function;
- Financial KPI reporting;
- Operational risk and sustainability management; and
- Overview of European hotel operations.

Each year, the Company Secretary facilitates a directors' training day attended by both executive and non-executive directors. This year's programme included a workshop with the National Technology Lead at a global technology company and a presentation from consultants engaged to help the company create a net-zero transition plan.

Each director may obtain independent professional advice at the company's expense to further their duties as a director. The Company Secretary and his deputy support each committee. In addition, each committee can seek independent professional advice.

Board diversity

The Board has adopted a Board Diversity Policy, which is reviewed annually. In 2024 the Nomination Committee conducted a more in-depth review of the policy designed to align with best practice standards. The policy aims to help achieve the optimum Board composition of skills and experience.

Further details on the policy application are set out in the [Nomination Committee Report](#).

Annual Board Evaluation

An annual evaluation process is undertaken, which considers the effectiveness of the Board, its principal committees and individual directors. This review identifies areas for improvement and informs training plans for our directors.

The Board follows a formal three-year cycle developed to enable reviews to be led from a fresh perspective each year. In 2024, we conducted an internally facilitated evaluation.

Board Induction

We develop detailed, tailored inductions for each new non-executive director and executive director. This includes one-to-

one meetings with the Chair and each of the non-executive directors. One-to-one meetings are also arranged with the CEO, Deputy CEO, CFO, COO, Company Secretary, and other executive committee members. New directors also meet members of our operational teams and visit our hotels to understand the business and have a chance to experience our culture in person.

Workforce engagement

In her position as Employee Engagement Director, Gervaise Slowey works with the Company Secretary and the Chief People Officer to develop a meaningful two-way dialogue between employees across the company and the wider Board.

During 2024, Gervaise met with the following employees:

- General Manager and team at Maldron Hotel Portlaoise;
- General Manager and team at Clayton Hotel Sligo;
- General Manager and team at Clayton Hotel Glasgow;
- Central Office Employees

These engagements gather feedback on strengths and areas for improvement regarding customers, staff, and culture for the Board to consider. The Board also receives a presentation on the results of the employee engagement survey which is twice per year.

Risk management

The [Risk Management](#) section explains how the Board oversees risk management.

Internal controls

The Board has responsibility for maintaining sound risk management and internal control systems and, at least annually, reviewing the effectiveness of these systems. These internal control systems are designed to manage rather than eliminate the risk of failing to achieve a business objective. They can, therefore, only provide reasonable and not absolute assurance against material misstatement or loss.

Assessment of the principal risks facing the Group

The Board and Audit and Risk committee received and reviewed reports from Group Internal Audit to help their annual

assessment of the Group's principal risks and the controls in place to mitigate them. The principal risks and the mitigating factors are outlined in the [Risk Management](#) section.

Annual assessment of the effectiveness of risk management, internal control, sustainability matters and financial reporting systems

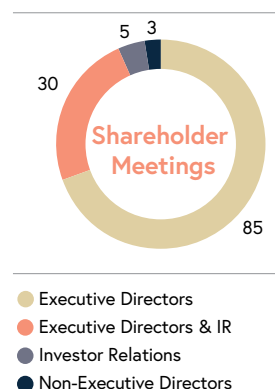
The Board and Audit and Risk committee received and reviewed reports from Group Internal Audit to help with their annual assessment of the effectiveness of the Group's risk management, internal controls, sustainability matters and financial reporting systems and are satisfied that the systems have been operating effectively throughout the year to the date of the report.

Shareholder Engagement

The Board actively seeks and encourages engagement with investors, including its major institutional shareholders and shareholder representative bodies. During 2024, the company has continued to engage with shareholders in a proactive manner. In October 2024, the company held an Capital Markets Day in London and showcased our new Maldron Shoreditch Hotel. In September 2024 Elizabeth McMeikan undertook a consultation exercise with major shareholders regarding remuneration policy. Please see the [Remuneration Committee Report](#) for more information.

The charts below set out the number of meetings held by the Non-Executives, Executive Directors and our Investor Relations team. These meetings include one-to-one meetings, Group meetings, and conference meetings.

Number of shareholder meetings in 2024



AGM

The Annual General Meeting will be held on 30 April 2025 at Clayton Hotel Ballsbridge, Dublin.

Formal notification will be sent to shareholders at least 20 working days before the meeting in accordance with the provisions of the Code. Other general meetings may also be convened from time to time upon at least 14 working days' notice or where specific requirements are met, including prior approval by shareholders by way of a special resolution, upon 14 days' notice in accordance with the Code.

The Annual General Meeting gives shareholders an opportunity to hear about business developments and ask questions of the Chair and, through him, the Chairs of the various committees and its committee members. Shareholders attending the meeting are informed of the number of proxy votes lodged for each resolution.

Details of the meeting and resolutions to be proposed are sent out in the shareholders' Notice of Meeting.

Key Activities of the Board in 2024

Key Activities of the Board:

The key activities considered by the Board during the year are set out below. The Board recognises the value of maintaining close relationships with its stakeholders, understanding their views and the importance of these relationships in delivering our strategy and the Group's purpose. The Group's key stakeholders and their differing perspectives are considered as part of the Board's discussions. Board meeting discussions are structured using a carefully tailored agenda that is agreed upon in advance by the Chair in conjunction with the CEO and Company Secretary. A typical Board meeting will comprise the following elements:

Performance reports, including Chief Executive Overview, CFO Review, COO Review and Acquisitions and Development Report. Deep dive reports into areas of particular strategic importance to evaluate progress, provide insight and, where necessary, decide on appropriate action. Read more about some of the topics covered during the year below.

Financial

- The Board approved the 2025 Group Budget.
- The Board agreed on the Viability Statement period to be reported in the Annual Report.
- Approved the financial strategy of the business.
- The Board approved the payment of the interim/final dividend to shareholders.
- The Board approved the half and full-year results announcements, Annual Report and Investor Presentations on the recommendation of the Audit & Risk Committee.
- Established an Employee Benefit Trust and approved the purchase of shares through the trust to satisfy employee share awards.
- The Board approved two share buyback programmes.

Risk Management and Internal Control

- Reviewed the Group's principal risks and considered emerging risks which could impact the five-year plan.
- Received regular reports on health and safety matters.
- Ongoing review of risk at development sites.
- Received an update on Cyber & IT Security.
- Verbal updates from the Audit and Risk Committee Chair on the critical areas discussed.
- Reviewed the compliance training completion rates.

Innovation, Sustainability and Environmental

- The Board received updates on the evolution of the Group's innovation projects.
- Regular updates/understanding of a net zero roadmap for the Group.
- Received updates on progress made against our short-term targets.
- Received updates on progress on CSRD Reporting.
- The Board approved the Sustainability Statements on the recommendation of the Audit & Risk Committee.

Governance, Legal and Regulatory

- Board succession planning and diversity.
- Routinely considered potential Board conflicts of interest.
- Received regular governance updates from the Company Secretary.
- Internal Board Effectiveness Review.

Workforce and Culture

- Discussed the gender pay gap.
- Reviewed workforce policies.
- Discussed our progress on Inclusion and Diversity within the Group.
- Reviewed and analysed the results of employee engagement survey.
- Received updates on our community and social impact work and fundraising activities for our charity partners.
- Monitored the company's culture.

Acquisitions & Development

- Approved entering an agreement for lease at Old Broad Street, London.
- Approved the acquisition of Radisson Blu Hotel Dublin Airport.
- Approved the disposals of Maldron Hotel Wexford & Clayton Whites of Wexford.
- Approved entering an agreement for lease in Edinburgh on Morrison Street.
- Received regular updates on planned refurbishments and development projects.

Assessing Board performance

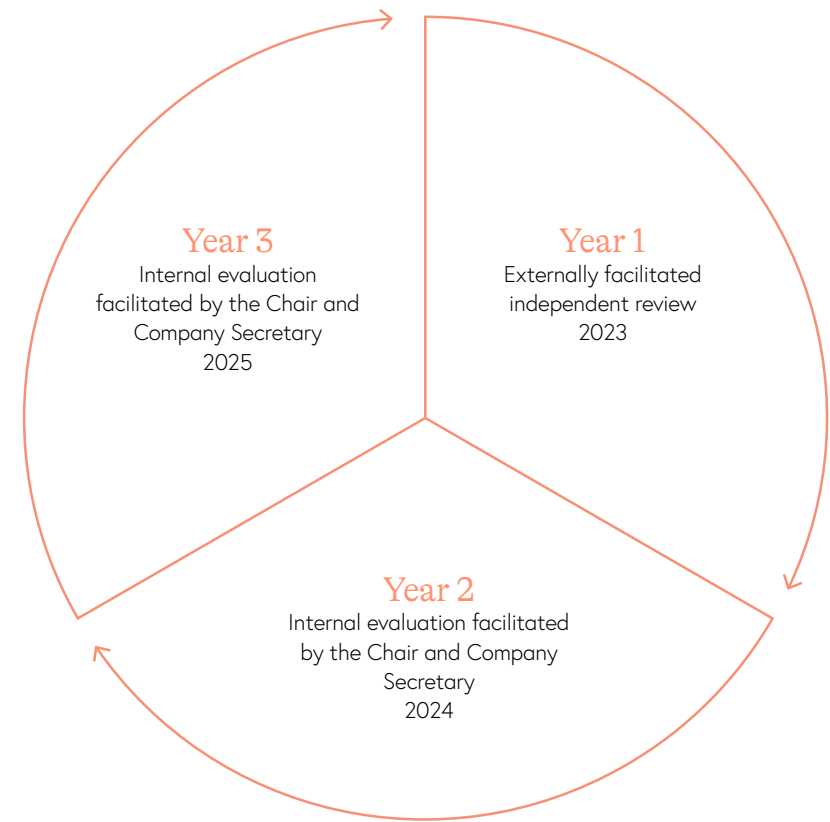
Annual Board Evaluation

Our annual Board Evaluation provides the Board and its committees with an opportunity to consider and reflect on the quality and effectiveness of its decision-making, the range and level of discussion, and for each member to consider their own contribution and performance.

This year, the Chair and Company Secretary facilitated the internal review and conducted it through a comprehensive questionnaire developed for the Board. The questionnaire's structure and design encouraged the directors to evaluate and comment on the operations of the Board and its committees and identify any areas for potential improvement.

Consultants at Independent Audit who conducted the externally facilitated Board Effectiveness review in 2023, returned to assist the company with its 2024 review which was based on an online survey. The company has no connection with Independent Audit. We set out below a progress report on the findings from 2023, a progress update on the actions agreed in 2023 and a summary of the findings from the 2024 review.

Three-yearly evaluation cycle



The table below sets out the recommendations from the externally facilitated Board Effectiveness evaluation that took place in 2023 and the action taken to address each of them.

Progress against 2023 evaluation findings

Opportunities for refinement	Update on actions
Implement a more structured framework for the Board to keep track of strategy and strategy execution	Implementation ongoing
Elevating the risk discussion at Board level	Risk is a standing item on the Board's agenda.
Succession planning	Succession planning remains a key focus of the Board and Nomination Committee. Robust succession and contingency plans are in place for all roles.

2024 Internal Board Evaluation Process

A description of the process followed for this year's review is detailed below:

STAGE 1 Evaluation Process Planning	A focused questionnaire was designed to gather individual directors' perceptions of the effectiveness of the Board and its operations, including aspects related to accountability, oversight, strategy, value creation, culture, ethics, behaviours, and the flow of information to the Board and its committees.
STAGE 2 Questionnaire Responses	The questionnaires were issued by each Director and the external and internal auditor.
STAGE 3 Evaluation and Reporting	The questionnaires were collated, including an analysis of themes and proposed actions. The Chair and the Company Secretary met to discuss the findings.
STAGE 4 Consider Results and Agree Actions	The Board discussed the findings in detail at its December meeting. The proposed actions arising from the evaluation were thoroughly discussed and agreed upon for implementation and monitoring.
STAGE 5 Monitor Progress	The Board will continue to oversee the progress made on the agreed actions to ensure their timely completion.

2024 Board Evaluation findings

The feedback received from the Board was positive overall. The feedback provided by individual Board members highlighted a number of strengths as well as opportunities to drive further improvements, including the following:

Strengths:

- Positive dynamics between Board members and the executive, characterised by trust, openness, and constructive debate.
- Strong leadership by the Chair, with unanimous support for their effective guidance of the Board.
- Effective functioning of committees, adding value to the Board's operations, and improved strategic role and monitoring.
- Enhanced confidence in the Board's oversight of the organization's control, financial health, and risk assessment, along with progress in executive succession and effective employee engagement feedback.

Opportunities:

- Technology and cyber assurance require continuous focus.
- Continue focus on macroeconomic trends and market shifts.
- Refined process for timely completion of minutes

Board Committees

Board committees were also reviewed and considered to function well regarding their effectiveness and decision-making.

Chair Performance

The Senior Independent Director evaluated the Chair's performance based on feedback gathered by an external facilitator, a thorough discussion with non-executive and executive directors, and individual input from non-executive and executive directors.

The output of this performance review confirmed that John Hennessy continues to be an effective Chair. He is a strong and well-respected Chair with a wealth of experience whose open and friendly style is greatly appreciated by his colleagues and the executive team.

CORPORATE GOVERNANCE REPORT

Monitoring Culture

Dalata promotes an open, inclusive, ambitious, and agile culture that prioritises people, including employees, guests, suppliers, and local communities. The company aims to provide high-quality service and experiences for customers and guests while maintaining strong financial performance. Efforts are also made to create value for all stakeholders as a growing, ethical, responsible, and sustainable business.

The core values of People, Fairness, Individuality, and Service support the company culture and guide all strategic business decisions.

Purpose and Values

The Board promotes the Group's purpose and values through its interactions with management and employees, including discussions as part of Board and committee meetings and hotel visits.

The Board upholds the Group's purpose and values. Discussions and decisions of the Board and its committees are based on fulfilling the Group's purpose and strategic objectives in the interest of shareholders and are aligned with its culture and values.



How the Board monitor's culture

The ESG committee, on behalf of the board, examines the company's culture annually and assesses whether policies, practices, and behaviours align with its purpose, values and strategy. It uses various observations including engagement with management and employees, regular hotel visits, the results of the employee engagement survey in its assessment.

Employee Engagement Surveys

This assists the Board in monitoring the health of our culture by understanding how our employees experience working at Dalata. This, in turn, helps shape the Board's 'people priorities' going forward, as well as specific initiatives at the Group, function, and individual team levels.

Board Evaluation

The annual Board Evaluation provides the Board with an opportunity to reflect on all aspects of its performance, including the extent to which it has been effective in promoting the Dalata culture and that the directors themselves continue to set a clear 'tone from the top' by demonstrating our values.

Reports from and discussions with management, both in Board meetings and on-site visits

Senior management and Board members frequently visit our hotels and interact with employees to reinforce the connections within the Group and promote our organisational culture.

Workforce Engagement Director

Regularly meets with groups of employees from different hotels and business functions to discuss their priorities and updates the Board on the themes of these discussions.

Speak Up Channel Reports

Offer the Board insight and indicators regarding issues raised through confidential channels.

Training completion rates, including training on the Code of Conduct

Training is presented in a straightforward, user-friendly format on Dalata Online, our e-learning platform, enabling a better understanding of how our behaviours are applied across the business.

Succession and talent development, with a focus on diversity

The ESG committee monitors diversity, equity and inclusion policy implementation at Dalata, supporting our objective to create an inclusive workplace for our people.

Dalata Difference Website

Our Online staff Ezine, The Dalata Difference brings together a range of resources to assist our employees in understanding our values and embedding them within our hotels.

NOMINATION COMMITTEE REPORT

Committee Meetings and Attendance

The committee met three times during 2024.

Member	Attendance
John Hennessy	3/3
Cathriona Hallahan	3/3
Elizabeth McMeikan	3/3



See the committee's terms of reference on dalatahotelgroup.com

Role of the Committee

Reviewing the structure, size and composition of the board and making recommendations to the board with regard to any changes.
Assessing the effectiveness and performance of the board and each of its committees, including consideration of the balance of skills, experience, independence and knowledge of the company on the board, its diversity, including gender, how the board works as a unit, and other factors relevant to its effectiveness.
Considering succession planning for directors and members of the executive management team.
Identifying and nominating new members to the board.
Reviewing the results of the board performance evaluation process that relate to the composition of the board.
Reviewing annually time input required from non-executive directors.

Dear Shareholder,
I am pleased to present the report of the nomination committee for 2024.

2024 has been a year of consolidation for the nomination committee. We were delighted to recommend the appointment of Chief Operating Officer (COO) Des McCann to the board and endorsed the promotion of Shane Casserly to Deputy Chief Executive Officer (Deputy CEO). We devoted time to reflecting on the recruitment process for non-executive directors from a skills and diversity point of view through an overhaul of the board diversity policy, reviewed the internal management talent pipeline and appointed consultants to begin the Chair succession process; this process continues.

Executive director appointment

In September we announced the appointment of COO Des McCann to the board effective 1 January 2025 and Shane Casserly's promotion to the position of Deputy CEO.

Des McCann joined the group in 2011 and was appointed COO in January 2022. Des is a leading member of the executive team and brings a wealth of operational experience to the Board. In recommending this appointment the committee considered the balance of board composition between executive and non-executive members, noting that four executives on the board is a relatively high number. However, the board believes that expanding the executive representation to include the COO strengthens our governance with critical operational expertise, and balances contributions from the operations and development sides of the business appropriately as we implement our ambitious growth strategy.



Shane Casserly, a member of the board since January 2020 as Corporate Development Director, was promoted to the role of Deputy CEO effective 1 September 2024. Shane's role has been expanding over the past few years to include strategy development, sustainability, IT, and innovation, in addition to the property and development aspects of his role. His appointment to Deputy CEO appropriately reflects the role that he plays within the organisation as well as in driving the strategy forward.

Board skills and diversity

The committee carried out an in-depth review of the Board Diversity Policy, expanding it to become a Skills and Diversity policy, thus creating a comprehensive guide for the committee (and executive search firms retained by the committee) in relation to board appointments.

Under the policy, appointments will be made on merit. The committee will use the board skills matrix to evaluate the expertise, skills, experience, and knowledge required in respect of each appointment and will also consider relevant findings from the annual board effectiveness review. The board recognises that diversity is fundamental to effective governance and is committed to cultivating a board composition that encompasses a broad spectrum of perspectives, including differences in skills, experience, gender, ethnicity, nationality, geography, age, socio-economic and educational backgrounds, cognitive approaches, neurodiversity and accessibility. Our aim is to create a balanced and inclusive leadership team that enhances strategic decision making and organisational resilience through diverse viewpoints.

The company is committed to meeting the gender-balance criteria set out in EU Directive 2002/2381 which requires EU listed companies to achieve gender balance on their boards by 30 June 2026. Under this directive either 40% of non-executive directors, or 33% of all board members (including executive directors) must be from the underrepresented sex. At present, 60% of non-executive directors and 44% of all

board members are female. As I reported in my chair's statement, two (Senior Independent Director and Chief Financial Officer) of the four positions identified by the Financial Conduct Authority as "senior board positions" are held by women along with the positions of Chair of our Audit and Risk Committee, Chair of our Remuneration Committee, Chair of our ESG Committee, and Board responsibility for employee engagement.

The revised policy states that the committee will prioritise executive search firms that have adopted the UK Department for Business and Trade Standard Voluntary Code of Conduct for Executive Search Firms (the Code of Conduct). These firms will be expected to present candidate slates that reflect the breadth of talent available, are balanced in terms of gender and ethnicity (in accordance with the Code of Conduct), and challenge traditional recruitment paradigms. Under the policy, members of the board commit to undertake ongoing unconscious bias training.

Management succession planning

During the year, the committee received a detailed report from the CEO describing the management succession pipeline. The report covered the executive director positions and eight other senior executive positions in the short to medium term. The committee is satisfied that the company is proactive in developing future leaders and is well-positioned to deal with succession for senior executive positions in variety of scenarios. The board and board committees regularly engage with members of the wider executive team through their periodic participation in board or committee meetings.

Chair succession

In late 2022, the board consulted with shareholders on the company's plan in relation to chair succession. The plan provided for an extension of my term as Chair for two years beyond the normal maximum nine-year term, citing the exception provided for in provision 19 of the UK Code. I am grateful for the support of shareholders for the succession plan at the

2023 and 2024 annual general meetings. The plan provided for my term to extend to 2025 and the process to identify my successor commenced late last year. An executive search firm has been engaged to assist with the process, which continues, and an announcement will be made on its conclusion in due course.

Board effectiveness review

The board undertook a review of its effectiveness in quarter four of 2024. A detailed account of the process and its outcome is provided in the Corporate Governance Report. As noted earlier, the committee considers relevant findings from the annual board effectiveness review when making board appointments.

Conclusion

Following a very successful twelve months for the company, the committee is satisfied that the board has the right blend of skills and experience to lead the company on its ambitious growth journey over the coming years.

I would like to express my gratitude to my committee members and board colleagues for their contributions during the year and extend my appreciation to our shareholders for their ongoing support. I look forward to your continued support at the forthcoming AGM. If you have any questions or wish to discuss any part of this year's report, you may contact me through the company secretary by email at companysecretarial@dalatahotelgroup.com.

John Hennessy

Chair
Nomination Committee

AUDIT & RISK COMMITTEE REPORT

Committee Meetings and Attendance

The committee met six times during 2024.

Member	Attendance
Cathriona Hallahan	6/6
Elizabeth McMeikan	6/6
Jon Mortimore	6/6

 See the Committee's terms of reference on www.dalatahotelgroup.com

All members of the committee are considered by the Board to be independent.

The Board considers that the committee chair has sufficient recent and relevant financial experience for the role and that there is sufficient financial and commercial experience within the committee as a whole.

Role of the Committee

Monitor the integrity of the Group's financial statements, accounting policies and key judgements made in the financial statements.
Assess whether the annual report, taken as a whole, is fair, balanced and understandable and provides the information necessary for the shareholders to assess the company's position and performance, business model and strategy.
Oversee the Group's relationship with our external auditor.
Review the effectiveness of the Group's internal control systems.
Monitor the Group's risk management systems and the identification of our principal risks.
Monitor the effectiveness of the internal audit function.
Review the Group's compliance framework.
Monitor health, safety and operational risks and the Group's insurance programmes.

Dear Shareholder,
As chair of the audit and risk committee, I am pleased to present this report on the committee's work during 2024.

As the Audit & Risk Committee, we play a key role in supporting the Board to ensure there is appropriate oversight and challenge. The positive performance of the Group this year has not distracted us from continuing to provide robust assessments and critical judgements of our financial reporting, internal controls and risk management.

Additionally, the committee assisted the Board in evaluating principal and emerging risks, reviewed the risk management framework and internal controls financial and non-financial, oversaw the internal audit function, assessed key accounting judgments and estimates, and highlighted relevant topics throughout the year.

As chair of the Audit and Risk Committee, I am pleased to report on our progress and implementation of the Corporate

Sustainability Reporting Directive (CSRD), highlighting our commitment to transparency and sustainability. The Committee has worked with management to ensure accurate disclosure of our practices, aligning with CSRD requirements. This year has set the foundation for integrating sustainability into our financial framework, showing our dedication to corporate responsibility and compliance with emerging regulations.

Key accounting judgements

The committee reviewed the main accounting judgment considerations throughout the year. This process generally begins mid-year for interim reporting and continues until the annual report and financial statements are completed in February.



At its June meeting, the committee received a detailed presentation from management on the key considerations and accounting judgements for the upcoming interim financial statements. These focused on property revaluations, the carrying value of goodwill and right-of-use assets, Employee Benefit Trust, IFRS 16 Leases and the Group's self-insurance programme.

The committee further considered these topics at its August meeting and conducted a thorough review of the interim financial statements and investor presentation. The committee also reviewed the dividend consideration paper at this meeting. The external auditors' report on management's approach was also provided to the committee.

At its October meeting, management outlined the key accounting judgement considerations for the 2024 year-end financial reporting cycle. A detailed explanation of the assessment process concerning these items is provided later in the committee's report.

The committee is satisfied that in all of these matters, the accounting treatment adopted complies with relevant IFRS, and none gave rise to disagreement between management, the external auditors or the committee.

Assessment of whether the annual report, taken as a whole, is fair, balanced and understandable

The committee receives drafts of the annual report and financial statements, reviewing their content alongside results announcements and investor presentations to be published by the Group.

The committee ensures that the key messages conveyed in the annual report and other publications accurately reflect the Group's performance and strategy, maintaining consistency throughout.

The committee is satisfied that all significant events reported to the Board by management throughout the year, both positive and negative, are appropriately documented in the annual report.

Viability Statement

The committee received and considered the draft viability statement, reviewed and challenged the assumptions upon which the scenario analysis was based and its conclusions, and advised the Board on the adoption of the statement.

Further reporting

In the following pages, the committee sets out, in more detail, how it fulfilled its role under a range of headings, including significant accounting judgements and key sources of estimation uncertainty, external audit, internal control and risk management, internal audit, whistleblowing, compliance framework, health and safety and insurance programmes, information security and data protection.

In conclusion

My thanks to my colleagues on the committee, the management team, external and internal auditors, and advisors to the company who assisted the committee in its work in 2024.

Cathriona Hallahan

Chair Audit and Risk Committee

Significant Financial Judgements and Key Sources of Estimation Uncertainty

Matter	Significant financial judgements and key sources of estimation uncertainty
PROPERTY REVALUATIONS	The net carrying value of land and buildings at 31 December 2024 was €1,564.2 million (note 13) (2023: €1,478.6 million). The carrying value of land and buildings is determined using fair value. The calculation of fair value and the allocation of fair value to land and buildings requires judgement.
In line with the Group's revaluation policy for land and buildings, valuations are carried out by suitably qualified professional valuers at each reporting period end.	<p>The assumptions utilised by the valuation specialists are disclosed in note 13 to the Group consolidated financial statements and include projected cash flows for future revenue and costs, terminal value multiples and discount rates. Management has engaged appropriately qualified professional valuation specialists to determine the value attributable to land and buildings.</p> <p>Management have reported in detail to the Committee in relation to the valuation approach, as determined by suitably qualified professionals, of land and buildings at 31 December 2024. The Committee has discussed the valuation approach undertaken with management.</p> <p>Impairment assessments were carried out on the Group's CGUs at 31 December 2024. 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 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.</p> <p>Through discussion with management and considering the findings of the External Auditor, the Committee is satisfied that the property valuations at 31 December 2024 are reasonable and that the revaluation movements have been appropriately presented in the Group consolidated financial statements.</p>

AUDIT & RISK COMMITTEE REPORT

Matter	Significant financial judgements and key sources of estimation uncertainty
CARRYING VALUE OF RIGHT-OF-USE ASSETS AND GOODWILL	<p>Right-of-use assets, representing the Group's right to use underlying hotel assets which are operated under lease, amounted to €760.2 million at 31 December 2024 (2023: €685.2 million). Goodwill amounted to €53.6 million at 31 December 2024 (2023: €53.8 million).</p> <p>Detailed impairment reviews are undertaken to determine whether the carrying value of right-of-use assets and goodwill is impaired.</p> <p>The carrying values of hotel cash-generating units (CGUs), which contain right-of-use assets, are reviewed whenever events or changes in circumstances indicate that the carrying amount may not be recoverable whilst CGUs to which goodwill has been allocated are required to be tested at least annually for impairment or also if there is an indication of 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 both were deemed to be potential impairment indicators. On 31 December 2024, the market capitalisation of the Group (€994.1 million) was lower than the net assets of the Group (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.</p> <p>Impairment reversal assessments are also carried out on the Group's CGUs where there has been a previous impairment of right-of-use assets and fixtures, fittings and equipment. When circumstances that caused the impairment loss are favourably resolved, the impairment loss is reversed immediately in profit or loss.</p> <p>The Group applies IAS 36 Impairment of Assets to determine whether a cash-generating unit with goodwill and/or a right-of-use asset is impaired and accounts for any identified impairments through profit or loss, or to determine whether any previous impairment of right-of-use assets and fixtures, fittings and equipment should be reversed.</p> <p>Management undertook detailed impairment reviews on a hotel-by-hotel basis, taking account of the valuations prepared by the qualified professional valuation specialists and other factors. The assumptions utilised by management in conducting these analyses are disclosed in note 10 to the Group consolidated financial statements and include projected cash flows for future revenue and costs, terminal value multiples and discount rates.</p> <p>The committee has reviewed the approach taken by management, as outlined in management's report to the committee, in conducting these impairment reviews and in particular, the assumptions utilised by management. As part of their audit, the external auditor assessed the Group's impairment calculations on a CGU-by-CGU basis.</p> <p>Discussions were undertaken between management and the external auditor as to the underlying assumptions. Following discussions with management and with the external auditor, the committee is satisfied that these are reasonable.</p> <p>The recoverable amount was not deemed lower than the carrying amount for any of the Group's CGUs as at 31 December 2024 and as a result no impairment charges for right-of-use assets and fixtures, fittings and equipment were recognised in profit or loss for the year.</p> <p>In line with IAS 16, a reversal of a previous impairment relating to one of the Group's UK CGUs was recognised in profit or loss as a result of improved performance forecasts. This resulted in a reversal of previous impairment charges of €1.7 million (£1.5 million) relating to right-of-use assets note 14 and fixtures, fittings and equipment note 13.</p> <p>Accordingly, the committee has concluded that the carrying value of right-of-use assets and goodwill is appropriately stated at 31 December 2024 and that the disclosures included within note 10, note 12, note 13 and note 14 of the Group consolidated financial statements are adequate.</p>

External Audit

Appointment

Our External Auditor is KPMG, who was appointed in 2014 and reappointed in 2016 when the company became an EU Public Interest Entity (PIE) following its admission to the main markets of Euronext Dublin (formerly the Irish Stock Exchange) and the London Stock Exchange.

The external auditor is subject to mandatory rotation ten years after the company becomes an EU PIE. As the ten-year limit is approaching, the committee considered the overall strategy and approach to this matter during 2024. The company will commence an audit tender process in 2025.

Evaluation

During 2024, we evaluated KPMG based on their work completed, management feedback and our review of the documentation provided to the committee. The committee received a detailed presentation from KPMG in November 2024, setting out its strategy and priorities for the upcoming audit. This allowed the committee to provide input and monitor progress against the plan.

KPMG attends all of the committee's meetings and regularly meets the committee without management present. The committee is satisfied that the statutory audit process and services provided by KPMG were satisfactory and effective.

Independence

The committee assessed the auditor's independence by reviewing the information and assurances given by the auditor concerning its independence and the procedures it puts in place to safeguard integrity, independence and objectivity considerations relating to the provision of non-audit services and their fees.

The committee has implemented a procedure to pre-approve any non-audit services provided by KPMG to the company.

During 2024, KPMG provided non-audit services primarily concerning the review of the half-year financial statements and certain other permitted services. KPMG also provided other assurance services primarily concerning Corporate Sustainability Reporting Directive assurance. KPMG fees for 2024 are set out in [note 4](#) to the financial statements. Under the EU fee cap rules, non-audit services are not permitted to exceed a ratio of 70% of the average annual audit fee for the preceding three-year period. The actual ratio for 2024 non-audit fees was 15%.

The company has adopted a policy concerning the employment of former employees of the external auditor.

Considering our findings regarding the effectiveness of the audit process and the independence of KPMG, the committee is satisfied that KPMG continues to be independent and free from any conflicting interests with the Group.

Internal Control & Risk Management

The Board has overall responsibility for risk management and has delegated this task to the committee. A consideration of the Group's risk register, with particular emphasis on principal risks, emerging risks and changes to risk profiles, is a standing agenda item for each committee meeting. The committee reviews documentation prepared by management and internal audit in this regard.

Additional details on our risk management framework, processes and principal risks are set out in the Risk Management Section.

The committee also has responsibility for the oversight of the internal control structures. These are reviewed throughout the year through the consideration of internal audit reports and other relevant papers. An assessment of the Group's high-level internal controls environment was also considered in January 2025.

Internal Audit

The committee supervises the Group's internal audit function, scrutinising findings and management's responses at each meeting.

Each year, the Group Internal Auditor presents the strategy and scope for the upcoming year for the committee's consideration. This plan comprises core internal control and risk management assessments, as well as projects designed to provide additional insights. The plan undergoes continuous review and updates at each meeting. The application of group-wide data analytics for assurance, utilising the Group's business systems, has become standard practice. Detailed risk and control assessments are conducted in targeted business activities, taking into account the Group's broader risk environment.

During 2024, internal audit expanded the scope of its activities to cover additional operational risk areas, while continuing to evaluate controls over key financial, compliance and hotel operation risks. This work included examining our revenue management systems, processes and internal controls after a material overbooking event in two of our hotels in Manchester. This incident was triggered by the announcement of a large event in the city. The review, considered by the committee, assessed the group's revenue management frameworks, third-party technology systems and internal control systems, identified the root causes of the incident and documented detailed learnings to mitigate the risk of future occurrences.

The committee meets with the Group Internal Auditor after each meeting without management present.

Tax and Treasury Updates

During its May meeting, the committee reviewed and evaluated reports from management regarding the company's tax and treasury positions. The tax update offered a comprehensive overview of the Group's current and emerging tax risks, outlined the tax strategy, and detailed the priorities for the upcoming years.

AUDIT & RISK COMMITTEE REPORT

The treasury update included an assessment of existing interest rate hedging arrangements, articulated a forward-looking hedging strategy, and discussed considerations related to the Group's treasury policy.

Whistleblowing & Speak-up

The Board has approved a Confidential Disclosure Policy (Whistleblowing Policy), which is reviewed annually. A copy of the Confidential Disclosure Policy is included in the Employee Handbook, which is provided to all employees. Ongoing initiatives across the Group's communications platforms to increase awareness of this facility are also in place.

During its January meeting, the committee reviewed the Group's whistleblowing policy and procedures, examined the whistleblowing incidents and their outcomes, and supported the Board in evaluating the adequacy of these arrangements. No outstanding concerns were raised by employees through the whistleblowing channels during 2024.

Health and Safety and Insurance Programme

The committee is responsible for monitoring the effectiveness of the Group's health and safety and operational risks, and also the Group's insurance programmes.

In relation to health and safety, the committee received a detailed update from management in May on the Group's health and safety environment, emerging risks and the outcome of external assessments completed at the hotels by Bureau Veritas.

The committee also received a comprehensive briefing from management and the company's insurance brokers on the performance of the Group's insurance programme, including self-insurance trends, market conditions and the Group's claims environment.

The committee considered the Group's insurance cover and associated risks, including property, business interruption, public and employer's liability and other insurance coverage. Consideration was also given to emerging insurance-related risks and cover available to the Group. The committee is satisfied that the company has an appropriate insurance programme in place.

Compliance Framework

Compliance with S225(2) Companies Act 2014

The committee carries out an annual review of the company's compliance framework and compliance with certain obligations specified in section 225(2) of the Companies Act 2014 arising from the Companies Act 2014, the Market Abuse (Directive 2003/6/EC) Regulation 2005, the Prospectus (Directive 2003/71/EC) Regulation 2005, the Transparency (Directive 2004/109/EC) Regulation 2007 and Tax Laws. This review is based on an analysis prepared by internal audit of compliance activity during the year.

During 2024, the committee considered a report into the Group's structures and procedures overseeing compliance with the Market Abuse Regulations, including awareness and training in this area and the work of the disclosure committee during 2024.

The committee also carried out an annual review of the company's risk assessment and policies concerning modern slavery, anti-bribery and corruption and anti-money laundering.

Information Security

The committee monitors the management of information security risks and the Group's technology risk environment. The committee is aware of the increased risk profile in this area and is satisfied that the company, through its ongoing investment in information technology, continues to mitigate its information security risk (see the Risk Management section for further analysis). The Group has a cyber liability insurance policy and reviews the limits and scope of this cover annually.

At its November meeting, the committee considered an information security management report, prepared by management, outlining the Group's strategy in this area. External information security experts also attended this presentation and provided the committee with updates on the wider technology security environment.

The Group's IT department maintains a detailed information system risk register and has implemented a comprehensive suite of information security tools supported by detailed policies and training resources.

Data Protection & Privacy

The committee has oversight of data and privacy risk management at Dalata. The structured approach to data risk management and compliance with the General Data Protection Regulation (GDPR) enables the Group's compliance team to respond to, mitigate and manage these risks proactively.

At its November meeting, the committee received an internal audit report assessing compliance with the GDPR. The report identified a number of areas for improvement which are being addressed by management. The Group has a well-defined data protection accountability framework and senior managers responsible for personal data processing are represented on the Privacy Committee which met 11 times in 2024 (2023: 11). This committee is chaired by the Group Compliance Manager and is supported by specialist external advisors.

The compliance team maintains a detailed incident register and provides support throughout the business in this complex area. 41 low-level incidents were recorded in 2024 (2023: 42) of whom two (2023: two) were reported to the relevant data protection regulator.

The Group recognises the importance of ongoing training and communication to raise awareness of best practices when handling data and to help prevent personal data incidents. GDPR officers are in place at each hotel to lead their property in good GDPR practices, to promote GDPR awareness among colleagues and to be a point of contact between the hotels and central office.

ESG COMMITTEE REPORT

Committee Meetings and Attendance

The committee's focus concerns sustainability matters of strategic importance for Dalata.

The committee met four times during 2024.

Member	Attendance
Gervaise Slowey	4/4
Shane Casserly	4/4
Cathriona Hallahan	4/4
Jon Mortimore	4/4

See the committee's terms of reference on [dalatahotelgroup.com](#)

Role of the Committee

Consider and recommend for board approval the sustainable business framework incorporating material priorities and implementation roadmap.
Consider and recommend for board approval environmental, social and governance policy documents reserved for board approval.
Agree and recommend the board approval of the appropriate ESG reporting frameworks and standards to be applied to the company.
Review and recommend to the board for approval the company's purpose and values.
Assess and monitor company culture to evaluate whether policies, practices, and behaviours align with its purpose, values and strategy.
Oversee the setting of the company's material environmental and social objectives, review the company's approach to achieve the agreed goals, and monitor the extent to which they are integrated within the company's business strategy and risk management process.
Receive and consider internal and external reports concerning agreed metrics and targets and key performance indicators for environmental and social programmes and review progress towards the achievement of such targets and indicators.
Review commitments by the company to diversity and inclusion programmes, learning and development, human rights policy development, community programmes, and charitable support.

Dear Shareholder,

I am pleased to report on the ESG committee's work in 2024, a year when we saw initiatives that started in the previous two to three years demonstrate the performance benefits of our ground-up, strategically aligned approach to sustainability matters.

I write this year during a period when public policymakers and corporations in some jurisdictions are questioning the value of investing resources to mitigate the impact of climate change or to realise the societal benefits of inclusion and diversity initiatives, two areas of particular focus for Dalata. These questions reflect legitimate societal debates about priorities, resources, and the proper role of business in addressing complex challenges.

In Dalata, our approach is both pragmatic and underpinned by our values as a company—each initiative is designed to contribute meaningful value to our business. We focus on high-impact areas where company, societal, and environmental objectives naturally align. As an organization committed to innovation, we recognise that some efforts will prove more effective than others. We remain transparent about both our successes and the lessons learned when initiatives don't meet expectations. Throughout this journey, our constant is a focus on initiatives that align with our purpose and values and support long-term shareholder value.



ESG COMMITTEE REPORT

CSRD reporting

This year's annual report includes the company's first sustainability report applying European Sustainability Reporting Standards (ESRS) as part of the EU's Corporate Sustainability Reporting Directive (CSRD). Preparing this report was an onerous task with a significant investment of resources (financial and human) and I would like to acknowledge the tremendous work of our finance team, supported by many others in the business, in producing it. The report provides a wealth of detailed reference information, which I hope readers find valuable. If you have any feedback or queries arising from our disclosures, please contact the investor relations team at investorrelations@dalatahotelgroup.com.

We acknowledge the long-term value of standardised, assured non-financial reporting for stakeholders; however, this will be a journey. In this context, we welcome the publication of the EU's 'Omnibus' package on February 26, 2025, which simplifies European sustainability regulations and reduces the number of reported data points under ESRS, while introducing changes to enhance clarity and consistency.

The audit and risk committee is responsible for reviewing the content, integrity and completeness of the sustainability report and it has been subject to a limited assurance engagement by our external auditors KPMG.

The committee's work in 2024

The committee engaged with management throughout the year on the challenging area of climate change and progressing the company's ambition to reduce energy consumption and transition the business to low-carbon energy sources. We also monitored progress on reducing waste and water consumption and reviewed the group's biodiversity framework and strategy based on the assessment of our operations' impact and dependency on nature and biodiversity. In the area of social impact, we heard from management on a broad range of strategic initiatives designed to attract and retain talent, covering inclusion and diversity, employee wellbeing and labour standards, and career development. These initiatives are enabled by the work of the Dalata Academy, our in-house learning and development department. The committee also monitored the group's approach to community engagement, its engagement with charity partners, and assessed the company's culture and purpose on behalf of the board.

Climate impact

Our focus on decarbonisation aligns with the Paris Accord, aiming to limit global warming to well below 2°C above pre-industrial levels. However, before committing to science-based targets, we're evaluating the feasibility, including the economic impact. The company has taken action to reduce its carbon emissions, the evidence of this is reflected the 31% reduction in carbon emissions per room sold compared with 2019.

During the year we received a report from the Group Facilities Manager illustrating impressive results from the initial installation of modern energy management systems on a trial basis and we look forward to reviewing progress made with further rollout of this technology in 2025. The committee reviewed several pipeline projects during the year, including onsite electricity generation proposal (photovoltaic installations at various locations), options for offsite electricity generation, and bus fleet decarbonisation. We also noted the attainment of Green Tourism's Gold award by all our hotels, indicating a continued focus at local level.

The committee is delighted that both hotels currently in construction, at Croke Park, Dublin, and St Andrew Square, Edinburgh, are designed for zero onsite carbon emissions, this is the way forward; however, decarbonisation of our existing properties is a challenge. Last year, management engaged consultants to help develop a detailed roadmap and timeline to assess the emissions reductions and associated capital investment required to achieve our decarbonisation objective. We look forward to assessing the findings of this study.

Waste reduction

2024 was a year of action and learning for management in waste management. The company made important strides during the year but had to take a step back to go forward, discovering that consistent processes to segregate waste are difficult to implement; these need a coordinated approach between the hotels, waste collection service providers and a continuous focus on employee education and training. We look forward to progress updates from management in 2025 on our journey to achieving our waste reduction targets.

Water consumption

The committee was encouraged to receive a detailed report from the Group Facilities Manager on management's strategic approach to managing water consumption based on best practice water stewardship principles. There was focus on education and training in 2024 that will produce measurable benefits this year and into the future.

Social impact

The committee received detail reports from the Chief People Officer and senior members of her team on the company's strategies for learning and development, inclusion and diversity, and its employee wellness programs. They demonstrated how these strategies support Dalata's objective to be the employer of choice in the hospitality sector. The committee wholly supports this objective and management's focus on retaining talent and promoting from within, as these are key enablers to Dalata delivering against its financial

and non-financial KPIs. We look forward to monitoring the impact of the recently formed EmpowerHer Network @ Dalata, an employee resource group designed to help remove barriers for female career progression in the company.

The committee also received a detailed briefings from the social impact manager on the group's work in the community, including its charity support.

Purpose and culture

In December 2024, the committee assessed the company's culture and stated purpose and values. The committee observed positive indicators of the health of the company's culture through the results of the employee engagement survey and third-party recognition (Investors in Diversity, Ibec KeepWell Mark (Ireland), and Workplace Wellbeing Charter (UK)), as well as direct engagement with management and staff during the year. We also considered the challenge of maintaining and promoting the company's culture as the group expands, particularly into new countries. The committee is satisfied that the board is appropriately involved in strategic decision-making and that the company's policies, practices, and behaviours align with its purpose, values and strategy.

Looking forward

At the beginning of this year, we received a detailed management presentation setting out a range of measurable objectives for 2025 across the twelve sustainability matters the committee monitors. The level of ambition and maturity in terms of identifying performance indicators and targets is tailored based on the materiality of each matter. I expect our most significant work will involve an assessment of the group's net-zero transition plan.

In line with the board's commitment to developing its skills through continuing professional development, I recently completed the Sustainability Leadership programme at Imperial College Business School, this supplements the Cambridge University Sustainability Leadership programme I completed in 2021. I look forward to continuing leading the committee in 2025, and I welcome hearing the views of shareholders on sustainability matters; I may be reached by email through the company secretary at companysecretarial@dalatahotelgroup.com.

Gervaise Slowey

Chair
ESG Committee

REMUNERATION COMMITTEE REPORT

Committee Meetings and Attendance

The committee met 4 times during 2024

Member	Attendance
Elizabeth McMeikan	4/4
John Hennessy	4/4
Gervaise Slowey	4/4

 Refer to the committee's terms of reference on: dalatahotelgroup.com

The Board considers all members of the committee to be independent (the company chair being independent on appointment).

The Board considers that the committee chair has sufficient recent and relevant experience for the role and that there is sufficient experience within the committee as a whole.

The report complies with the European Union (Shareholders' Rights) Regulations 2020, introduced in Ireland in March 2020.

Role of the Committee

Review the ongoing appropriateness and relevance of the remuneration policy, having regard to the pay and employment conditions across the Group.
Consider and recommend to the Board the group framework for the remuneration of the executive directors.
Within the terms of the agreed policy, determine the total individual remuneration package of the Chair and each executive director and member of senior management, including salary, benefits, bonuses and incentive payments.
Review the design of all incentive plans for approval by the Board and shareholders and, for each such plan, recommend whether awards are made and, if so, the overall amount of such awards, the individual awards to executive directors, and the performance targets to be used.

Dear Shareholder

I am pleased to present the report of the Dalata Hotel Group plc remuneration committee for the year ended 31 December 2024.

Performance in 2024

In 2024, Dalata delivered a strong financial performance with revenue of €652.2 million, an increase of 7.3% from 2023, and an Adjusted EBITDA (see APM ii) of €234.5 million, up by 5.1%. Despite facing challenges such as payroll inflation and the additional supply in the Dublin market, Dalata managed to achieve these results through operational excellence and productivity gains. The company's existing hotels performed robustly, and the new hotels added to the portfolio in 2023 and 2024 contributed significantly to the revenue growth. RevPAR increased by 1.0% on a like-for-like basis, and the UK portfolio experienced a 2.8% growth in RevPAR.

Dalata also made significant strides in its growth strategy by opening four new hotels, one each in Brighton, Liverpool, London and Manchester. We have hotels under construction in Edinburgh and Dublin, and we have acquired, subject to CCPC clearance, the Radisson Blu Hotel Dublin Airport. The completion of a €600 million debt refinance package further strengthened Dalata's financial position, providing additional liquidity and flexibility for future growth.



Board Changes

As announced in September 2024, Shane Casserly, previously Corporate Development Director, was promoted to the role of Deputy CEO effective 1 September 2024. This role includes responsibility for sustainability, IT, and innovation, in addition to the property and development aspects of his role. Shane's salary was increased to €439,000, an increase of €25,000, on appointment as Deputy CEO to reflect his additional responsibilities and the broader scope of his role.

In addition, on 1 January 2025 our Chief Operating Officer, Des McCann, was appointed to the Board. Des' salary has been set at €375,000 (effective 1 January 2025). Subject to strong performance in role his salary will be aligned to that of the CFO in two steps by January 2027.

The Board believes that these changes in Board roles position the Group appropriately for the next phase of its journey as we implement our ambitious growth strategy.

Remuneration outcomes for 2024

2024 annual bonus

The 2024 annual bonus was assessed against Adjusted EBITDA (70% weighting), individual strategic objectives (18%) and ESG objectives (12%). The threshold target under the Adjusted EBITDA measure was achieved, with an outturn of 30.35% of maximum under this metric.

The committee undertook a thorough assessment of performance against the individual and ESG objectives and judged that these targets were met in full for each of the Directors (a detailed summary of performance achieved is provided under Outcomes in Respect of 2024).

The committee recognises that it is unusual that the Executive Directors are achieving full payouts against the non-financial objectives when the financial result was just in excess of the threshold target. However, the committee has reviewed the outcomes in each case in some detail and recognises that the overall performance of the team was exceptional in a year that hotel markets in Ireland and the UK performed significantly below expectations and in many cases behind 2023 levels. The team achieved record levels of employee engagement and customer satisfaction scores for the company. The focus on innovation resulted in significant reductions in payroll hours in both housekeeping and food & beverage. The 2030 Vision was completed and shared with shareholders while four new Maldron hotels were successfully opened in the UK. The team launched a major repositioning of the core brands during the year, reinforced with new marketing campaigns and supported also by the consolidation of hotel websites, digital marketing activities and management of social media activities. Three new significant IT systems were chosen during the year and preparatory work completed allowing the rollout of a new revenue management system, a new customer

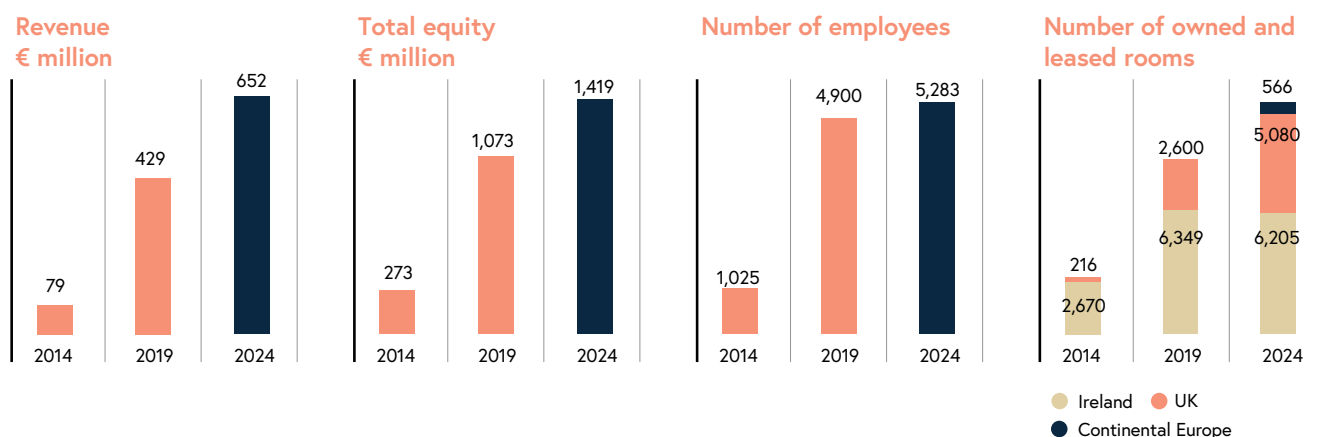
experience platform and a new CRM to begin at the very start of 2025. The further enhancement of our IT infrastructure, the repositioning of our brands and the digital transformation of our marketing strategy helps strengthen the foundations for the realisation of our 2030 Vision ambitions.

In respect of environmental sustainability matters, a 31% reduction in Scope 1 & 2 carbon emissions per room sold was achieved in 2024 versus 2019 which is significantly ahead of our 20% target by 2026. For the first time all hotels achieved a gold standard from Green Tourism. Our new hotels currently under construction in Dublin and Edinburgh have been designed with zero onsite operational carbon. We launched a water stewardship programme and also increased our focus on the reduction of waste with all hotels having targets now in place.

Overall, this resulted in outturns of 51.2% of maximum. The committee also took into account the wider performance of the business during the year and determined that the formulaic outcome is appropriate in this context. No discretion was applied.

2022 LTIP

The 2022 LTIP award was based 50% on relative TSR and 50% on Free Cashflow per Share (FCPS). TSR performance was between the median and upper quartile versus our bespoke peer group of companies operating in the travel and leisure sector, resulting in vesting of 59.4% of maximum for



REMUNERATION COMMITTEE REPORT

this element. 2024 FCPS performance was €0.56 which exceeded the maximum target of €0.48, resulting in full vesting under this element. Overall vesting of the 2022 LTIP was 79.7% of maximum.

The committee also took into account performance of the business over the three-year LTIP performance period and determined that the formulaic outcome is appropriate in this context and did not exercise any discretion in relation to the 2022 LTIP award.

Review of Directors Remuneration Policy

The current Remuneration Policy was approved by shareholders at our 2023 AGM and received a strong support of 99% votes in favour. As an Irish-incorporated company, Dalata is not formally required to comply with the UK's Directors' Remuneration Reporting Regulations. The Company is committed to maintaining a high standard of governance in keeping with our UK listing and submits the Directors' Remuneration Policy to an advisory vote in accordance with Shareholder Rights regulations in Ireland. Whilst our Policy is not due for renewal until the 2026 AGM, during the year the Committee considered it appropriate to review our executive remuneration arrangements to ensure they remain aligned to the delivery of the strategy and the reward philosophy across the broader organisation.

Context for the review

Dalata has continuously evolved since listing in early 2014 from an operator of twelve leased hotels and the manager of a portfolio of financially distressed properties to one with fifty-five superbly located hotels in Ireland, the UK, and continental Europe. Over this period, we have earned a reputation for flawless execution of development opportunities through site identification, planning, financing, construction, and integrating each new asset to our high-performing hotel operations platform. Almost half of the business is now in the UK or continental Europe, and the Company has an ambitious and well-defined growth strategy. Our early investments in Germany and the Netherlands have been successful, and we are well-positioned to expand on these and other markets, with a strong pipeline of over 1,600 rooms and a target to add approximately 5,000 rooms in Regional UK beyond the current pipeline.

The Company's development is illustrated by comparing key figures between 2014 and 2019 (before the Covid-19 pandemic), and today. The levels of growth in each of revenue, total equity and number of employees since 2014 place Dalata in the upper decile versus FTSE 250 companies currently of a similar size.

Process for the review

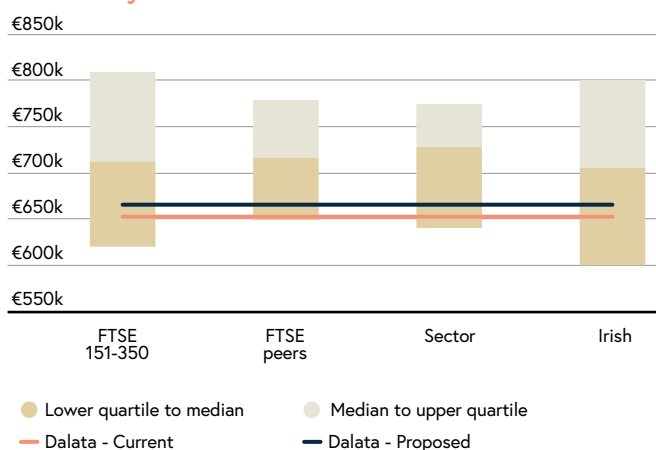
Our workforce has been at the heart of our strategy, and its commitment and performance are essential to differentiating us from our competitors.

Historically, the Group has positioned pay across the organisation towards the lower end of market practice, reflecting our cost-conscious culture and priority to invest in and grow the business. A vital part of this has been focusing on technology and process innovation to allow us to maximise efficiency. This focus on innovation has given us the flexibility to continue investing in our workforce to ensure that we appropriately balance cost with the ability to recruit and retain high-quality talent, enabling us to deliver the business strategy in an increasingly competitive talent market. This has included moving remuneration packages towards the market median, particularly for roles in more challenging talent markets, and developing the broader value proposition for employees through training, development and promotion opportunities.

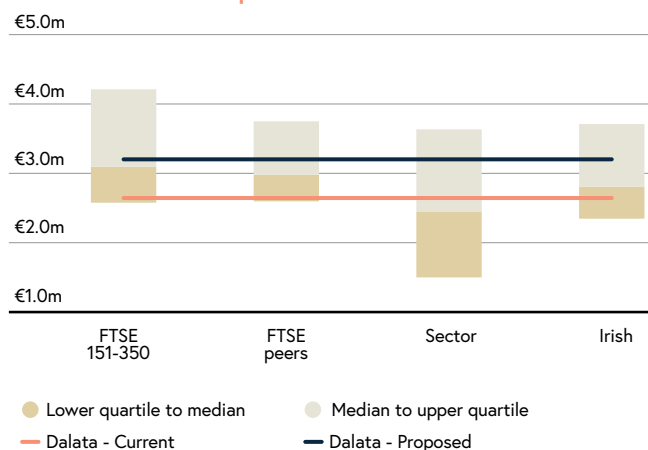
Having made substantial progress in the approach to wider workforce, including middle and senior management pay, the Committee considered it the right time to review remuneration arrangements for the executive directors to ensure that our philosophy on pay is applied appropriately and consistently across the organisation.

CEO

Base salary



Maximum total compensation



As part of the process, we have reviewed the overall pay opportunity levels for each of our executive directors in the context of the growth of the business over recent years, our operational expansion and the evolution into a much more mature and complex organisation, as well as the broader philosophy of moving pay towards the market median. We considered multiple market data reference points to ensure a rounded assessment of pay levels, including similarly sized FTSE-listed companies, relevant sector peers operating in the travel and leisure industry and companies listed / headquartered in Ireland. We also considered the relative complexity within our business compared with several of our hotel peer companies. The Group effectively operates as an integrated property, brand-owning and hotel operations business. This framework is intentional, core to Dalata's success, and designed to foster symbiotic relationships between each element of the business to create greater shareholder value than the sum of the parts. Our senior management team needs to possess a combination of property development expertise and hotel marketing and operating skills to achieve this balance.

A summary of the market data for the roles of CEO and CFO, used to inform the Committee's decision-making, is shown below. Whilst market data for the roles of Deputy CEO and COO is not shown as these roles are less common at Board

level, the Committee is of the view that the relativities of the proposed packages are appropriate in the context of the scope and complexity of the roles and the experience of the individuals.

Our executive director packages are generally positioned towards the lower end of market practice, which aligns with our historical positioning. In proposing a move from this positioning, the Committee carefully considered a number of factors:

- alignment of overall pay opportunities with the evolution of our broader workforce pay philosophy described above;
- implementing remuneration arrangements that are sufficiently competitive and motivating for our executives in an increasingly competitive talent market;
- fair treatment of the internally promoted executive directors in the context of the external market; and
- the strong performance of both the business and the executives.

Proposals

Our initial proposals included increases to both base salaries and long-term incentive opportunities, reflecting the positioning of both salary and total compensation which were towards the lower end of market. Several of our major shareholders were supportive of the proposals; however, based on the overall balance of feedback, the

Committee has determined that now is not the right time to award above workforce-level increases to base salary levels, reflecting the challenging macro-economic environment currently facing the business, with particular focus on limiting the impact of cost-inflation which remains high. Salary increases with effect from 1 January 2025 will therefore be in line with the minimum awarded to the wider workforce for 2025 (2%).

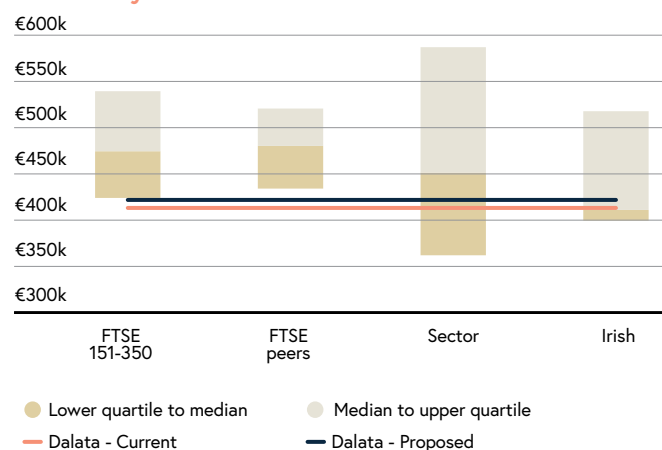
As the more material salary increases proposals have been withdrawn, it is proposed to increase LTIP award opportunities as follows:

- CEO – maximum opportunity increased from 150% to 225% of salary
- Other Executive Directors – maximum opportunity increased from 125% to 175% of salary

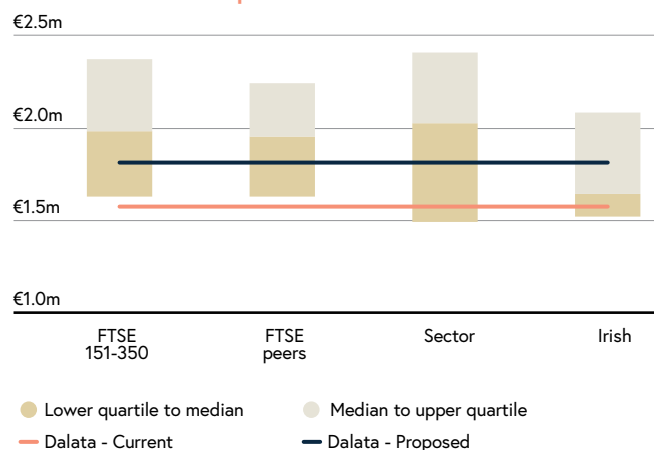
The Committee believes that these increases ensure that our total compensation levels are more closely aligned to market norms and our broader pay philosophy, whilst ensuring that any delivery of additional opportunity is based on achievement of stretching long-term targets under the LTIP and further alignment to the shareholder experience. The updated proposals provide opportunity to deliver broadly equivalent maximum total remuneration (versus our initial proposals), but with a greater proportion of the package based on long-term performance.

CFO

Base salary



Maximum total compensation



REMUNERATION COMMITTEE REPORT

To further increase alignment with shareholders, the CEO's shareholding guideline will be increased to 225% of salary (from 200%), in line with the maximum annual LTIP award level. Shareholding guidelines for the other Executive Directors are unchanged at 200% of salary which is above the maximum value of the annual LTIP award level.

The current management team have been central to driving both the growth and evolution of the business we have achieved to date, as well as developing the forward-looking strategy which positions the Group well to continue its journey to deliver strong results and the creation of shareholder value. Overall, the Committee believes that the proposals outlined will better support the continued delivery of the Group's strategy and the creation of long-term, sustainable shareholder value. We are of the view that the positioning of the proposed packages is fair and appropriate in the context of the growth of the business over recent years and our evolution into a more mature organisation, as well as the broader remuneration philosophy and how we want to pay our talent. The Committee has consulted with our major shareholders on the final proposals and shareholders were supportive of the approach.

The Committee remains conscious of the base salary positioning versus the market. It is crucial that the overall balance of the package (fixed, short-term and long-term pay) allows us to retain, recruit and motivate top senior talent and drive delivery of the strategy. Base salary levels will therefore be kept under review going forwards.

Our Policy complies with other generally accepted best practice: a portion of the annual bonus is payable in shares and deferred, and the LTIP has a three-year performance period with a two-year holding period. All incentive awards are subject to malus and clawback provision. The current Policy also includes both an in-employment and post-employment shareholding guideline. No further changes are being proposed as part of this Policy review.

Implementation of Policy for 2025

Salary

Salaries for Dermot Crowley and Carol Phelan were increased by 2% effective 1 January 2025. This aligns with the minimum increase awarded to the wider workforce for 2025.

As discussed previously, Shane Casserly, previously Corporate Development Director, was promoted to the role of Deputy CEO effective 1 September 2024. Shane's salary was increased to €439,000, an increase of €25,000 to reflect the additional responsibilities associated with his promotion to Deputy CEO. Shane received a further 2% increase effective 1 January 2025.

As discussed previously, on 1 January 2025 our Chief Operating Officer, Des McCann, was appointed to the Board. Des' salary has been set at €375,000 (effective 1 January 2025). Subject to strong performance in role his salary will be aligned to that of the CFO in two steps by January 2027.

Pension

As set out in the 2023 Annual Remuneration Report, effective January 1, 2024, the Group expanded its Irish pension scheme to include additional employees with a 3% contribution rate. This expansion means that a greater number of pension-eligible employees in Ireland (where executive directors are resident) now receive the 3% contribution rate compared to the 5% rate.

The Committee has reviewed this change and determined that maintaining the executive directors' pension contribution at 5% of salary remains appropriate. This decision reflects the Committee's assessment of competitive market practice and acknowledges that the current 5% contribution for executive directors aligns with the rate received by a significant proportion of Ireland-based employees.

Incentive arrangements

The annual bonus for 2025 will continue to be based 70% on Adjusted EBITDA performance, with the remaining 30% based on individual strategic objectives (including ESG measures).

For the 2025 LTIP award, 50% will continue to be based on TSR compared to peers and 50% on Free Cashflow per Share (FCPS). Subject to approval of the proposed Policy, LTIP opportunity will be 225% of salary for the CEO and 175% of salary for the other Executive Directors.

Non-Executive Director fees

The Chair's fee was increased by 2% in line with the minimum increase awarded to the wider workforce.

Historically, NED fees have been reviewed every two years, with fees last reviewed for FY23. It has now been agreed that fees will normally be reviewed every year going forwards in order to ensure that fees remain appropriately positioned, as well as reflecting evolving market practice.

Our historic practice meant that NED fees were not increased in 2024. Therefore, for 2025 it is proposed that the base NED fee will be increased by c.7% to bring the fee closer to market norms and better reflect market movements over recent years.

Supporting work of the committee

The committee actively consults with management to acquire the information and understanding required to fulfil its responsibilities and oversee matters related to employee remuneration and working conditions. It does this by receiving presentations and reports from the Chief People Officer, who attends all committee meetings.

Wider workforce remuneration

The minimum wage in Ireland increased by 6.3% to €13.50 on 1 January 2025, and the UK living wage will increase by 6.7%, to £12.21 on 1 April 2025. Wages increased by 3.4% in Germany on 1 June 2024, and a 2.75% increase will take effect in the Netherlands on 1 January 2025. The committee noted that where a lower pay rate is permitted for younger workers, the Group pays no less than the applicable adult minimum or living wage.

The group-wide minimum annual increase awarded for 2025 was 2%. The Group monitors pay rates in the market and awarded higher increases, where merited, to maintain competitiveness.

The committee also reviewed the Group's gender pay gap report before its publication in December 2024, noting the increase in the gap from 8.9% to 9.4%. The gap in Ireland was 12.2%, and in the UK, it was minus 5.2%. The report (published on the company's website) details the reasons for the gap, along with the action plan to close it over time. Steps include collaborating with the recently formed EmpowerHer Network @ Dalata, a female employee resource group established to advocate for women's career advancement. Our objective is to provide relevant support and develop strategies that create gender-balanced succession pipelines.

Workforce engagement

Throughout the year, the committee facilitated a collaboration between the company secretarial department and the Dalata Academy to introduce a module on corporate governance. This module included a segment detailing the process for establishing executive remuneration. It was delivered to participants of Dalata Academy development programmes through both face-to-face and online formats. The course provided learners with the opportunity to engage in a remuneration committee role-play exercise and offer feedback on the current remuneration structure. The committee received a comprehensive report on these sessions, which included unedited participant feedback. The course attendees represented a diverse range of employees across various roles and levels of seniority.

I remain open to hearing from shareholders (please refer any queries or requests for engagement to the company secretary at companysecretarial@daltahotelgroup.com) and look forward to your continuing support at the 2025 AGM.

Elizabeth McMeikan

Chair, Remuneration Committee

Directors' Remuneration Policy 2025 – 2027

This Policy will be submitted as an advisory vote to shareholders at the 2025 AGM on 30 April 2025 and, subject to shareholder approval, will apply to payments made from this date.

As an Irish-incorporated company, Dalata does not have the benefit of the statutory protections afforded by the UK Companies Act 2006 concerning the remuneration reporting regime. Accordingly, if there is any inconsistency between the Company's Policy (as approved by shareholders) and any contractual entitlement or another right of a Director, the Company may be obliged to honour that existing entitlement or right. On this basis, the report is submitted to shareholders as an advisory rather than a binding vote in accordance with the Shareholder Rights regulations in Ireland.

Summary of policy-making process

In determining the updates to the new remuneration policy, the Committee followed a robust process, discussing the detail of the Policy over a series of meetings during 2024. Steps were taken as part of the review process to avoid conflict of interest, for example, by ensuring individuals were not present when their own remuneration was discussed and by seeking independent advice. As part of the review, shareholders were consulted on the proposed policy, and shareholders representing 61% of our share register were contacted. The Committee considered the feedback received from our shareholders and sought input from the Chief Executive and our independent advisors, as well as reflecting on best practice and investor guidance. The Committee determined that the overall pay structure detailed in the previous 2023 Policy continues to align management with the strategy, incentivises the creation of shareholder value, and supports our high-performance culture and ability to recruit and retain talent. As outlined in the Chair's letter, the maximum LTIP opportunities for the CEO and other Executive Directors

have increased to 225% and 175% of base salary respectively. The Committee believes that these increases ensure that the total compensation levels are more closely aligned to market norms, whilst ensuring that delivery of any additional opportunity is based on achievement of stretching long-term targets under the LTIP and further alignment to the shareholder experience. It is also proposed that the shareholding guideline for the CEO is increased to 225% of salary (from 200%) to align with CEO's maximum LTIP opportunity. The Committee believes that the proposals will better support the continued delivery of the Group's strategy and the creation of long-term, sustainable shareholder value. We are of the view that the positioning of the proposed packages is fair and appropriate in the context of the performance and growth of the business over recent years and our evolution into a more mature organisation, as well as the broader remuneration philosophy and how we want to pay our talent. No other major changes are proposed to the Policy. Minor changes have been made to the wording of the Policy to ensure appropriate flexibility and to reflect evolving market practice.

Policy Table for Executive Directors

The group's policy on executive directors' remuneration is designed to ensure that employment and remuneration conditions support the delivery of strategy and promote long-term sustainable success for all stakeholders. The elements of the remuneration package which may apply to executive directors are base salary, pension and benefits, annual bonus and the long-term incentive plan.

REMUNERATION COMMITTEE REPORT

Purpose, link to strategy and operation	Maximum opportunity	Performance Metrics
Element - Base salary		
<p>An appropriate level of fixed remuneration to reflect the skills and experience of the individual.</p> <p>Salaries are normally reviewed annually by the committee, considering all relevant factors, which may include the size and scope of the role, the experience and performance of the individual, and appropriate market data.</p>	<p>There is no prescribed maximum. Salary increases are normally in line with those of the wider workforce.</p> <p>Salary increases may be above this level in certain circumstances, such as an increase in the size or complexity of the group; an increase in the size or responsibilities of the role; changes in the competitive market place; move of salary position closer to typical market level when a new executive director has been appointed to the board at a lower than typical market salary and then gains experience; or other exceptional circumstances as determined by the Committee.</p>	n/a
Element - Pension		
<p>Contributions into the Company's defined contribution pension scheme or an equivalent cash supplement.</p>	<p>Pension contributions will be 5% of base salary.</p> <p>Pension may be increased in line with the wider workforce.</p>	n/a
Element - Benefits		
<p>To provide a market competitive benefits package.</p> <p>The benefits available under the group risk benefit scheme, which includes death in service cover and disability benefit. The committee may determine that other benefits will apply where appropriate.</p> <p>Directors are eligible to participate in the Company's Sharesave Scheme on the same basis as all other employees. Directors may participate in any other all-employee schemes introduced.</p> <p>Directors may be reimbursed for reasonable business expenses (and any associated tax liabilities).</p> <p>Where an executive director is required to relocate to perform their role, appropriate one-off or ongoing benefits may be provided in connection with such re-location (e.g. housing, schooling, etc.).</p>	<p>The value of benefits is not capped as it is determined by the cost to the Company, which may vary.</p> <p>Participation in Sharesave Scheme up to statutory limits. Participation in any other all-employee scheme will be on the same terms as for other employees.</p>	n/a

Purpose, link to strategy and operation	Maximum opportunity	Performance Metrics
Element - Annual Bonus		
<p>To drive and reward the delivery of business objectives over the financial year.</p> <p>The bonus is discretionary, and the committee determines any pay-out based on performance. Targets are set and assessed by the committee each year.</p> <p>At least 30% of the bonus will normally be delivered in the form of Dalata shares deferred for at least three years. The remainder is payable in cash following the year-end. This deferral may be operated under the terms of a restricted share trust.</p> <p>Malus and clawback provisions apply.</p>	<p>The maximum opportunity is 150% of salary for all executive directors.</p> <p>Normally, 30% of the maximum bonus pays out for achieving threshold levels of performance, with 50% of maximum normally paying out for target levels of performance.</p>	<p>Payment is normally determined by reference to performance assessed over one financial year and will normally be measured against a combination of financial and individual strategic performance targets which may include environmental and social sustainability related measures.</p> <p>The committee determines the performance measures and the weightings of the performance measures each year. The overall framework will normally be weighted towards financial measures of performance.</p> <p>The committee will consider the group's overall performance before determining final bonus payment levels and may adjust the bonus award if it considers that the outcome does not reflect the underlying financial or non-financial performance of the participant or the group over the relevant period, or that such payout level is not appropriate in the context of circumstances that were unexpected or unforeseen when the targets were set. When making this judgment, the committee may take into account such factors as the committee considers relevant.</p>
Element - Long-term incentive plan (LTIP)		
<p>To reward executive directors for the delivery of long-term performance and align their interests with shareholders.</p> <p>Awards are made under and subject to the terms of the 2017 LTIP approved by shareholders at the 2017 AGM.</p> <p>Awards are in the form of conditional share awards or nil-cost options (or in such other form that the committee determines has the same economic effect), which vest as soon as reasonably practicable after the end of the performance period, subject to performance conditions.</p> <p>Vested shares are normally subject to an additional holding period of at least two years. Shares subject to a holding period may be placed in a restricted share trust.</p> <p>Malus/clawback and dividend equivalent provisions apply. (see notes to this table).</p>	<p>The maximum award in respect of a financial year is:</p> <p>Chief Executive: 225% of salary.</p> <p>Other Executive Directors: 175% of salary.</p>	<p>Performance targets are normally measured over three financial years, using performance measures aligned with the strategy and shareholder value. This may include measures such as total shareholder return (TSR) and other financial or strategic measures.</p> <p>25% normally vests for threshold performance.</p> <p>The committee has the discretion to use different or additional performance measures to ensure that LTIP awards remain appropriately aligned with the business strategy and objectives.</p> <p>The committee will consider the group's overall performance before determining the final vesting level and may adjust the vesting level if it considers that the outcome does not reflect the underlying financial or non-financial performance of the participant or the group over the relevant period, or that such payout level is not appropriate in the context of circumstances that were unexpected or unforeseen when the targets were set. When making this judgment, the committee may take into account such factors as the committee considers relevant.</p>

REMUNERATION COMMITTEE REPORT

Purpose, link to strategy and operation	Maximum opportunity	Performance Metrics
Element - Shareholding guidelines		
To increase long-term alignment between executives and shareholders.	n/a	n/a
The CEO and other executive directors are expected to build up and maintain a beneficial holding of at least 225% and 200% of base salary respectively and maintain 50% of their respective guideline (or, if lower, their actual shareholding on departure), for two years post-employment.		
Unvested deferred bonus shares and vested LTIP shares within a holding period will count towards the guideline (on a net of tax basis).		

Notes to the table

- Dividend equivalents** - LTIP awards may incorporate the right to receive an amount equal to the value of dividends which would have been paid on the shares under an award that vests up to the time of vesting (or time of release, where the award is subject to a holding period).
- Adjustment of LTIP** - LTIP awards may be adjusted in the event of any variation of the Company's share capital or any demerger, delisting, special dividend, or other events that may affect the Company's share price.
- Malus and clawback** - The annual bonus and the LTIP contain malus and clawback provisions. The cash and share elements of the annual bonus may be clawed back during the three years following payment/award, and awards under LTIP may be cancelled (prior to vesting), reduced, or clawed back for two years post-vesting in the event of a material misstatement of results; error in assessing the performance condition or serious misconduct.
- Performance measures** - The choice of the performance measures applicable to the annual bonus reflects the committee's belief that any incentives should be aligned with the group's financial and strategic objectives, including environmental and social sustainability objectives. In the LTIP, the current measures provide a balance between incentivising directors against the delivery of the Group's growth strategy and recognising performance delivered for shareholders via share price growth and dividend performance relative to sector peers. For both the bonus and the LTIP, the committee sets challenging targets taking into account the Board's objectives for the business and shareholder expectations. Bonus targets are not disclosed in advance as they are considered to be commercially sensitive. The committee intends to disclose bonus targets following the financial year to which they relate unless they remain commercially sensitive at that point. Performance conditions may be amended or substituted by the committee if an event occurs which causes the committee to determine an amended or substituted performance condition would be more appropriate and not materially less difficult to satisfy.
- Other payments** - The committee reserves the right to make any remuneration payments and/or payments for loss of office (including exercising any discretions available to it in connection with such payments), notwithstanding that they are not in line with the Policy set out above where the terms of the payment were agreed (i) before the policy set out above came into effect, provided that the terms of the payment were consistent with any applicable shareholder-approved Directors' remuneration policy in force at the time they were agreed or where otherwise approved by shareholders; or (ii) at a time when the relevant individual was not a Director of the Company (or other persons to whom the Policy set out above applies) and, in the opinion of the committee, the payment was not in consideration for the individual becoming a Director of the Company. For these purposes, "payments" includes the committee satisfying awards of variable remuneration and, in relation to an award over shares, the terms of the payment are "agreed" no later than the time the award is granted. This policy applies equally to any individual who is required to be treated as a Director under the applicable regulations.
- Key changes to this Policy** - The key change to this Policy compared to the 2023-2025 Policy is the increase in the LTIP opportunity from 150% of salary to 225% of salary for the CEO and from 125% of salary to 175% for other executive directors, as well as the increase in the shareholding guideline for the CEO from 200% to 225% of salary. Other minor changes have been made to the wording of the Policy to aid operation and to increase clarity.

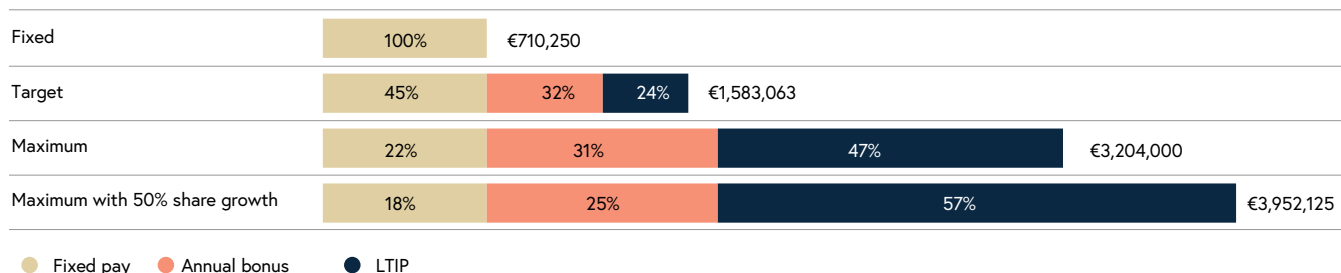
Remuneration Policy for other Group Employees

The committee regularly reviews workforce remuneration and broader employment practices taking these into account when determining remuneration policy for Executive Directors. The remuneration framework for other employees is based on broadly consistent principles used to determine the policy for Executive Directors. All executives and senior managers are generally eligible to participate in an annual bonus plan. Participation in the LTIP is extended to executives and senior managers, with any performance conditions normally consistent across all levels. Individual salary levels and incentive award sizes vary according to the level of seniority and responsibility, in line with market data. The committee also reviews analysis of the gender pay gap periodically, as well as a range of other diversity, equality and inclusion indicators.

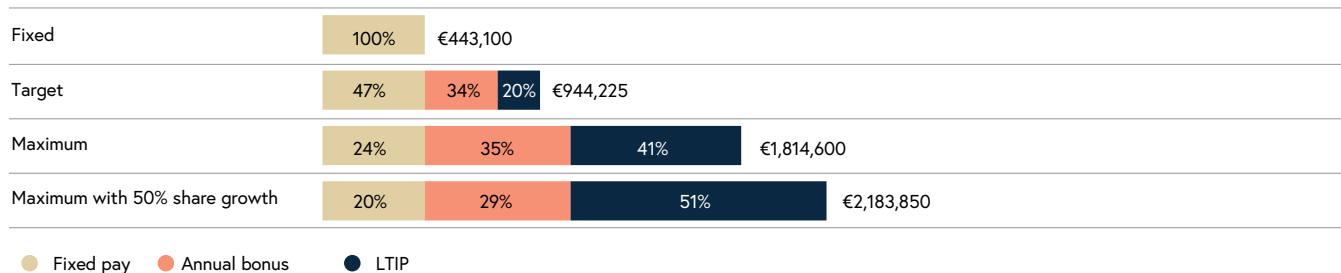
Illustration of application of Remuneration Policy 2025 – 2027

The chart below illustrates the composition of the Executive Directors' remuneration packages at different levels of performance, both as a percentage of total remuneration opportunity and as a total value. Any dividend equivalents payable are not included in the below.

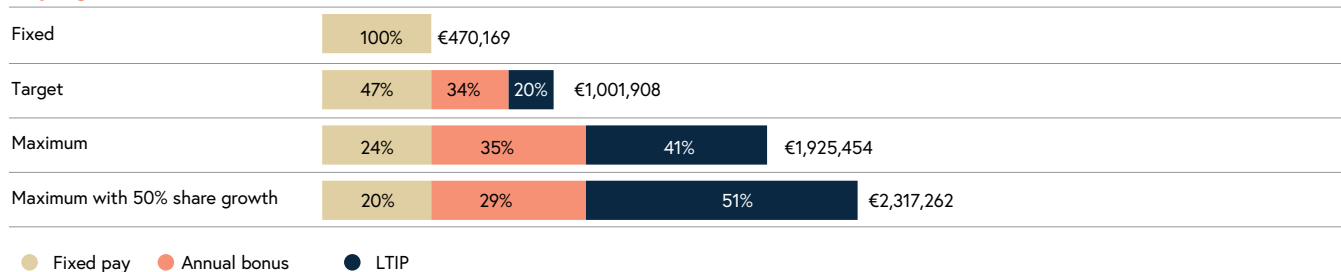
CEO



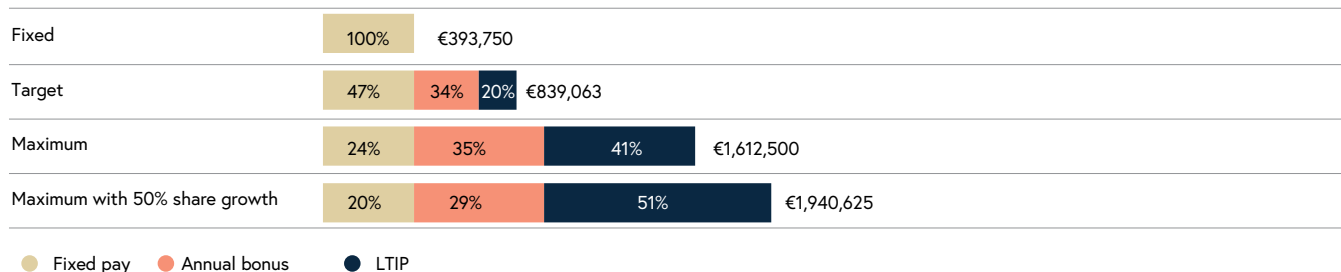
CFO



Deputy CEO



COO



Notes:

- "Fixed" includes the value of fixed pay components only – annual base salary effective from 1 January 2025, pension (5% of salary) and benefits (assumed for FY24).
- "Target" includes fixed pay and "target" annual bonus (50% of the maximum) and threshold vesting of the maximum LTIP awards (25% of the maximum). No share price growth is assumed.
- "Maximum" includes fixed pay and maximum annual bonus (150% for all Executive Directors) and full vesting of LTIP awards (Chief Executive: 225% of salary and other executive Directors 175% of salary). No share price growth is assumed.
- "Maximum with 50% share price growth" shows the "Maximum" scenario as described above but assuming 50% share price growth for the LTIP awards.

REMUNERATION COMMITTEE REPORT

Policy table for non-executive directors

Purpose, link to strategy and operation	Opportunity
Element - Chair and Non-executive Director ("NED") Fees	
To attract and retain non-executive directors with the required qualities, skills, and experience.	There is no prescribed maximum annual increase or fee level.
Fees for the chair are determined by the remuneration committee (excluding the chair).	
Fees for non-executive directors other than the chair are determined by a sub-committee of the board comprising the chief executive and the chair.	Fee levels are normally reviewed annually, with reference to the time commitment of the role and market levels (for example, in companies of comparable size and complexity).
The chair receives a single fee. NED fees include a base fee and may include additional fees for other board or committee duties or to reflect additional time commitment.	
The chair and non-executive directors do not participate in any incentive plan or pension arrangement. Where appropriate, benefits may be provided.	
The Chair and non-executive directors may be reimbursed for business expenses (and any associated tax liabilities) incurred when travelling in the performance of duties.	

Service contracts/letters of appointment

Service contracts for the executive directors, Dermot Crowley (commencing 3 December 2012), Shane Casserly (3 March 2014), Carol Phelan (17 November 2014), Des McCann (1 January 2025), do not have a fixed end date but can be terminated by serving notice. The service contracts have a notice period of six months. Other than entitlement to notice and payment of salary and contractual benefits (which may include pension) in lieu of notice, the Executive Directors are not entitled to compensation on termination of their respective contracts. These terms would normally apply to a service contract for a new executive director.

The non-executive directors and chair have been appointed under the terms of letters of appointment commencing as follows: John Hennessy, 27 February 2014; Elizabeth McMeikan, 8 October 2019; Cathriona Hallahan, 1 November 2021; Gervaise Slowey, 1 December 2021; and Jon Mortimore, 1 August 2023. The appointment is renewed annually, and under the Company's director's re-election policy, all Directors are subject to annual re-election by shareholders. Non-executive director's appointment is terminable by either party giving one month's written notice.

Policy on payments for loss of office

In addition to a payment in lieu of notice referred to above, a departing executive director may be eligible for incentive awards, which will be treated under the rules of the relevant plan, as summarised in the table below:

Incentive plan	Summary of leaver provisions
Annual bonus	Annual bonuses may be payable for performance in the financial year of cessation of employment (pro-rated for time unless the committee determines otherwise). The committee retains the discretion to deliver any such bonus solely in cash, without any deferred share element.
Deferred bonus	Awards will normally continue to vest on the original vesting date unless the committee determines otherwise. Awards remain subject to malus provisions.
LTIP	The default treatment is that any unvested awards lapse on cessation of employment. The committee may determine that an executive should remain entitled to retain their LTIP award. Such awards would normally, unless the committee determines otherwise, be pro-rated for time, remain subject to performance conditions, vest at the normal vesting date and remain subject to any holding periods.

The committee reserves the right to make any other payments in connection with a Directors' cessation of office or employment where the payments are made in good faith in discharge of an existing legal obligation (or by way of damages for breach of such an obligation) or by way of settlement of any claim arising in connection with the cessation of a Director's office or employment. Any such payments may include, but are not limited to, paying any fees for outplacement assistance and the Director's legal or professional advice fees in connection with their cessation of office or employment. In appropriate circumstances, the committee may agree that certain benefits (such as medical insurance) may be continued following termination of employment. The Company may provide a leaving gift for a departing Director (including payment of any tax thereon) where the committee feels that it is appropriate to do so, and the value of any gift is proportionate and not excessive.

Post-employment interest in shares

The committee has a policy to promote interests in share awards following cessation of employment to enable former executive Directors to remain aligned with the interests of shareholders for an extended period after leaving the Company.

Individuals who cease to be an Executive Director will normally be expected to retain a shareholding in the Company for two years after stepping down as an Executive Director at the lower of half of the shareholding requirement in place before departure or the actual shareholding on departure.

This requirement applies to shares acquired from incentive plans that vest or vested after the introduction of the 2023-2025 Policy and will normally include the net value of outstanding deferred bonus share awards and LTIP awards subject only to a holding period. The committee will have the discretion to operate the Policy flexibly and may waive part or all of the requirement where considered appropriate, for example, in compassionate circumstances.

Treatment in the event of a change of control

The default treatment is that any unvested LTIP awards vest in the event of a change of control to the extent the committee determines, taking into account the satisfaction of the relevant performance conditions and, unless the committee determines otherwise, the proportion of the performance period served. Shares subject to deferral or holding periods would normally be released on a change of control.

Remuneration on recruitment

The remuneration package for a new Executive Director would be set under the terms of the Policy Table for Executive Directors. Salaries would be set at an appropriately competitive level to reflect the skills and experience of the individual and the scope of the role.

Where an individual forfeits remuneration or a contractual entitlement with a previous employer or engagement as a result of an appointment to the Company, the committee may offer compensatory payments or awards to facilitate recruitment. Any such payments or awards would be in such form as the committee considers appropriate and would normally reflect the nature, time horizons, and performance requirements attaching to that remuneration. There is no limit on the value of such compensatory awards, but the committee intends that the value awarded would be no higher than the value forfeited.

The maximum level of variable remuneration which may be awarded (excluding any "buyout" awards referred to above) in respect of recruitment is 375% of salary, which is in line with the maximum current limit receivable by the Chief Executive under the annual bonus and LTIP.

Where an Executive Director is required to relocate from their home location to take up their role, the committee may assist with relocation (either via one-off or ongoing payments or benefits). Any ongoing benefits would normally be time-limited.

If an internal candidate is promoted to the Board, legacy terms and conditions would normally be honoured, including any accrued pension entitlements and any outstanding incentive awards. Future pension provision will be aligned with our policy set out above.

Consideration of shareholder views

The committee undertook a consultation exercise with major shareholders in respect of the development of this Remuneration Policy, and the feedback received was taken into account in finalising the proposals.

During each year, the committee considers shareholder feedback received at the time of the AGM, plus any additional feedback received through other means of dialogue. The committee also regularly reviews the policy in the context of published shareholder guidelines.

Consideration of conditions elsewhere in the Company

When determining remuneration arrangements for executive directors, the committee considers the pay and conditions of employees throughout the group. In particular, the committee considers the general level of salary increases and incentive award outcomes within the wider workforce. Further detail is set out in the committee chair's letter and the statement of implementation of policy for 2025.

We regularly engage with employees to understand their views on a range of issues, including pay and employment conditions throughout the group. During the year, in her role as the non-executive Director with responsibility for the workforce, Gervaise Slowey engaged with the wider workforce on a variety of topics.

As a Board, we value the views of our employees and take feedback into account when reviewing executive pay. To the extent that employees are shareholders, they can also vote on remuneration resolutions at the AGM.

REMUNERATION COMMITTEE REPORT

Annual Remuneration Report

This report will be submitted as an advisory vote to shareholders at the 2025 AGM. The report complies with the European Union (Shareholders' Rights) Regulations 2020, introduced in Ireland in March 2020.

Statement of Implementation for 2025

This section summarises the remuneration arrangements for the Directors for the 2025 financial year.

Base salaries

Salaries for Dermot Crowley and Carol Phelan were increased by 2% effective 1 January 2025. This aligns with the minimum increase awarded to the wider workforce for 2025.

Shane Casserly, previously Corporate Development Director, was promoted to the role of Deputy CEO effective 1 September 2024. Shane's salary was increased to €439,000, an increase of €25,000 to reflect the additional responsibilities associated with his promotion to Deputy CEO. Shane received a further 2% increase effective 1 January 2025.

On 1 January 2025 our Chief Operating Officer, Des McCann, was appointed to the Board. Des' salary has been set at €375,000 (effective 1 January 2025). Subject to strong performance in role his salary will be aligned to that of the CFO in two steps by January 2027.

The following table shows the base salaries effective 1 January 2025:

2025	€'000	% increase
Dermot Crowley	€665	2%
Carol Phelan	€422	2%
Shane Casserly	€448	2%
Des McCann	€375	-

Pension

As set out in the 2023 Annual Remuneration Report, effective January 1, 2024, the Group expanded its Irish pension scheme to include additional employees with a 3% contribution rate. This expansion means that a greater number of pension-eligible employees in Ireland (where executive directors are resident) now receive the 3% contribution rate compared to the 5% rate.

The Committee has reviewed this change and determined that maintaining the executive directors' pension contribution at 5% of salary remains appropriate. This decision reflects the Committee's assessment of competitive market practice and acknowledges that the current 5% contribution for executive directors aligns with the rate received by a significant proportion of Ireland-based employees.

For future new executive director hires, the Board will take into account best practice, the rate available to the wider pension-eligible workforce, and market practice at similar-sized companies at the time of appointment.

Annual bonus

Each of the executive directors will be eligible for a maximum bonus of 150% of salary, unchanged from 2024.

The performance measures for all executive directors will be weighted 70:30 between financial (Adjusted EBITDA) and individual strategic measures, including

environmental and social sustainability measures. The choice of the performance measures reflects the committee's belief that any incentives should be aligned with the Group's financial and strategic objectives, including relating to environmental and social sustainability objectives.

The non-financial measures will be based on specified strategic objectives linked to the individual's area of responsibility, including environmental and social sustainability measures. The environmental and social sustainability measures include the delivery of our decarbonisation strategy, measures related to our people as well as measures related to the company's social impact.

The committee will consider the Group's overall performance before determining the final bonus outcome. It may adjust the bonus award if it considers that the outcome does not reflect the underlying financial or non-financial performance of the participant or the Group over the relevant period. It will also consider whether any proposed bonus payment is appropriate in the context of its alignment with the shareholder experience over the year and the experience of other stakeholders.

The committee considers the targets commercially sensitive, although we commit to disclosing these in the 2025 Directors' Remuneration Report.

At least 30% of the bonus will be delivered in the form of Dalata shares deferred for at least three years. Any remainder is payable in cash following the year-end. Deferral may be operated under the terms of a restricted share trust.

Malus and clawback provisions apply, as set out in the Policy.

The following table shows the weighting of the bonus opportunity for all executive directors for 2025:

Category	Annual bonus measure	All executive directors % base salary	All executive directors maximum annual bonus
Financial	Adjusted EBITDA	105%	70%
Non-financial	Individual strategic business objectives (including environmental and social sustainability measures)	45%	30%
	Total	150%	100%

LTIP

Subject to shareholder approval of the Policy at the AGM, awards will be granted in 2025 of 225% of salary for the chief executive and 175% of salary for the other executive Directors in line with the Remuneration Policy. No changes to the performance measures and weightings are proposed.

Awards will vest after a three-year performance period based 50% on TSR and 50% on Free Cashflow per share (FCPS). Vested shares will be subject to a minimum additional two-year post-vesting holding period.

The committee believes that TSR and FCPS provide a balance between incentivising long-term growth from the execution of the strategy and recognising performance delivered for shareholders via share price growth and dividend performance relative to sector peers.

The TSR element of the award will continue to be assessed against a bespoke TSR peer group of 19 leisure and hospitality competitors for closer performance alignment. The list of companies in the Group is shown below:

Company	Sub-sector	Company	Sub-sector
Marriott International	Hotels and Motels	easyJet	Airlines
Hilton Worldwide	Hotels and Motels	TUI	Travel and Tourism
Ryanair	Airlines	Air France-KLM	Airlines
IHG	Hotels and Motels	SSP Group	Restaurants and Bars
Accor	Hotels and Motels	Melia Hotels.	Hotels and Motels
IAG	Airlines	Finnair	Airlines
Hyatt	Hotels and Motels	Scandic	Hotels and Motels
Whitbread	Hotels and Motels	PPHE Hotel Group	Hotels and Motels
Deutsche Lufthansa	Airlines	On the Beach	Travel and Tourism
Wizz Air	Airlines		

FCPS excludes items that are deemed one-off and thus do not reflect normal trading activities or distort comparability either period on period or with other similar businesses. This should encourage the vigorous pursuit of opportunities, and by excluding certain one-off items, we drive the behaviours we seek from the executives and encourage management to invest for the long-term interests of shareholders.

Malus and clawback provisions apply, as set out in the Policy.

REMUNERATION COMMITTEE REPORT

The performance targets for 2025 LTIP awards are shown below:

€'000	TSR (50% of award)	FCPS (50% of award)
Definition	TSR performance (compared with bespoke Group)	Basic FCPS achieved in the year ending 31 December 2027
Threshold vesting (25% of maximum)	TSR at median level of the Group	€56.9
Maximum vesting	TSR at upper quartile level of the Group	€76.9

Notes:

- No vesting below threshold performance.
- Straight-line vesting between points
- The Company's TSR performance will be calculated by using a ranked approach against the bespoke Group. TSR will be calculated using a three-month average at the start and end of the performance period (1 January 2025 to 31 December 2027).

Non-executive Director fees

The Chair's fee was increased by 2% in line with the minimum increase awarded to the wider workforce.

Historically, NED fees have been reviewed every two years, with fees last reviewed for FY23. It has now been agreed that fees will normally be reviewed every year going forwards in order to ensure that fees remain appropriately positioned, as well as reflecting evolving market practice.

Our historic practice meant that NED fees were not increased in 2024. Therefore, for 2025 it is proposed that the base NED fee will be increased by c.7% to bring the fee closer to market norms and better reflect market movements over recent years.

The table below shows non-executive director fees effective 1 January 2025 with comparative figures for 2024. Each non-executive director receives an additional fee for a maximum of one committee chair or designated role.

€'000	2025	2024	Change %
Board Chair	234.6	230.0	2%
Basic Non-executive Director	72.5	67.6	7.2%
Chair Audit and Risk Committee	20.0	20.0	0%
Chair Remuneration Committee	20.0	20.0	0%
Chair ESG Committee	20.0	20.0	0%
Non-executive Director designated responsibility for workforce engagement	20.0	20.0	0%

Outcomes in respect of 2024

Where indicated, the disclosure has been audited.

Directors' remuneration in 2024 was awarded in line with the Remuneration Policy, which was approved by shareholders at the 2023 AGM. Overall, the committee is satisfied that the policy has operated as it was intended this year.

Single total figure of remuneration (audited)

The following table details director's remuneration for the 2024 financial year (with 2023 comparative figures).

€'000	Year	Base salary/ fees	Pension	Benefits	Bonus	LTIP	Total	Proportion of fixed and variable pay
Fixed Remuneration				Variable Remuneration				
Executive Directors								
Dermot Crowley	2024	652	33	12	501	790	1,988	35:65
	2023	630	32	12	945	476	2,095	32:68
Shane Casserly	2024	422	21	-	325	391	1,159	38:62
	2023	400	20	-	600	435	1,455	29:71
Carol Phelan	2024	414	21	-	318	391	1,144	38:62
	2023	400	20	-	600	115	1,135	37:63
Non-Executive Directors								
John Hennessy	2024	230	-	-	-	-	230	100 : 0
	2023	175	-	-	-	-	175	100 : 0
Cathriona Hallahan	2024	88	-	-	-	-	88	100 : 0
	2023	88	-	-	-	-	88	100 : 0
Jon Mortimore	2024	68	-	-	-	-	68	100 : 0
	2023	28	-	-	-	-	28	100 : 0
Gervaise Slowey	2024	88	-	-	-	-	88	100 : 0
	2023	88	-	-	-	-	88	100 : 0
Elizabeth McMeikan	2024	88	-	-	-	-	88	100 : 0
	2023	88	-	-	-	-	88	100 : 0

Notes:

- Base salary/fees represent all amounts received in respect of the financial year.
- Pension represents payments into the company's defined contribution pension plan. Dermot Crowley, Shane Casserly, and Carol Phelan received pension contributions of 5% of salary.
- Benefits under the group risk-benefit scheme, which includes death in service cover and disability benefit.
- Bonus represents the value of the bonus receivable in respect of the Group's annual bonus plan for the relevant financial year. 30% of any bonus shown above will be deferred into Dalata shares for a minimum period of three years.
- For the LTIP, the value shown for 2024 reflects the final vesting outcome of the 2022 LTIP award, with performance measured over the three-year performance period from 1 January 2022 to 31 December 2024. Vesting of the 2022 award is based 50% on TSR performance compared with company's bespoke TSR group and 50% on Free Cashflow per Share performance achieved in FY24 (see LTIP – vesting outcome of the 2022 award (audited) for further details). The values shown for 2024 have been calculated using the three-month average share price to 31 December 2024 of €4.36. 7% of the value disclosed in respect of the 2022 LTIP relates to the increase in share price from the date of the award. No discretion was exercised. The value shown for 2023, which represents the 2021 LTIP vesting, has been restated from last year to reflect the share price on the date of vesting 2 April 2024 of €4.50. 7% of the value disclosed in respect of the 2021 LTIP relates to the increase in share price from the date of the award.
- Concerning both the bonus and LTIP outturn for 2024, the committee considered whether the outcomes were appropriate in the context of the underlying performance of the business and the experience of shareholders and other stakeholders over the performance period(s) as well as considering whether there was any other significant negative event that would warrant an adjustment. The committee was satisfied that the incentive outcomes were merited, and no further discretion was exercised by the committee to adjust either award.
- In 2024, Non-Executive Directors received reimbursement for expenses incurred travelling to and from meetings as follows: Elizabeth McMeikan €3k (2023: €3k), Jon Mortimore €5k (2023: €0k). Jon Mortimore was appointed non-executive director of the Board on 1 August 2023. His fees for 2023 reflect his time in service during the year.

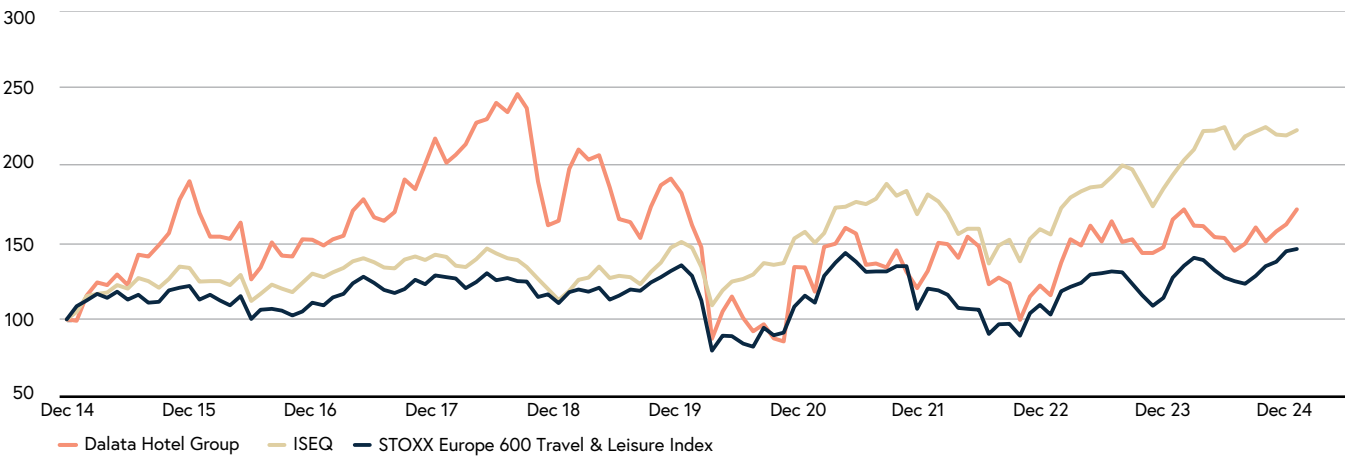
REMUNERATION COMMITTEE REPORT

Annual bonus plan outcome for 2024 (audited)

In line with the Policy, the maximum bonus for 2024 was 150% of salary for all executive directors. This was based 70% on the achievement of stretching financial targets and 30% on non-financial targets.

The threshold target under the Adjusted EBITDA measure was achieved, with an outturn of 30.35% of maximum under this metric. With regards to the individual and environmental and social sustainability objectives, the committee undertook a thorough assessment of performance and judged that these targets were met in full. The committee also took into account the wider performance of the business during the year and determined that the formulaic outcome is appropriate, and that no discretion would be applied.

Overall, therefore, the bonus outcome for 2024 was 51.2% of the maximum for each Executive Director.



Profitability (70% weighting)

Financial performance for annual bonus evaluation is measured using Adjusted EBITDA.

	Threshold (30% vesting)	Target (50% vesting)	Maximum (100% vesting)	Actual	Outcome
Adjusted EBITDA (see APM ii)	€234.4m	€251.9m	€269.6m	€234.5m	30.35% of maximum

Individual strategic objectives (18% weighting)

The committee carefully considered each director's performance against individual strategic objectives set and the outcomes. The committee also had regard to the progress made by the senior management team as a whole toward delivering the company's strategic objectives. A summary of the objectives set and performance achieved is set out below. Commercially sensitive information is excluded from the narrative.

Objectives set	Summary of performance achieved	Outcome
Dermot Crowley		
Execute existing growth strategy and evaluate other strategic growth options.	Presented CEO 2030 Growth Vision strategy plan to the Board and at the Capital Markets Day in Q4 2024.	18% out of 18% weighting achieved
Ensure that adequate funding is in place to support the strategic growth of the Group.	Completed successful refinancing of the Group's banking facilities in Q4 2024 to support the growth strategy.	
Ensure a constant stream of innovative projects come online to help protect profit margins in face of significant increase in payroll costs.	New projects delivered 9% savings in accommodation hours in Ireland and 9% savings in food and beverage in payroll costs. New projects in progress to increase revenue to increase efficiency and the Group has begun to explore the use of AI.	
Ensure senior management and support for a culture of brand compliance throughout the organisation.	Rolled out training programmes and constant follow-up for senior management team to ensure brand compliance culture taking hold. Heart of Hospitality training will embed this further.	
Continue focus on consumer research and ensure that customer/guest preferences are fed into the products we deliver	Latest consumer research presented to the Board in December and will inform decisions such as menus, room consumables and website design (amongst others).	
Maintain the high levels of employee engagement achieved in 2023.	Engagement scores remained at high levels in 2024.	
Ensure the successful repositioning of the Dalata, Maldron and Clayton brands.	Successfully repositioned the brands during 2024, ensuring that brand messaging is further embedded in the organisation.	
Ensure that a comprehensive Food & Beverage strategy is agreed.	New food & beverage strategy approved.	

REMUNERATION COMMITTEE REPORT

Objectives set	Summary of performance achieved	Outcome
Shane Casserly		
Assess and advise Board on strategic growth options across Ireland, UK and Europe, including supporting on the 2030 Vision.	Completed in the year, culminating at the Group's Capital Market Day.	18% out of 18% weighting achieved
Continue to lead on finding innovative ways to improve business performance through the use of technology, assess opportunities that AI may present for the Group.	On-going projects continue to develop, as well as activation of other projects related to potential reservation efficiencies, including the spectrum of AI.	
Ensure focus on cyber security and crisis management.	Crisis management exercise completed and culture of cyber security further embedded in the IT and corporate development teams.	
As a senior member of the executive team, ensure that the people agenda is fully understood and supported amongst the senior management teams.	Provided on-going coaching support to the senior management teams.	
Secure new hotels through acquisition or leases in line with Group strategic targets.	New hotel opportunities contractually secured target met, with opportunities in London, Dublin and Manchester secured and other others close to completion.	
Ensure the successful completion of hotels due to open in 2024 & ensure the successful delivery of all major refurbishment projects.	All hotels due to open in 2024 were delivered successfully, with new construction projects also successfully on track. New Maintenance Capex processes have proved extremely successful.	
Carol Phelan		
Complete refinancing of Group's banking facilities on terms that reflects its strong asset backing, financial discipline and track record.	Refinancing successfully completed in October – increased facilities by c.20% with additional funding sourced through private placement, a reduced security pool, increased flexibility of terms and a limited increase in margins.	18% out of 18% weighting achieved
Prepare a strategic plan for the Shared Service Centre.	Three-year Shared Service Centre strategic plan approved. Other projects also rolled out during the year.	
Develop the overall Finance structure to support the growth strategy and increased efficiency of the Group, including evolution of analysis and reporting.	Significant advancement of the budgeting process to increase overall efficiency and focus on data-based outputs. Support provided across the organisation as we look to become more efficient in supporting hotels. Profit and cash conversion strong in the year demonstrating increased organisational efficiency.	
Ensure active, ongoing monitoring and stress testing of viability and assessing acquisition firepower on an ongoing basis.	Implemented active, on-going monitoring and stress testing to manage the Group's financial resilience – provided the Group with clear understanding of strategic options and financial stability during the year.	

Environmental and social sustainability objectives (12% weighting) [ESRS, \(Gov-3 \(29\)\)](#); [E1 \(Gov-3 \(13\)\)](#)

The committee carefully considered the Group's performance against the environmental and social sustainability objectives set and the outcomes.

Objectives set	Summary of performance achieved	Outcome
Dermot Crowley		
Effectively communicate the Group's approach to Science Based Targets, having considered implications of latest sector guidance.	Clear reporting of progress relating to our sustainability journey included in investor presentations.	12% out of 12% weighting achieved
Ensure Group is on track to achieve medium term targets for the reduction of carbon emissions, food waste and water consumption.	Exceeded targets for carbon emissions per room sold, reliable measuring and control of overall waste is in place and Water Stewardship Programme launched and shared with ESG Committee.	
Maintain focus on inclusion and diversity. Implement the recommendations of report on barriers to women progressing within the Group.	Female Employee Resource Group now established with agreed terms of reference.	
Ensure the Cyber Risk Management process is integrated within the Crisis Management Plan – carry out a cyber incident simulation	Crisis incident simulation held in February – outcome judged to be very successful by external provider.	
Shane Casserly		
Assess and advise Board on most transparent route to ensure that the Group is enroute to meeting Paris Accord climate targets.	Completed in the year and plans are now in place to map out a potential Transition Plan in 2025 to focus on meeting climate targets.	12% out of 12% weighting achieved
Ensure progress on new build specifications to reduce embodied carbon during construction and achieve zero onsite operational carbon	New construction projects commenced in the year on track to deliver hotels with zero onsite carbon production.	
Further identification & assessment of opportunities to procure directly green energy	Workstream progressed significantly during the year and the Group is closer to procuring offsite green electricity.	
Carol Phelan		
Successfully meet new CSRD reporting requirements	CSRD progressed in line with and beyond the requirements, including relative performance versus Irish peers.	12% out of 12% weighting achieved
Embed sustainability data further into business planning and performance	Successful embedded sustainability and CSRD data into business planning and performance, including in budgeting, strategic forecasting and scenario planning (amongst other areas). Significant impact in further embedding the sustainability approach at senior management level, including the impact on the business and reporting.	
Fully explore the potential of green financing as part of examining facility refunding options	Successfully refinanced with a green loan and green private placement with a sustainability enabled RCF in place.	

REMUNERATION COMMITTEE REPORT

Overall outcome

The table below summarises the overall bonus outcome for 2024.

	Weighting	Outcome against target
EBIT	70%	21.2%
Individual objectives	18%	18%
ESG objectives	12%	12%
Sub-total	100%	51.2%

The committee was satisfied that the outcome was appropriate in the context of overall performance, and no further discretion was applied.

LTIP – vesting outcome of the 2022 award (audited)

The 2022 LTIP award granted to executive directors on 2 March 2022 became eligible for vesting following the completion of the Performance Period on 31 December 2024. Vesting of the award was subject to two performance criteria: 50% of the award is based on TSR performance compared with company's bespoke TSR group, and 50% is based on Free Cashflow per Share (FCPS) performance for the year ended 31 December 2024.

Overall, 79.7% of the award will vest based on the assessment of the TSR and FCPS performance, as shown below.

	Weighting	Threshold (25% vesting)	Maximum (100% vesting)	Actual	Vesting outcome
TSR	50%	TSR at median level of the Group (10.3%)	TSR at the upper quartile level of the Group (65.5%)	19.0%	59.4%
Free Cashflow per Share ("FCPS") (see APM xii)	50%	€0.36	€0.48	€0.56	100%
				Overall vesting	79.7% of maximum

TSR was calculated using a 3-month average at the start and end of the performance period (1 January 2022 to 31 December 2024). Vesting determined based on TSR performance compared with the company's bespoke TSR group. A full list of the companies in the Group can be found on in the Annual Remuneration Report, Statement of Implementation for 2025.

The committee was satisfied that the outcome was appropriate in the context of overall performance and the shareholder experience, and no further discretion was applied.

Share incentive plan interests awarded during 2024 (audited)

The table below provides details of the LTIP awards made during the year to the executive directors.

Director	Type of award	Face value of the award at grant	Number of shares awarded	Vesting at threshold (% of maximum)	Performance Period
Dermot Crowley	LTIP	150% of salary	217,921	25%	1 January 2024 to 31 December 2026
Shane Casserly	LTIP	125% of salary	115,302	25%	1 January 2024 to 31 December 2026
Carol Phelan	LTIP	125% of salary	115,302	25%	1 January 2024 to 31 December 2026

Vesting is based on two separate performance criteria: 50% of the award is based on TSR performance compared with the company's bespoke TSR group. A full list of the companies in the Group can be found on in the Annual Remuneration Report, Statement of Implementation for 2025. Threshold vesting occurs for TSR equal to the median TSR of the Group and maximum vesting where TSR is equal to or greater than the upper quartile TSR of the Group. The remaining 50% is based on Free Cashflow per Share achieved in FY26, with threshold vesting for FCPS equal to €0.631 and maximum vesting if FCPS is equal to or greater than €0.771.

The number of shares awarded was calculated using the volume-weighted average share price on 28 March 2024 (€4.4882), the last trading day prior to the date of the grant.

Additional Disclosures

Directors and Company Secretary share interests

	Conditional LTIP share awards subject to performance conditions						
	Shares beneficially owned as at 31 December 2023	Shares beneficially owned as at 31 December 2024	Option to acquire shares under Sharesave Scheme	2022 Award (vesting after 31/12/24)	2023 Award (vesting after 31/12/25)	2024 Award (vesting after 31/12/26)	Total Conditional LTIP Awards
Dermot Crowley	661,793	851,040	5,787	218,848	220,769	217,921	657,538
Shane Casserly	199,505	345,928	5,787	108,188	116,809	115,302	340,299
Carol Phelan	56,396	131,952	5,787	108,188	116,809	115,302	340,299
John Hennessy	200,000	200,000					
Cathriona Hallahan	-	-					
Elizabeth McMeikan	8,000	8,000					
Jon Mortimore	-	-					
Gervaise Slowey	25,939	25,939					
Seán McKeon	188,332	239,137	5,787	45,612	44,808	44,237	134,657

Shares beneficially owned include those of connected persons and include shares held in trust, which are subject to deferral or holding periods.

Total conditional LTIP awards include LTIP awards to Executive Directors representing the maximum number of shares that may vest under 2022, 2023, and 2024 LTIP awards based on the performance conditions associated with each award. The 2022 award will vest at 79.7% of maximum, see LTIP – vesting outcome of the 2022 award (audited).

There was no change in the beneficial interests of the Directors between the year-end and the date of this report.

REMUNERATION COMMITTEE REPORT

Shareholding guidelines

Executive Directors are expected to build up and maintain a beneficial holding of at least 200% of base salary. Based on the closing share price on 31 December 2024 of €4.67, the Executive Directors' beneficial holdings as a percentage of their base salary (on that date) were as reported below.

	Appointed	Personal investment Number of shares	Post-appointment incentive awards (after tax) Number of shares	Total holding Number of shares	Beneficial shareholding % base salary
Dermot Crowley	March 2014	430,874	420,166	851,040	610%
Shane Casserly	January 2020	172,874	172,054	345,928	390%
Carol Phelan	January 2022	69,844	62,108	131,952	149%

The executive directors have accumulated their shareholdings through pre-appointment personal investment, further post-appointment personal investment, and shares awarded post-appointment through share-based incentive plans (minus the associated taxes). When a director funds the taxes associated with an incentive award from savings, the shares that correspond in value to the tax expense are considered a personal investment.

Carol Phelan (2022) is a relatively recent board appointee is currently making progress to build her shareholding up to the 200% of base salary level.

TSR performance summary and historic remuneration outcomes

The graph below compares the TSR (re-based to 100) over the period since listing to the performance of the ISEQ Index and the median of the STOXX Europe 600 Travel and Leisure Index.

The following table shows the total remuneration for the chief executive for each financial year over the same period.

	2015	2016	2017	2018	2019	2020	2021 ¹	2022 ²	2023	2024
Single figure (€'000)	840	1,603	1,764	1,511	1,293	542	583	1,169	2,095	1,988
Annual bonus outcome (% of maximum)	100%	90%	100%	100%	62.5%	0%	0%	58.3%	100%	51%
LTIP vesting (% of maximum)	N/A	100%	100%	46%	67%	0%	0%	14%	99%	80%

2021 single figure includes the outgoing CEO's pay until 31 October and the new CEO's pay from 1 November until 31 December 2021.

The single figure outcome for 2023 has been updated based on the actual share price on the date of LTIP vesting in April 2024.

Relative spend on pay

The following table shows the Group's aggregate actual spend on pay (for all employees) and dividends in respect of the current and previous financial year.

	2023	2024	Change
Dividend	€8.9m	€27.1m	204%
Aggregate employee remuneration	€148.3m	€165.9m	12%

Percentage change in remuneration

The following analysis is presented in compliance with S1110N of the Companies Act 2014: it summarises the annual change in remuneration for each director over five years in comparison to the annual change in average employee remuneration.

	Appointed	Retired	2020 v. 2019	2021 v. 2020	2022 v. 2021	2023 v. 2022	2023 v. 2024	2024 €'000's
Dermot Crowley	Mar 2014		(51%)	17%	166%	79%	-5%	1,988
Shane Casserly	Jan 2020		n/a	9%	119%	102%	-20%	1,159
Carol Phelan	Jan 2022		n/a	n/a	n/a	75%	1%	1,144
John Hennessy	Mar 2014		(11%)	8%	4%	17%	31%	230
Cathriona Hallahan	Nov 2020		n/a	n/a	609%	13%	0%	88
Elizabeth McMeikan	Oct 2019		400%	9%	4%	4%	0%	88
Jon Mortimore	Aug 2023		n/a	n/a	n/a	n/a	143%	68
Gervaise Slowey	Dec 2021		n/a	n/a	1,600%	4%	0%	88
Profit (loss) before tax			(224%)	90%	1,059%	-4%	-14%	91,238
Average group FTE			17%	(1%)	15%	0%	11%	41

Dermot Crowley was promoted to group CEO effective 1 November 2021.

Payments to past Directors

There were no payments to past Directors during the year.

Payments for loss of office

There were no payments for loss of office during the year.

AGM voting

At last year's Annual General Meeting, the following votes were received on the resolution to receive and consider the Director's Report on Remuneration for the year ended 31 December 2023.

	Votes	%
Votes For	153,235,860	99%
Votes Against	2,094,823	1%
Total Votes	155,330,683	100%
Votes Withheld	0	

REMUNERATION COMMITTEE REPORT

The following votes were received on the resolution to approve the Directors Remuneration Policy at the 2023 AGM.

	Votes	%
Votes For	159,372,439	99%
Votes Against	1,658,586	1%
Total Votes	161,031,025	100%
Votes Withheld	0	

The committee was pleased with the level of support received for our Remuneration Report and Directors' Remuneration Policy. As always, we are committed to taking into consideration the views of our shareholders each year in our approach to and disclosure of remuneration.

Remuneration Committee and advisors

The chief executive and the company secretary attended committee meetings at the invitation of the committee chair (but were not present for discussions on their own remuneration).

The committee's independent advisor Deloitte LLP and the Chief People Officer also attended meetings.

The members of the committee have no financial interest and no potential conflicts of interest, other than as shareholders, in the matters to be decided and no day-to-day involvement in the running of the business.

In carrying out its duties, the committee considers any relevant legal requirements, the recommendations in the UK Corporate Governance Code and the Listing Rules of the London Stock Exchange or Euronext Dublin and associated guidance and investor guidelines on executive remuneration.

The Board approves the remuneration of the non-executive directors. During 2024, the committee continued to receive independent advice from Deloitte LLP, based in London, in respect of the development of the Remuneration Policy.

Deloitte LLP is a member of the Remuneration Consultants Group and adheres to its Code concerning executive remuneration consulting. Deloitte Ireland also provided unrelated corporate finance advisory services during the year.

It is the view of the committee that the Deloitte LLP engagement team that provide remuneration advice to the committee do not have connections with the company or its directors that may impair their independence.

The committee reviewed the potential for conflicts of interest and judged that there were appropriate safeguards against such conflicts.

The committee considers that the advice received from the advisors is independent, straightforward, relevant, and appropriate and that it has an appropriate level of access to them and has confidence in their advice.

Fees charged by Deloitte LLP during the year were £104,600. These fees were charged on a time and materials basis.

On behalf of the Board

Elizabeth McMeikan
Chair
Remuneration Committee
5 March 2025

DIRECTORS' REPORT

The directors present their report and the consolidated financial statements of Dalata Hotel Group plc (“Dalata” or the “company”) and its subsidiaries (the “Group”) for the year ended 31 December 2024.

Principal activities and business review

The principal activities of Dalata Hotel Group plc are hotel operations and hotel-related development activity across Ireland, the UK, Germany and the Netherlands. Shareholders may refer to the Chair's Statement, Chief Executive's Review, Financial Review, the Key Performance Indicators (KPI's) and Stakeholder Review sections of the Annual Report, which contain a review of operations and the financial performance of the Group for 2024, the outlook for 2025 and the key performance indicators used to assess the performance of the Group. These are deemed to be incorporated in the Directors' Report.

Results for the year

The consolidated statement of profit or loss and other comprehensive income for the year ended 31 December 2024, and the consolidated statement of financial position at that date are set out in our Financial Statements.

Dividends

An interim dividend of 4.1 cent per share, amounting to €9.1 million, was paid to shareholders on 4 October 2024. The Directors recommend the payment of a final dividend of 8.4 cent per share for the year ended 31 December 2024. Subject to shareholders' approval at the Annual General Meetings on 30 April 2025, the payment date for the final dividend is 8 May 2025 to shareholders registered on the record date of 4 April 2025.

Future developments

A review of future developments of the business is included in the Strategic Report.

Directors and company secretary

The names of the directors and company secretary and a biographical note on each appear in the [Board of Directors](#) Section.

In accordance with the provisions contained in the UK Corporate Governance Code, all directors will voluntarily retire and be subject to election by shareholders at the 2025 Annual General Meeting.

Directors' and company secretary's interests

Details of the directors' and company secretary's share interests and interests in unvested share awards of the company and Group companies are set out in the [remuneration committee report](#).

Audit committee

The Group has established an audit and risk committee comprising three independent non-executive directors. Details of the committee and its activities are set out in our [Audit and Risk Committee Report](#).

Share capital

The issued share capital of Dalata consists of 211,483,988 ordinary shares as at 5 March 2025. Each share has a nominal value of €0.01. All shares have equal voting and dividend rights.

The Group has in place a number of employee share schemes. Details of these are set out in the [remuneration committee report](#) and in [Note 8](#) to the consolidated financial statements.

Employee Benefit Trust

In February 2024, an Employee Benefit Trust "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 repurchased 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.

Repurchase of own shares

On 4 September 2024, under authorities granted by shareholders at the AGM held on 25 April 2024, the Company announced the commencement of a €30 million share buyback programme. A total of 7,353,210 ordinary shares were repurchased and cancelled during the programme, which concluded on 14 October 2024. On the 15th of October, the company commenced a second buyback programme of € 25 million shares, which concluded on 28 January 2025. During the second buyback programme, the Company repurchased 5,592,962 Ordinary Shares at a VWAP of €4.47 per share.

DIRECTORS' REPORT

Substantial holdings

As at 5 March 2025, the company has been notified of the following interests of 3% or more in its share capital which are presented in the table below.

Holder	Number of Ordinary Shares	% shares in issue
Helikon Investments Limited	31,965,161	15.02%
Perpetua Holding Europe S.a.r.l	22,311,796	10.01%
Eiendomsspar AS	18,030,682	8.48%
FMR LLC	12,536,758	5.93%
JP Morgan Chase & Co	11,921,401	5.53%
UBS Group AG	9,285,143	4.39%
The Goldman Sachs Group, Inc	8,711,607	4.12%

Principal risks and uncertainties

Under Irish company law, the company is required to give a description of the principal risks and uncertainties which the Group faces. These principal risks and uncertainties form part of the Risk Management Report. The Financial Risk Management policies are set out in [Note 25](#) to the consolidated financial statements.

Non-financial reporting directive

Dalata aims to comply with the requirements of the Non-Financial Reporting Directive (S.I 360/2017), and these requirements are addressed in the Strategic Report.

Additionally, non-financial concerns are reflected in our Stakeholder Review section and in our Risk Management Report. The company uses a number of non-financial metrics, several of which are disclosed in this report, including our key non-financial performance indicators in the KPIs section.

Accounting records

The directors believe that they have complied with the requirements of Sections 281 to 285 of the Companies Act 2014 with regard to adequate accounting records by employing accounting personnel with appropriate expertise and by providing adequate resources to the financial function.

The accounting records of the company are maintained at its registered office: Termini, 3 Arkle Road, Sandyford Industrial Estate, Dublin 18, D18 C9C5.

Takeover regulations 2006

For the purpose of Regulation 21 of Statutory Instrument 255/2006 'European Communities (Takeover Bids Directive (2004/25/EC)) Regulations 2006', the information given in [note 8](#) to the consolidated financial statements and in the remuneration committee report in relation to the Long-Term Incentive Plan, employee share schemes, directors' service contracts and appointment and compensation for loss of office of directors is deemed to be incorporated in the Directors' Report.

Transparency regulations 2007

For the purposes of information required by Statutory Instrument 277/2007 'Transparency (Directive 2004/109/EC) Regulations 2007' concerning the development and performance of the Group, the Climate-Related Risks section is deemed to be incorporated in this part of the Directors' Report together with details of earnings per share in [note 30](#) to the consolidated financial statements, employment details in [note 7](#) and details of financial instruments in [note 25](#).

Corporate governance regulations

As required by company law, the directors have prepared a Report on Corporate Governance, which is set out in the Corporate Governance Report Section and which, for the purposes of Section 1373 of the Companies Act 2014, is deemed to be incorporated in this part of the Directors' Report. Details of the capital structure and employee share schemes are included in [notes 19 and 8](#) to the consolidated financial statements, respectively.

Relevant audit information

The directors who held office at the date of approval of this Directors' Report confirm that, so far as they are each aware, there is no relevant audit information of which the company's external auditor is unaware, and each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's external auditor is aware of that information.

Compliance statement

The directors, in accordance with Section 225(2) of the Companies Act 2014, acknowledge that they are responsible for securing the company's compliance with certain obligations specified in that section arising from the Companies Act 2014, the Market Abuse (Directive 2003/6/EC) Regulations 2005, the Prospectus (Directive 2003/71/EC) Regulations 2005, the Transparency (Directive 2004/109EC) Regulations 2007 and Tax laws ('relevant obligations').

The directors confirm that:

- a compliance policy statement has been drawn up setting out the company's policies that, in their opinion, are appropriate with regard to such compliance;
- appropriate arrangements and structures have been put in place that are designed to provide reasonable assurance of compliance in all material respects with those relevant obligations, and a review has been conducted, during the financial year, of those arrangements and structures.

Going concern

A detailed assessment of going concern is set out in [Note 1](#) of the Financial Statements.

The current activities of the Group and those factors likely to affect its future development, together with a description of its financial position, are described in the Strategic Report.

Principal risks and uncertainties affecting the Group and the steps taken to mitigate these risks are described in the Risk Management section of the Strategic Report.

The Board has an expectation that the company remains viable and will be able to continue in operation and meet its liabilities as they fall due over the five years to December 2029 (in line with the Viability Statement in the Risk Management Section).

In making this assessment, the directors considered the going concern status for a period of at least 12 months from the date of signing this Annual Report and Accounts.

For this reason, they continue to adopt the going concern basis in preparing the financial statements.

Sustainability Reporting

The Sustainability Statement represents a dedicated section of the Directors' Report and is deemed to be incorporated within the [Directors' Report](#). We, the directors of Dalata Hotel Group plc and its consolidated undertakings have prepared the sustainability reporting set out in the consolidated Sustainability Statement (hereafter referred to as the 'Sustainability Statement') included in the Sustainability Statement section of the Directors' Report for the year ended 2024, in accordance with Part 28 of the Companies Act 2014.

Political contributions

There were no political contributions that required disclosure under the Electoral Act 1997.

Independent auditors

KPMG, Chartered Accountants, were appointed statutory auditor in 2014 and reappointed on 30 June 2016 and, pursuant to section 383(2) of the Companies Act 2014, will continue in office.

Subsidiaries

Information on the Group's subsidiaries is set out in [note 29](#) to the consolidated financial statements.

Subsequent events

Details of subsequent events are set out in [note 28](#) to the consolidated financial statements.

The Financial Statements were approved by the Board on 5 March 2025.

On behalf of the Board

John Hennessy

Non-executive Chair

Dermot Crowley

Chief Executive

5 March 2025

Independent Practitioner's Limited Assurance Report to the Directors of Dalata Hotel Group Plc

Limited Assurance Report on the Sustainability Statement

Our limited assurance conclusion

We have performed a limited assurance engagement on the sustainability reporting set out in the consolidated Sustainability Statement ('Sustainability Statement') of Dalata Hotel Group Plc and its consolidated undertakings ("the Group" or "the Entity") for the year ended 31 December 2024 prepared in accordance with Part 28 of the Companies Act 2024 which is a dedicated section of the Directors' Report.

Based on the procedures performed and evidence obtained, nothing has come to our attention to cause us to believe that the Entity's Sustainability Statement for the year ended is not prepared, in all material respects, in accordance with Part 28 of the Companies Act 2014, including:

- the compliance of the Sustainability Statement with the European Sustainability Reporting Standards (ESRS);
- the process carried out by the Entity to identify material sustainability related impacts, risks, and opportunities in accordance with ESRS;
- the compliance with the reporting requirements of Article 8 of Regulation (EU) 2020/852 (the "Taxonomy Regulations"); and
- compliance with the requirement to mark up the Sustainability Statement in accordance with Section 1600 of the Companies Act 2014.

Basis for our conclusion

We conducted our limited assurance engagement in accordance with International Standard on Assurance Engagements (ISAE) (Ireland) 3000, as adopted by the Irish Auditing and Accounting Supervisory Authority (IAASA). Our responsibilities under this standard are further described in the section titled 'Our responsibilities' in this report.

The procedures in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Any internal control structure, no matter how effective, cannot eliminate the possibility that fraud, errors or irregularities may occur and remain undetected and because we use selective testing in our engagement, we cannot guarantee that all errors or irregularities, if present, will be detected.

The Sustainability Statement includes prospective information such as ambitions, strategy, plans, expectations and estimates. Prospective information relates to events and actions that have not yet occurred and may never occur. We do not provide any assurance on the assumptions and achievability of this prospective information.

Our responsibilities under this standard are further described in the section titled 'Our responsibilities' in this report.

We have fulfilled our ethical responsibilities under, and we remained independent of the Entity in accordance with, ethical requirements applicable in Ireland, including the International Code of Ethics for Professional Accountants (including International Independence Standards)

issued by the International Ethics Standards Board for Accountants (IESBA Code), the independence requirements of the Companies Act 2014 and the Code of Ethics issued by Chartered Accountants Ireland that are relevant to our limited assurance engagement of the Sustainability Statement in Ireland.

Our firm applies International Standard on Quality Management (ISQM) 1 (Ireland), Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements, issued by the IAASA. This standard requires the firm to design, implement and operate a system of quality management, including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Other matter – Compliance with the requirement to mark-up the Sustainability Statement

We note that Section 1613(3)(c) of the Companies Act 2014 requires us to report on the compliance by the Entity with the requirement to mark-up the Sustainability Statement in accordance with Section 1600 of that Act. Section 1600 of the Companies Act 2014 requires that the Directors' Report is prepared in the electronic reporting format specified in Article 3 of Delegated Regulation (EU) 2019/815 and shall mark-up the Sustainability Statement. However, at the time of issuing our limited assurance report, the electronic reporting format has not been specified nor become effective by Delegated Regulation. Consequently, the Entity is not required to mark-up the Sustainability Statement. Our conclusion is not modified in respect of this matter.

Other information

The directors are responsible for the other information. The other information comprises the Overview, Strategic Report, Corporate Governance, Financial Statements, Supplementary Information included in the Entity's Annual Report but does not include the Sustainability Statement and our Limited Assurance Report thereon.

Our limited assurance conclusion on the Sustainability Statement does not cover the other information and we do not express any form of assurance conclusion thereon.

The comparative sustainability reporting in the Sustainability Statement included in the Directors' Report for the period from 1 January 2023 to 31 December 2023 has not been part of the assurance engagement. Consequently, the comparative sustainability reporting and thereto related disclosures in the Sustainability Statement for this period are not assured.

Responsibilities for the Sustainability Statement

As explained more fully in the Statement of Directors' Responsibilities for the Sustainability Statement, the directors of the Entity are responsible for:

- preparing, measuring, presenting and reporting the Sustainability Statement in accordance with the relevant criteria, contained in the applicable sustainability reporting framework being the ESRS, Part 28 of the Companies Act 2014; the Taxonomy Regulations; the requirement to mark up the Sustainability Statement in accordance with Section 1600 of the Companies Act 2014; and any additional criteria used by the Entity to supplement and/or interpret the sustainability reporting framework criteria; and
- developing, implementing and reporting its double materiality assessment process to identify the information reported in the Sustainability Statement in accordance with ESRS and for disclosing this process in the Sustainability Statement. This responsibility includes identifying and engaging with the Entity's stakeholders as identified in the Entity's double materiality assessment process (stakeholders) to understand their information needs.

Inherent limitations in preparing the Sustainability Statement

We obtained limited assurance over the preparation of the Sustainability Statement in accordance with the Companies Act 2014. Inherent limitations exist in all assurance engagements.

There are inherent limitations regarding the measurement or evaluation of the Sustainability Statement subject to limited assurance, which have been set out below:

- Estimates, approximations and/or forecasts used by the Entity in preparing and presenting their Sustainability Statement are subject to significant inherent uncertainty. The extent to which the Sustainability Statement contains, qualitative, quantitative, objective, subjective, historical and prospective disclosures, also represents a significant degree of uncertainty. The selection by management of different but acceptable estimation, approximation or forecasting techniques, could have resulted in materially different amounts or disclosures being reported. For the avoidance of doubt, the scope of our engagement and our responsibilities did not involve us performing work necessary for any assurance on the reliability, proper compilation, or accuracy of the prospective information.
 - In determining the disclosures in the Sustainability Statement, management of the Entity interprets undefined legal and other terms. Undefined legal and other terms may be interpreted differently, including the legal conformity of their interpretation and, accordingly, are subject to uncertainties.
 - Certain metrics reported within the Sustainability Statement may be subject to inherent limitations, for example, value chain information relating to emissions data provided by third parties.
 - Where estimated, approximated and/or forecast information is provided by management in respect of value chain information, the verification or benchmarking of this information is subject to a high degree of uncertainty and the actual value chain information may be different to the estimated, approximated or forecast value chain information provided by management.
- When applicable, as described in your disclosures relating to ESRS E1 Climate Change, GHG emissions quantification is subject to significant inherent measurement uncertainty because of incomplete scientific knowledge used to determine emissions factors and the values to combine emissions of different gases. Greenhouse gas quantification is unavoidably subject to significant inherent uncertainty as a result of both scientific and estimation uncertainty. Estimation uncertainty can arise because of:
 - The inherent uncertainty in quantifying inputs, such as activity data and emission factors, that are used in mathematical models to estimate emissions (measurement uncertainty);
 - the inability of such models to precisely and accurately characterise under all circumstances the relationships between various inputs and the resultant emissions (model uncertainty); and
 - the fact that uncertainty can increase as emission quantities with different levels of measurement and calculation uncertainty are aggregated (aggregation uncertainty).
 - The Entity developed additional criteria used to supplement and/or interpret the sustainability reporting framework criteria, set out in the Basis of Preparation, the nature of the sustainability matters, and absence of consistent external standards allow for different, but acceptable, measurement methodologies to be adopted which may result in variances between entities. The adopted measurement methodologies may also impact the comparability of sustainability matters reported by different organizations and from year to year within an organization as methodologies develop.
 - In reporting forward-looking information in accordance with ESRS, management of the Entity is required to prepare the forward-looking information on the basis of disclosed assumptions about events that may occur in the future and possible future actions by the Entity. This includes the selection of different but acceptable estimation, approximation or forecasting techniques, which could have resulted in materially different amounts or disclosures being reported.

DIRECTORS' REPORT

Our responsibilities

Our objectives are to plan and perform the assurance engagement to obtain limited assurance about whether the Sustainability Statement in scope of our conclusion, is free from material misstatement, whether due to fraud or error, and to issue a Limited Assurance Report that includes our conclusion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence decisions of users on the basis of the Sustainability Statement.

As part of a limited assurance engagement in accordance with ISAE (Ireland) 3000, we exercise professional judgment and maintain professional skepticism throughout the engagement. We also:

- Perform risk assessment procedures, including obtaining an understanding of internal controls relevant to the engagement, to identify disclosures where material misstatements are likely to arise, whether due to fraud or error, but not for the purpose of providing a conclusion on the effectiveness of the Entity's internal control.
- Design and perform procedures responsive to where material misstatements are likely to arise in the Sustainability Statement. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Design and perform procedures to evaluate whether the Sustainability Statement has been prepared in accordance with the ESRS, which includes the process carried out by the Entity to identify material sustainability related impacts, risks and opportunities.
- Design and perform procedures to evaluate whether the Sustainability Statement has been prepared in compliance with the Taxonomy Regulations.
- With respect to our conclusion in respect to the Entity's reporting obligations and responsibility to mark up the Sustainability Statement in accordance with Section 1600 of the Companies Act 2014, we assess whether we have become

aware of anything to suggest that the Sustainability Statement has not been prepared, in all material respects in this specified format. However, as explained in the 'Other matter- Compliance with the requirement to mark-up the Sustainability Statement' section of our assurance report, the Entity is not currently required to mark-up the Sustainability Statement.

Summary of the work performed

A limited assurance engagement involves performing procedures to obtain evidence about the Sustainability Statement. The nature, timing and extent of procedures selected depend on professional judgment, including the identification of disclosures where material misstatements are likely to arise, whether due to fraud or error, in the Sustainability Statement.

The procedures in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement and depend on professional judgment, including the identification of disclosures where material misstatements are likely to arise, whether due to fraud or error, in the Sustainability Statement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

In conducting our limited assurance engagement, the procedures we have performed included the following:

- Obtaining an understanding of the Sustainability Statement reporting process performed by the Entity, including the preparation of the Sustainability Statement.
- Obtaining an understanding of the Entity's double materiality assessment process by performing inquiries to understand the sources of the information used by management and reviewing the Entity's internal documentation of this process; and evaluating whether the evidence obtained from our procedures about the Entity's process is consistent with the description of the process set out in the Sustainability Statement;

- Performing risk assessment procedures to understand the Entity and its environment, including the Entity's reporting boundary, its value chain information and identify risks of material misstatement;
- Designing and performing further assurance procedures (which included inquiries, analytical procedures and test of detail) to respond to the identified risks of material misstatement; and
- Evaluating the overall presentation of the Sustainability Statement, and considered whether the Sustainability Statement as a whole, including the sustainability matters and disclosures, is disclosed in accordance with the applicable criteria.

The purpose of our limited assurance work and to whom we owe our responsibilities.

Our report is made solely in accordance with Section 1613 of the Companies Act 2014 to the Directors of the Entity.

Our assurance work has been undertaken so that we might state to the Directors those matters we are required to state to them in a limited assurance report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Entity and its Directors, as a body, for our limited assurance work, for this report, or for the conclusions we have formed.

Conor Holland
For and on behalf of

KPMG

Chartered Accountants, Statutory Audit Firm
1 Harbourmaster Place, IFSC
Dublin 1, D01 F6F5
Ireland

5 March 2025

Statement of Directors' Responsibilities for the Sustainability Statement

The Directors of the Entity are responsible for: preparing the Sustainability Statement in accordance with the relevant criteria, contained in the applicable sustainability reporting framework being Part 28 of the Companies Act 2014, the ESRS; the Taxonomy Regulations; and any additional criteria used by the Entity to supplement and/or interpret the sustainability reporting framework criteria; and including the Sustainability Statement in a clearly identifiable dedicated section of the Directors' Report This responsibility includes:

- appropriately referring to and describing the applicable criteria used;
- understanding the context in which the Entity's activities and business relationships take place and developing an understanding of its affected stakeholders;
- the identification of the actual and potential impacts (both negative and positive) related to sustainability matters, as well as risks and opportunities that affect, or could reasonably be expected to affect, the entity's financial position, financial performance, cash flows, access to finance or cost of capital over the short, medium, or long-term;
- the assessment of the materiality of the identified impacts, risks and opportunities related to sustainability matters by selecting and applying appropriate thresholds;
- disclosing and reporting our double materiality assessment process in the Sustainability Statement in accordance with ESRS;

- disclosing that the scope of consolidation for the Sustainability Statement is the same as for the financial statements and disclosed to what extent the Sustainability Statement covers the Company's upstream and downstream value chain ("the reporting boundary");
- including material value chain information that meets the qualitative characteristics set out in ESRS in the Sustainability Statement when required by ESRS;
- identifying the quantitative metrics and monetary amounts disclosed in the Sustainability Statement that are subject to a high level of measurement uncertainty;
- disclosing established targets, goals and other performance measures, and implementing actions to achieve such targets, goals and performance measures;
- describing the implemented due diligence process in respect of sustainability matters of the Entity;
- when relevant, using reasonable assumptions and estimates in preparing the Sustainability Statement. This includes the selection of different but acceptable estimation, approximation or forecasting techniques about forward-looking information;
- reporting and preparing forward-looking information, when applicable, on the basis of disclosed assumptions about events that may occur in the future and possible future actions by the Entity; and
- ensuring the Entity maintains adequate records in relation to the preparation of the Sustainability Statement.

The Directors are also responsible for designing, implementing and maintaining such internal controls that they determine are relevant to enable the preparation of the Sustainability Statement in accordance with Part 28 of the Companies Act 2014 that is free from material misstatement, whether due to fraud or error.

On behalf of the Board

John Hennessy
Chair
5 March 2025

Dermot Crowley
Director

DIRECTORS' REPORT

Sustainability Statement

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General	ESRS 2	General Disclosure	ESRS 2 – General Disclosures
Environment	ESRS E1	Climate Change	ESRS E1 – Climate Change
		EU Taxonomy	EU Taxonomy
	ESRS E3	Water and Marine Resources	ESRS E3 – Water and Marine Resources
	ESRS E5	Resource Use and Circular Economy	ESRS E5 – Resource Use and Circular Economy
Social	ESRS S1	Own Workforce	ESRS S1 – Own Workforce
	ESRS S4	Consumers and End-Users	ESRS S4 – Consumers and End Users
Governance	ESRS G1	Business Conduct	ESRS G1 – Business Conduct

Introduction

The Sustainability Statement has been prepared in accordance with Part 28 of the Companies Act 2014. This Sustainability Statement is a dedicated section of the [Directors' Report](#).

In the Sustainability Statement, we have implemented the Corporate Sustainability Reporting Directive (CSRD) and the specific requirements of the European Sustainability Reporting Standards (ESRS).

In accordance with the double materiality assessment completed in 2024, we report on the following topics, in addition to the EU Taxonomy:

- General disclosures
- Climate change
- Water and marine resources
- Resource use and circular economy
- Own workforce
- Consumers and end-users
- Business conduct

ESRS 2 - General Disclosures

BP-1	General basis for preparation of the Sustainability Statement	ESRS 2, BP-1
BP-2	Disclosures in relation to specific circumstances	ESRS 2, BP-2
GOV-1	Role of the administrative, management and supervisory bodies	ESRS 2, GOV-1 and GOV-2
GOV-2	Information provided to and sustainability matters addressed by administrative, management and supervisory bodies	ESRS 2, GOV-1 and GOV-2
GOV-3	Integration of sustainability-related performance in incentive schemes	ESRS 2, GOV-3
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GOV-5	Risk management and internal controls over sustainability reporting	ESRS 2, GOV-5
SBM-1	Strategy, business model and value chain	ESRS 2, SBM-1
SBM-2	Interests and views of stakeholders	ESRS 2, SBM-2
SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	ESRS 2, SBM-3
IRO-1	Description of process to identify and assess material impacts, risks and opportunities	ESRS 2, IRO-1
IRO-2	Disclosure requirements in ESRS covered by the Sustainability Statement including ESRS data points from other EU legislation	ESRS 2, IRO-2

ESRS 2, BP-1

General basis for preparation of the Sustainability Statement

The Sustainability Statement is prepared in accordance with the ESRS standards adopted by the EU Commission. All the disclosures included in the environment, social, and governance sections have either been assessed as material according to our double materiality assessment (DMA) or are mandatory according to the ESRS standards. Information in the Sustainability Statement includes the Company and its subsidiary undertakings and has been prepared on the same basis as the Financial Statements.

The Sustainability Statement covers our own operations, upstream and downstream value chain as the related impacts, risks, and opportunities (IROs) have been identified and assessed in our DMA. Selected policies, actions, and targets extend to our value chain, where relevant.

No information corresponding to intellectual property, know-how or the results of innovation or information relating to any impending developments or matters that are being negotiated have been omitted from the Sustainability Statement.

We, the directors of Dalata Hotel Group and its consolidated undertakings have prepared the sustainability reporting set out in the consolidated Sustainability Statement (hereafter referred to as the 'Sustainability Statement') included in a dedicated section of the Directors' Report for the year ended 31st December 2024, in accordance with Part 28 of the Companies Act 2014.

DIRECTORS' REPORT

ESRS 2, BP-2

Disclosures in relation to specific circumstances

The Group has not deviated from the definitions of short-, medium- and long-term time horizons defined by ESRS 1 as they align with those applied in the Group's Financial Statements and as defined in ESRS 1. Short-term is defined as the reporting period in our Financial Statements, one year; medium-term is from the end of the short-term up to five years; long-term is defined as more than five years.

The Group made assessments and estimates for the reporting of some data points using indirect sources. In relation to scope 3 GHG emissions reporting, we used estimates by combining our activity data with emissions factors as it was not feasible to obtain accurate supplier specific emissions data for our scope 3 GHG emissions categories. In some cases, we use broader, more generic activity data or emissions factors and extrapolate these to cover data gaps that we might have.

In relation to waste reporting, estimates are used for waste generated from our hotel in Germany. In relation to water consumption, we made an assessment that 5% of all water withdrawals were consumed in all countries which is in line with current practices in the UK. We also included estimates for two hotels in Ireland where consumption and withdrawals were based on the reasonable water usage for a property of similar size.

Details of the basis of preparation of these assessments and estimates are outlined in the accounting policies beside the relevant tables as follows:

- E1-5 Energy consumption and mix
- E1-6 Gross Scopes 1, 2, 3 and total GHG emissions
- E1-6 GHG Intensity based on net revenue
- E3-4 Water Consumption
- E5-5 Resource Outflows

The Group intends to review the sustainability reporting process and may consider implementing technology which can be integrated into our existing systems to enable improved efficiency and accuracy of data.

Changes in the preparation and presentation of sustainability information in the 2024 Annual Report are as follows:

- Separate Sustainability Statement prepared with reference to the ESRS issued by the European Financial Reporting Advisory Group (EFRAG).
- DMA was conducted in accordance with the requirements of ESRS to identify impacts, risks and opportunities across the Group's own operations and value chain.
- New disclosures and metrics as required by ESRS.

The Group has not disclosed any information relating to prior periods.

The Group has availed of the following phase-in reporting exemptions:

- E1-9 Anticipated financial effects from material physical and transition risks and potential climate-related opportunities
- E3-5 Anticipated financial effects from water and marine resources-related impacts, risks and opportunities
- E5-6 Anticipated financial effects from material resource use and circular economy-related impacts, risks and opportunities

Incorporation by reference

Disclosure requirement	Datapoint	Description	Link
ESRS 2, GOV-1	21 (c)	Information about member's experience relevant to sectors, products and geographic locations of undertaking	Board of Directors ESRS 2 (Gov-1 (21c))
ESRS 2, GOV-3	29	Integration of sustainability-related performance in incentive schemes	Remuneration Committee Report (ESG objectives (12% weighting)) ESRS, (Gov-3 (29))
ESRS 2, SBM-1	42	Strategy, business model and value chain	Our Business Model ESRS 2 (SBM-1 – (42))
ESRS 2, SBM-2	45	Interests and views of stakeholders	Stakeholder Engagement ESRS 2 (SBM-2 45)
ESRS 2, IRO-1	53 (a-h)	Description of the process to identify and assess material impacts, risks and opportunities	Stakeholder Engagement ESRS 2 (IRO-1 53 (a-h))
E1 GOV-3	13	Integration of sustainability-related performance in incentive schemes	Remuneration Committee Report ESG objectives (12% weighting) E1 (Gov-3 (13))
S1 SBM-2	12	Interest and views of stakeholders	Stakeholder Engagement S1 (SBM-2 (12))
S4 SBM-2	8	Interest and views of stakeholders	Stakeholder Engagement S4 (SBM-2 (12))
E1 E1-6	55	Disclosure of reconciliation to Financial Statements of net revenue used for calculation of GHG emissions intensity	Note 2 of the financial statements - Operating segments (E1 (E1-6 (55))
E1 E1-5	40	Disclosure of reconciliation to Financial Statements of net revenue used for calculation of energy intensity	Note 2 of the financial statements - Operating segments (E1 (E1-5 (40))
E1 EU Taxonomy		Disclosure of reconciliation to Financial Statements of net revenue used for turnover KPI in EU Taxonomy	Note 2 of the financial statements - Operating segments (Turnover)
E1 EU Taxonomy		Disclosure of reconciliation to Financial Statements of Property Plant and Equipment used for CapEx KPI in EU Taxonomy	Note 13 of the financial statements - Operating segments (Capital Expenditure (CapEx)
S1 S1-16	97a	Remuneration metrics (pay gap and total remuneration)	Delivering Value for Stakeholders – Employees (S1 (S1-16 (97a))

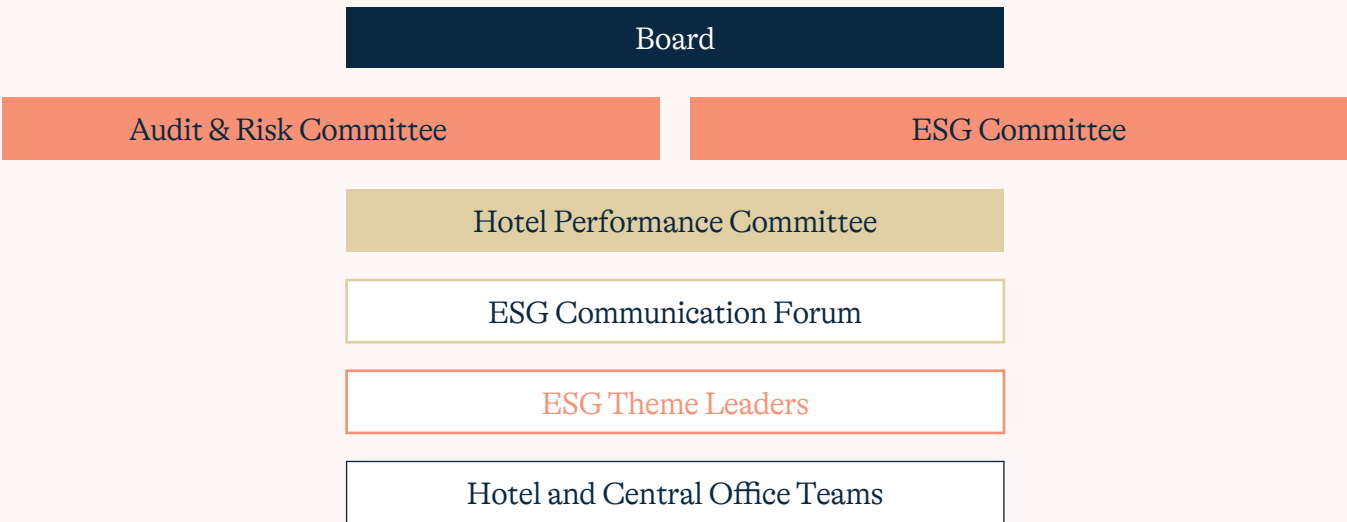
DIRECTORS' REPORT

ESRS 2, GOV-1 and GOV-2

Role of the administrative, management and supervisory bodies

Information provided to, and sustainability matters addressed by administrative, management and supervisory bodies

ESG Governance Framework



Board

The Board oversees the Group's governance framework, reviews and approves strategy, risk management including sustainability matters, monitors management performance against agreed targets and ensures appropriate controls are in place and operating effectively. The executive directors update the Board on Dalata's approach to sustainability and material IROs as part of their Board reports. The Board approves the annual Sustainability Statement included in the annual report. Presentations from external sustainability consultants are made to the Board as required. During 2024, the external sustainability consultant appointed to prepare the climate transition plan, presented an overview of their plans to the Board.

The Board comprises of nine members, a Non-Executive Chair (12%), four non-executive directors (44%) and four executive directors (44%). Five of the directors are male (56%) and four are female (44%). The Board of Directors collectively hold sufficient sustainability expertise through their extensive industry experience and knowledge of sustainability matters and can align overall strategy with sustainability goals. Any knowledge which the Board of Directors do not directly possess can be leveraged from internal support functions and external advisors. Further information on the experience of the Board is outlined in the Corporate Governance Report – Board of Directors. There are no worker representatives on the Board or its committees, however the designated Workforce Engagement Director provides a meaningful two-way dialogue between employees across the Group and the Board.

ESG Committee

The ESG Committee reports to the Board on certain aspects of sustainability. Their responsibilities include overseeing the material sustainability objectives and its integration with the Group's strategy and risk management and monitoring its progress against targets.

The committee met four times during 2024. Updates on the activities of the ESG Communication Forum addressing the material sustainability matters were presented to the ESG Committee by the Company Secretary and Head of Risk and Compliance and the Head of Operational Risk and Sustainability. Presentations on specific sustainability topics were made to the committee by ESG theme leaders on an ad-hoc basis during 2024.

The committee comprises of four members, a Non-Executive Chair (25%), one executive director (25%) and two non-executive directors (50%). Two of the directors are male (50%) and two are female (50%). The ESG Committee collectively hold sufficient sustainability expertise through their extensive industry, cyber security and hotel construction experience to assess the internal control, risk management and reporting of the material IROs. Members of the committee participate in sustainability training programmes to broaden their knowledge on the subject matter.

Audit and Risk Committee

The Audit and Risk Committee reports to the Board. The committee is responsible for overseeing the risk management framework, assisting the Board of Directors with the oversight of financial and sustainability reporting and statutory audit matters, internal control and risk management, including business conduct and whistleblower procedures.

The Head of Internal Audit updates the committee of any changes in the risk register including sustainability risks. Climate-related risks and other material sustainability risks are incorporated into the Group's risk management framework and included in the Group's risk register. During 2024, the Chief Financial Officer provided an update on CSRD including the findings of the DMA, the progress being made in relation to compliance with the legislation and the preparation of the Sustainability Statement.

The committee comprises of three members, a Non-Executive Chair (33%) and two non-executive directors (67%). One of the directors is male (33%) and two are female (67%). The Audit and Risk Committee collectively hold sufficient sustainability expertise through their financial and risk management expertise and commercial experience.

Hotel Performance Committee

The Hotel Performance Committee is led by the Chief Executive Officer who reports to the Board. Its' key responsibility is in driving performance in the hotels and contributing to the Group's sustainability strategy, developing policies, implementing actions designed to manage and mitigate against the IROs, setting targets and monitoring progress against these actions and targets.

Members of the Hotel Performance Committee include the executive directors and heads of key functional areas including company secretarial, hotel operations, finance, marketing, revenue, sales, human resources and corporate development. These functional heads and their teams are responsible for monitoring progress against actions and targets. Group Finance are responsible for engaging with the contributors of the various topics, enabling the identification, management and communication of the IROs and for complying with all sustainability reporting requirements. Group Human Resources and Group Health and Safety are responsible for monitoring actions and targets relating to social IROs and providing data to Group Finance for reporting purposes. Hotel Operations are responsible for monitoring actions and targets relating to the environmental metrics including waste, water and energy consumption. The Corporate Development Team are responsible for monitoring actions and targets relating to the decarbonisation of the hotel portfolio and the development of a climate transition plan. Group Sales and Marketing are responsible for providing information on customers and guest feedback. Company Secretarial are responsible for monitoring and complying with legislation relating to business conduct and corporate governance.

Updates on the activities of the ESG Communication Forum are provided to the committee by the Company Secretary and Head of Risk and Compliance and Head of Operational Risk and Sustainability. Presentations on specific sustainability topics are made to the committee by ESG theme leaders on an ad-hoc basis.

The committee considers the skills and expertise in the Group to manage operations and sustainability matters. In 2022, three people were appointed to roles in Group Human Resources, Corporate Development and Group Finance teams to manage the IROs relating to climate and social matters. External consultants were engaged in 2023 to integrate CSRD compliance into business functions and support the reporting process. The Group will continue to review the level of skills and expertise to meet the sustainability agenda.

The committee comprises of 13 members of the senior management team. Seven members are male (54%) and six are female (46%). The committee has extensive experience in the hospitality industry and in hotel construction and development. They also have extensive knowledge of sustainability matters that are material to the Group including the decarbonisation of hotel operations, health and safety, training and development and business conduct and governance. Any knowledge which the committee does not directly possess can be leveraged from internal support functions, particularly members of the ESG Communication Forum and external advisors.

ESG Communication Forum

The ESG theme leaders within the ESG Communication Forum report to members of the Hotel Performance Committee. It is responsible for establishing good communication, upwards to the Hotel Performance Committee and downwards to ESG theme leaders concerning progress against the delivery of the Group's sustainability agenda. The ESG Communication Forum is chaired by the Company Secretary and Head of Operational Risk and Sustainability, ESG Finance Lead, Group Head of Investor Relations and individual ESG theme leaders from functions such as Human Resources, Facilities, Procurement, Health and Safety, Corporate Development, Group Finance and Sales and Marketing. Each ESG theme leader is a subject matter expert responsible for managing and reporting on specific sustainability matters relevant to their area of expertise. These areas of expertise include training and development, diversity and inclusion, health and safety, data protection, portfolio energy management, decarbonisation of the hotel portfolio and procurement.

DIRECTORS' REPORT

The ESG theme leaders work closely with hotel management teams to support and implement policies and procedures, provide training, assess the effectiveness of actions and monitor hotel specific targets relating to material IROs which are embedded in our current operating structures. During 2024, the ESG Communication Forum held seven meetings where updates on the material IROs and the related actions, metrics and targets were provided by the ESG theme leaders.

The Board, its committees, and management considered the following sustainability material sub-topics during 2024: climate change adaptation and mitigation, energy, water and waste management, adequate pay, health and safety, privacy, diversity and inclusion, violence and harassment, training and development, anti-bribery and corruption, whistleblowing and procurement practices.

ESRS 2, GOV-3

Integration of sustainability-related performance in incentive schemes

The Group include sustainability-related performance objectives in the short-term annual bonus schemes of the executive directors, certain central office managers and hotel general managers.

Part of the executive directors' remuneration is linked to ESG objectives representing 12% of their annual bonus. Climate related considerations form part of these ESG objectives. The Group is in the process of formulating a climate transition plan which will form the basis for specific GHG reduction targets in the future and as such GHG emission reduction targets did not form part of their 2024 objectives. The objectives and outcomes were approved by the Remuneration Committee.

All hotel general managers have climate related considerations representing 15% of their annual bonus of which 10% specifically relates to the GHG emission reduction targets and which were approved by the Chief Operating Officer. Certain central office managers have climate related objectives representing between 15% and 100% of their annual bonus. These objectives which are conditional on achieving reductions in GHG emissions, implementing an energy management system and developing a climate transition plan were approved by the executive directors.

ESRS 2, GOV-4

Statement on Due Diligence

The table below provides a mapping to where in our Sustainability Statement we provide information about our due diligence process, including how we apply the main aspects and steps.

Core elements of due diligence	Paragraphs in the Sustainability Statement
(a) Embedding due diligence in governance, strategy and business model	ESRS 2, GOV-1 and GOV-2 Role of the administrative, management and supervisory bodies ESRS 2, GOV-1 and GOV-2 Information provided to, and sustainability matters addressed by administrative, management and supervisory bodies ESRS2, GOV-3 Integration of sustainability-related performance in incentive schemes ESRS2, SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model
(b) Engaging with affected stakeholders in all key steps of due diligence	ESRS2, GOV-1 and GOV-2 Information provided to, and sustainability matters addressed by administrative, management and supervisory bodies Stakeholder Engagement ESRS 2, IRO-1 Description of process to identify and assess material impacts, risks and opportunities E1-2 Policies E3-1 Policies E5-1 Policies S1-1 Policies S4-1 Policies
(c) Identifying and assessing adverse impacts	ESRS 2, IRO-1 Description of process to identify and assess material impacts, risks and opportunities ESRS 2, SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model
(d) Taking actions to address those adverse impacts	E1-3 Actions E3-2 Actions E5-2 Actions S1-4 Actions S4-4 Actions

Core elements of due diligence	Paragraphs in the Sustainability Statement
(e) Tracking the effectiveness of these efforts and communicating	E1-4 Targets E3-3 Targets E5-3 Targets S1-5 Targets S4-5 Targets

ESRS 2, GOV-5

Risk management and internal controls over sustainability reporting

Group Finance is responsible for maintaining the data for the Group's sustainability reporting by collating information from the Group's procurement, energy management and human resources systems to align with ESRS reporting requirements.

Our sustainability reporting control systems follow an approach similar to the financial reporting control system. As the sustainability reporting scope has increased in 2024, we have established a wider range of internal controls deemed appropriate and adequate to follow and evaluate risks in conjunction with business owners. It includes defining material ESRS datapoints, formulas and assumptions used in calculations and the process for collating data including data sources and the individuals responsible.

We identified the risk of misstatement due to error or incomplete data. The process is manual in places but is fully transparent and allows for traceability of data. Incomplete data will generally arise from the acquisition of new hotels where insufficient data is available. We also identified risks relating to information and data from our value chain. To mitigate this risk, we engage with our suppliers to ensure a common understanding of the data needs and data quality. The Group uses the services of a sustainability advisory firm to provide assurances on energy data and ensure emissions factors are compliant with the GHG Protocol.

The Group will undertake a review of its current reporting practices in the short-term to improve the reporting efficiency. The Audit and Risk Committee monitors the financial and sustainability reporting process, including a review of the internal controls and their effectiveness on an annual basis.

ESRS 2, SBM-1

Strategy, business model and value chain

Dalata is a leading hotel group which provides accommodation, food and beverage and tourism, leisure and events services in Ireland, UK, Germany and the Netherlands. Revenue and employees for the year ended 31st December 2024 were €652.2 million and 5,283 respectively. The Group also includes construction activities as a business activity for ESRS purposes.

Dalata's sustainability goals are as follows:

- Environmental: Reducing GHG emissions, waste, and water consumption and withdrawals in our own operations and our value chain.
- Social: Maintaining fair and safe working conditions in our own operations and our value chain and cultivating a culture of diversity and inclusivity where employees can develop their careers.
- Governance: Ensuring the highest standards of corporate governance and business conduct.

The use of innovative solutions in the delivery of services to customers across the jurisdictions in which we operate and the expansion of our hotel portfolio in the UK and Continental Europe are key priorities for the Group. These priorities have the potential to positively and negatively impact on the Group's environmental sustainability goals. As we continue to expand our hotel portfolio, we recognise the challenge of decarbonising our existing portfolio and the opportunity of developing a more efficient portfolio which aligns with our strategic priorities and sustainability goals.

The development of future expertise from our existing teams and the retention of motivated and skilled employees in a safe environment in all geographies is a key part of our people strategic priority which aligns with the Group's social sustainability goals.

The Group's commitment to the highest standards of corporate governance and business conduct aligns with the Group's governance sustainability goals.

Details of the business model are outlined in the Strategic Report – Our Business Model.

Details of the Value Chain are outlined below.

DIRECTORS' REPORT



ESRS2, SBM-2

Interests and views of stakeholders

We conduct ongoing engagement with its stakeholders to understand their interests and views which helps to inform its strategy.

In 2024, as part of the DMA, we identified its business relationships and affected stakeholder groups using the guidance from ESRS 1, 3.1 and determined two main stakeholders' groups:

- users of sustainability statements: primary users of general-purpose financial reporting and other users of sustainability statements. The users of sustainability and financial statements include shareholders, landlords and partners, banks and lenders, corporate customers, suppliers, industry representative groups and government organisations; and
- affected stakeholders: individuals or groups whose interests are affected or could be affected – positively or negatively – by the undertaking's activities and its direct and indirect business relationships across its value chain. The affected stakeholders include employees, business and leisure guests, workers in the value chain and affected communities.

The type, purpose and outcome of the engagements, gives the Group an understanding as to how the stakeholders view our business and how their views align with our strategic priorities as outlined in the Stakeholder Engagement.

ESRS 2, SBM-3

Material impacts, risks and opportunities and their interaction with strategy and business model

We conducted a DMA according to the double materiality criteria defined in ESRS 1 and implementation guidance from EFRAG.

In our DMA, we identified and assessed our impacts on the environment and society as well as the sustainability related financial risks that we are exposed to and the opportunities we can leverage.

In total, 38 IROs have been assessed as material, comprising of 5 positive impacts, 24 negative impacts, 6 risks, and 3 opportunities. Six ESRS topics are material to us, with three of these topics having 'double materiality', i.e. they have both material impacts and financial risks or opportunities.

The six topics identified as material E1 – Climate Change, E3 – Water and Marine Resources, E5 – Resource Use and Circular Economy, S1 – Own Workforce, S4 – Consumers and End-Users and G1 – Business Conduct.

Our material IROs relate to the core activities of our business model and are primarily concentrated close to our own operations. The majority of these IROs are being managed on an ongoing basis through our operations. These include IROs related to our own workforce, consumers and end-users and a number of the IROs related to climate change, water and marine resources, resource use and circular economy and business conduct. In the case of environmental IROs identified in our upstream and downstream value chain, where we have no direct influence, management of these IROs can only take place through our policies and procurement processes.

We also assessed IROs relating to the topics E2 – Pollution, E4 – Biodiversity and Ecosystems, S2 – Workers in the Value Chain and S3 – Affected Communities in our DMA which we deemed immaterial. However, we have included a number of their sub-topics under Management of Suppliers in G1 – Business Conduct as they are managed as part of our wider supplier management process. These sub-topics include E4 – Land-use change and freshwater use change, S2 – Working Conditions and Workers Related and S4 – Economic Social and Culture.

In the following tables, we outline the IROs identified and assessed as material in our DMA. Within each ESRS topic, we specify which sub-topics the IROs relate to, indication as to whether the IROs are in our own operations or value chain. For impacts, we also show whether they are positive, negative, actual or potential. More information on each IRO, including how we manage them, is included in the topical sections under Environment, Social and Governance.

E1 - Climate Change		Location in value chain			Time Horizon		
		Upstream	Own Operations	Downstream	Short Term	Medium Term	Long Term
Energy							
Energy - Own Operations and Downstream Value Chain	Negative Actual Impact		•	•	•	•	•
Energy consumed from purchased electricity and fossil fuel in the hotel portfolio in the delivery of accommodation, food and beverage and leisure services contributes to climate change.							
Energy - Construction	Negative Actual Impact	•			•	•	•
Energy consumption in construction of the hotel portfolio and in the production of construction materials contributes to climate change.							
Energy - Upstream Value Chain	Negative Actual Impact	•			•	•	•
Energy consumption in the production of hotel consumables and food and beverage procured by Dalata contributes to climate change.							
Climate Change Mitigation							
Climate Change Mitigation - Greenhouse gas emissions generated through our value chain	Negative Actual Impact	•	•	•	•	•	•
Greenhouse gas emissions are generated through the delivery of accommodation, food and beverage and leisure services, the procurement of products and services and the use of the hotels by guests.							
Climate Change Mitigation - Modern Energy Efficient Hotel Portfolio	Opportunity		•			•	
Developing a modern energy efficient hotel portfolio.							
Climate Change Mitigation - Changes in Guest Travel Patterns	Risk			•			•
Changes in guest travel patterns due to increased air travel costs.							
Climate Change Mitigation - Investors and financial institutions views on climate actions and targets	Risk	•					•
Investors and financial institutions will have less favourable views of organisations without strong climate actions and targets.							

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E1 - Climate Change		Location in value chain			Time Horizon		
		Upstream	Own Operations	Downstream	Short Term	Medium Term	Long Term
Climate Change Adaptation							
Climate Change Adaptation - More Frequent Heat Waves and Fewer Cold Waves	Risk		•			•	
More frequent heat waves in summer and fewer cold waves in winter affect heating and cooling costs.							
Climate Change Adaptation - Impairment in Property Values	Risk		•			•	
Impairment of property values due to failure to achieve required standards of environmental efficiency.							
Climate Change Adaptation - Energy Efficiency of Existing Building Stock	Opportunity		•		•		
Cost savings from improving energy efficiency of existing building stock.							
Climate Change Adaptation - Reduced Crop Yield	Risk	•			•		
Reduced crop yields may lead to food shortages and increased food prices.							

E3 - Water and Marine Resources		Location in value chain			Time Horizon		
		Upstream	Own Operations	Downstream	Short Term	Medium Term	Long Term
Water and Marine Resources							
Water Consumption and Withdrawals	Negative Actual Impact		•	•	•	•	•
Water consumption and withdrawals are essential to the delivery of our services to our guests can negatively affect availability of water for other uses. This impact could potentially be exacerbated in areas experiencing water stress.							
Water Consumption and Withdrawals	Negative Potential Impact	•				•	•
The growing and production of food and beverage products and hotel consumables which are procured by hotels may consume large volumes of water. There is the potential for this impact to be exacerbated in areas experiencing water stress as water scarcity increases.							

E5 - Resource Use and Circular Economy		Location in value chain			Time Horizon		
Resource Use and Circular Economy		Upstream	Own Operations	Downstream	Short Term	Medium Term	Long Term
Waste Waste generated from the agricultural and manufacturing processes associated with foods and beverages contributes to pollution and climate change.	Negative Actual Impact	•			•	•	•
Waste Waste generated from hotel refurbishments contributes to pollution and climate change.	Negative Actual Impact		•			•	
Waste Waste generated from hotel operations including guest waste contributes to pollution and climate change.	Negative Actual Impact		•		•	•	•
Waste Reducing food waste will reduce costs.	Opportunity		•		•	•	•

S1 - Own Workforce		Location in value chain			Time Horizon		
		Upstream	Own Operations	Downstream	Short Term	Medium Term	Long Term
Working Conditions							
Working Conditions - Secure Employment and Adequate Wages Employees are part of a fair working environment where a living wage is paid with pay agreements in place, and all national social protection standards are met.	Positive Actual Impact		•		•		
Working Conditions - Secure Employment and Adequate Wages Part-time, flexible and seasonal workers employed by third-party agencies may not receive a living wage and may have lower levels of social protection.	Negative Potential Impact		•		•		
Working Conditions - Working Time and Work-Life Balance 24/7 customer facing business model results in potentially long and unsociable working hours for employees potentially impacting work-life balance. Work-life balance measures may not be provided to workers employed by third parties.	Negative Actual Impact		•		•		
Working Conditions - Health and Safety Physical nature of hotel work may lead to a higher potential for injuries.	Negative Potential Impact		•		•		

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S1 - Own Workforce		Location in value chain			Time Horizon		
		Upstream	Own Operations	Downstream	Short Term	Medium Term	Long Term
Equal Treatment and Opportunities							
Equal Treatment and Opportunities - Diversity, Equality and Equal Pay An equal, inclusive and diverse culture where all employees receive equal pay for equal work regardless of gender helps to attract and retain a diverse workforce.	Positive Actual Impact		•		•		
Equal Treatment and Opportunities - Violence and Harassment Due to the 24/7 customer facing business model, shift work and a high number of transient employees, there may be a higher potential for violence and harassment.	Negative Potential Impact		•		•		
Equal Treatment and Opportunities - Training and Skills Development - Workers employed by third parties Part-time, flexible and seasonal workers recruited by third-party agencies may not have access to training and skills development resulting in injuries and reduced promotion prospects.	Negative Potential Impact		•		•		
Equal Treatment and Opportunities - Training and Skills Development - Employees Employees training and skills development programmes enhance career prospects and enables employees earn higher wages.	Positive Actual Impact		•		•		
Work-Related Rights							
Work-Related Rights - Privacy Physical and online privacy controls are in place for employees.	Positive Actual Impact		•		•		
Work-Related Rights - Adequate Accommodation Part-time, flexible, transient and seasonal workers recruited by third-party agencies may struggle to secure reliable accommodation and adequate housing.	Negative Potential Impact		•			•	
Work-Related Rights - Child Labour, Forced Labour The transient nature of certain jobs in the hotel industry can lead to a higher potential for child labour and/or forced labour for workers recruited by third-party agencies.	Negative Potential Impact		•			•	

S4 - Consumers and End-Users		Location in value chain			Time Horizon		
		Upstream	Own Operations	Downstream	Short Term	Medium Term	Long Term
Information Related Impacts							
Information related impacts Cyber security and data protection protect the privacy of our guest information. A data breach could have both a negative financial and wellbeing impact on our guests.	Negative Potential Impact		•		•		
Personal Safety							
Personal Safety Guests' safety may be impacted by fire, food safety breaches, or other public health events, or by events in the surrounding neighbourhood.	Negative Potential Impact		•		•		
Business Interruption							
Business Interruption Disruption to our business in the event of a successful cyber event.	Risk		•		•		

G1 - Business Conduct		Location in value chain			Time Horizon		
		Upstream	Own Operations	Downstream	Short Term	Medium Term	Long Term
Business Conduct Policies and Corporate Culture							
Protection of Whistleblowers The Group has a protected disclosure mechanism in place for all employees, third party workers and local communities.	Positive Actual Impact		•		•	•	•
Protection of Whistleblowers The Group does not have a protected disclosure mechanism in place for workers in its value chain or affected communities.	Negative Actual Impact	•		•	•	•	•
Management of relationship with suppliers							
Management of Suppliers The Group's approach to the management of suppliers can have implications on social and environmental issues across the value chain.	Negative Potential Impact	•		•	•	•	•
Management of Suppliers Production and transportation of food and beverage products, consumables and capital goods procured by the hotels may contribute to land-use change, freshwater-use change, climate change and biodiversity loss.	Negative Potential Impact	•			•	•	•

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G1 - Business Conduct		Location in value chain			Time Horizon		
		Upstream	Own Operations	Downstream	Short Term	Medium Term	Long Term
Management of Suppliers Poor labour practices in our supply chain, particularly suppliers deep in our supply chain may lead to poor employment conditions, inadequate wages, forced or child labour and a higher potential for health and safety related injuries for their workers.	Negative Potential Impact	●				●	
Management of Suppliers Production processes within Dalata's supply chain may negatively impact value chain communities social and cultural rights, if large quantities of natural resources are used or land-use is changed	Negative Potential Impact	●				●	
Prevention and Detection of Corruption and Bribery							
Anti-Bribery and Corruption The potential for corruption in the organisation and supply chain may result in undue damage to the environment and abuse of human rights.	Negative Potential Impact	●	●	●	●	●	●

The current financial effects of the identified material risks and opportunities are limited hence there is no risk of material adjustment to the financial performance and cashflows within the current reporting period and there is also no risk of material adjustment to the carrying amounts of assets and liabilities in the Financial Statements in the next annual reporting period.

The increased costs associated with resources used to ensure compliance with the CSRD and EU Taxonomy directives are not material compared with previous years although we have increased our spending on external advisory and limited assurance. As our material IROs identified relate to our core business activities, the management and mitigation of the IROs are embedded in our current operating structures, hence our strategy and business model have the capacity to address them.

The Group plans to assess the resilience of its strategy and business once the climate transition plan is completed in 2025.

ESRS 2, IRO-1

Description of process to identify and assess material impacts, risks and opportunities

Introduction

Using EFRAG guidance and with the support of a sustainability advisory firm, the Group undertook a five-step DMA during 2023 and 2024 to identify the material sustainability matters for the purposes of reporting in line with CSRD requirements.

This five-step approach involved (i) establishing the scope of the business model, activities, value chain and stakeholders (ii) identifying a long list of impacts, risks and opportunities (iii) assessing the significance and prioritising the impacts, risks and opportunities (iv) conducting stakeholder engagements and (v) analysing and compiling the results of these engagements.

Step 1: Establishing the scope of the business model, activities, value chain and stakeholders

- We conducted a primary business activity review using NACE Code 55.10, "Hotels and similar accommodation" to consider our business activities. Several additional sectors and business activities were also considered, and it was determined that construction activities be included in addition to accommodation, food and beverage and tourism, leisure and events as our main business sectors.
- We also conducted a sectoral screening of our value chain and determined that the production of agricultural products and the manufacture of construction materials should be included as we rely on these products and materials for our business activities.

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- We identified our business relationships and affected stakeholder groups and determined that Business and Leisure Guests should be deemed Consumers and End-Users as outlined in ESRS 1, and Industry Representative Groups and Government Organisations, Lenders, Landlords and Partners be included in the list of stakeholders for the DMA.

Step 2: Identifying a long list of impacts, risks and opportunities

- Using the results of sectoral screening, bespoke tools and peer reviews and the Group's risk framework, we identified a preliminary list of impacts, risks and opportunities.
- The preliminary list of impacts included: information on the business relationship associated with the impact, their position within the value chain, and whether the impact is negative or positive and actual or potential. The preliminary list of risks and opportunities included: information on the business activity, the business relationship associated with the risk or opportunity, the nature of the dependencies, capital type, and risk type. Rankings were applied to the dependencies subject to their location in the value chain. A leadership workshop was then held where the preliminary list of impacts, risks and opportunities were considered, and new impacts, risks and opportunities were identified.
- All impacts, risks and opportunities were considered equal across the geographies in which we operate.

Step 3: Assessing the significance and prioritising the impacts, risks and opportunities

- A further sectoral screening was conducted, and supplementary information was considered by an external sustainability consultant before categorising, assessing and prioritising each of the impacts' scale, scope, irremediability and likelihood.
- The materiality assessment scoring methodology and criteria outlined in ESRS 1 is as follows:
 - Impact materiality: scale, scope, irremediability and likelihood of impacts (based on whether an impact is positive/negative and actual/potential)
- Financial materiality: financial magnitude of risk/opportunity, likelihood and the nature of the financial effect. Magnitude is based on the effects of financial metrics such as EBITDA and Net Asset Value.
- The scoring of the identified impacts, risks and opportunities was performed by the topic owners with Group Finance.
- A sustainability matter was deemed material if at least one impact, risk or opportunity was above the threshold, indicating either impact materiality, financial materiality, or both. Negative impacts would be prioritised over positive impacts, with actual impacts prioritised over potential impacts. Short-time frame impacts would generally be prioritised over long-time frame impacts. Risks are always prioritised over opportunities. Short-time frame risks and opportunities prioritised over long-time frame risks and opportunities respectively. The level of priority given to these material impacts, risks and opportunities is dependent on the resources available in the organisation. The sustainability risks identified in the DMA are principal risks of the Group and are included in the Group risk register which is reviewed on an ongoing basis by the Audit and Risk Committee. Non-material sustainability matters were identified as impacts, risks or opportunities scored below the materiality thresholds.

Step 4: Conducting stakeholder engagement

- We undertook a stakeholder engagement process to validate the impacts, risks and opportunities identified. We engaged directly with our banks and employees using sustainability surveys. As a proxy to direct consultations, we used the findings from our guest survey platform, Request for Proposals and Supplier ESG Questionnaires to obtain an overview of the interest and views of business and leisure guests and suppliers on sustainability matters. In addition, our ongoing engagement activities with shareholders, landlords, trade and governmental bodies and our communities provided us with the interest and views from those stakeholder groups. We engaged with external sustainability consultants, but there was no direct engagement with affected communities as part of the process. Details of our Stakeholder Engagement are outlined in [Stakeholder Engagement](#).
- The scoring of the impacts, risks and opportunities identified by the external stakeholders was performed by Group Finance using the scoring methodology and criteria outlined in ESRS 1.

Step 5: Analysing and compiling the results of the engagements

- Using the scores of the stakeholder engagement, weighted average scores were calculated for each impact, risk and opportunity. A review of the calculations and the financial materiality scoring was undertaken by Group Finance and the final list of impacts, risks and opportunities were determined. In determining the financial materiality scoring, Group Finance considered materiality in the context of audit and market capitalisation materiality, the Viability Statement and banking covenant restrictions.

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- A final validation of these results against the sectoral screening was undertaken to ensure there were no obvious or unjustified discrepancies.
- Once the final assessment of impacts was completed, impacts were grouped for reporting purposes, as follows: (i) sub-topic level (ii) positive or negative impact (iii) stemmed from the same or similar business activities and (iv) related to own operations or value chain. The risks and opportunities were grouped for reporting purposes as follows: (i) risk or opportunity (ii) sub-topic level (iii) stemmed from the same or similar business activities (iv) related to own operations or value chain and (v) have the same financial magnitude score. In total there are 38 material topics in seven ESRS standards (including ESRS 2) under which we intend to report.

The six topics identified as material were E1 – Climate Change, E3 – Water and Marine Resources, E5 – Resource Use and Circular Economy, S1 – Own Workforce, S4 – Consumers and End-Users and G1 – Business Conduct. We also identified IROs relating to impacts deep in our upstream value chain relating to biodiversity, affected communities and value chain workers. Although we did include E2 – Pollution, E4 – Biodiversity and Ecosystems, S2 – Workers in the Value Chain and S3 – Affected Communities as topics in our DMA they were deemed immaterial. We have included a number of their sub-topics under Management of Suppliers in G1 – Business Conduct as they are managed as part of our wider supplier management process. These sub-topics include E4 – Land-use change and freshwater use change, S2 – Working Conditions and Workers Related Rights and S4 – Economic Social and Cultural Rights.

Decisions and internal control procedures

Key decisions taken in the process involved (i) the identification of the IROs during the leader workshop (ii) the scoring of each IRO by the relevant topic owner and (iii) scoring of the IROs identified by external stakeholders using the findings of proxy engagement material.

Internal controls were applied throughout the process. To be considered for materiality, a sustainability matter must have been identified by a topic owner or through a sectoral or peer review and have an IRO associated with it. The method used for scoring was in accordance with ESRS requirements, and the thresholds and time horizons used were aligned to the Group's risk management framework. Every IRO was documented with a detailed description of the basis for its materiality.

Monitoring of Impacts, Risks and Opportunities

The impacts, risks and opportunities identified in the DMA were considered by the ESG Committee. Climate-related risks and other material sustainability risks are incorporated into the Group's risk management framework and included in the Group's risk register which is considered at Audit and Risk Committee meetings.

Impacts and opportunities identified in the DMA are managed by the ESG theme leaders from functions such as Human Resources, Facilities, Procurement, Health and Safety, Corporate Development and Sales and Marketing who report at each meeting of the ESG Communication Forum. The Group will continue to develop a framework to monitor these impacts, risk and opportunities in the future. As this is the first reporting cycle that a DMA has been conducted, there are no changes in the process to report.

ESRS 2, IRO-2

Disclosure requirements in ESRS covered by Sustainability Statement including ESRS data points from other EU legislation

Group Finance in conjunction with our external sustainability consultants set the thresholds for materiality which were approved by the Chief Financial Officer. The five levels of materiality for IROs are; the highest level was critical, then significant, important, informative and lastly minimal as the lowest level. The materiality threshold was set at significant, meaning that IROs scored as significant or critical, and their associated ESRS standard, were deemed material. The list of material disclosure requirements included in the Sustainability Statement following the outcome of the DMA are listed as follows.

ESRS Standard	Disclosure Requirement
ESRS E1 Climate Change	E1-1, E1-2, E1-3, E1-4, E1-5, E1-6, E1-7, E1-8
ESRS E3 Water and Marine Resources	E3-1, E3-2, E3-3, E3-4
ESRS E5 Resource Use and Circular Economy	E5-1, E5-2, E5-3, E5-5
ESRS S1 Own Workforce	S1-1, S1-2, S1-3, S1-4, S1-5, S1-6, S1-9, S1-10, S1-14, S1-16, S1-17
ESRS S4 Consumers and End-Users	S4-1, S4-2, S4-3 S4-4, S4-5
ESRS G1 Business Conduct	G1-1, G1-2, G1-3, G1-4, G1-6

The table below includes all datapoints that derive from other EU legislation as listed in ESRS 2 appendix B, indicating where the data points can be found in the report and which data points are assessed as "not material or not relevant".

Disclosure Requirement	Datapoint	Description	Legislation	Link
ESRS 2 GOV-1	21 (d)	Board's gender diversity	SFDR / BRR	ESRS 2, GOV-1 and GOV-2
ESRS 2 GOV-1	21 (e)	Percentage of board members who are independent	BRR	ESRS 2, GOV-1 and GOV-2
ESRS 2 GOV-4	30	Statement on due diligence	SFDR / BRR	ESRS 2, GOV-4
ESRS 2 SBM-1 Involvement in activities related to fossil fuel activities paragraph 40 (d) i	40 (d) (i)	Involvement in activities related to fossil fuel activities	SFDR / P3 / BRR	Not relevant
ESRS 2 SBM-1 Involvement in activities related to chemical production paragraph 40 (d) ii	40 (d) (ii)	Involvement in activities related to chemical production	SFDR / BRR	Not relevant
ESRS 2 SBM-1	40 (d) (iii)	Involvement in activities related to controversial weapons	SFDR / BRR	Not relevant
ESRS 2 SBM-1	40 (d) (iv)	Involvement in activities related to cultivation and production of tobacco	BRR	Not relevant
ESRS E1-1	14	Transition plan to reach climate neutrality by 2050	EUCL	Not relevant
ESRS E1-1	16 (g)	Undertakings excluded from Paris aligned Benchmarks	P3 / BRR	Not relevant
ESRS E1-4	34	GHG emission reduction targets	SFDR / P3 / BRR	E1-4 Targets related to Energy – Own Operations and Downstream Value Chain
ESRS E1-5	38	Energy consumption from fossil sources disaggregated by sources (only high climate impact sectors)	SFRD	Not relevant

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Disclosure Requirement	Datapoint	Description	Legislation	Link
ESRS E1-5	37	Energy consumption and mix	SFRD	E1-5 Energy consumption and mix_
ESRS E1-5	40-43	Energy intensity associated with activities in high climate impact sectors	SFRD	Not relevant
ESRS E1-6	44	Gross Scope 1, 2, 3 and Total GHG emissions	SFDR / P3 / BRR	E1-6 Gross Scopes 1, 2, 3 and total GHG emissions
ESRS E1-6	53-55	Gross GHG emissions intensity	SFDR / P3 / BRR	E1-6 GHG Intensity based on net revenue
ESRS E1-7	56	GHG removals and carbon credits	EUCL	E1-7 GHG Removals and GHG mitigation projects financed through carbon credits
ESRS E1-9	66	Exposure of the benchmark portfolio to climate-related physical risks	BRR	Not relevant
ESRS E1-9	66 (a) and 66 (c)	Disaggregation of monetary amounts by acute and chronic physical risk Location of significant assets at material physical risk	P3	Not relevant
ESRS E1-9	67 (c)	Breakdown of the carrying value of its real estate assets by energy-efficiency classes	P3	Not relevant
ESRS E1-9	69	Degree of exposure of the portfolio to climate-related opportunities	BRR	Not relevant
ESRS E2-4	28	Amount of each pollutant listed in Annex II of the EPRTR Regulation (European Pollutant Release and Transfer Register) emitted to air, water and soil	SFDR	Not material
ESRS E3-1	9	Water and marine resources	SFDR	Not material
ESRS E3-1	13	Dedicated policy	SFDR	E3 – 1 Water Management Policy
ESRS E3-1	14	Sustainable oceans and seas	SFDR	Not material
ESRS E3-4	28 (c)	Total water recycled and reused	SFDR	Not material
ESRS E3-4	29	Total water consumption in m3 per net revenue on own operations	SFDR	E3-4 Water consumption (m3)
ESRS 2 E4, SBM-3 (ESRS 2)	16 (a) (i)	Activities negatively impacting biodiversity-sensitive areas	SFDR	Not material
ESRS 2 E4, SBM-3 (ESRS 2)	16 (b)	Land degradation, desertification, or soil sealing	SFDR	Not material
ESRS 2 E4, SBM-3 (ESRS 2)	16 (c)	Threatened species	SFDR	Not material

Disclosure Requirement	Datapoint	Description	Legislation	Link
ESRS E4-2	24 (b)	Sustainable land / agriculture practices or policies	SFDR	Not material
ESRS E4-2	24 (c)	Sustainable oceans / seas practices or policies	SFDR	Not material
ESRS E4-2	24 (d)	Policies to address deforestation	SFDR	Not material
ESRS E5-5	37 (d)	Non-recycled waste	SFDR	E5-5 Resource Outflows
ESRS E5-5	39	Hazardous waste and radioactive waste	SFDR	E5-5 Resource Outflows
ESRS S1, SBM-3 (ESRS 2)	14 (f)	Risk of incidents of forced labour	SFDR	Not material
ESRS S1, SBM-3 (ESRS 2)	14 (g)	Risk of incidents of child labour	SFDR	Not material
ESRS S1-1	20	Human Rights policy commitments	SFDR	S1-1 Policies related to Human Rights
ESRS S1-1	21	Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8	BRR	S1-1 Policies related to Human Rights_
ESRS S1-1	22	Processes and measures for preventing trafficking in human beings	SFDR	S1-1 Actions related to Child Labour, Forced Labour_
ESRS S1-1	23	Workplace accident prevention policy or management system	SFDR	S1-4 Health and Safety Management System_
ESRS S1-3	32 (c)	Grievance/complaints handling mechanisms	SFDR	S1-3 Processes to remediate negative impacts and channels for own workers to raise concerns_
ESRS S1-14	88 (b) and (c)	Number of fatalities and number and rate of work-related accidents	SFDR / BRR	S1-14 Health and Safety metrics
ESRS S1-14	88 (e)	Number of days lost to injuries, accidents, fatalities or illness	SFRD	S1-14 Health and Safety metrics
ESRS S1-16	97 (a)	Unadjusted gender pay gap	SFDR / BRR	S1-16 – Compensation metrics (pay gap and total compensation)
ESRS S1-16	97 (b)	Excessive CEO pay ratio	SFDR	S1-16 – Compensation metrics (pay gap and total compensation)
ESRS S1-17	103 (a)	Incidents of discrimination	SFDR	S1-17 Incidents, complaints and severe Human Rights impacts_
ESRS S1-17	104 (a)	Non-respect of UNGPs on Business and Human Rights and OECD	SFDR / BRR	S1-17 Incidents, complaints and severe Human Rights impacts_

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Disclosure Requirement	Datapoint	Description	Legislation	Link
ESRS S2 SBM-3 (ESRS 2)	11 (b)	Significant risk of child labour or forced labour in the value chain	SFDR	Not material
ESRS S2-1	17	Human Rights policy commitments	SFDR	Not material
ESRS S2-1	18	Policies related to value chain workers	SFDR	Not material
ESRS S2-1	19	Non-respect of UNGPs on Business and Human Rights principles and OECD guidelines	SFDR / BRR	Not material
ESRS S2-1	19	Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8	BRR	Not material
ESRS S2-4	36	Human Rights issues and incidents connected to its upstream and downstream value chain	SFDR	Not material
ESRS S3-1	16	Human Rights policy commitments	SFDR	Not material
ESRS S3-1	17	Non-respect of UNGPs on Business and Human Rights, ILO principles or and OECD guidelines	SFDR / BRR	Not material
ESRS S3-4	36	Human Rights issues and incidents	SFDR	Not material
ESRS S4-1	16	Policies related to consumers and end-users	SFDR	S4-1 Policies ____
ESRS S4-1	17	Non-respect of UNGPs on Business and Human Rights and OECD guidelines	SFDR / BRR	Not material
ESRS S4-4	35	Human Rights issues and incidents	SFDR	S4-1 Human Rights Policy
ESRS G1-1	10 (b)	United Nations Convention against Corruption	SFDR	Not relevant
ESRS G1-1	10 (d)	Protection of whistle-blowers	SFDR	G1-1Protected Disclosure Policy
ESRS G1-4	24 (a)	Fines for violation of anti-corruption and anti-bribery laws	SFDR / BRR	G1-4 Incidents of Corruption and Bribery
ESRS G1-4	24 (b)	Standards of anti-corruption and anti- bribery	SFDR	G1-3 Anti-Bribery and Corruption Training

Legislation:

SFDR: Sustainable Finance Disclosure Regulation

P3: EBA Pillar 3 disclosure requirements

BRR: Climate Benchmark Standards Regulation

EUCL: EU Climate Law

EU Taxonomy

Taxonomy Aligned Economic Activities

Under the Taxonomy regulation, which now forms part of the Corporate Sustainability Reporting Directive (CSRD), ESRS standard -E1, we acknowledge the requirement to disclose information on our environmentally sustainable economic activities, that are Taxonomy-aligned, identifying Key Performance Indicators (KPIs) under the headings below as defined by Regulation (EU) 2020/852, Turnover, Capital Expenditure (CapEx) and Operating Expenditure (OpEx).

Taxonomy Regulation

The EU Taxonomy regulation provides a classification system for sustainable economic activities to help direct investments towards sustainable projects and activities. It is part of a wider EU sustainable finance action plan to reorient capital flows towards a more sustainable economy.

EU Taxonomy establishes a list of sustainable economic activities to which the activity must substantially contribute to at least one of six environmental objectives:

- climate change mitigation.
- climate change adaptation.
- sustainable use and protection of water and marine resources.
- transition to a circular economy.
- pollution prevention and control.
- and protection of healthy ecosystems.

For the current reporting year, the regulation requires disclosures on the taxonomy alignment of economic activities, assessing that the activity 'does no significant harm' (DNSH) to the remaining five objectives. (Annex I and Annex II of the Commission Delegated Regulation (EU)).

We are cognisant of the obligation to report under the EU Taxonomy, but there is no obligation to align activities with the Technical Screening Criteria of the Delegated Acts. Pursuing alignment is a decision made by a company for various reasons, as detailed below.

- EU Taxonomy criteria can influence a company's environmental and sustainability transition plans and strategies.
- EU Taxonomy criteria can be used in the due diligence of screening and identifying sustainable investment opportunities.

Accounting Principles

The Taxonomy regulation requires the disclosure of KPIs for Taxonomy aligned activities. The methodology for calculating these, is defined by the EU Commission document (Annex I). Dalata acknowledges the novelty of this regulation and have continued to adopt a conservative approach to Taxonomy alignment. In arriving at the outcome, Dalata uses the metrics advised in the technical screening criteria under each of the Construction and Real Estate activities, to assess its Turnover, CapEx and OpEx eligible activities and in its allocation to a classification.

Taxonomy Reporting

As reported in previous years, Dalata's assessment of their activities, concluded that their activities were most aligned with Article 7 – Construction and Real Estate activities, to which Turnover, CapEx and OpEx has been assessed under the subset of activities in this categorisation.

DIRECTORS' REPORT

Expenditure for 2024 is classified and disclosed under the following subcategories.

7.1 Construction of Buildings – Dalata is involved in the development of building projects to deliver hotels that it will operate, by bringing together financial, technical and physical means to construct as owned hotels or on behalf of institutional landlords and investors.

7.3 Installation, maintenance and repair of energy efficiency equipment — Dalata is involved in projects to upgrade our buildings through the installation of energy efficient equipment, such as windows, doors, light sources, and HVAC systems, that impact Dalata in respect of their capital expenditure whilst maintenance and repair of this equipment would be considered an operating expense.

7.4 Installation, maintenance and repair of charging stations for electric vehicles in buildings - Dalata will initiate projects for the installation of charging stations for electric vehicles to facilitate the decarbonisation of our motor fleet and support the move to electric vehicles by guests using capital expenditure whilst maintenance and repair of these assets would be considered an operating expense.

7.5 Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings – In our efforts to increase the energy efficiency of our hotels, Dalata often installs instruments and devices for measuring, regulation and controlling energy performance of buildings, such as smart thermostats, sensing equipment, Business Energy Management Systems and smart meters, which would impact our capital expenditure. Repair and maintenance of these assets would be considered operating expenditure.

7.7 Acquisition and ownership of buildings – An integral part of Dalata's operations involves acquiring and owning buildings for the purpose of hotel and accommodation purposes. The purchase and upgrade of the furnishings of these buildings would be considered capital expenditure, however, repairs and maintenance would be accounted as an operating expense.

To further understand our portfolio, we selected two case study sites in 2022, Clayton Hotel Leopardstown and Maldron Hotel Shoreditch, to determine the extent of alignment and identify gaps inhibiting the achievement of alignment. These case studies are contributing to the current workstream of developing a transition plan to decarbonise Dalata's portfolio of assets which will be published in 2025.

Turnover

The primary activity of Dalata is the provision of hotel accommodation, and the provision of food and beverage services. We are reporting the turnover derived from the operation of hotels, as Turnover of Taxonomy -eligible activities but not environmentally sustainable. As all turnover is categorised under one heading, acquisition and ownership of building, the reported figure is as per that report in the financial section of the annual report. This alleviates the issue of double counting in the KPI for turnover. The turnover figure is reported in Note 2 of the Financial Statements.

Capital Expenditure (CapEx)

Given the nature of Dalata's activities, construction and building maintenance activities were considered most relevant to report under as CapEx. We have assessed that the expenditure substantially contributes to Climate Change Mitigation and updated the screening of our properties against the technical screening criteria for each environmental objective. We retain a conservative approach to DNSH criteria and have classified this expenditure as unaligned as it has not clearly met the technical screening of all the criteria as set out in regulation. Capital expenditure categorisation is reconciled to the amount of additions to property, plant and equipment in the reporting year, removing the instance of double counting. The capital expenditure amounts consist of fixed asset additions, capitalised interest and labour recorded in the reporting year, in Note 13 Property, Plant and Equipment of the Financial Statements.

As indicated, Dalata is reviewing its activities and how they might be adapted as part of a transition plan. Dalata Hotel Group will consider EU Taxonomy and the designing of construction projects to agree the best course of action. With the transition plan being in its development phase, a CapEx plan has not yet been established.

Turnover	Code(s)	€ 000	%	Substantial contribution criteria								DNSH criteria (Do No Significant Harm)				Proportion of Taxonomy-aligned (A.1) or -eligible (A.2) turnover, 2023	Category (Enabling Activity)	Category (Transitional Activity)		
				Proportion of Turnover 2024	Climate Change Mitigation	Climate Change Adaptation	Water and marine resources	Circular Economy	Pollution	Biodiversity and ecosystems	Climate Change Mitigation	Climate Change Adaptation	Water and marine resources	Circular Economy	Pollution				Biodiversity and ecosystems	Minimum Safeguards
A. TAXONOMY-ELIGIBLE ACTIVITIES																				
A.1 Environmentally sustainable activities (Taxonomy-aligned)																				
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)																				
Of which enabling	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0%	E	-
Of which transitional		0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	T	
A.2 Taxonomy-eligible activities but not environmentally sustainable activities																				
Acquisition and Ownership of buildings	7.7	652,190	100%	EL	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	0%	-	-
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)																				
Turnover of Taxonomy-eligible activities (A.1 + A.2)		652,190	100%	100%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%		
B. Taxonomy-non-eligible activities																				
Turnover of Taxonomy-non-eligible activities		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
TOTAL		652,190	100%																	
All percentages relate to the Group's total sales revenue.																				

1. All percentages relate to the Group's total sales revenue.

DIRECTORS' REPORT

2024	Substantial contribution criteria (Do No Significant Harm)										DNSH criteria (Do No Significant Harm)				Category (Enabling Activity)	Category (Transitional Activity)			
	CapEx	Proportion of CapEx, 2024	Climate Change Mitigation	Climate Change Adaptation	Water and marine resources	Circular Economy	Pollution	Biodiversity and ecosystems	Climate Change Mitigation	Climate Change Adaptation	Water and marine resources	Circular Economy	Pollution	Biodiversity and ecosystems			Minimum Safeguards	Proportion of Taxonomy-aligned (A.1.) or eligible (A.2.) CapEx 2023	%
Capital expenditure																			
Economic activities																			
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1 Environmentally sustainable activities (Taxonomy-aligned)																			
CapEx of eligible taxonomy-aligned activities (A.1)																			
Of which enabling																			
Of which transitional																			
A.2 Taxonomy-eligible activities but not environmentally sustainable activities																			
	7.1	3,514	6%	EL	N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	0%	0%	-	-
	7.3	1,423	3%	EL	N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	0%	0%	-	-
	7.4	22	0%	EL	N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	0%	0%	-	-
	7.5	258	1%	EL	N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	0%	0%	-	-
	7.7	48,650	90%	EL	N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	0%	0%	-	-
CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)																			
A.CapEx of Taxonomy-eligible activities (A.1 + A.2)																			
B. Taxonomy-non-eligible activities																			
CapEx of Taxonomy-non-eligible activities(B)																			
TOTAL																			
53,867 100%																			
All percentages relate to the Group's total capital expenditure.																			

1 All percentages relate to the Group's total capital expenditure.

Operating Expenditure (OpEx)

Operating Expenditure are defined as any Taxonomy aligned activities that were reflected in our operating expenses, that meet the criteria defined as building renovation measures, short-term leases, maintenance and repair, and any other direct expenditures relating to the day-to-day servicing of tangible and intangible fixed assets by the undertaking or third party to whom activities are outsourced that are necessary to ensure the continued and effective functioning of such assets. Dalata has selected profit and loss expenditure from its annual accounts that relate specifically to the day-to-day servicing of the building. To avoid double counting, the associated expenditure is categorised into the repairs and maintenance and only those specific accounts are included in the calculation.

For 2024, we retain our conservative view on the DNSH criteria and classified this expenditure as unaligned as it has not clearly met the technical screening of all the criteria as set out in regulation.

Operating expenditure	Substantial contribution criteria										DNSH criteria (Do No Significant Harm)					Category (Enabling Activity)	Category (Transitional Activity)	
	Proportion of OpEx, 2024	Climate Change Mitigation	Climate Change Adaptation	Water and marine resources	Circular Economy	Pollution	Biodiversity and ecosystems	Climate Change Mitigation	Climate Change Adaptation	Water and marine resources	Circular Economy	Pollution	Biodiversity and ecosystems	Minimum Safeguards	Proportion of Taxonomy-aligned (A.1.) or -eligible (A.2.) OpEx, 2023			
Economic activities	Code(s)	€ 000	%	Y; N; N/	Y; N; N/	Y; N; N/	Y; N; N/	Y; N; N/	Y; N; N/	Y; N; N/	Y; N; N/	Y; N; N/	Y; N; N/	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																		
A.1. Environmentally sustainable activities (Taxonomy-aligned)																		
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		0	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	-	-
Of which enabling			0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	E	
Of which transitional			0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%		T
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																		
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL					
Acquisition and Ownership of buildings	7.7	12,412	100%	EL	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL			0%	-	-
OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		12,412	100%	100%	0%	0%	0%	0%	0%	0%	0%	0%	0%			0%		
A. OpEx of Taxonomy eligible activities (A.1+A.2)		12,412	100%	100%	0%	0%	0%	0%	0%	0%	0%	0%	0%			0%		
B. Taxonomy-non-eligible activities																		
OpEx of Taxonomy-non-eligible activities (B)		-	-															
TOTAL		12,412	100%															

1 All percentages relate to the Group's total operating expenditure

DIRECTORS' REPORT

Minimum Safeguards

The minimum safeguards consist of the OECD Guidelines for Multinational Enterprises, the United Nations Guiding Principles on Business and Human Rights, the Fundamental Conventions of the International Labour Organisation (ILO) and the International Bill of Human Rights.

The Minimum Safeguards (MS) are a part of the Taxonomy Regulation and are included to ensure that entities which are labelled as carrying out environmentally sustainable activities, as per the EU Taxonomy, also meet certain standards set out in Article 18 of the Taxonomy Regulation.

These MS outline a number of minimum governance standards, social norms, human rights, and labour rights that the entity must be compliant with, in order to achieve overall alignment with EU Taxonomy. Doing so prevents green investments being labelled as 'sustainable', when they are involved in illegal and unethical activities relating to:

- Human Rights, including workers' rights
- Bribery/corruption
- Taxation
- Fair Competition

Dalata Hotel Group reviewed its internal and external policies and documents, which reference the overarching themes highlighted above, to assess their alignment with EU Taxonomy Minimum Safeguards.

The following policies and reports were reviewed as part of this process:

- DHG Board Diversity Policy 2024
- DHG Gender Pay Gap 2024
- DHG Anti-Bribery and Corruption Policy 2024
- DHG Code of Conduct
- DHG Diversity and Inclusion Policy 2024
- DHG Environmental Policy Statement
- DHG Modern Slavery Policy & Statement 2024
- DHG ROI Protected Disclosure Policy 2024
- DHG Supplier Code of Conduct

People & Human Rights

We are committed to providing all our colleagues with a safe working environment and an organisational culture which promotes inclusion, diversity, equal opportunities, mutual respect and personal learning and development. We have reinforced our commitment to providing this environment through our Code of Conduct, Inclusion and Diversity policies, fair Grievance Procedure the Whistleblowing process – "Speak up", Modern Slavery Policy Statement and our Wellbeing policy.

Our commitment to people and human rights extend to all of our suppliers, through our Supplier Code of Conduct, where the requirement for those suppliers is to commit and to adhere to our principles on people, plant and place. Our commitment to a diverse and inclusive workforce has been validated by achieving a Silver Award in Investors in Diversity across Ireland, UK and Germany.

Anti-Bribery and Anti-Corruption

Dalata is committed to conducting business with all our suppliers, customers and partners in a way that is fair, transparent and benefits all parties involved. We operate to the highest standards of ethics, integrity, and honesty. Our Anti-Bribery and Anti-Corruption policies, outline the expected standards that our colleagues, suppliers and third parties are obliged to follow, in relation to gifts and hospitality, donations and sponsorships. The Code of Conduct policy states that "Bribery will not be tolerated in any situation, either to gain an unfair advantage in securing commercial gain or to be in receipt of financial or non-financial gains".

Our Protected Disclosure policies, displays our commitment to the highest standards of openness, probity and accountability and conducting our business with honesty and integrity. An important aspect of accountability and transparency is to put in place an effective mechanism to enable employees to voice concerns in a responsible and effective manner.

Taxation

DHG tax team manage the ongoing tax risks of DHG through internal control processes and with the assistance of external professional advisors. The tax team maintain a tax risk register on an ongoing basis, which set out the tax risks facing DHG and how these risks are managed and mitigated. The tax risk register is presented to the Audit and Risk Committee by the tax team.

Fair Competition

The company nor any senior management, including senior management of its subsidiaries, has not been found in breach of competition laws.

ESRS E1 – Climate Change

GOV-3	Integration of sustainability-related performance in incentive schemes	E1, GOV-3
SBM-3	Material impacts, risks and opportunities, and their interaction with strategy and business model	ESRS 2, SBM-3; E1, SBM-3
IRO-1	Description of the processes to identify and assess material climate related impacts, risks and opportunities	E1, IRO-1
E1-1	Climate Transition Plan	E1-1
E1-2	Policy - Overview	E1-2
E1-3	Actions - Overview	E1-3
E1-4	Targets - Overview	E1-4
IROs	Impacts Risks Opportunities	IROs
E1-5	Energy consumption and mix	E1-5
E1-6	Gross Scopes 1, 2, 3 and total GHG emissions	E1-6
E1-7	GHG removals and GHG mitigation projects financed through carbon credits	E1-7
E1-8	Internal Carbon Pricing	E1-8

Dalata is committed to responding to the threat of climate change in a responsible and measured way and has a long-term ambition to decarbonise its business. However, this is a complex objective for a growth-focused, vertically integrated hotel business. The challenges relate to the embedded carbon emissions associated with hotel construction and the carbon emissions generated from our hotel operations and our value chain. We continue to improve energy efficiency in our existing hotels, collaborate with suppliers on energy reduction measures and develop new energy efficient hotels. Our climate transition plan which will be completed in 2025, will provide us with a roadmap to decarbonise our operations.

E1, GOV-3

Integration of sustainability-related performance in incentive schemes

Part of the executive directors' remuneration is linked to ESG objectives representing 12% of their annual bonus. Climate related considerations form part of these ESG objectives and as such GHG emission reduction targets did not form part of their 2024 objectives. The Group is in the process of formulating a climate transition plan which will form the basis for specific GHG reduction targets in the future. The objectives and outcomes were approved by the Remuneration Committee.

All hotel general managers have climate related considerations representing 15% of their annual bonus of which 10% specifically relates to the GHG emission reduction targets and which were approved by the Chief Operating Officer. Certain Central Office managers have climate related objectives representing between 15% and 100% of their annual bonus. These objectives which are conditional on achieving reductions in GHG emissions, implementing an energy management system and developing a climate transition plan were approved by the executive directors.

ESRS 2, SBM-3; E1, SBM-3

Material impacts, risks and opportunities, and their interaction with strategy and business model

In 2024, Dalata undertook a DMA, related analysis and evaluated potential climate-related risks and hazards to identify its material IROs. The Group identified four material impacts, one physical risk, four transitional risks and two opportunities related to climate change. The topics and material IROs set out in the E1 standard are included in the following table for ease of reference. We also undertook a climate-related resilience analysis to assess the resilience of our strategy and business model.

DIRECTORS' REPORT

Material IRO description	Category
Energy - Own Operations and Downstream Value Chain Energy consumed from purchased electricity and fossil fuels in the hotel portfolio in the delivery of accommodation, food and beverage and leisure services contributes to climate change.	Negative Actual Impact
Climate Change Mitigation - Greenhouse gas emissions generated through our value chain Greenhouse gas emissions are generated through the delivery of accommodation, food and beverage and leisure services, the procurement of products and services and the use of the hotels by guests.	Negative Actual Impact
Energy - Construction Energy consumption in construction of the hotel portfolio and in the production of construction materials contributes to climate change.	Negative Actual Impact
Energy - Upstream Value Chain Energy consumption in the production of hotel consumables and food and beverage procured by Dalata contributes to climate change.	Negative Actual Impact
Climate Change Adaptation - Energy Efficiency of Existing Building Stock Cost savings from improving energy efficiency of existing building stock.	Opportunity
Climate Change Mitigation - Modern Energy Efficient Hotel Portfolio Developing a modern energy efficient hotel portfolio.	Opportunity
Climate Change Adaptation - Impairment in Property Values Impairment of property values due to failure to achieve required standards of environmental efficiency.	Transitional Risk
Climate Change Adaptation - More Frequent Heat Waves and Fewer Cold Waves More frequent heat waves in summer and fewer cold waves in winter affect heating and cooling costs.	Physical Risk
Climate Change Adaptation - Reduced Crop Yield Reduced crop yields may lead to food shortages and increased food prices.	Transitional Risk
Climate Change Mitigation - Changes in Guest Travel Patterns Changes in guest travel patterns due to increased air travel costs.	Transitional Risk
Climate Change Mitigation - Investors and financial institutions views on climate actions and targets Investors and financial institutions will have less favourable views of organisations without strong climate actions and targets.	Transitional Risk

The impacts, risk and opportunities identified recognises the importance of developing energy efficient practices and energy management monitoring systems, developing energy efficient hotels and collaborating with our suppliers in reducing emissions in our value chain. These impacts, risks and opportunities align with the Group's portfolio growth and ESG strategic priorities which is to provide a strong platform for growth that is both sustainable and responsible.

The Group allocates financial and human resources to our Procurement, Finance, Facilities, Corporate Development and Marketing teams to manage and mitigate against the material impacts and risks and to avail of the opportunities posed by climate change. Activities undertaken by the teams in managing risks, availing of opportunities and mitigating against impacts include decarbonising our existing hotels and vehicle fleet, constructing energy efficient hotels, implementing an energy management system and energy efficient techniques and collaborating with suppliers and guests to reduce emissions in our value chain.

The current financial effects of the identified material risks and opportunities are limited hence there is no risk of material adjustment to the financial performance and cashflows within the current reporting period, or to the carrying amounts of assets and liabilities reported in related financial statements in the next annual reporting period in respect of the impacts identified. As our material IROs identified relate to our core business activities and ability to grow, the management and mitigation of the IROs are embedded in our current operating structures, hence our strategy and business model have the capacity to address them.

The Group conducted a resilience analysis in 2023 and concluded it could withstand the impacts associated with climate risks and hazards. The Group plans to assess the resilience of its strategy and business model once the climate transition plan is completed in 2025 and it has more information to understand the resources both operational and financial to manage and mitigate the material IROs.

Further information on each material IRO is outlined below.

Climate-related resilience analysis

In 2023, Dalata undertook a climate-related resilience analysis of its strategy and business model. Our approach to resilience analysis involved assessing the impact of the transition risks including macroeconomic, political, technological, and market developments associated with the global shift to a low-carbon economy risks, and climate-related hazards (chronic and acute) on Group's revenues, operating costs, financing costs, capital expenditure and asset valuations over a three-year period.

The outputs of the climate-related resilience analysis are as follows:

- Climate-related risks and opportunities to be considered in new hotel developments
- Carbon pricing to be considered for future developments
- Energy consumption profile impacts hotel valuations
- Access to finance or cost of finance may be impacted by the Group's ratings on sustainability led disclosures
- Risk of increasing energy costs
- Opportunities for savings associated with environmentally friendly and efficient processes
- Sustainable Procurement Policy mitigates climate related supply chain risk.

We assessed the findings of the two high emission scenarios analysis: (transitional scenario in line with a 1.5°C world and a physical scenario in line with a >3°C world) which were completed in 2023 to determine any further exposure to our business activities and assets in the short, medium and long term. The Group concluded that its operations have an impact on climate change, but it is not significant considering our GHG footprint and we have not identified any additional significant future risks other than what we are currently reporting.

The climate-related resilience analysis indicated that the Group has the ability in the short and medium term to secure ongoing access to finance at an affordable cost, meet increased energy costs, adapt to changes in guest travel and behaviours arising from climate related risks, continue to develop low carbon buildings and the process of reducing embodied carbon in its current hotel portfolio. The long-term resilience analysis and the Group's ability to adapt its strategy and business model will form part of the climate transition plan to be completed in 2025. It is expected that if the Group follows through on its ambition to decarbonise, it will require significant resources, however we fully expect that the Group's strategy and business will be robust to manage this transition.

E1, IRO-1

Description of the processes to identify and assess material climate related impacts, risks and opportunities

Overview of the process

Dalata supplemented its DMA as outlined in ESRS 2 IRO-1 with environmental analysis including sectoral screening, bespoke tools and peer reviews to determine climate-related physical risks, transition risks and opportunities in its own operations and along the value chain. We considered the climate-related hazards and transition events listed in the climate change application requirements. We assessed their exposure to our business activities and assets in the short, medium and long term. When identifying the material IROs in the DMA all the transition events and none of the climate-related hazards were deemed material.

DIRECTORS' REPORT

Climate-related hazards

Climate-related hazard	Heat Wave	Cold Wave / Frost	Wildfire
Category	Acute temperature related	Acute temperature related	Acute temperature related
Extent to which assets and business activities may be exposed	Increased air conditioning capital and operating costs in our hotels and leisure centres due to frequent heat waves in summer.	Lower heating costs in our hotels and leisure centres due to less frequent cold waves in the winter.	Loss of revenue due to disruption in guest travel and risk to hotel assets resulting from potential fires.
Time Horizon	Medium-Term	Medium-Term	Medium-Term
Likelihood	Highly Likely	Highly Likely	Possible but less likely
Financial Impact	Additional capital costs arising from the installation of air conditioning units in several hotels, a potential disruption to business during fit outs and increased air conditioning costs. However, these operating costs are expected to be under the EBITDA threshold, when combined with capital investment and potential disruption to business is expected to have low financial materiality.	Reduced heating costs are expected to be under EBITDA threshold and have low financial materiality.	Given the unlikely nature of this hazard, the financial impact has not been determined. Potentially there may be additional revenue due to the temperate climate in Ireland and the UK.
Assessment	Warming scenarios ranging from 1.5C to 3C were considered to determine the frequency of heat waves. The findings indicate that the likelihood of what is currently considered a 20-year heat wave increases to 3.5 years at 1.5C and 2 years at 3C.	Warming scenarios ranging from 1.5C to 3C were considered to determine the frequency of cold waves. The findings indicate that the likelihood of what is currently considered a 20- year cold wave decreases to 9 years at 3C and between 3 to 6 years at 1.5C.	Warming scenario of 2C was considered to determine the increased risk of wildfires. The findings of the fire weather index indicate an increased risk of wildfire of 15 - 20% in Ireland, 10 - 20% in the UK and up to 5% in Germany at this temperature. Whilst the risk increases, it is less likely that it will lead to wildfires of significant severity in hotel locations to disrupt the travel of guests.

Transition Events

Transition Event	Lack of climate action targets and progress on targets	Reduced crop yields and food shortages
Category	Transitional - Market	Transitional - Market
Extent to which assets and business activities may be exposed	Investors increasingly require organisations to commit to climate targets and demonstrate progress towards those goals. Lack of climate action targets and progress on targets may impact on the availability of and access to financial resources.	Impacts of climate change are already disrupting food supply chains, with more frequent extreme weather events or unpredictable weather patterns resulting in lower yields, contributing to food shortages and/or higher prices. Dalata procures food and beverage products originating in different countries around the world. As the impacts of climate change worsen, the likelihood of reduced yields and food shortages grows, leading to increased food costs.
Time Horizon	Long-Term	Short-Term
Likelihood	More likely than not	Highly Likely
Financial Impact	Banks and investors are requesting companies to have targets and action plans in respect of climate change with a potential premium on financing costs for companies failing to meet these requirements. Considered to have low financial materiality as we continue to make progress on climate related matters.	Increased food purchases would impact the Group's EBITDA. Increased food costs impact the spending power of guests, potentially diminishing travel/events which in turn may impact the Group's revenue. Considered to have medium financial materiality.
Assessment	Considered the views and perspectives of banks, lenders and other financial institutions in relation to their requirement for organisations to commit to climate change actions and targets, through our ongoing engagements with these stakeholders' groups.	An assessment was completed on the impact of climate change on food supply in 2023 using UN data.

Transition Event	Impairment of property value due to failure to achieve required standards of environmental efficiency	Changes in guest travel patterns due to increased cost of air travel
Category	Transitional - Market	Transitional - Market
Extent to which assets and business activities may be exposed	<p>Failure to meet required standards of environmental efficiency may lead to impairment of property values.</p> <p>Hotel property valuation is normally closely linked to projected financial performance and reliable evidence supporting a valuation premium for hotels conforming to high environmental standards is not readily available.</p> <p>Considered property assets more generally, rather than the specialised hotel category, noting that there is evidence that LEED-certified buildings attract higher valuations.</p>	As air travel is expected to become more expensive due to potential carbon taxes, increased fuel costs, financial penalisation of airlines not reducing emissions, it will potentially lead to a decrease in the number of international guests.
Time Horizon	Medium-Term	Long-Term
Likelihood	Highly Likely	More likely than not

DIRECTORS' REPORT

Transition Event	Impairment of property value due to failure to achieve required standards of environmental efficiency	Changes in guest travel patterns due to increased cost of air travel
Financial Impact	<p>For new properties, optimise design and construction to reduce both embedded and lifetime carbon emissions.</p> <p>For existing properties, refurbishment works, and plant replacement can reduce energy consumption and the consumption of fossil fuels.</p> <p>High expectation that building regulations would impact valuation.</p> <p>Significant capital expenditure is required, details will be outlined in the climate transition plan in 2025. Considered to have high financial materiality.</p>	<p>A decline in foreign guest numbers will be partially mitigated by domestic demand. The Dublin and London markets could be impacted greatly by a significant decline in oversea guest numbers. Considered to have high financial materiality.</p>
Assessment	<p>Assessed the risk of impairment of property values of our hotel assets due to a failure to achieve the high standards of environmental efficiency.</p> <p>Assessed the risk of an increased cost of, or inability to, access finance to develop the business due to a failure to manage climate-related risks effectively.</p> <p>Assessed LEED certified buildings rather than the specialised hotel category valuations noting their higher valuations.</p>	<p>It is noted that the majority of Europeans are in favour of a carbon tax on flights to reduce emissions, hence the prospect of increased air travel costs.</p> <p>Assessed the findings from: from a number of international agencies outlining the prospect of increased air fires in the future.</p>

E1-1

Climate Transition Plan

Dalata does not have a climate transition plan in place. The Group established a project team led by the Sustainable Development and Strategy Manager to develop a climate transition plan which is expected to be completed in June 2025. Details of the financial resources to be allocated to climate actions will be outlined in the transition plan.

During 2024, the Group outlined steps to develop its climate transition plan as follows:

1. Prepared a Request for Proposal to engage the services of a reputable consulting firm with expertise in climate transition planning, financial and carbon emissions analysis and practical building decarbonisation costing. (August 2024)
2. Appointed a consulting firm to oversee the process. (October 2024)
3. Verified and enhanced our baseline assessment of current energy consumption, emissions, and environmental impact across all hotel properties. (November 2024)
4. Develop theoretical targets for reducing emissions over short, medium and long-term timeframes. (March 2025)
5. Identify and evaluate potential strategies and initiatives to achieve the targets. (April 2025)
6. Undertake a financial analysis of the strategies and initiatives and theoretical targets to determine the financial and personnel resources required to implement the plan. (April 2025)
7. Ongoing engagement with key stakeholders.
8. Develop a detailed implementation plan. (June 2025)
9. Ongoing reviews and update as appropriate.
10. Integrate the climate transition plan into the strategic forecasting, capital expenditure processes and emissions reporting processes. (June 2025)

At the reporting date steps 1 to 3 above were completed with steps 4 to 10 to be completed in 2025.

Decarbonisation Levers

Dalata's climate transition plan, once finalised will focus on three main decarbonisation levers to reduce energy consumption and GHG emissions from its own operations as follows:

- Existing assets decarbonisation
- Vehicle fleet decarbonisation
- New asset development

E1-2

Policy - Overview

The Group has an overarching environmental policy statement which outlines our commitment to minimise the environmental impacts of energy consumption, water usage and waste generated as the business grows by developing key performance indicators, setting objectives and monitoring progress against these objectives.

It also outlines our commitment to comply with all applicable environmental legislation, promote environmental training and awareness amongst employees and collaborate with suppliers to achieve our objectives, whilst maintaining quality customer experience. This policy is approved by the board and is communicated to all stakeholders.

While we do not have a stand-alone climate policy, we are committed to mitigating climate change, by decarbonising our vehicle fleet, constructing modern energy efficient hotels, and implementing an energy management system. To ensure alignment with our strategy we have incorporated climate-related considerations in the remuneration framework of the executive directors, hotel general managers and certain members of the Central Office Team.

We have three policies and frameworks in place to manage the material IROs. Details of the policies are outlined in the associated IROs.

Supplier Code of Conduct

- Energy for Hotel Construction

Works Requirements for Design and Build Procurement

- Modern Energy Efficient Hotel Portfolio

Sustainable Procurement Statement of Policy

- Reduced Crop Yields

We are committed to reducing energy consumption as outlined in our environmental policy statement, however we have not adopted a formal energy policy outlining specific commitments to energy reduction or climate change adaptation and mitigation measures relating to the IROs below as we only commenced a detailed assessment of our energy usage and embedded carbon in 2024.

- Energy - Own Operations and Downstream Value Chain
- Climate Change Mitigation - Greenhouse gas emissions generated through our value chain
- Energy - Upstream Value Chain
- Climate Change Adaptation - Energy Efficiency of Existing Building Stock
- Climate Change Adaptation - Impairment in Property Values
- Climate Change Adaptation - More Frequent Heat Waves and Fewer Cold Waves

We are currently implementing an energy management system and developing a climate transition plan and once these are completed in 2025, we will be better position to adopt policies in the medium term.

E1-3

Actions - Overview

Details of the actions undertaken or planned to be undertaken by the Group to manage and mitigate impacts, risks and opportunities are outlined under each of the relevant material IROs.

DIRECTORS' REPORT

E1-4

Targets - Overview

The Group has set a target to reduce scope 1 and 2 energy related emissions by 20% per room let from a base year of 2019 to a target year 2026. Details of this target are included in the Energy – Own Operations and Downstream Value Chain and greenhouse gas emissions generated through our value chain.

As we have been assessing our policies and actions over a number of years, we have agreed not to set targets for the other E1 material IROs until we have completed a detailed assessment of the decarbonisation of our business. We are currently implementing an energy management system and developing a climate transition plan and once these are completed in 2025, we will be better positioned to set targets in the medium term.

The Group has not adopted a policy in relation to the risk of changes in guest travel patterns and its implications on the business model as it needs to obtain a greater understanding of the risk before considering specific policy commitments. The Group will continue to assess the implications in changes in travel patterns and guest behaviours on the Group's business model in the medium to long term before deciding to adopt a policy.

ESRS 2, BP-1; ESRS 2, BP-2

Basis of Preparation

- Information in the sustainability statement includes the Company and its subsidiary undertakings and has been prepared on the same basis as the financial statements.
- IROs identified extend to our own operations and not to upstream or downstream value chain.
- The Group has not deviated from the definitions of short-, medium- and long-term time horizons defined by ESRS 1 as they align with those applied in the Group's financial statements.
- Estimates and judgement used in calculating metrics are outlined beside the relevant table.
- Details of the accounting policies used in calculating metrics is outlined beside the relevant data table.
- Changes in the preparation and presentation of sustainability information in the 2024 Annual Report resulted in the disclosure of additional IROs following the DMA and the requirement to provide additional information in respect of the IROs, policies, actions, metrics and targets.
- The Group has not disclosed information relating to prior periods.
- The Group has availed of the phase-in reporting exemption relating to E1-9 Anticipated financial effects from material physical and transition risks and potential climate-related opportunities

IROs

IMPACTS RISKS OPPORTUNITIES

ENERGY / CLIMATE CHANGE MITIGATION

ESRS 2, SBM-3; E1, SBM-3

IROs related to Energy - Own Operations and Downstream Value Chain and Greenhouse gas emissions are generated through our value chain

Topic	Description	Category	Position in Value Chain	Timeframe
E1 Climate Change: Energy	Energy consumed from purchased electricity and fossil fuels in the hotel portfolio in the delivery of accommodation, food and beverage and leisure services contributes to climate change.	Impact - Negative, Actual	Own Operations Downstream Value Chain	Short Term, Medium Term and Long Term:
E1 Climate Change: Climate Change Mitigation	Greenhouse gas emissions are generated through the delivery of accommodation, food and beverage and leisure services, the procurement of products and services and the use of the hotels by guests.	Impact - Negative, Actual	Own Operations Downstream Value Chain Upstream Value Chain	Short Term, Medium Term and Long Term:

As a leading hotel operator in Ireland, UK and Continental Europe, Dalata is committed to reducing the negative impact of GHG emissions generated from our hotel operations and from our guests. The Group is implementing an energy management system, energy efficiency upgrades, vehicle fleet decarbonisation and is developing a climate transition plan to mitigate against negative environmental impacts. The objective of the energy management system is to provide real time monitoring of energy usage and reduce energy consumption in the hotels.

E1-3

Actions related to Energy - Own Operations and Downstream Value Chain and Greenhouse gas emissions are generated through our value chain

Energy Management System

We are currently implementing an energy management system and installing energy meters in all hotels to provide greater visibility of our energy consumption, automate monthly energy reporting and provide a detection alarm system for individual hotel energy consumption. We plan to launch the energy management system at the General Managers Forum in early 2025 with the installation of the energy meters continuing on an ongoing basis in the short and medium term.

Energy Efficiency Upgrades

We continue to install LED upgrades and energy efficient appliances across all hotels in all geographies which impacts energy usage in the hotels. We also continue to explore new technologies which will inform our heating and cooling strategy with trials being held in a small number of hotels. Research into non-fossil fuel-reliant equipment to help decarbonise the existing assets is ongoing. The decarbonisation process and activities will be formalised on the completion of our climate transition plan in 2025.

Vehicle Fleet Decarbonisation

Towards the end of 2023 and throughout 2024, we commenced the vehicle fleet decarbonisation process which involved the replacement of diesel buses with alternative lower emission fuels, hybrid or full electric buses. We will continue to replace all existing diesel buses with electric buses in Ireland and the UK in the short to medium term in line with the climate transition plan.

Energy Awareness

We increase the awareness of energy use in our workforce through the environmental sustainability leaders (ESLs) in each hotel, who provide regular updates on sustainability matters and undertake peer reviews across the Group, where reduced utility usage and energy costs are rewarded. The ESLs are also responsible for co-ordinating and communicating tasks in maintaining accreditations such as Green Tourism. Signage is in place in all guest bedrooms to increase awareness on energy usage. These activities are ongoing and will continue in the short, medium and long term.

E1-4

Targets related to Energy - Own Operations and Downstream Value Chain and Greenhouse gas emissions are generated through our value chain

The Group established a target in 2022 to reduce scope 1 and 2 energy related emissions by 20% per room let from a base year of 2019 to a target year of 2026. The target includes all hotels in Ireland, UK and the recently acquired properties in Germany and the Netherlands. It relates to emissions associated with energy consumed through accommodation, restaurant services, the hosting of corporate events and by guests in the downstream value chain but excludes the upstream value chain.

In the absence of a climate transition plan, management set an energy emission reduction target as an interim step to reduce scope 1 and 2 energy related emissions across the Group's operations. As it was an interim measure no engagement took place with stakeholders in setting the target. The Group will establish new targets in the short-term following the completion of the climate transition plan.

Improvements made in grid emissions over the past six years and upgrades to more energy efficient and less fossil fuel reliant equipment in the hotels has enabled progression from the base year to the target year. Energy related emissions per room let for the years ended 31st December 2019 and 2024 were 0.0120tCO₂e and 0.0083tCO₂e respectively, representing a reduction of 31% over the period. The measurement of the metric is not validated by an external body other than the limited assurance provider.

DIRECTORS' REPORT

E1-5

Energy consumption and mix

	2024 MWh
Total energy consumption	141,872
Total fossil energy consumption	86,819
Fuel consumption from coal and coal products	0
Fuel consumption from crude oil and petroleum products	18
Fuel consumption from natural gas	75,588
Fuel consumption from other fossil sources	3,313
Consumption of purchased or acquired electricity, heat, steam, and cooling from fossil sources	7,899
Share of fossil sources in total energy consumption	61%
Consumption from nuclear sources	0
Share of consumption from nuclear sources in total energy consumption	0%
Total renewable energy consumption	55,053
Fuel consumption from renewable sources	0
Consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources	55,053
Consumption of self-generated non-fuel renewable energy	0
Share of renewable sources in total energy consumption	39%
Non-renewable energy production	0
Renewable energy production	0
Total energy consumption from activities in high climate impact sectors per net revenue from activities in high climate impact sectors	0

Accounting Policies:

- Energy Consumption relates to the use of purchased electricity or fossil fuels to power our hotel. The data for energy consumption is compiled from information provided on energy supplier invoices in units of energy, kilowatt hours.
- The Group relies on the accuracy of the information provided on the supplier invoice, however in some cases the invoice used an estimated reading to provide consumption for the period. The Group endeavours to overcome this limitation by cross referencing meter readings to invoices received. In the absence of supplier invoice data at the end of the reporting period, the Group will use meter readings obtained from each property to make an estimate of the usage for that specific period.
- Energy intensity per kilowatt hour per euro of revenue is 0.218kwh/euro for 2024 as Dalata operates in a high-risk impact sector (NACE Code I and NACE F)
- Energy intensity metric is the division of total kilowatts hours of consumption for both electricity and fossil fuels, divided by the net revenue in the reporting year, 2024. The net revenue figure is reported in Note 2 of the Financial Statements.
- Improvement in energy efficiency is excluded as no comparative year data is disclosed.
- The measurement of the metric is not validated by an external body other than the limited assurance provider.

E1-6

Gross Scopes 1, 2, 3 and total GHG emissions

	2024 tCo2e
Scope 1 GHG emissions	
Direct GHG emissions Scope 1	14,550
Covered by the EU Emission trading System %	
Scope 2 GHG emissions	
Indirect GHG emissions (Scope2) location-based	13,950
Indirect GHG emissions (Scope 2) market-based	1,444
Significant scope 3 GHG emissions	
Indirect GHG emissions (Scope 3)	82,986
C1. Purchased goods and services	34,886
C2. Capital goods	19,634
C3. Fuel and energy related activities*	5,303
C4. Upstream transportation and distribution	
C5. Waste generated in operations	235
C6. Business travel	593
C7. Employee commuting	4,431
C8. Upstream leased assets	
C9. Downstream transportation	
C10. Processing of sold products	
C11. Use of sold products	17,847
C12. End-of-life treatment of sold products	
C13. Downstream leased assets	56
C14. Franchises	
C15. Investments	
Total GHG emissions	
Total GHG emissions (location-based)	111,486
Total GHG emissions (market-based)	96,391

* Market based emission in 2024 amounted to 2,715tCo2e

Accounting Policies:**Direct GHG emission (scope 1)**

Scope 1 emissions are reported based on the Greenhouse Gas (GHG) Protocol and cover all direct emissions of greenhouse gases from the use of fossil fuels. Scope 1 emissions are compiled monthly from consumption data using Group's suppliers' invoices. The calculation is based on multiplying the relevant consumption in kilowatt hours (gas), litres (oil and LPG) and kilograms (fugitive gases) by the relevant emission factors for the fossil fuel source.

DIRECTORS' REPORT

Indirect GHG Emissions (scope 2)

Scope 2 emissions are primarily based on data received from our scope 2 energy suppliers. Scope 2 energy is predominately purchased electricity, with district heating being relevant in one property within the Group. The calculation is the multiplication of the kilowatt hours by the relevant emission factors for reporting year and country specific. Location based emissions are calculated using the published data for each country in which we operate. Market based emissions are calculated, having consideration for suppliers that provide renewal energy certificates and the published emissions of each supplier.

Indirect GHG emissions (scope 3)

GHG scope 3 emissions have been segregated across the relevant categories under the GHG protocol. Categories where spend has been used as the basis to be calculated has been converted to Euro. The categories used are as follows

Category 1 - Purchased goods and service.

The spend for the hotels across the Group has been categorised into the relevant economic activities, and the associated emission for that activity applied. Invoices are analysed on a supplier-by-supplier basis and classified accordingly. The economic activities are classified using International Standard Industrial Classification of all Economic Activities.

Category 2 - Capital Goods

This section relates to capital enhancement spend that has been carried out within the reporting each, segregated by economic activity to which the relevant emission has been applied. This section also includes embodied carbon relating to the construction phase of four newly open hotels, that on practical completion date fell with our operational control. The invoices associated with Capital goods are classified on an invoice-by-invoice basis and categorised as either product or service.

Category 3 - Fuel and energy related

This is calculated using the actual consumption for scope 1 and 2 energy and an emission factor is applied for generation and transmission and distribution of the energy consumed.

Category 5 - Waste generated

Waste data is provided by waste provider in tonnes, per waste stream type (general, recycling, food waste). Emission factors are applied to each type to provide the calculation.

Category 6 - Business Miles

The data is collected from a combination of booking through our travel department and based on mileage expenses claimed by employees. The category consists of travel associated with air and land transport. The distance between destinations is calculated and relevant emissions factors are applied.

Category 7 - Employee Commute

Using census data of each specific country in which we operate, an assumption is made as to the allocation of emission across commuter trends.

Category 11 – Use of Sold Product

This relates to the disposal of a hotel asset within the reporting year. The calculation consists of multiplying the most recent full year emissions by the remaining life of the asset at the date of disposal. As the asset continues to operate as a hotel, the demolition costs have not been included in this calculation.

Category 13 - Downstream Leased Asset

The calculation pertains to three assets that form part of an overall asset that are leased to third parties. The calculation involves the proportioning of the energy used per meter squared for the existing hotel and multiplying it by the size of the unit leased.

- GHG emissions data reported includes all hotels under our operational control. Operational control is defined as having the ability to make key decisions to influence the strategy and the sustainability of a property. For the purposes of calculating the GHG emissions, zero per cent primary data obtained from suppliers or other value chain partners.
- The measurement of GHG scope 1, 2 and 3 emissions metrics are not validated by an external body other than the limited assurance provider.

E1-6**GHG Intensity based on net revenue**

GHG intensity per net revenue

2024

Total GHG emissions (location-based) per net revenue (gCO ₂ eq/Euro)	171
Total GHG emissions (market-based) per net revenue (gCO ₂ eq/Euro)	148

Accounting Policies:

The methodology used to calculate the intensity metric is: Total GHG emissions at market and location rate divided net revenue for the reporting period. The revenue for 2024 is €652.2 million which is outlined in Note 2 to the Consolidated Financial Statements. The measurement of the metric has not been validated by a third party other than the limited assurance provider.

E1-7**GHG Removals and GHG mitigation projects financed through carbon credits**

During 2024, Dalata Hotel Group did not engage in the removal or storage of greenhouse gases.

E1-8**Internal Carbon pricing**

Dalata Hotel Group does not have a carbon pricing scheme in operation for the year ended 31st December 2024. The Group will consider a carbon pricing scheme as part of the climate transition plan and its investment in decarbonisation projects in the short to medium term.

ENERGY

ESRS 2, SBM-3; E1, SBM-3

IROs related to Energy - Hotel Construction

Topic	Description	Category	Position in Value Chain	Timeframe
E1 Climate Change: Energy	Energy consumption in construction of the hotel portfolio and in the production of construction materials contributes to climate change.	Impact - Negative, Actual	Upstream Value Chain	Short Term, Medium Term and Long Term:

By collaborating with our construction partners, we are committed to reducing negative impacts such as GHG emissions generated from our construction activities. We have a Supplier Code of Conduct in place to enable all suppliers and construction partners understand how we would like them to operate in a sustainable manner and mitigate against negative environmental impacts.

E1-2**Policies related to Energy - Hotel Construction****Supplier Code of Conduct**

The Supplier Code of Conduct outlines the standards expected from suppliers in all geographies. These standards include business ethics, labour practices, health and safety and environmental impact. The Board approved the Supplier Code of Conduct with the Head of Procurement, Food and Beverage Projects and the Head of Construction and Capital Expenditure responsible for its implementation. The interests of suppliers were considered in developing the Supplier Code of Conduct in relation to the approach to environmental matters. Suppliers are required to sign the Supplier Code of Conduct on providing services to the Group.

DIRECTORS' REPORT

E1-3

Actions related to Energy - Hotel Construction

In 2024, we commenced the process of collecting scope 1 and 2 GHG emissions data from our Tier 1 suppliers representing our largest food, beverage, consumables suppliers and construction partners to enable more accurate reporting of our scope 3 GHG emissions data and to understand the GHG emissions generated in our value chain and the construction of our hotels. This action is ongoing and as such does not relate to specific time horizons.

We also monitor embodied carbon on an asset-by-asset basis to align with Low Energy Transformation Initiative (LETI) targets in the UK. We will continue to collect and undertake a detailed assessment of the scope 3 data from our construction partners in the short to medium term to determine the embodied carbon which will form part of our climate transition plan to be completed in 2025.

ENERGY

ESRS 2, SBM-3; E1, SBM-3

IROs related to Energy - Upstream Value Chain

Topic	Description	Category	Position in Value Chain	Timeframe
E1 Climate Change: Energy	Energy consumption in the production of hotel consumables and food and beverage procured by Dalata contributes to climate change.	Impact - Negative, Actual	Upstream Value Chain	Short Term, Medium Term and Long Term:

Our interaction with our upstream value chain is limited to our engagement with our suppliers and as such we do not have direct influence over the energy consumed in manufacturing processes associated with food and beverages and consumables procured by the Group. Policies or actions have not been implemented to mitigate the actual negative impacts associated with the energy consumed in these sectors.

E1-3

Actions related to Energy - Upstream Value Chain

We commenced the process of collecting scope 1 and 2 GHG emissions data from its Tier 1 suppliers representing our largest food, beverage and consumables suppliers to understand the GHG emissions generated in our value chain. We will undertake an assessment of the energy consumed in producing food, beverage and consumables in the medium term, before developing an action plan to address this impact.

CLIMATE CHANGE ADAPTATION

ESRS 2, SBM-3; E1, SBM-3

IROs related to improving energy efficiency of existing building stock

Topic	Description	Category	Position in Value Chain	Timeframe
E1 Climate Change: Climate Change Adaptation	Cost savings from improving energy efficiency of existing building stock.	Opportunity	Own Operations	Short Term

Improving the energy efficiency of the hotels provides an opportunity for us to reduce our energy costs. We are implementing an energy management system which enables us to analyse and report on energy usage in our operations and the progress of our decarbonisation projects which will form part of the climate transition plan. Data from the energy management system will also be used in the Carbon Risk Real Estate Monitor (CRREM) to determine the risk of 'stranded' assets in our hotel portfolio, enabling us to prioritise capital while aligning to our future climate transition plan.

E1-3

Actions related to improving energy efficiency of existing building stock

In 2023 and 2024, we undertook a review of 51 hotels in all geographies in which we operate using the CRREM analysis. This analysis identified the hotels breaching the 1.5°C global warming alignment which we are currently assessing to determine the remediation work required to decarbonise and improve our energy efficiency. The findings from the CRREM analysis and the assessment of remediation work, form part of the assumptions of the climate transition plan to determine the practicalities and capital associated with aligning to 1.5°C global warming. It is expected that the remediation work will be completed in line with the climate transition plan in the short, medium to long term.

CLIMATE CHANGE MITIGATION

ESRS 2, SBM-3; E1, SBM-3

IROs related to developing a modern energy efficient hotel portfolio

Topic	Description	Category	Position in Value Chain	Timeframe
E1 Climate Change: Climate Change Mitigation	Developing a modern energy efficient hotel portfolio.	Opportunity	Own Operations	Medium Term

The Group has implemented design and build specifications for the construction of new hotels enabling it to develop a modern energy efficient hotel portfolio which aligns with its strategic priority of portfolio growth.

E1-2

Policies related to developing a modern energy efficient hotel portfolio

Although the Group does not have a policy for developing modern energy efficient hotel portfolio, it intends to develop new build hotels with zero onsite operational carbon emissions where practical. It has in place a Works Requirements for Design and Build Procurement document which is issued to our developers and contractors in Ireland and the UK and outlines the specifications including site particulars, management of works, quality assurance and testing, architectural, civil, structural, mechanical and electrical requirements required to develop a modern efficient hotel.

The Head of Construction and Capital Expenditure is responsible for approving build specifications and monitoring progress during construction, with the Deputy CEO responsible for overseeing the development of the Group's hotel portfolio. The interests of the construction partners are considered in negotiating the design and building specifications of each hotel.

E1-3

Actions related to developing a modern energy efficient hotel portfolio

The Corporate Development Team undertake the following steps to deliver lower carbon new build hotels:

- Select lower carbon energy sources and avoid the use of fossil fuels where practical.
- Assess the feasibility of generating on-site electricity and determine the best orientation for daylighting and solar energy generation.
- Ensure biodiversity is catered for with the intent to achieve a net gain in line with regulations and where practical to go beyond the regulation which is the case in our recent development in Edinburgh.
- Identify opportunities for more efficient building design using less materials, lower carbon construction materials and methods using the challenge and analyse process.
- Consider operational energy efficiency at the design stage and undertake operational energy modelling to predict energy usage for the property using the challenge and analyse process and adjust the design parameters as required. This process enables the lifecycle operation of the building and its impact on the environment to be determined.
- Assess the operational energy use and carbon emissions and benchmark with similar properties and energy models to consider its overall impact on the portfolio and how it will integrate into our future climate transition plan.

In recent years, the Group developed six hotels in Ireland and the UK. We achieved a BREEAM score of 'very good' and we also achieved a score of A for four hotels and B for two hotels using the EPC/BER ratings outlining our commitment to developing a modern efficient hotel portfolio.

DIRECTORS' REPORT

CLIMATE CHANGE ADAPTATION

ESRS 2, SBM-3; E1, SBM-3

IROs related to impairment of Property Values

Topic	Description	Category	Position in Value Chain	Timeframe
E1 Climate Change: Climate Change Adaptation	Impairment of property values due to failure to achieve required standards of environmental efficiency.	Risk	Financial Institutions	Medium Term

Failure to achieve required environmental efficiency standards may result in the impairment of property values. The decarbonisation of our existing assets is being considered as part of the climate transition plan.

E1-3

Actions related to impairment of Property Value

The actions being undertaken by the Group to improve energy efficiency of existing building stock and to develop a modern hotel portfolio will mitigate against the risk of impairment of property value.

CLIMATE CHANGE ADAPTATION

ESRS 2, SBM-3; E1, SBM-3

IROs related to more frequent heat waves in summer and fewer cold waves

Topic	Description	Category	Position in Value Chain	Timeframe
E1 Climate Change: Climate Change Adaptation	More frequent heat waves in summer and fewer cold waves in winter affect heating and cooling costs.	Risk	Own Operations	Medium Term

Improving energy efficiency enables the hotels to mitigate against the risk of weather events such as more frequent heat and cold waves. The Group is implementing an energy management system and improving its energy management reporting processes to monitor energy usage and reduce energy usage and costs. Dalata is also trialling new heating and cooling technologies.

E1-3

Actions related to more frequent heat waves and fewer cold waves

We are currently installing an energy management system to provide greater analysis capability of external weather factors such as heating and cooling degree days which will be launched at the General Managers Forum in early 2025. We continue to explore new technologies to inform our heating and cooling strategy with trials being held in a small number of hotels which we plan to continue into the medium term.

CLIMATE CHANGE ADAPTATION

ESRS 2, SBM-3; E1, SBM-3

IROs related to reduced crop yields

Topic	Description	Category	Position in Value Chain	Timeframe
E1 Climate Change: Climate Change Adaptation	Reduced crop yields may lead to food shortages and increased food prices.	Risk	Upstream Value Chain	Short Term

Reduced crop yields and potential food shortages may result in increased food prices. The Group has a Sustainable Procurement Statement of Policy that outlines the commitment to local suppliers enabling the Group to mitigate against this risk.

E1-2

Policies related to reduced crop yields

Sustainable Procurement Statement of Policy

The Sustainable Procurement Statement of Policy outlines the Group's commitment to minimise the environmental impact of purchasing decisions and to prioritise suppliers who have embedded sustainable and ethical practices within their organisation and their value chain. The policy also outlines the Group's commitment to waste management, local supply sourcing and green purchasing.

The scope of the policy includes employees who engage in procurement in all geographies in which we operate and suppliers in our value chain. The Head of Procurement and Food and Beverage Projects is responsible for implementing the policy with the Chief Operating Officer responsible for overseeing the policy for the Group.

The Group considered the interests of its supplier when identifying the green purchasing commitments outlined in the policy.

E1-3

Actions related to reduced crop yields

We continue to maintain strong relationships with suppliers within the locality of each hotel and increase the awareness of their product offerings on an ongoing basis.

CLIMATE CHANGE MITIGATION

ESRS 2, SBM-3; E1, SBM-3

IROs related to changes in guest travel patterns

Topic	Description	Category	Position in Value Chain	Timeframe
E1 Climate Change: Climate Change Mitigation	Changes in guest travel patterns due to increased air travel costs.	Risk	Downstream Value Chain	Long Term

The Group currently assesses guest feedback through the guest survey platform, direct feedback from corporate customers and market research to understand the profiles, behaviours and preferences of guest and corporate customers to determine their current and future needs.

E1-3

Actions related to changes in guest travel patterns

We will continue to assess guest feedback and market research findings in the short to medium term to obtain a greater understanding of the risk and its implications on our business model and determine the appropriate actions to be taken. As is the case with all changes in customer behaviour, we will adapt our strategy to meet customer needs.

DIRECTORS' REPORT

CLIMATE CHANGE MITIGATION

ESRS 2, SBM-3; E1, SBM-3

IROs related to investors and financial institutions views on organisations climate actions and targets

Topic	Description	Category	Position in Value Chain	Timeframe
E1 Climate Change: Climate Change Mitigation	Investors and financial institutions will have less favourable views of organisations without strong climate actions and targets.	Risk	Upstream Value Chain	Long Term

We are committed to mitigating climate change and developing targets and actions. We have incorporated climate-related considerations in the remuneration framework of the executive directors, hotel general managers and certain members of the Central Office Team are developing a climate transition plan as we seek to develop appropriate climate actions and targets.

E1-3

Actions related to investors and financial institutions views on organisations climate actions and targets

The Group is not proposing to outline its actions or targets until the climate transition plan is complete. However, we expect to meet investor and financial institution expectations in relation to our ambition to decarbonise our operations.

ESRS E3 – Water and Marine Resources

IRO-1	Water and Marine Resources IROs / Description of Processes	E3, IRO-1
E3-1	Policy - Overview	E3-1
E3-2	Actions - Overview	E3-2
E3-3	Targets - Overview	E3-3
IROs	Impacts Risks Opportunities	IROs
E3-4	Water Consumption - Metric	E3-4

Dalata as a leading hotel operator consumes large quantities of water to operate its business. Dalata consumes water from the municipal water system with a number of hotels also operating wells and discharges it to municipal wastewater treatment plants. We are committed to reducing water consumption in our operations by improving our water management processes and procuring goods and services from sustainable suppliers with a similar ethos.

E3, IRO-1

Water and Marine Resources IROs

In 2024, we undertook a DMA and related analysis to identify our material IROs. The Group identified two material impacts related to water and marine resources. The material IROs set out in the E3 standard are included in the following table for ease of reference.

Material IRO description	Category
Water Consumption and Withdrawals Water consumption and withdrawals are essential to the delivery of our services to our guests can negatively affect availability of water for other uses. This impact could potentially be exacerbated in areas experiencing water stress.	Negative Actual Impact
Water Consumption and Withdrawals The growing and production of food and beverage products and hotel consumables which are procured by hotels may consume large volumes of water. There is the potential for this impact to be exacerbated in areas experiencing water stress as water scarcity increases.	Negative Potential Impact

The impacts identified require the Group to recognise the importance of investing in water monitoring systems and equipment, employee training and procuring goods and services from sustainable suppliers to reduce water consumption in our value chain. These impacts align with the Group's ESG strategic priority which is to operate a sustainable and responsible business.

The Group allocates financial and human resources to our Facilities and Human Resource Teams to manage the material impacts identified. Activities undertaken by the teams include implementing an energy management system, developing employee water stewardship training programmes, creating water maps and a group water charter and investing in our water infrastructure. As our material IROs are related to our core business activities, our actions to mitigate against the impacts are embedded in our current operating structures. There is no risk of material adjustment to the financial performance and cashflows within the current reporting period and to the carrying amounts of assets and liabilities in the Financial Statements in the next annual reporting period.

Further information on each material IRO is outlined below.

DIRECTORS' REPORT

Description of processes to identify and assess material water and marine resources-related impacts, risks and opportunities

Dalata supplemented its DMA as outlined in ESRS 2, IRO-1 with a business activity review, sectoral screening and risk analysis tools. Using NACE and SASB standards we conducted a primary business activity review where we concluded that construction activities in addition to accommodation, food and beverage and tourism, leisure and events as our main business sectors. Using ENCORE sectoral screening tool, we identified our business relationships and affected stakeholder groups which we mapped to our value chain and assessed that the production of agricultural products and the manufacture of construction materials should be included. We did not conduct any consultations with affected communities as part of the DMA. Using WWF risk suite filter tool, all Dalata hotel locations were assessed for water stress using the river basis in each location as the parameter for the assessment. We concluded that the Group's five hotels in London are in areas of high-water stress; and that water which encompasses the consumption of surface water, groundwater, as well as withdrawals and discharges of water in our hotels and the production of goods and services in our value chain is material for our business activities in all countries in which we operate, and where our food, beverage and consumable suppliers operate. The extraction and use of marine resources representing a small element of our food offering is not deemed material to our business activities.

E3-1

Policy - Overview

The Group supports the EU Green Deal regulations put in place to accelerate the transition towards improved reporting on environmental, social, and governance impacts. Once we have completed our climate transition plan in 2025, the Group's ambition is to continue to contribute towards the broader policy priorities outlined in the regulations.

The Group has an overarching environmental policy statement which outlines our commitment to minimise the environmental impacts of energy consumption, water usage and waste generated as the business grows by developing key performance indicators, setting objectives and monitoring progress against these objectives.

It also outlines our commitment to comply with all applicable environmental legislation, promote environmental training and awareness amongst employees and collaborate with suppliers to achieve our objectives, whilst maintaining quality customer experience. This policy is approved by the board and is communicated to all stakeholders.

The water management policy addresses the negative impacts relating to water consumption and withdrawals in our own operations and downstream value chain. Details are outlined in Water Consumption and Withdrawals - Own Operations and Downstream Value Chain.

Although the water management policy outlines our commitment to procure goods and services from sustainable suppliers, it does not specifically address the potential negative impact relating to water consumption and withdrawals in our upstream value chain. The Group has not adopted a policy in relation to water used in growing and producing food and beverage products and hotel consumables in our upstream value chain as its interaction with the upstream value chain is limited to its engagement with its suppliers and as such does not have direct influence over the water consumed in growing and producing food and beverage products and hotel consumables procured by the Group.

We plan to undertake an assessment of the water used in agricultural and manufacturing processes of our key products in the medium term, to determine our approach and develop a policy to address this impact.

E3-2

Actions - Overview

Details of the actions undertaken or planned by the Group to manage the impacts are outlined under each of the IROs.

E3-3

Targets - Overview

The Group has set a target to reduce water withdrawals per sleeper by 15% from a base year of 2019 to a target year 2026. Details are outlined in water consumption and withdrawals - Own Operations and downstream value chain.

The Group has not set a target relating to the potential negative impact of water consumption and withdrawals in growing and producing food and beverage products and hotel consumables in our upstream value chain as we have not undertaken an assessment of the impact of these activities. We plan to undertake an assessment of the impacts of water consumption and withdrawals in growing and producing of our key food and beverage products and hotel consumables products in the medium term to determine what target is appropriate and if a target is required.

ESRS 2, BP-1 ESRS 2, BP-2

Basis of Preparation

- Information in the Sustainability Statement includes the Company and its subsidiary undertakings and has been prepared on the same basis as the Financial Statements.
- IROs identified extend to our own operations, upstream and downstream value chain.
- The Group has not deviated from the definitions of short-, medium- and long-term time horizons defined by ESRS 1 as they align with those applied in the Group's Financial Statements.
- Water consumption is defined as the difference between water withdrawals and water discharges. We are cognisant that not all water withdrawals return to sewer systems, due to guest consumption, food preparation and evaporation. We do not have facilities to measure water discharged from our properties. A management judgement was made as to the amount of water consumed in the operation of a hotel. We have estimated, using UK water supplier practices which assumes a 5% consumption with the remainder returned to the sewer system. This estimate has been applied to all water withdrawals in all hotels in the countries in which we operate.
- The assessments and estimates used in calculating metrics are outlined in the accounting policies beside the relevant data table.
- Changes in the preparation and presentation of sustainability information in the 2024 Annual Report resulted in the disclosure of additional IROs following the DMA and the requirement to provide additional information in respect of the IROs, policies, actions, metrics and targets.
- The Group has not disclosed any information relating to prior periods in relation to Water and Marine Resources disclosures.
- The Group has availed of the phase-in reporting exemption relating to E3-5 Anticipated financial effects from water and marine resources-related impacts, risks and opportunities.

IROs

IMPACTS RISKS OPPORTUNITIES

WATER CONSUMPTION AND WITHDRAWALS

ESRS 2, SBM-3; E3, SBM-3

IROs related to Water Consumption and Withdrawals - Own Operations and Downstream Value Chain

Topic	Description	Category	Position in Value Chain	Timeframe
E3 Water: Water Consumption and Withdrawals	Water consumption and withdrawals are essential to the delivery of our services to our guests can negatively affect availability of water for other uses. This impact could potentially be exacerbated in areas experiencing water stress.	Impact - Negative, Actual	Own Operations Downstream Value Chain	Short Term, Medium Term and Long Term:

Reduction in water consumption and withdrawals are key environmental priorities for Dalata given the nature of our operations across our geographies. Dalata is implementing an energy management system and is in the process of installing automated meter readers in all properties. The Group has also introduced employee water stewardship training programmes and a water management policy. These controls enable the Group to monitor water usage, identify and rectify water leaks promptly, thereby reducing water consumption and withdrawals in the hotels. The Group is seeking to partner with suppliers who operate in a similar manner, in that they work to mitigate against negative environmental impacts.

DIRECTORS' REPORT

E3-1

Policies related to Water Consumption and Withdrawals - Own Operations and Downstream Value Chain

Water Management Policy

The Water Management Policy outlines the Group's commitment to reduce water consumption and withdrawals in its hotel operations and value chain, by monitoring water usage, adopting new technologies, installing new appliances and communicating with guests. The policy also outlines the Group's commitment to employee water stewardship training and the procurement of goods and services from suppliers who are also committed to environmental sustainability.

The scope of the policy includes employees, guests and visitors in the Group's properties in all geographies in which we operate and suppliers of food, beverage and consumable products in our value chain. It excludes practices related to sustainable oceans and seas which are not considered material to our operations.

The Group has identified five hotels in London as in high-water stress areas. The policy does not specifically address our approach to reducing water consumption in these areas as we adopt the same policy in reducing water usage across all hotels. We are committed to reducing water consumption and withdrawals through our ongoing investment in water monitoring systems and equipment, and employee water stewardship training. We will consider our approach to high-water stress as part of our annual policy review in 2025.

The policy does not address water treatment and the prevention or abatement of water pollution as all water discharged from the hotels is discharged to municipal wastewater treatment plants. We will consider our approach to water treatment and the prevention or abatement of water pollution as part of our annual policy review in 2025.

The Group Business Support Manager – Facilities and the Environmental Sustainability Leaders are responsible for implementing the policy with the Chief Operating Officer responsible for overseeing the policy for the Group.

The interests of employees were considered in developing this policy resulting in water stewardship training programmes being developed by the Human Resources Team and "Uisce Eireann" (Irish state-owned water utility company). The policy commitments are communicated to all hotel employees through water stewardship training programmes via our eLearning Online Platform and to guests using signage in public areas and hotel bedrooms. The Group plans to communicate the policy to its suppliers in 2025.

E3-2

Actions related to Water Consumption and Withdrawals - Own Operations and Downstream Value Chain

Management Systems

We continued to install Automated Meter Reading (AMR) equipment in the hotels in 2024, to provide real time information on high and low water flow rates facilitating earlier detection and correction of water leaks. We are currently installing an energy management system which automates water usage reports and high and low alarms in the hotels which will be launched at the General Managers Forum in early 2025. The AMR and energy management system will enable us to resolve issues in a more proactive manner resulting in reductions in water consumption and withdrawals.

Capital Investment

We continue to invest in water infrastructure through the installation of water efficient equipment in kitchens and bathroom shower aerators resulting in lower water withdrawals. We plan to continue investing in water efficient equipment in the short, medium and long term.

Training

In 2024, we launched a water stewardship training programme to provide employees with an understanding of the water steward's role, water mapping, monitoring and conservation with the objective of improving water practices and behaviours. The training which is available to all new and existing employees via the eLearning Online Platform was completed by 2,744 employees in 2024 across all countries.

In 2024, 52 employees including the environmental sustainability leaders and maintenance managers participated in water stewardship training facilitated by "Uisce Eireann". The training outlined the water steward's role, the impacts of water on our business, the impacts of our water consumption on the planet and the process for developing water maps and a group water charter. The environmental sustainability leaders were then tasked with developing water maps and identifying water conservation objectives for their hotels with a group water charter to be completed in 2025. In 2025, we plan to provide advanced water stewardship training to the environmental sustainability leaders and maintenance managers in the UK hotels using a UK based sustainability consultant. We will assess the effectiveness of these measures in 2025 using the water consumption of each hotel.

We have no specific actions in place to reduce water consumption and withdrawals in areas of high-water risk, but we will continue to adopt the same actions to reduce consumption and withdrawals throughout its operations. Our current water practices do not create any specific instances of harm to our stakeholders.

E3-3

Targets related to Water Consumption and Withdrawals - Own Operations and Downstream Value Chain

The Group established a target in 2022 to reduce water withdrawals by 15% per sleeper using a base year of 2019 to a target year of 2026. The target includes all hotels in Ireland, UK and the recently acquired properties in Germany and the Netherlands. It relates to water withdrawals associated with accommodation, restaurant services, the hosting of corporate events and by guests in the downstream value chain. This target was set using sleepers as a key driver of activity in hotels. Sleepers are defined as the numbers of guests sleeping in a hotel each night.

2019 was selected as the base year as this was the most recent year not affected by the world pandemic. Water withdrawals per sleeper was 0.19288 meters cubed in the base year 2019, and 0.16668 meters cubed for year ended 31st December 2024, representing a reduction of 13% against the base year. The metrics for the year ended 31st December 2024 are outlined in E3-4 Water Consumption.

As this was an interim measure no specific methodology was used in setting the target other than management's commitment to reduce water withdrawals in the Group's operations and no engagement took place with stakeholders in the process. Although not a mandatory requirement management felt it would give impetus to actions and initiatives throughout the Group.

Although we have not established specific targets relating water consumption and withdrawals in areas of highwater risk, the overall target of reducing water withdrawals by 15% per sleeper applies to all hotels in the Group.

DIRECTORS' REPORT

E3-4

Water Consumption - Metric

Water Consumption (2024)	m3
Total Water Consumption	46,831
Total Water Consumption in areas at water risk, including areas of high-water stress	2,744
Total water recycled and reused	0
Total water stored	3,153
Changes in water stored	Not available
Water Intensity	72
Water Withdrawals	936,627
Water Discharges	889,796
Target	
Water consumption per sleeper	0.16668
Reduction in water consumption per sleeper since 2019 (%)	13%

Accounting Policies:

- Water Consumption is derived from the compilation of data from a number of sources across the portfolio of hotels.
- Water provider invoices are used as the source for water withdrawals in the UK. An automated meter reading system is used in the compilation of withdrawal data for hotels in Ireland with the exception of two hotels, where estimates are made. European hotel data is compiled from meter readings taken in the hotel at each month end. The data is recorded in meters cubed.
- Estimates were utilised for two hotels in Ireland where data was not available for water withdrawals. Comparative hotels were used to establish estimated water withdrawals. The estimate is reliant on the assumption that water withdrawals in the comparative hotels, are not impacted by anomalies, such as leaks, inefficiencies in water heating equipment.
- Water withdrawals represent water used in the provision of guest accommodation, food and beverage preparation, cleaning and leisure facilities.
- Water consumption is the difference between water withdrawals and water returned to wastewater treatment facilities.
- Uisce Eireann - Water provider in Republic of Ireland assumes all water withdrawals are returned to wastewater treatment facilities however the water providers in the UK assume 5% of water withdrawals are not returned to wastewater treatment facilities. Based on the above assumption we have chosen to use the UK estimate that water consumption is at 5% and is applied to all water withdrawals in all countries.
- Water consumption per sleeper is defined as water consumption (as above) divided by the total number of sleepers in the year.
- Sleepers are defined as the number of guests staying in hotels per night.
- Water Intensity is defined as water consumption in its operation in m3 per € million of net revenue.
- Water storage is defined as the sum of the storage tank capacity in each hotel.
- Five properties in London are in areas of high-water stress.
- No facilities within the Group recycle or reuse water.
- The measurement of the metric is not validated by an external body other than the limited assurance provider.

WATER CONSUMPTION AND WITHDRAWALS

ESRS 2, SBM-3; E3, SBM-3

IROs related to Water Consumption and Withdrawals - Upstream Value Chain

Topic	Description	Category	Position in Value Chain	Timeframe
E3 Water: Water Consumption and Withdrawals	The growing and production of food and beverage products and hotel consumables which are procured by hotels may consume large volumes of water. There is the potential for this impact to be exacerbated in areas experiencing water stress as water scarcity increases.	Impact - Negative, Potential	Upstream Value Chain	Medium Term and Long Term:

The Group's interaction with its upstream value chain is limited to its engagement with its suppliers and as such does not have direct influence over the water consumed in growing and producing food and beverage products and hotel consumables procured by the Group. Policies and actions have not been implemented to mitigate the potential negative impact associated with the water consumed in these sectors.

E3-2

Actions related to Water Consumption and Withdrawals - Upstream Value Chain

We are not undertaking any specific actions to address the potential negative impact relating to water consumption and withdrawals in the growing and production processes for food and beverage products and hotel consumables as our interaction with the upstream value chain is limited to our engagement with our suppliers and as such, we do not have direct influence over the water consumed in the growing and production processes. We plan to undertake an assessment of the water used in agricultural and manufacturing processes of our key products in the medium term, before developing an action plan to address this potential impact.

DIRECTORS' REPORT

ESRS E5 - Resource Use and Circular Economy

E5 IRO-1	Resource Use and Circular Economy IROs / Description of Processes	E5, IRO-1
E5-1	Policy and Frameworks - Overview	E5-1
E5-2	Actions - Overview	E5-2
E5-3	Targets - Overview	E5-3
IROs	Impacts Risks Opportunities	IROs
E5-5	Resource Outflows - Metrics	E5-5

Dalata generates significant amounts of waste through its hotel operations and refurbishment projects which can negatively impact on the environment. Disposal of waste generated from its own operations and refurbishment projects is managed by the Group using third party waste providers. We are committed to reducing waste generated in our operations by improving our waste management processes and collaborating with suppliers on waste management strategies and procedures.

E5, IRO-1

Resource Use and Circular Economy IROs

In 2024, we undertook a DMA and related analysis to identify our material IROs. The Group identified three material impacts, and one opportunity related to resource use and circular economy. The material IROs set out in E5 standard are included in the following table for ease of reference.

Material IRO description	Category
Waste Waste generated from hotel operations including guest waste contributes to pollution and climate change.	Negative Actual Impact
Waste Reducing Food Waste will reduce costs.	Opportunity
Waste Waste generated from hotel refurbishments contributes to pollution and climate change.	Negative Actual Impact
Waste Waste generated from the agricultural and manufacturing processes associated with food and beverages contributes to pollution and climate change.	Negative Actual Impact

The IROs identified recognise the importance of investing in waste management equipment, employee training and collaborating with suppliers on product packaging. These IROs align with the Group's ESG strategic priority which is to operate a sustainable and responsible business.

The Group allocates financial and operational resources to its hotel and central office teams to manage and mitigate the material IROs. As the material IROs are related to our core business activities the management and mitigation of the IROs are embedded in our current operating structures, hence the financial effects are limited. Activities undertaken by the teams include investing in waste management equipment, developing employee waste management training programmes, conducting waste management audits, implementing a food resale app and collaborating with suppliers on product packaging. There is no risk of material adjustment to the financial performance and cashflows within the current reporting period and to the carrying amounts of assets and liabilities in the Financial Statements in the next annual reporting period.

Further information on each material IRO is outlined below.

Description of processes to identify and assess material resource use and circular economy-related impacts, risks and opportunities

Dalata supplemented its DMA as outlined in ESRS 2 IRO-1 with business activity review, sectoral screening and risk tools. Using NACE and SASB standards we conducted a primary business activity review where we concluded that construction activities in addition to accommodation, food and beverage and tourism, leisure and events as our main business sectors. Using ENCORE sectoral screening tool, we identified our business relationships and affected stakeholder groups which we mapped to our value chain and assessed that the production of agricultural products and the manufacture of construction materials should be included.

E5-1

Policy and Frameworks - Overview

The Group has an overarching environmental policy statement which outlines our commitment to minimise the environmental impacts of energy consumption, water usage and waste generated as the business grows through developing key performance indicators, setting objectives and monitoring progress against these objectives.

It also outlines our commitment to comply with all applicable environmental legislation, promote environmental training and awareness amongst employees and collaborate with suppliers to achieve our objectives, whilst maintaining quality customer experience. This policy is approved by the board and is communicated to all stakeholders.

We have three policies and frameworks in place to manage the material IROs relating to resource use and circular economy. Details are outlined in the associated IROs.

Waste Management Policy

- Waste - Own Operations
- Food Waste
- Waste - Hotel Refurbishments

Sustainable Procurement Statement of Policy

- Waste - Own Operations.

Contractor Agreements

- Waste - Hotel Refurbishments

Although the waste management policy outlines our commitment to collaborate with suppliers to reduce waste in procuring goods and services, it does not specifically address the potential negative impact relating to waste generated from the agricultural and manufacturing processes in our upstream value chain. We plan to undertake an assessment of the waste generated in the agricultural and manufacturing processes associated with our key food and beverage products in the medium term, to determine our approach and develop a policy to address this impact.

E5-2

Actions - Overview

Details of the actions undertaken or planned by the Group to manage the impacts are outlined under each of the IROs.

DIRECTORS' REPORT

E5-3

Targets - Overview

The Group has two targets relating to resource use and circular economy as follows:

- Divert 100% of waste generated in its own operations from landfill. This target was set and achieved in 2022. Details are outlined in Waste - Own Operations.
- Reduce food waste per sleeper by 15% from a base year of 2019 to a target year 2026. We achieved this target in 2024. Details are outlined in Food Waste.

Waste - Hotel Refurbishments

The Group has not set a target relating to the potential negative impact of waste generated from refurbishment projects, as we have not undertaken an assessment of the principal waste products generated from hotel refurbishment projects and the potential re-use of these products. We plan to undertake an assessment of the principal waste component and their potential re-use in the medium term to determine what target is appropriate and if a target is required. This assessment will form part of a wider circular economy review.

Waste - Upstream Value Chain

The Group has not set a target relating to the potential negative impact of waste generated in our upstream value chain as we have not undertaken any assessment of the impact of these activities. The IRO relates to the impact of waste generated in the agricultural and manufacturing processes associated with food and beverage products in our upstream value chain. We plan to undertake an assessment of the impacts of the waste generated in the agricultural and manufacturing processes associated with our key food and beverage products in the medium term to determine what target is appropriate and if a target is required.

Circular Economy

The Group has not set a target for increases in circular product design and circular material use, minimisation of primary raw material use, sustainable sourcing, use of renewable resources, and other matters related to resource and circular economy, as we have not undertaken a review of our circular economy however, we plan to assess it in the medium term.

ESRS 2, BP-1; ESRS 2, BP-2

Basis of Preparation

- Information in the Sustainability Statement includes the Company and its subsidiary undertakings and has been prepared on the same basis as the Financial Statements.
- IROs identified extend to our own operations, upstream and downstream value chain.
- The Group has not deviated from the definitions of short-, medium- and long-term time horizons defined by ESRS 1 as they align with those applied in the Group's Financial Statements.
- There were no judgements used in calculating metrics.
- In relation to waste reporting, estimates were used for waste generated from our hotel in Germany.
- The estimates used in calculating metrics are outlined in the accounting policies beside the relevant data table.
- Changes in the preparation and presentation of sustainability information in the 2024 Annual Report resulted in the disclosure of additional IROs following the DMA and the requirement to provide additional information in respect of the IROs, policies, actions, metrics and targets.
- The Group has not disclosed any information relating to prior periods in relation to Resource Use and circular Economy disclosures.
- The Group has availed of the phase-in reporting exemption relating to E5-7 Anticipated financial effects from resource use and circular economy-related impacts, risks and opportunities.

IROs

IMPACTS RISKS OPPORTUNITIES

WASTE

ESRS 2, SBM-3; E5, SBM-3

IROs related to Waste - Own Operations

Topic	Description	Category	Position in Value Chain	Timeframe
E5 Resource Use and Circular Economy: Waste	Waste generated from hotel operations including guest waste contributes to pollution and climate change.	Impact - Negative Actual	Own Operations	Short Term, Medium Term and Long Term:

Reducing waste generated by the hotel operations is a key environmental priority for Dalata. The Group has implemented waste management and sustainable procurement policies, established a waste management committee at group level and waste champions in the hotels and launched employee waste management training programmes. The waste management processes are monitored through environmental audits and monthly waste management reporting. These measures increase awareness of waste management in our operations and enable the Group to meet its waste reduction targets.

E5-1

Policies related to Waste - Own Operations

Waste Management Policy

The Waste Management Policy outlines the Group's commitment to reduce waste generated in its hotel operations and value chain by installing additional recycling and segregated bins and collaborating with suppliers on the reduction of product packaging, building contractors on the segregation and removal of refurbishment waste and corporate customers on the removal of waste generated at events held in the hotels. The policy also outlines the commitment to reduce food waste through improved food forecasting, review of food portion size and sale of surplus meals via food apps, and to provide employee waste management training. The policy does not address transitioning from the use of virgin resources to sustainable sourcing and renewable resources, however the Group will consider its approach to sustainable sourcing and the use of renewable resources as part of its policy review in the short to medium term.

The scope of the policy covers employees, guests and visitors to the Group's properties in all geographies in which it operates and suppliers in its value chain. The Head of Operational Risk and Sustainability and the waste champions are responsible for implementing and monitoring the policy using environmental audits and monthly waste management reporting with the Chief Operating Officer responsible for overseeing the policy for the Group.

The interests of employees were considered when developing this policy resulting in a waste management training programme being developed by the Human Resources Team as outlined in the actions section below. The policy commitments are communicated to all hotel employees through the waste management training programme via our eLearning Online Platform and to guests using signage in public areas and hotel bedrooms. The Group plans to communicate the policy to its suppliers in 2025.

Sustainable Procurement Statement of Policy

The Sustainable Procurement Statement of Policy outlines the Group's commitment to minimise the environmental impact of its' purchasing decisions and to prioritise suppliers who have embedded sustainable and ethical practices within their organisation. The policy also outlines the Group's commitment to waste management, local supply sourcing and green purchasing. The policy does not address transitioning from the use of virgin resources to sustainable sourcing and renewable resources, however the Group will consider its approach to sustainable sourcing and the use of renewable resources as part of our policy review in the short to medium term.

The scope of the of the policy covers employees who engage in procurement in all geographies in which we operate and suppliers in our value chain. The Head of Procurement and Food and Beverage Projects is responsible for implementing the policy with the Chief Operating Officer responsible for overseeing the policy for the Group.

The Group considered the interests of its suppliers in identifying the green purchasing commitments on waste management outlined in the policy.

DIRECTORS' REPORT

E5-2

Actions related to Waste - Own Operations

Investment

In 2024, as part of the ongoing investment in waste management facilities, we installed additional recycling and segregated bins in public areas, kitchens and bedrooms in all hotels to increase recycling levels. Compactors and bottle crushers which improve waste segregation and reduce waste volume were also installed in the larger hotels.

Training

During 2024, we conducted an internal waste management survey to identify improvements made from previous surveys and areas requiring focus. Using the findings of this survey, we launched the waste management training programme via our eLearning Online Platform for hotel employees with 1,995 employees completing the course across all geographies. The objective of the training is to improve waste management practices and employee behaviours and outline the process for recording and reporting waste data.

Audits and Accreditations

As part of the Green Tourism audits conducted in 2024, the waste management practices were inspected at seven hotels as part of a wider sustainability review with all hotels receiving gold accreditation. We are currently developing a plan to conduct waste management audits as part of our Green Tourism audit plan in 2025.

E5-3

Targets related to Waste - Own Operations

The Group established a target to divert 100% of waste from landfill by 2026 in Ireland and the UK from a base year of 2019. It relates to waste generated through accommodation and restaurant services, hosting of corporate events, refurbishment projects, by guests in the downstream value chain and excludes waste generated in the upstream value chain. Although we did not have data related to landfill in our base year, (2019) we agreed that diverting all waste away from landfill was important.

The target which is not mandatory was achieved in 2022. It relates to prevention, recycling and disposal outlined in the waste hierarchy and excludes sustainable sourcing, use of renewable resources and circular materials and circular product design. It also relates to resource outflows and the preparation for proper treatment but excludes resource inflows. As this was an interim measure, no specific methodology was used in setting the target other than management commitment to reduce waste generated and no engagement took place with stakeholders in this process. The Group will establish a new waste target in 2026 which will focus on improved waste segregation and behavioural change which is expected to be achieved through the ongoing training of kitchen and cleaning staff.

Details of waste generated from our own operations in 2024 are outlined in Resource Outflows E5-5.

WASTE

ESRS 2, SBM-3; E5, SBM-3

IROs related to Food Waste

Topic	Description	Category	Position in Value Chain	Timeframe
E5 Resource Use and Circular Economy: Waste	Reducing food waste will reduce costs	Opportunity	Own Operations	Short Term, Medium Term and Long Term:

Reducing food waste provides an opportunity for the Group to reduce its food and waste costs. The Group has a waste management policy and waste management reporting in place. These controls increase awareness of food management in our operations and enable the Group to meet its waste reduction targets and reduce its waste and food costs. Dalata has partnered with a software application provider at hotel level to facilitate the sale of surplus meals that would have been designated food waste.

E5-1

Policies related to Food Waste

Waste Management Policy

The Waste Management Policy outlines the commitment to reduce food waste through improved food forecasting, review of food portion size and sale of surplus meals via food apps. Further information on the waste management policy is outlined in Policies related to Waste - Own Operations

E5-2

Actions related to Food Waste

Each hotel in the Group undertakes daily food forecasting based on occupancy to determine their food requirements enabling them to reduce their food and waste costs. Following the launch of the Dalata Signature Food range in 2023, we continued our review of food portion size, identifying areas of food wastage and savings on food costs and established an optimum portion size in 2024. We also partnered with a software application provider, enabling hotels to sell surplus meals and reduce its food waste and costs. The effectiveness of this food waste measure was reflected in the sale of 20,280 meals through the software application provider in 2024 which reduced food waste by 20 tonnes representing circa 1% of total food waste.

E5-3

Targets related to Food Waste

The Group established a target in 2022 to reduce food waste by 15% per sleeper from a base year of 2019 to a target year of 2026. The target includes all hotels in Ireland and the UK and the recently acquired properties in Germany and the Netherlands. It relates to food waste generated through the restaurant services, hosting of corporate events and guests in the downstream value chain but excludes food waste generated in the upstream value chain. This target was implemented using sleepers as a key driver of activity in hotels. Sleepers are defined as the number of guests sleeping in a hotel each night. Food waste per sleeper for the years ended 31st December 2019 and 2024 is 314 and 256 grammes respectively, representing a reduction of 18% over the period.

The food reduction target which is not mandatory, relates to prevention, recycling and disposal as outlined in the waste hierarchy and excludes sustainable sourcing, use of renewable resources and circular materials and circular product design. The target is impacted by resource inflows through food portion size and resource outflows through the food reseller. The Group's approach to delivering on this target is through food forecasting, reviewing food portion sizes and the sale of surplus meals via our partnership with the software application provider. As this was an interim measure no specific methodology was used in setting the target other than management commitment to reduce food waste generated and no engagement took place with stakeholders in this process.

The Group plans to set a new food waste target in 2026.

WASTE

ESRS 2, SBM-3; E5, SBM-3

IROs related to Waste - Hotel Refurbishments

Topic	Description	Category	Position in Value Chain	Timeframe
E5 Resource Use and Circular Economy: Waste	Waste generated from hotel refurbishments contributes to pollution and climate change.	Impact - Negative Actual	Own Operations	Medium Term

Reducing waste generated from hotel refurbishment is a priority for Dalata given the number of refurbishment projects being undertaken in all geographies. The Group has implemented a waste management policy and has contractor agreements in place. These controls enable the building contractors in collaboration with our Corporate Development and Hotel Management Teams to properly segregate and dispose of the waste generated from hotel refurbishments. Dalata requests a logistical site set up plan including a waste management plan from the building contractor prior to the commencement of work.

DIRECTORS' REPORT

E5-1

Policies related to Waste - Hotel Refurbishments

Waste Management Policy

The Waste Management Policy outlines the commitment to collaborate with building contractors on the segregation and removal of refurbishment waste. Further information on the waste management policy is outlined in Policies related to Waste - Own Operations.

Contractor Agreements

The Group's commitment to managing waste from its hotel refurbishments is set out in the requirements of contractor agreements. The agreements are issued to building contractors undertaking large hotel refurbishment projects, outlining the specification of the project, including the approach to segregation and management of waste. The scope of the agreement covers contractors who engage with the Group on refurbishment projects in Ireland and the UK. The Head of Construction and Capital Expenditure is responsible for implementing and monitoring the contractor agreements during hotel refurbishments, with the Deputy Chief Executive Officer responsible for overseeing contractor agreements for the Group.

The interests of building contractors are considered in the negotiation of contractor agreements. As a legally binding document, all parties are required to comply with terms and conditions of the contractor agreement and relevant legislation.

E5-2

Actions related to Waste - Hotel Refurbishments

Although, we engage with building contractors in relation to segregation and disposal of refurbishment waste, we have not taken any actions to reduce such waste as we have not fully assessed the principal waste products generated from refurbishment projects and the potential re-use of these products. We plan to undertake an assessment of the principal waste components and their potential re-use in the medium term as part of a wider circular economy review.

WASTE

ESRS 2, SBM-3; E5, SBM-3

IROs related to Waste - Upstream Value Chain

Topic	Description	Category	Position in Value Chain	Timeframe
E5 Resource Use and Circular Economy: Waste	Waste generated from the agricultural and manufacturing processes associated with food and beverages contributes to pollution and climate change.	Impact - Negative Actual	Upstream Value Chain	Short Term, Medium Term and Long Term:

The Group's interaction with its upstream value chain is limited to its engagement with its suppliers and as such does not have direct influence over the waste generated in agricultural and manufacturing processes associated with food and beverages procured by the Group. Policies or actions have not been implemented to mitigate the potential negative impact associated with the waste generated in these sectors.

E5-2

Actions related to Waste - Upstream Value Chain

We are not undertaking any specific actions to address the potential negative impact relating to waste generated from the agricultural and manufacturing processes associated with food and beverages as our interaction with our upstream value chain is limited to our engagement with our suppliers and as such, we do not have direct influence over the waste generated in agricultural and manufacturing processes associated with food and beverages. We plan to undertake an assessment of the water used in agricultural and manufacturing processes of our key products in the medium term, before developing an action plan to address this potential impact.

E5-5

Resource Outflows - Metrics

	2024	2024
Disposal Method	Non-Hazardous Waste (tonnes)	Hazardous Waste (tonnes)
Preparation for re-use	-	-
Recycling	1,931	-
Other	1,436	-
Waste diverted from disposal	3,367	-
Incinerator	2,220	-
Landfill	-	-
Other	-	-
Waste diverted to disposal	2,220	-
Total Waste	5,587	-
Non-recycled waste	2,220	-
% of non-recycled waste	40%	-
Target - Reduce Food Waste by 15% per sleeper from 2019 to 2026	18%	-

Accounting Policies:

- Waste generated is defined as the following:
 - Commercial municipal waste consists of non-hazardous waste that is generated from own operations, from guests staying within its properties and from refurbishment activities that cannot be recycled or repurposed.
 - Commercial recycled waste consists of metal, paper, plastic and glass packaging that is generated by supplier deliveries to hotels or generated by the consumption of guests on site.
- Waste data in tonnes is recorded monthly using data provided by waste providers.
- Waste providers' data is classified internally into three categories: general waste, recycling waste and food waste.
 - General waste consists of items that are not recoverable.
 - Recycling waste consists of designated recyclable paper, plastic and glass packaging.
 - Food waste consists of unsold or uneaten food past its use by date.
- Hazardous waste is not measured as the level of waste is immaterial in the Group.
- Data from new hotels is included from the date trading commenced.
- Waste per sleeper is defined as waste (as above) divided by the total number of sleepers in the year.
- Number of sleepers is defined as the number of guests that stay in a hotel per night as recorded in the property management system.
- Assumptions and estimates were made in relation to waste associated with our hotel in Germany as their waste providers are unable to provide the relevant data. Estimates are based on the average waste per sleeper for each waste stream using three comparative group hotels multiplied by the number of sleepers in the German hotel. This estimate is dependent on the quality of the data from the comparative group hotels where there is a potential for the waste quantities to be under or overstated, however the impact is deemed immaterial.
- The measurement of the metric is not validated by an external body other than the limited assurance provider.

DIRECTORS' REPORT

ESRS S1 – Own Workforce

S1 SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	ESRS 2, SBM-3; S1, SBM-3
S1-1	Policy and Frameworks - Overview	S1-1
S1-2	Engaging with employees	S1-2
S1-3	Processes to remediate negative impacts and channels for own workers to raise concerns	S1-3
S1-4	Actions - Overview	S1-4
S1-5	Targets - Overview	S1-5
IROs	Impacts Risks Opportunities	IROs
S1-6	Characteristics of the undertaking's employees (Diversity)	S1-6
S1-9	Diversity metrics (Diversity)	S1-9
S1-10	Adequate wages (Secure employment)	S1-10
S1-14	Health and safety metrics (Health and Safety)	S1-14
S1-16	Compensation metrics (pay gap and total compensation) (Secure Employment)	S1-16
S1-17	Incidents, complaints and severe Human Rights impact (Human rights)	S1-17

Our "people-first" focus at Dalata is the cornerstone of our success as a hospitality business. We work hard to provide a safe and inclusive working environment where everyone feels valued and free to contribute equally. We also provide opportunities to upskill and progress in their areas of expertise. Our open and inclusive culture allows our people to express their views and perspectives and forms part of the key Dalata values.

ESRS 2, SBM-3; S1, SBM-3

Own Workforce IROs

In 2024, we undertook a DMA to identify the material IROs relating to our own workforce. We identified eleven material impacts but no material risks or opportunities. The material impacts set out in S1 are included in the following table for ease of reference.

Material IRO description	Category
Working Conditions - Secure Employment and Adequate Wages Employees are part of a fair working environment where a living wage is paid with pay agreements in place and all national social protection standards are met.	Positive Actual Impact
Working Conditions - Secure Employment and Adequate Wages Part-time, flexible and seasonal workers employed by third-party agencies may not receive a living wage and may have lower levels of social protection.	Negative Potential Impact
Working Conditions - Working Time and Work - Life Balance 24/7 customer facing business model results in potentially long and unsociable working hours for employees potentially impacting work-life balance. Work-life balance measures may not be provided to workers employed by third-party agencies.	Negative Actual Impact
Working Conditions - Health and Safety Physical nature of hotel work may lead to a higher potential for physical injuries.	Negative Potential Impact
Equal Treatment and Opportunities - Diversity, Equality and Equal Pay An equal, inclusive and diverse culture where all employees receive equal pay for equal work regardless of gender helps to attract and retain a diverse workforce.	Positive Actual Impact

Material IRO description	Category
Equal Treatment and Opportunities - Violence and Harassment Due to the 24/7 customer facing business model, shift work and a high number of transient employees, there may be a higher potential for violence and harassment.	Negative Potential Impact
Equal Treatment and Opportunities - Training and Skills Development - Employees Employees training and skills development programmes enhance career prospects and enables employees earn higher wages.	Positive Actual Impact
Equal Treatment and Opportunities - Training and Skills Development -Workers employed by third-party agencies Part-time, flexible, and seasonal workers recruited by third-party agencies may not have access to training and skills development resulting in injuries and reduced promotion prospects.	Negative Potential Impact
Work-Related Rights - Privacy Physical and online privacy controls are in place for employees.	Positive Actual Impact
Work-Related Rights - Adequate Accommodation Part-time, flexible, transient and seasonal workers recruited by third-party agencies may have difficulty in securing reliable accommodation and adequate housing.	Negative Potential Impact
Work-Related Rights – Child Labour, Forced Labour The transient nature of certain jobs in the hotel industry can lead to a higher potential for child labour and / or forced labour for workers recruited by third-party agencies.	Negative Potential Impact

The Group describes its "own workforce" as employees directly employed, and workers employed by third-party agencies to undertake employee duties in this S1 disclosure. The Group acknowledges that we use agencies to work in our business who employ their own employees to undertake employee duties on our behalf. With this in mind, we reference third parties or third-party suppliers and agencies in this standard and our responsibility as an employer to ensure diligence within our supplier relationships particularly in the case where we do not have direct control. These employees have a potential to be marginalised or are particularly vulnerable to certain impacts and may experience additional negative impacts.

As part of our drive towards sustainability we feel it important to highlight the benefits of having a climate change transition plan and the potential impact this can have on our own workforce. As we develop this plan in 2025, we are not in a position at this point to determine the positive impacts it will have on our business and on our own workforce however this should be in place by the next reporting date. Positive impacts identified aim to benefit the entire workforce.

The impacts identified as part of the DMA require the Group to prioritise safe and fair working conditions. It recognises the importance of developing employees in their areas of expertise and providing secure employment, adequate wages, work-life balance and privacy measures to retain them. It also recognises the importance of inclusion and diversity initiatives and measures against violence and harassment in fostering a culture of inclusivity. The transient and low skilled nature of certain jobs in the hotel industry, may lead to a higher potential for forced, compulsory and/or child labour. Dalata meets all relevant labour legislation and does not tolerate any suspected or actual incidents of forced compulsory or child labour in its own operations. The location of the Group's hotels in Ireland, UK, Germany and the Netherlands are not regarded as high-risk countries for forced or child labour by the UNEP's Human Rights Guidance Tool. These impacts align with the Group's people strategic priority which is to develop future expertise from existing teams and retain motivated and skilled people who continue to deliver superior service to our customers.

The Group allocates financial and human resources to our Human Resources, Health and Safety, Data Protection and Internal Audit teams to manage and mitigate against the material impacts identified. Activities undertaken by these teams in managing and mitigating against the material impacts include maintaining the health and safety management system, data protection processes and engagement and remediation procedures, developing and hosting employee training programmes, offering inclusion and diversity initiatives to employees, conducting internal and supplier audits and maintaining relationships with suppliers of workers. We also allocate financial resources to provide adequate pay, social protection and work-life balance measures to our employees. The Group has not allocated any resources to mitigate against the potential negative impacts arising from the shortage of housing for part-time, flexible, transient and seasonal workers recruited by third parties, but will continue to review the situation as it develops in the various jurisdictions.

DIRECTORS' REPORT

As our material IROs are related to our core business activities and meet our strategic people priority, our actions and initiatives to mitigate impacts are embedded in our operating structures hence the financial impact is limited. There is no risk of material adjustment to the financial performance and cashflows within the current reporting period, or to the carrying amounts of assets and liabilities reported in related Financial Statements in the next annual reporting period in respect of the impacts identified.

Further information on each material IRO is outlined below.

S1-1

Policy and Frameworks - Overview

We have policies and frameworks in place to manage the material IROs. Details of the policies are outlined in the associated IROs.

Employment Contracts

- Secure Employment and Adequate Wages
- Working Time and Work-Life Balance

Health and Safety Policies

- Health and Safety
- Privacy

Wellbeing Policy

- Health and Safety

Bullying and Harassment - Dignity in the Workplace Policy

- Violence and Harassment

Inclusion and Diversity Policy

- Diversity, Equality and Equal Pay
- Training and Development Strategy
- Training and Skills Development - Employees

Data Protection Policies

- Privacy

Human Rights Policy

- Child Labour, Forced Labour

Supplier Contracts

- Secure Employment and Adequate Wages
- Working Time and Work-Life Balance
- Child Labour, Forced Labour
- Training and Skills Development – Workers employed by third-party agencies

Adequate Housing

As noted above the Group has no policy in place to mitigate against the potential negative impacts arising from a shortage of housing for part-time, flexible, transient and seasonal workers recruited by third parties as it has not undertaken an assessment of this impact on its business. We will continue to review the situation as it develops in the various jurisdictions in the medium term before determining our approach and developing a policy if necessary to address the impact.

S1-2

Engaging with employees

We have an open, inclusive, ambitious and agile culture that places people at the heart of what we do and where all employees have opportunities to express their views and perspectives. Views and perspectives from our own workforce help to inform activities aimed at managing actual and potential impacts. Details of these engagements are outlined below.

Engagement Events

The Group's hotel meeting framework provides a forum for hotel management teams to discuss the material topics with their employees.

Monthly townhalls were established at each hotel and Central Office to enable employees to express their views and perspectives to management. These events led by Group Human Resources provide feedback to hotel management teams and the Group Human Resources Team, which is considered and integrated into policy and initiatives, when applicable. The Group's annual employee awards ceremony provides an informal opportunity for employees to engage directly with hotel and central office management and recognise the accomplishments of employees.

Engagement Surveys

The Group conducts bi-annual employee engagement surveys in June and November. These surveys managed by the Group Human Resources Team and overseen by the Chief People Officer, provide insights into employees' views of Dalata's workplace, relationships with management and organisational supports. Survey results are taken into account when addressing material topics for the Group's employees, particularly topics where scores may have fallen on previous surveys.

In 2023, the Group Human Resources team also conducted ad-hoc surveys such as the Employee Benefits Survey, to identify areas for improvement in relation to employee benefits, resulting in amongst other changes, the introduction of additional annual leave for employees.

In 2023, employees participated in an ad-hoc survey with the Irish Centre for Diversity and the National Centre for Diversity (UK) to enable the Group to achieve Investors in Diversity Silver Accreditation. The key finding of the survey was the need for greater awareness and education on diversity and inclusivity matters, resulting in the introduction of diversity and inclusivity educational and awareness campaigns during 2024.

Board Meetings

Board meetings are hosted at various hotel locations during the year providing management and employees with an opportunity to engage with the Board. The activities of the Workforce Engagement Director also enable employees to engage with the Board. Gervaise Slowey, as the designated Workforce Engagement Director, provides a meaningful two-way dialogue between employees across the Group and the Board. During 2024 she met with the employees of three hotels and Central Office during the year.

Engagement with vulnerable employees

The Group does not hold specific engagements to gain insight into perspectives of particular groups of workers identified as marginalised or particularly vulnerable to impacts, such as workers employed by third-party agencies. Engagement between the suppliers of such workers and the Group's Human Resources' team is through supplier meetings and audits.

Accountability

The Chief People Officer has operational responsibility for conducting and communicating the findings of employee engagements to management and the supervisory board, and for implementing actions arising from these engagements.

Effectiveness of engagement activities

The employee engagement survey is an effective tool for engagement with employees and has a participation rate of 91% and an employee satisfaction score of 9.0 out of 10.0.

Employee Satisfaction Score

		2024
Engagement Score Outcome		9.0

Accounting Policies:

- The employee engagement survey uses the "Engagement Score Outcome" to assess employee satisfaction.
- The Engagement Score Outcome is based on the response to the question – 'how likely that you would recommend Dalata as a place to work'.
- Surveys are sent to all employees excluding those on protected leave (i.e. maternity and sick leave) via email.
- The response rate to the survey was 91% in 2024.
- The findings of the survey were validated by an external provider.

DIRECTORS' REPORT

S1-3

Processes to remediate negative impacts and channels for own workers to raise concerns

As we operate in a people intensive business, we know that not everything and everyone is as connected as we would like. With that in mind we have put in place several mechanisms to allow individuals access to channels for meaningful engagement and resolution.

Approach

We work actively to provide a safe and inclusive working environment as all employees deserve to be treated with dignity and respect. Employees who experience bullying, discrimination or harassment or a violation of their human rights, or there is unlawful behaviour or behaviour which contradicts the Group's internal rules, are encouraged to report grievances or complaints via the designated mechanisms. Similarly, employees are also encouraged to use the data protection channels in the event of a data breach. Regardless of the reporting mechanisms and the severity of the incident; all incidents are taken seriously and handled in a professional and confidential manner where all parties' needs and rights are taken into account. Access to remedial channels, and the knowledge and confidence to utilise them, provides fairness, justice and protection for employees.

Channels for own employees to raise concerns

Grievance Procedures

The grievance procedures enable people within our own workforce seek recourse and find a solution when they believe their rights have been violated or there is unlawful behaviour or behaviour which contradicts the Group's internal rules.

Any person in our own workforce can raise a concern informally through their direct line manager, HR manager, operations manager or General Manager. If an employee is dissatisfied with the outcome of the informal process, they can raise the matter in a formal manner by writing to their direct line manager and / or HR manager. Matters are dealt with on a case-by-case basis by hotel management and human resources. Details of concerns raised are maintained by the local human resources team.

Whistleblowing Channels

The Whistleblowing channels can be used by our employees and external stakeholders to raise concerns in a confidential manner. Concerns are generally raised through the confidential email address on speakup@dalatahotelgroup.com but can also be raised through info@dalatahotelgroup.com or directly with management. These concerns are dealt with on a case-by-case basis by Group Human Resources. The Group's Protected Disclosure Policy offers protection to an employee who raises a concern in good faith by ensuring that the person will not be subject to any penalisation or detrimental treatment by the Group, and that any employees who threaten or retaliate against the person raising a concern faces disciplinary action. Group Human Resources maintain a register of all concerns raised through the channels and this is reported to the Audit and Risk Committee annually. A review of the adequacy and security of the whistleblowing channels is undertaken by the Audit and Risk Committee annually.

Data Protection Procedures

The data protection procedures enable employees seek recourse and find a solution when they believe their personal data has been impacted by an incident in the Group. Employees can raise data privacy concerns by contacting the Company Secretarial Team in Central Office or by emailing the data protection team on: dataprotection@dalatahotelgroup.com.

The data protection team investigate all concerns, take corrective actions, and review compliance with privacy policies. All data privacy incidents are recorded in the Data Breach and Incidents Register. Further information on the data procedures is outlined in S4-3 Data Protection Procedures.

Awareness and trust in our grievance mechanisms

We continuously inform our employees about the grievance mechanisms, data protection channels and the whistleblowing channels via training on our eLearning Online Platform, internal communications and the relevant policies. Awareness and trust of the speak up reporting channel is assessed through scores achieved in the employee engagement survey. In 2024, employee awareness of the speak up channel was 84%.

S1-4

Actions - Overview

Details of the actions undertaken or planned to be undertaken by the Group to manage and mitigate impacts are outlined under the relevant material topics.

S1-5

Targets - Overview

We have not set targets for own workforce IROs but continuously assess the effectiveness of our policies and actions to manage and mitigate these impacts at management level. As this is a complex and evolving environment, we agreed it is not the appropriate time to establish targets. We plan to assess our policies and actions to understand what targets are appropriate for our business in the medium term.

ESRS 2, BP-1; ESRS 2, BP-2

Basis of Preparation

As is required as part of the ESRS standards, we outline the basis under which we have prepared the information for the Company and its subsidiary undertakings as follows:

- IROs identified extend to our own operations and not to the upstream or downstream value chain.
- The Group has not deviated from the definitions of short-, medium- and long-term time horizons defined by ESRS 1 as they align with those applied in the Group's Financial Statements.
- There are no estimations or judgements used in calculating metrics.
- Details of the accounting policies used in calculating metrics is outlined beside the relevant data table.
- Changes in the preparation and presentation of sustainability information in the 2024 Annual Report resulted in the disclosure of additional IROs following the DMA and the requirement to provide additional information in respect of the IROs, policies, actions, metrics and targets.
- The Group has not disclosed any information relating to prior periods nor availed of any phase-in reporting exemptions in relation to own workforce disclosures.

IMPACTS RISKS OPPORTUNITIES

HUMAN RIGHTS

S1-1

Policies related to Human Rights

Although not identified as a material IRO, Dalata's commitment to human rights underpins several policies and as such have included it as a reference to the associated actions and metrics.

The Human Rights Policy outlines the Group's commitment to align with the Universal Declaration of Human Rights, Labour Organisation's Declaration on Fundamental Rights and Principles at Work which applies to our corporate customers and business and leisure guests.

The policy addresses the Group's approach to forced or child labour in its operations and the unacceptable treatment of workers. It outlines our commitment to comply with applicable legislation relating to minimum age of employment, to respect employees right to union membership and to eliminate discrimination based on gender, race, class, economic status, ethnic background, sexual orientation, age, political beliefs, marital status or any other protected class. The objective of the policy is to inform our employees, our customers and business partners of our commitment to human rights and maintain and exercise due diligence in relation to human rights with our business partners

The policy applies to all employees across all the jurisdictions in which we operate. It also extends to any party we do business with including suppliers that provide products and services, workers who undertake employee duties and our hotel development and construction partners. It applies to all locations where the Group conducts business and to all Dalata sponsored events or initiatives.

Guests and corporate customers can raise human rights incidents through the Whistleblowing Channel or directly with management. In the case of an incident reported through the Whistleblowing Channel, the Group follows the appropriate whistleblowing procedures. In the case of incidents reported to management, these are recorded in the health and management system and referred to Group Human Resources. The Group Human Resources Team investigate all incidents and provide remedies. Human rights incidents are recorded in a register which is maintained by Group Human Resources.

DIRECTORS' REPORT

In 2024, we recorded no severe human rights issues or incidents connected to own workforce. The Group recorded no cases of non-respect of the UN Guiding Principles on Business and Human Rights, ILO Declaration on Fundamental Principles and Rights at Work or OECD Guidelines for Multinational Enterprises that involve own workforce. Further information is outlined in the table below.

S1-17

Incidents, complaints and severe Human Rights impacts

The number of incidents, complaints and severe human rights impacts and the related fines, penalties and compensation for the year ended 31st December 2024 is outlined in the table below. The recorded complaints represent those that are raised through our "Speak up" channel which is open to all employees. The measurement of this metric has not been validated by a third party other than the limited assurance provider.

	2024
Number of incidents of discrimination and harassment	0
Number of complaints filed through channels for own workers to raise concerns	11
Number of complaints filed to National Contact Points for OECD Multinational Enterprises	0
Amount of material fines, penalties, and compensation for damages as a result of violations regarding social and human rights factors	0
Number of severe human rights issues and incidents connected to own workforce	0
Number of severe human rights issues and incidents connected to own workforce that are violations of UN Global Compact Principles and OECD Guidelines for Multinational Enterprises	0
Amount of material fines, penalties, and compensation for severe human rights issues and incidents connected to own workforce	0
Number of severe human rights cases where undertaking played a role securing remedy for those affected	0

SECURE EMPLOYMENT AND ADEQUATE WAGES

ESRS 2, SBM-3; S1, SBM-3

Own Workforce IROs related to Secure Employment and Adequate Wages - Employees

Topic	Description	Category	Position in Value Chain	Timeframe
S1 Working Conditions: Secure Employment and Adequate Wages	Employees are part of a fair working environment where a living wage is paid with pay agreements in place, and all national social protection standards are met.	Impact - Positive, Actual	Own Operations - Employees	Short Term:

Offering social protection and a living wage which we continuously review, is part of our strategic people strategy to make Dalata an employer of choice and retain motivated and skilled individuals. This has a positive impact on our employees. The Group's pay and social protection benefits outlined in employment contracts provides secure employment and adequate wages for our employees.

S1-1

Policies related to Secure Employment and Adequate Wages - Employees

Employment Contracts

Dalata is committed to providing secure employment and adequate wages to its employees and achieves this commitment by providing social protection and pay which aligns with pay agreements and national social protection standards in the countries in which we operate. Terms and conditions of employment such as pay, national social protection, working time and work-life balance measures are included in employment contracts. All employees are required to sign an employment contract on joining the Group. Employment contracts are maintained by the Human Resources Manager in their respective hotel and are continuously monitored and updated by Group Human Resources, overseen by the Chief People Office to reflect changes in national protection standards, pay rates and working time legislation. Feedback from employees is taken into account when setting the pay rates for the Group.

S1-4

Actions related to Secure Employment and Adequate Wages - Employees

Key Actions

All employees are paid an adequate wage in accordance with national wage agreements and can avail of national social protection benefits allowing for financial security. We provide salary and wage increases annually in line with the market rates in the countries in which we operate to attract and retain employees. Effectiveness of the pay and social protection benefits offered is assessed by a reduction in the employee turnover rate which is monitored by the Group Human Resources Team. Employee turnover rate was 61% in 2024 which is outlined in S1-6 Characteristics of the undertaking's employees.

Other Actions

We also undertake actions with the primary purpose of delivering positive impacts for our own workforce, such as recognising and rewarding employees for outstanding contributions with employee awards and awarding shares to general managers and senior managers as part of the long-term share incentive scheme to reward their commitment to the business.

S1-10

Adequate Wages

During 2024, all employees excluding interns and apprentices were paid an adequate wage in line or above the minimum applicable wage in the countries in which we operate.

S1-16

Compensation metrics (pay gap and total compensation)

As part of our review of adequate wages we are cognisant of the gender pay gap and are considering potential actions to reduce the gap.

Gender Pay Gap

Country	2024
Group	7.69%

Accounting Policies:

- Basic hourly pay for all employees in employment as at 31st December 2024 is compiled from our employee database.
- Average basic hourly pay is calculated for male and female employees.
- Gender Pay Gap represents the difference in average basic hourly male and female pay rates.
- Measurement of the metric has not been validated by an external third party other than the limited assurance provider.
- The Gender Pay Gap as referenced in "Delivering Value for Stakeholders – Employees" complies with the legislative requirement under the Gender Pay Gap Information Act 2021 and includes all active employees as at 30th June 2024. This differs to the CSRD metric above in terms of reporting date and calculation basis.

Total Annual Remuneration

Year	2024
Total remuneration ratio	1:156

Accounting Policy:

- Total remuneration ratio is calculated as follows: Total annual remuneration of the highest-earning employee divided by the total median annual remuneration for all employees in the Group during 2024.
- Remuneration is defined as all taxable income plus employer contributions towards pension, bonuses and long-term incentive plans paid during the year.
- Median annual remuneration is defined as total annual remuneration of the employee with earnings at the mid-point from highest earnings in the year to the lowest earnings (excluding the highest earning individual).
- Remuneration for all employees is compiled from the employee payroll database.
- Measurement of the metric has not been validated by an external third party other than the limited assurance provider.

DIRECTORS' REPORT

Alternative remuneration ratio

To give context to the total remuneration ratio we have disclosed an adjusted remuneration ratio which reflects the principle of the objective to highlight disparities in pay from year to year. As Dalata operates in the hospitality industry there are a significant number of transient and seasonal employees where variations occur because part time work is more suitable. In order to compare the remuneration of the highest paid individual and the median paid individual we identified the median remuneration rate of pay and calculated that the remuneration of twthat employee on an annualised basis.

Year	2024
Adjusted remuneration ratio	1:64

Accounting Policy:

- Adjusted remuneration ratio is calculated as follows: Total annual remuneration of the highest-earning employee divided by the annual remuneration of the median paid employee on an annualised basis with full time hours.
- The median paid employee is determined on the median hourly rate of pay excluding the highest paid individual.
- Hourly rate for all employees is compiled from the employee payroll database.
- Measurement of the metric has not been validated by an external third party other than the limited assurance provider.

SECURE EMPLOYMENT AND ADEQUATE WAGES

ESRS 2, SBM-3; S1, SBM-3

Own Workforce IROs related to Secure Employment and Adequate Wages - Workers employed by third-party agencies

Topic	Description	Category	Position in Value Chain	Timeframe
S1 Working Conditions: Secure Employment and Adequate Wages	Part time, flexible and seasonal workers employed by third-party agencies may not receive a living wage and may have lower levels of social protection.	Impact - Negative, Potential	Own Operations - Workers employed by third-party agencies	Short Term:

Dalata is focused on protecting and supporting workers employed by third-party agencies who undertake employee duties, by auditing the pay rates and social protection benefits provided to such workers to determine their adherence to the relevant employment legislation in the jurisdictions in which they operate. This helps to mitigate potential negative impacts associated with hotel industry working conditions such as inadequate pay and lower levels of social protection. Dalata conducted audits of its largest suppliers who provide workers to undertake employee duties, focussed on the pay rates and social protection benefits provided to these workers.

S1-1

Policies related to Secure Employment and Adequate Wages - Workers employed by third-party agencies

Supplier Contracts

Dalata expects that all workers employed by third-party agencies, are provided with social protection and pay which aligns with pay agreements, legislation and national social protection in the countries in which we operate. Although the Group does not have a policy, we achieve this commitment through the terms and conditions in the supplier contracts and the expectations outlined in the Supplier Code of Conduct.

Suppliers are required to sign a supplier contract and Supplier Code of Conduct on providing services to the Group. Supplier contracts are maintained by the Human Resources Manager in their respective hotel, with key supplier contracts maintained by Group Human Resources. Suppliers' contracts are continuously updated by Group Human Resources, overseen by the Chief People Officer to reflect changes in legislation relating to national protection standards and pay.

S1-4**Actions related to Secure Employment and Adequate Wages - Workers employed by third-party agencies****Supplier Audits**

During 2024, Group Internal Audit and Group Human Resources conducted reviews of two providers of workers for housekeeping services at our UK hotels, representing 4 of 17 hotels where this activity is outsourced. The key audit areas included:

- Pay rates and social protection benefits provided to employees
- Working records of employee
- Employee Code of Conduct
- Inclusion and Diversity policy
- Bullying and Harassment policy
- Remediation procedures for bullying and harassment
- Training manuals and employee training records
- Anti-Modern Slavery policy and procedures

We concluded that the suppliers are adhering to relevant employment legislation in relation to pay and social protection and have effective policies and procedures in place to manage employee working hours, employee training needs, to prevent bullying and harassment, modern slavery, child and forced labour and to promote inclusion and diversity in the workplace.

WORKING TIME AND WORK-LIFE BALANCE**ESRS 2, SBM-3; S1, SBM-3****IROs related to Working Time and Work-Life Balance**

Topic	Description	Category	Position in Value Chain	Timeframe
S1 Working Conditions: Working Time and Work-Life Balance	24/7 customer facing business model results in potentially long and unsociable working hours for employees potentially impacting work-life balance. Work-life balance measures may not be provided to workers employed by third-party agencies.	Impact - Negative, Actual	Own Operations: Employees & Workers Employed by third-party agencies	Short Term:

Dalata is focused on protecting and supporting its own workforce at all stages of their career. We adhere to all employment legislation in the jurisdictions in which we operate, in relation to working hours and we offer flexible work-life measures which are continuously under review and form part of our strategic people strategy to make Dalata an employer of choice and retain motivated and skilled individuals. We also require our suppliers of workers to act in a similar manner enabling us to mitigate against negative impacts such as potentially long and unsociable working hours and a lack of work-life balance measures associated with the hotel industry. Dalata conducted audits of its largest suppliers who provide workers to undertake employee duties focussed on working hours and working hours records.

DIRECTORS' REPORT

S1-1

Policies related to Working Time and Work-Life Balance

Employment Contracts

Dalata is committed to providing fair working conditions and work-life balance measures to its employees and achieves this commitment by adhering to the relevant working time legislation in the countries in which we operate. Terms and conditions relating to working time and work-life balance measures are included in employment contracts. Further information on employment contracts is outlined S1-1 Policies related to Secure Employment and Adequate Wages - Employees

Feedback from employees is taken into account when establishing work-life balance measures for the Group as outlined in S1-4 Action related to Working Time and Work-Life Balance.

Supplier Contracts

Dalata is committed to providing working time and work-life balance measures to workers employed by third-party agencies and achieves this commitment through the terms and conditions outlined in the supplier contracts and the expectations outlined in its Supplier Code of Conduct. Suppliers are required to sign a contract and the Supplier Code of Conduct when providing services to the Group. Supplier contracts are maintained by the Human Resources Manager in their respective hotel, with key supplier contracts maintained by Group Human Resources. Supplier contracts are continuously updated by Group Human Resources and overseen by the Chief People Officer to reflect changes to legislation relating to working time legislation.

S1-4

Actions related to Working Time and Work-Life Balance

Employee Benefits Survey

Guided by the findings of the Employee Benefits Survey completed in 2023, we introduced additional annual leave for our employees based on their length of service in 2024. Effectiveness of the work-life balance measures is assessed by an increase in the employee satisfaction score which is monitored by Group Human Resources. The employee engagement outcome was 9.0 out of 10.0 in 2024.

Supplier Audits

Details of the supplier audits are outlined in S1-4 Actions related to Secure Employment and Adequate Wages - Workers employed by third-party agencies.

HEALTH AND SAFETY

ESRS 2, SBM-3; S1, SBM-3

IROs related to Health and Safety

Topic	Description	Category	Position in Value Chain	Timeframe
S1 Working Conditions: Health and Safety	Physical nature of hotel work may lead to a higher potential for physical injuries.	Negative Potential Impact	Own Operations Employees & Workers Employed by third-party agencies	Short Term:

Health, safety and wellbeing are key priorities for Dalata given the nature of our operations across the Group. To ensure that our own practices do not cause or contribute to material negative impacts, the Group has a health and safety management system, health, safety and wellbeing policies and health and safety training for our workforce. These controls enable the Group to maintain high standards of health and safety and mitigate potential negative impacts associated with hotel industry working conditions such as injuries due to heavy lifting, burns and cuts and mental burnout. We also require our suppliers of workers to act in a similar manner to mitigate against similar negative potential impacts. Dalata has implemented safety protocols, including mandatory employee training, regular audits of working conditions and a robust reporting and monitoring system. The Group has also established wellbeing structures for its own workforce.

S1-1

Policies related to Health and Safety

Health and Safety Policy

The Health and Safety Policy outlines the responsibilities of management and employees in relation to training, investigating and reporting incidents, safety inspection and compliance with relevant legislation to provide a safe environment for all employees and guests. The scope of the policy covers the safety and security of employees, guests and visitors to the Group's properties in all geographies and the protection of the Group's properties and assets. The Health and Safety Officers are responsible for implementing and monitoring the policy in their respective hotels with the Head of Operational Risk and Sustainability responsible for overseeing the policy for the Group.

The policy is communicated to employees through the Code of Conduct, health and safety training programmes and the Group's safety statement. The safety statement is located in the public areas of each hotel. The views of employees were taken into account by the health and safety team in developing health and safety training programmes to implement the policy requirements.

Wellbeing Policy

Dalata's Wellbeing Policy outlines the Group's commitment to maintain a workplace environment that supports mental fitness and is free from stress, increases knowledge and awareness of mental health issues and facilitates participation in initiatives to support mental health. The objective of the policy is to foster an environment supporting wellbeing to enable employees to reach their potential. The scope of the policy applies to the wellbeing of all employees in all geographies in which the Group operates. The Human Resources Managers are responsible for implementing and monitoring the policy in their respective hotels with the Chief People Officer responsible for overseeing the policy and well-being management system for the Group. Effectiveness of the wellbeing policy and actions is assessed from the employee feedback in our bi-annual surveys which were also taken into account in the development of wellbeing activities. The policy is communicated through the Code of Conduct.

S1-4

Actions related to Health and Safety

Health and Safety Management System

We maintain a health and safety management system and safety statement aligned with relevant food, fire and health safety legislation in the countries in which we operate. The objective of the management system is to record and resolve all incidents in a timely manner. The Group Health and Safety Team monitor and report all health and safety incidents. Effectiveness of the health and safety policies, procedures and management system are assessed by number and severity of health and safety incidents. The number of health and safety incidents relating to our own workforce was 708 in 2024.

Health and Safety Audits

We are continuously working to mitigate against possible accidents or injuries to our own workforce and to preserve our health and safety record as our business expands. In addition to ongoing internal audits, we engage an external private company to conduct health, safety and security audits in all properties annually, to determine our compliance with relevant legislation with an average compliance score of 91% achieved in 2024. This measures the effectiveness of our actions. We also conduct ongoing external health and safety, night safety and food safety audits with other external providers where the findings enable us to continuously improve our processes and controls in managing health and safety.

Health and Safety Training

We provide ongoing health and safety training and awareness programmes for our employees to enable them to perform their duties in a safe manner. In 2024, the training compliance rate was 94% with 4,745 employees completing this training which was measured by Group Human Resources.

Wellbeing and Employee Assistance Platform (TELUS)

All employees across all geographies have access to a Wellbeing and Employee Assistance Platform (TELUS) which provides resources, support and advice across a range of topics such as family, health, money and work in addition to 24/7 counselling support. The effectiveness of TELUS is measured by the number of active users which is monitored and reported by Group Human Resources. There were 587 active users of TELUS Employee Assistance Platform during 2024.

Capital Investment

We continue to invest in hotels' infrastructure and fire, safety and security systems through our capital investment programmes. All new hotels are built to high health and safety standards, and all hotel refurbishments include health and safety as a principal consideration. Effectiveness of this action is measured by the number of health and safety incidents which are monitored by the Health and Safety team.

DIRECTORS' REPORT

S1-14

Health and safety metrics

2024

Percentage of own workers who are covered by health and safety management systems based on legal requirements and (or) recognised standards or guidelines	100%
Number of fatalities in own workforce as result of work-related injuries and work-related ill health	0
Number of fatalities in own workforce as a result of work-related injuries	0
Number of fatalities in own workforce as a result of work-related ill health	0
Number of fatalities as a result of work-related injuries and work-related ill health of other workers working on undertaking's sites	0
Number of fatalities as a result of work-related injuries of other workers working on undertaking's sites	0
Number of fatalities as a result of work-related ill health of other workers working on undertaking's sites	0
Number of recordable work-related accidents for own workforce	708
Rate of recordable work-related accidents for own workforce	97
Number of cases of recordable work-related ill health of own workforce	0
Number of days lost to work-related injuries and fatalities from work-related accidents, work-related ill health and fatalities from ill health	0

Accounting Policies:

- Rate of recordable work-related accidents is calculated as follows: Number of accidents multiplied by 1,000,000 divided the number of hours worked.
- Rate of recordable work-related accidents represent the number of respective cases per 1,000,000 hours. 1,000,000 hours worked represents the number of work-related injuries per 500 full time people in the workforce over a one-year timeframe.
- Number of work-related accidents relates to injuries to employees arising from slip, trips, falls, that occurred during the performance of their duties in the hotels. Data relates to all employees during the year regardless of whether they have been classified as a "leaver".
- Data is compiled from health and safety records.
- Measurement of the metric was not validated by an external third party other than the limited assurance provider.

DIVERSITY, EQUALITY AND EQUAL PAY

ESRS 2, SBM-3; S1, SBM-3

IROs related to Diversity, Equality and Equal Pay

Topic	Description	Category	Position in Value Chain	Timeframe
S1 Equal Treatment and Opportunities: Diversity, Equality and Equal Pay	An equal, inclusive and diverse culture where all employees receive equal pay for equal work regardless of gender helps to attract and retain a diverse workforce.	Impact - Positive, Actual	Own Operations - Employees and Workers Employed by third-party agencies	Short Term:

Dalata is focused on promoting an inclusive and diverse workplace as it is important to the success of the Group. An inclusive culture helps to attract and retain a diverse workforce which can be more representative of our customer base. To ensure that our own practices create positive impacts, Dalata has an active Inclusion and Diversity Policy, training programmes and encourages participation in positive cultural activities. The Group also engages with employees on their perceptions of our activities through surveys. We also require our third-party agencies to act in a similar manner enabling us mitigate against similar negative impacts. Dalata has also implemented various diversity and inclusion initiatives.

S1-1

Policies related to Diversity, Equality and Equal Pay

Inclusion and Diversity Policy

The objectives of the Inclusion and Diversity Policy are to provide an inclusive, harmonious and fair working environment with real and equal opportunities at all levels of the organisation in which no form of intimidation or discrimination exists, and where respect for human rights is paramount; and acknowledges that fundamental to a successful organisation is respecting, developing and harnessing the talents of all our employees.

The policy promotes equal opportunities and ways to advance diversity and inclusion by cultivating a positive, respectful, and fair place to work where diversity is respected, and inclusiveness is valued. It also helps to eliminate discrimination by outlining protection from any form of discrimination and less favourable treatment, based on gender, gender re-assignment, age, civil status, family status, marital status, sexual orientation, disability, race, membership of a trade union, religion, membership of the traveller community as defined by the Employment Equality Act 1998 and 2011.

It integrates fairness and equality into all procedures and processes including, but not limited to, hiring, promotion, development, and remuneration which protects employees from any form of discrimination and provides support in times of difficulty.

The scope of the policy covers our own workforce. The Group Human Resources Team is responsible for implementing and monitoring the policy with the Chief People Officer responsible for overseeing the policy for the Group. The effectiveness of this policy is measured by the percentage of female internal promotions which were 52% during the year.

Feedback from employees was taken into account resulting in the development of an educational awareness campaign. The policy is communicated through the Code of Conduct and is included in the business conduct gateway induction training for all employees.

S1-4

Actions related to Diversity, Equality and Equal Pay

New Policies

In 2023 and 2024, we developed operational policies for our own workforce to reflect a more inclusive working population and outline best practice on matters such as uniform and grooming, and workplace transition.

Inclusion and Diversity Training Programmes

In 2024, we established new training programmes via our eLearning Online Platform to reflect a more inclusive workforce. The scope of the training included: employee training on unconscious bias, General Managers and Human Resource Managers training on managing multicultural teams. Workshops were also held for General Managers and Human Resource Managers on LGBTQ+ matters. The effectiveness of this action is measured by the level of participation on the training programmes which was 424 participants in 2024.

Education and Awareness Campaigns

Guided by the findings of the Irish Centre for Diversity and the National Centre for Diversity (UK) surveys completed in 2023, we held monthly inclusivity and diversity educational and awareness campaigns during 2024 with the purpose of delivering positive impacts for our own workforce. Topics included race, ethnicity and nationality, ageism, disability, mental health and LGBTQ+ community.

Initiatives

In 2024 the Group Human Resources Team completed research into potential barriers for female career progression leading to the establishment of a female employee resource group EmpowerHer Network @Dalata. The purpose of this group is to highlight inclusion and diversity across the business, remove barriers to career progression and develop mentoring programmes for female employees. One of the measures of effectiveness of this action is the number of female internal promotions which was 52% in 2024.

Supplier Audits

Details of the supplier audits are outlined in S1-4 Actions related to Secure Employment and Adequate Wages – Workers employed by third-party agencies.

DIRECTORS' REPORT

S1-6

Characteristics of the undertaking's employees

The number of employees (head count) as at 31st December 2024 was 5,283 and the average number of employees (head count) during the year was 5,314. The number of employees who left during the year was 3,253, using the average employee head count results in an employee turnover rate of 61%.

Employees by Gender

Gender	Unit	2024
Female	Headcount	2,718
Male	Headcount	2,462
Other	Headcount	16
Unknown	Headcount	87
Total number of employees	Headcount	5,283
Average number of employees during the year	Headcount	5,314

Accounting Policies:

- Average employee headcount is calculated on a monthly average for the year. Data may fluctuate from month to month as employee numbers are generally lower in the first half of the year.
- Employee headcount number includes all employees including casual, fixed term, full time and part time and restricted hours employees as at 31st December 2024.
- Employees not reported as male or female have been classified under other or unknown.
- Data is collated from our employee database.
- Measurement of the metric has not been validated by an external third party other than the limited assurance provider.

Employees by Country

Country	Unit	2024
Ireland	Headcount	3,576
UK	Headcount	1,472
Germany	Headcount	98
The Netherlands	Headcount	137

Accounting Policies:

- Employee headcount numbers for countries with 50 or more employees representing at least 10% of total employees' headcount numbers as at 31st December.
- Measurement of the metric has not been validated by an external third party other than the limited assurance provider.

Employees by Contract type and Gender

Contract Type	Unit	Female	Male	Other	Unknown	Total
Number of employees	Headcount	2,718	2,462	16	87	5,283
Number of permanent employees	Headcount	1,142	1,259	7	36	2,444
Number of temporary employees	Headcount	1,532	1,165	9	50	2,756
Number of non-guaranteed hours employees	Headcount	44	38	-	1	83

Accounting Policies:

- Employee headcount numbers for countries with 50 or more employees representing at least 10% of total employees' headcount numbers as at 31st December 2024.
- Measurement of the metric has not been validated by an external third party other than the limited assurance provider.

Employees by Contract type and Country

Contract Type	Unit	Ireland	UK	Germany	Netherlands	Total
Number of employees	Headcount	3,576	1,472	98	137	5,283
Number of permanent employees	Headcount	1,314	982	95	53	2,444
Number of temporary employees	Headcount	2,233	469	3	51	2,756
Number of non-guaranteed hours employees	Headcount	29	21	-	33	83

Accounting Policies:

- Employee headcount numbers as at 31st December 2024.
- Measurement of the metric has not been validated by an external third party other than the limited assurance provider.

S1-9

Diversity Metrics**Senior management by gender**

Number of employees top management level	Unit	2024
Female	Headcount	45
% of total at top management level		42%
Male	Headcount	62
% of total at top management level		58%
Total	Headcount	107

Accounting Policies:

- The Senior Management Team represents all managers including hotel general managers who have been deemed as eligible for the Long-Term Incentive Scheme as at the 31st December 2024.
- Measurement of the metric has not been validated by an external third party other than the limited assurance provider.

Employees by age

Number of employees	Unit	2024
Under 30 years old	Headcount	2248
Percentage of employees under 30 years old		43%
Between 30 and 50 years old	Headcount	2367
Percentage of employees 30 and 50 years old		45%
Over 50 years old	Headcount	643
Percentage of employees over 50 years old		12%

Accounting Policies:

- Employee headcount number includes all employees including casual, fixed term, full time and part time and restricted hours employees as at 31st December 2024.
- Measurement of the metric has not been validated by an external third party other than the limited assurance provider.

DIRECTORS' REPORT

VIOLENCE AND HARASSMENT

ESRS 2, SBM-3, S1, SBM-3

IROs related to Violence and Harassment

Topic	Description	Category	Position in Value Chain	Timeframe
S1 Equal Treatment and Opportunities: Violence and Harassment	Due to the 24/7 customer facing business model, shift work and a higher number of transient employees, there may be a higher potential for violence and harassment.	Impact - Negative, Potential	Own Operations - Employees and Workers Employed by third-party agencies	Short Term:

Dalata is committed to eliminating discrimination by providing employees with the right to carry out their work free from any form of harassment or bullying across the Group. The Group's Bullying and Harassment - Dignity in the Workplace Policy and the procedures for reporting cases of alleged bullying and harassment incidents are in place to mitigate negative impacts associated with hotel industry working conditions such as incidents of violence and harassment. Dalata has implemented training, safety protocols and incident reporting procedures to manage these impacts.

S1-1

Policies related to Violence and Harassment

Bullying and Harassment - Dignity in the Workplace Policy

Due to the 24/7 nature of our business model, there is a higher potential for bullying and harassment in our workplace. The objective of the Bullying and Harassment - Dignity in the Workplace Policy is to eliminate discrimination by providing employees with the right to carry out their work free from any form of harassment or bullying and outline the process for reporting incidents of bullying and harassment.

The policy is aimed at eliminating discrimination, including harassment, sexual harassment and bullying by ensuring all employees understand their responsibilities in maintaining an enjoyable and respectful workplace. The policy outlines the behaviours which if linked to one of nine discriminatory grounds could be constituted as harassment. The nine grounds for discrimination outlined in the policy include: gender, civil status, family status, sexual orientation, religious belief, age, disability, race or membership of the travelling community which is defined by the Employment Equality Act 1998 and 2011.

The policy applies to our own workforce in all geographies including all circumstances and situations both on and off the premises including social events. The Group Human Resources Team is responsible for implementing and monitoring the policy with the Chief People Officer responsible for overseeing the policy for the Group. The Group has no measures in place to assess the effectiveness of the policy.

The views of employees were taken into account when developing this policy, resulting in the installation of additional safety measures in the Group. The policy is communicated to employees via the business conduct module as part of the gateway induction training and new employees are required to sign a Declaration of Acceptance of the Bullying and Harassment – Dignity in the Workplace Policy. Our commitment to eliminate bullying and harassment is also communicated to all stakeholders through the Code of Conduct. Workers employed by third-party agencies are expected to comply with the code of conduct of their employer relating to violence and harassment.

Procedures for addressing bullying and harassment

The Group has two procedures for acting upon cases of alleged harassment/bullying: a formal and an informal procedure. In the case of an informal procedure, the complainant speaks with the harasser outlining that their behaviour was unwelcome which may often be sufficient to rectify the matter. Employees are encouraged to contact management before engaging with the harasser.

In the case of a formal procedure, employees are encouraged to contact their manager, Human Resource Manager or the General Manager within two weeks of the alleged incident. The alleged perpetrator will be given every opportunity to a fair hearing and a right to challenge any allegation which is dealt with by hotel management and human resources. Following this hearing a decision is made which may lead to a disciplinary offence.

Register of Concerns Raised

The Group Human Resources Team maintain a register of all incidents, complaints and severe human rights concerns raised.

S1-4

Actions related to Violence and Harassment

Safety Measures

We installed additional security measures including personal panic alarms in all hotels to provide greater security for our duty managers and night teams in the event of violence and harassment in our hotels.

Supplier Audits

Details of the supplier audits are outlined in S1-4 Actions related to Secure Employment and Adequate Wages – Workers employed by third-party agencies.

TRAINING AND SKILLS DEVELOPMENT

ESRS 2, SBM-3; S1, SBM-3

IROs related to Training and Skills Development - Employees

Topic	Description	Category	Position in Value Chain	Timeframe
S1 Equal Treatment and Opportunities: Training and Skills Development	Employee training and skills development programmes enhance career prospects and enables employees earn higher wages.	Impact - Positive, Actual	Own Operations - Employees	Short Term:

Training and skills development are key priorities for Dalata given the nature of our operations across the Group. The training and development strategy and the Dalata Academy are aimed at ensuring that our team can further their careers whilst meeting our growth and succession strategy and maintaining our culture. Dalata has implemented mandatory, ongoing skills and development employee training programmes.

S1-1

Policies related to Training and Skills Development - Employees

Training and Development Strategy

We are committed to investing in training and developing our employees to provide a pipeline of talent to meet our growth strategy. The objective of our training and development strategy is to enable all employees in the Group receive skills and development training resulting in enhanced career prospects, higher wages, with the prospect of developing into the future leaders of the business. The Chief People Officer is responsible for implementing this strategy.

The skills, knowledge and career development needs of employees were taken into account when developing the strategy and policy. Our eLearning Online Platform allows the Group to engage directly with employees on their individual training and development needs enabling them to receive the appropriate training and development to enhance their career prospects.

DIRECTORS' REPORT

S1-4

Actions related to Training and Skills Development - Employees

Training and Development Programmes

We continue to invest in the training and development as part of our people strategy. In 2024, we welcomed 41 graduates across seven streams in the graduate training programme. During 2024, nearly 700 employees participated in 17 internal management development programmes which provides a pipeline of internally developed managers to meet our growth strategy and positive impacts for our employees. We also continue to provide operational skills training for employees with a particular focus on training for those entering hospitality for the first time. In 2024, 100,092 e-learning courses were completed via our eLearning Online Platform.

The effectiveness of these actions is measured by the number of internal promotions, with 583 internal promotions in 2024. The number of participants in training programmes and the number of internal promotions is monitored by the Group Human Resources Team.

TRAINING AND SKILLS DEVELOPMENT

ESRS 2, SBM-3; S1, SBM-3

IROs related to Training and Skills Development - Workers employed by third-party agencies

Topic	Description	Category	Position in Value Chain	Timeframe
S1 Equal Treatment and Opportunities: Training and Skills Development	Part time, flexible and seasonal workers recruited by third-party agencies may not have access to training and skills development resulting in injuries and reduced promotion prospects.	Impact - Negative Potential	Own Operations - Workers employed by third-party agencies	Short Term:

Training and skills development are key priorities for Dalata given the nature of our operations across the Group. We require the third-party agencies who employ workers in our hotels offer training and development programmes to their seasonal part time and flexible workers, mitigating negative impacts associated with hotel industry working conditions such as lack of access to training for such workers. Dalata conducted audits of suppliers who provide workers to undertake employee duties which focussed on their employee training programmes.

S1-1

Policies related to Training and Skills Development - Workers employed by third-party agencies

Supplier Contracts

Dalata is committed to ensuring that adequate training is provided to workers employed by third-party agencies who undertake employee duties and achieves this commitment through the terms and conditions outlined in the supplier contracts and the expectations outlined in our Supplier Code of Conduct.

Suppliers are required to sign a supplier contract and our Supplier Code of Conduct when providing services to the Group. Supplier contracts are maintained by the Human Resources Manager in their respective hotel, with key supplier contracts maintained by the Group Human Resources Team. Supplier contracts are continuously updated by Group Human Resources, overseen by the Chief People Office to reflect changes to legislation relating to training and development.

S1-4

Actions related to Training and Skills Development - Workers employed by third-party agencies

Supplier Audits

Details of the supplier audits are outlined in S1-4 Actions related to Secure Employment and Adequate Wages - Workers employed by third-party agencies.

PRIVACY

ESRS 2, SBM-3; S1, SBM-3

IROs related to Physical and Privacy safety

Topic	Description	Category	Position in Value Chain	Timeframe
S1 Work related rights: Privacy	Physical and online privacy controls are in place for employees.	Impact - Positive, Actual	Own Operations - Employees	Short Term:

Dalata is focused on protecting the physical and online privacy of our employees. To ensure that our own practices do not cause or contribute to material negative impacts, we have data protection policies, procedures and training in place. We adhere to all privacy legislation in the jurisdictions in which we operate in relation to physical and online privacy.

S1-1

Policies related to Physical and Privacy safety

Data Protection Policies

The data protection policies outline the Group's obligations regarding the collection, processing, transfer, storage, and disposal of data, with the objective of protecting the personal details of its customers and guests and employees. All data breaches are recorded by the Data Protection Team and reported to the Privacy Committee monthly. An update is provided to the Audit and Risk Committee on an annual basis. The Data Protection Team investigates all breaches with the employee and any other relevant stakeholder. In the case of a reportable data breach, a report is submitted to the relevant data protection regulator.

The policies apply to all employees, agents, contractors, or other parties working on behalf of the Group in Ireland, UK, Germany and the Netherlands. The Data Protection Team and the Privacy Committee are responsible for implementing the policy. The Company Secretary and Head of Risk and Compliance is responsible for overseeing the policy for the Group. The effectiveness of the policy is measured by the number of data breaches during the year. In 2024, there were 41 breaches recorded including two reportable breaches. Activities undertaken by the Privacy Committee to monitor the effectiveness of the policy includes monthly reviews of breaches reported, corrective actions taken, training activities and legislation compliance.

The policies are prepared in accordance with GDPR and / or relevant legislation in the jurisdictions in which we operate. The views of employees were taken into account when implementing the procedures, resulting in the development of data protection training programmes. Employees, customers, guests and suppliers' rights as data subjects, which is defined by GDPR were taken into account in developing the policy. The policies are communicated to employees through the Code of Conduct, data protection training programmes and by the GDPR Officers in each hotel. In December 2024, the Data Protection Team issued a GDPR Bulletin to all employees to increase their awareness of data protection policies and procedures.

Health and Safety Policy

The Group's Health and Safety Policy is in place to protect the physical safety and security of all employees in the Group. Further details are outlined under S1-1 Policy related to Health and Safety

S1-4

Actions related to Physical and Privacy safety

All actions undertaken in relation to online safety are outlined under S4-4 Actions related to Information related impacts.

All actions undertaken in relation to physical health and safety are outlined under S1-4 Actions related to Health and Safety.

DIRECTORS' REPORT

ADEQUATE HOUSING

ESRS 2, SBM-3; S1, SBM-3

IROs related to Adequate Housing

Topic	Description	Category	Position in Value Chain	Timeframe
S1 Work related rights: Adequate Housing	Part-time, flexible, transient and seasonal workers recruited by third-party agencies may have difficulty in securing reliable accommodation and adequate housing.	Impact - Potential Negative	Own Operations - Workers employed by third-party agencies	Medium Term:

Dalata is aware of the difficulty that part time, flexible, transient and seasonal workers may have in securing housing in the countries in which it operates. As this is a complex matter the Group has decided not to set policies or procedures and has not implemented any actions to mitigate the negative impacts.

S1-1

Policies related to Adequate Housing

The Group has no policy in place to mitigate against the potential negative impacts arising from the shortage of housing for part-time, flexible, transient and seasonal workers recruited by third-party agencies, but will continue to review the situation as it develops in the various jurisdictions.

S1-4

Actions related to Adequate Housing

We have taken no action to mitigate against the potential negative impacts arising from the shortage of housing for part-time, flexible, transient and seasonal workers recruited by third-party agencies, as we have not undertaken an assessment of this impact on our business. We will continue to review the situation as it develops in the various jurisdictions in the medium term before determining our approach and developing an action plan to address the impact if appropriate.

CHILD LABOUR, FORCED LABOUR

ESRS 2, SBM-3; S1, SBM-3

IROs related to Child Labour, Forced Labour

Topic	Description	Category	Position in Value Chain	Timeframe
S1 Work related rights: Child Labour, Forced Labour	The transient nature of certain jobs in the hotel industry can lead to a higher potential for child labour and / or forced labour for workers recruited by third-party agencies.	Impact - Potential Negative	Own Operations - Employees, Workers employed by third-party agencies	Medium Term:

As part of its commitment to human rights, Dalata does not tolerate child or forced labour in its operations. We require third-party agencies who supply workers to perform employee duties to implement modern slavery policies mitigating potential negative impacts associated with child and forced labour working in the hotel industry. Dalata adheres to all employment legislation in the jurisdictions in which we operate in relation to the minimum working age. Dalata conducted audits of the suppliers of workers to perform employee duties. Key audit areas include a review of their modern slavery policies, right to work permits and compliance with working time legislation.

S1-1**Policies related to Child Labour, Forced Labour****Human Rights Policy**

Dalata does not tolerate child or forced labour in its operations and its value chain as outlined in the Human Rights Policy. S1-1 Policies related to Human Rights

Supplier Contracts

We are also committed to ensuring that all workers employed by third-party agencies undertaking employee duties are free to work and are above the minimum age required by legislation in the countries in which we operate. We achieve this commitment through the terms and conditions in the supplier contracts and the expectations outlined in our Supplier Code of Conduct. Suppliers are required to sign a supplier contract and Supplier Code of Conduct when providing services to the Group. Supplier contracts are maintained by the Human Resources Manager in their respective hotels, with key supplier contracts maintained by the Group Human Resources Team. Supplier contracts are continuously monitored and updated by Group Human Resources overseen by the Chief People Officer to reflect changes to legislation relating to minimum age and work permits.

S1-4**Actions related to Child Labour, Forced Labour****Supplier Audits**

Details of the supplier audits are outlined in S1-4 Actions related to Secure Employment and Adequate Wages - Workers employed by third-party agencies.

DIRECTORS' REPORT

ESRS S4 - Consumers and End-Users

S4 SBM-3	Customers and End-Users IROs	ESRS 2, SBM-3 S4, SBM-3
S4-1	Policy and Frameworks - Overview	S4-1
S4-2	Engaging with consumers and end-users	S4-2
S4-3	Processes to remediate negative impacts and channels for consumers and end-users to raise concerns	S4-3
S4-4	Actions - Overview	S4-4
S4-5	Targets - Overview	S4-5
IROs	Impacts Risks Opportunities	IROs

The Group's aim is that any person or organisation that engages with us as a customer from a business or leisure guest to a corporate customer enjoys a positive and memorable experience. First class customer service can be found at all our hotels. We credit this to our flexible decentralised business model which means that no matter where we serve our customers, we can tailor our offering to their needs and expectations.

ESRS 2, SBM-3; S4, SBM-3

Consumers and End-Users IROs

In 2024, we undertook a DMA to identify our material IROs and identified two material impacts and one material risk relating to our customers and guests. The material IROs set out in S4 are included in the following table for ease of reference.

Material IRO description	Category
Information Related Impacts Cyber security and data protection protect the privacy of our guest information. A data breach could have both a negative financial and wellbeing impact on our guests.	Negative Potential Impact
Personal Safety Guests' safety may be impacted by fire, food safety breaches, or other public health events, or by events in the surrounding neighbourhood.	Negative Potential Impact
Business Interruption Disruption to our business in the event of a successful cyber event.	Risk

The Group describes its' consumers and end-users as corporate customers and business and leisure guests in this S4 disclosure, as the descriptions of consumers and end-users outlined in ESRS are not applicable to our industry. Corporate customers are guests who pay corporate rates for both overnight accommodation and events. Business and leisure guests use hotel accommodation, food and beverage and leisure facilities. No further consideration was given to corporate customers and business and leisure guests with particular characteristics, working in particular contexts or undertaking particular activities who may be at greater risk of harm as prescribed under ESRS.

The material impacts identified require the Group to prioritise the health, safety and security of our customers and guests. They recognise the importance of maintaining business and leisure guests and corporate customers data in a safe and secure manner. These impacts align with the Group's governance and ESG strategic priorities which is to operate a sustainable and responsible business committed to the highest standards in its operations.

The Group allocates financial and human resources to our Health and Safety, Data Protection, IT and Internal Audit Teams to manage and mitigate against the material risk and impacts identified. Activities undertaken by these teams in managing and mitigating the risks and impacts include, maintaining our health and safety management system, data protection processes and remediation procedures. Our activities also include developing and hosting employee training programmes and conducting internal and external audits. As our material IROs are related to our core business activities, our actions to manage the risks and mitigate against the impacts are embedded in our current operating structures, hence the financial effects are limited. There is no risk of material adjustment to the financial performance and cashflows within the current reporting period, or to the carrying amounts of assets and liabilities reported in related Financial Statements in the next annual reporting period in respect of the impacts identified.

Further information on each material IRO is outlined below.

S4-1

Policy and Frameworks - Overview

We have policies and frameworks in place to manage and mitigate the material IROs. Details of the policies are outlined in the associated IROs.

Data Protection Policies

- Information Related Impacts

Health and Safety Policy

- Personal Safety

Food Safety Policies

- Personal Safety

Human Rights Policy

- Personal Safety

Information Security Policy

- Business Interruption

Crisis Management Plan

- Business Interruption

S4-2

Engaging with consumers and end-users

As a customer facing organisation, Dalata engages with its corporate customers and guests through various channels to seek, review and react to their feedback. In managing the potential negative impacts, the Group engages with corporate customers and guests on data privacy, health and safety matters and information and cyber security through the following channels on an ongoing basis:

- Requests for Proposal submitted by corporate customers or via software booking tools.
- Meeting with Travel Agents and corporate customers.
- Guest Survey Platform.
- Meeting and Events surveys

Requests for Proposal and meetings with travel agents and corporate customers take place in advance of the customers' arrival, whilst ratings and comments on the Guest Survey platform and surveys are generally completed after the customer's visit. The Group Director of Sales and the Hotel General Managers are responsible for managing engagements with corporate customers and guests respectively and reporting the findings to the Hotel Performance Committee. The Group assesses the guest survey ratings and comments and reasons for corporate customer attrition to determine their views on material impacts and appropriate actions to address them. No amendments were required to be made to health and safety or data privacy policies arising from the views and perspectives of customers and guests however their feedback is extremely important.

S4-3

Processes to remediate negative impacts and channels for consumers and end-users to raise concerns

We have established procedures in place to enable corporate customers and guests raise concerns and find a solution, and for managing and remediating the material negative impact on consumers and end-users. Details of the procedures in relation to data protection, health and safety, information security are outlined below. We have also outlined information on our Whistleblowing Channel which allows corporate customers and business and leisure guests to raise concerns confidentially.

Data Protection Procedures

The data protection procedures enable corporate customers and business and leisure guests seek recourse and find a solution when they believe their personal data has been impacted by an incident which has taken place in our hotels. Customers and guests can raise data privacy concerns with hotel management who refers them to the Data Protection Team or by emailing: dataprotection@dalatahotelgroup.com. The Data Protection Team investigate all concerns, take corrective actions and review compliance with privacy policies.

Non-reportable breaches usually relate to administrative errors where information such as a booking confirmation or an invoice is sent to an incorrect email address. Access to the information is restricted and a response to the data privacy incident is provided by the Data Protection Team via email. We remediate the leak of data by instantly discontinuing the activity causing the incident and restricting access to the exposed content. The problem is then analysed to identify the root cause and to delete the exposed data.

DIRECTORS' REPORT

Reportable breaches such as CCTV breaches and phishing incidents are assessed by the Data Protection Team and an external data security advisor. All GDPR officers and general managers are required to sign CCTV access declaration restricting CCTV access to management. In response to a CCTV breach, GDPR officers are requested to assess the access rights to CCTV in their hotels. In response to phishing incident, the Information Technology Team is requested to assess its impacts and identify actions required to remedy the situation.

All data privacy incidents are recorded in the Data Breach and Incidents Register by the Data Protection Team, overseen by the Company Secretary and the Head of Risk and Compliance and reported to the Executive Risk Committee meetings as and when the incidents and breaches arise. Details of the breaches are also reported to the Privacy Committee monthly and an update is provided to the Audit and Risk Committee annually. Details of the reportable breaches are submitted to the relevant data protection regulator.

The effectiveness of the policies and procedures is assessed by the number of data breaches. In 2024, there were 41 breaches recorded, including two reportable breaches.

Health and Safety Incidents Reporting Procedures

Corporate customers and business and leisure guests can raise a health and safety incident with a hotel employee which is recorded in the health and safety management system. The incident report is reviewed by the hotel health and safety officer and / or general manager within 72 hours of the incident as part of the investigation process. All incidents are considered by the hotel Health and Safety Officers and Head of Operational Risk and Sustainability to determine the corrective action and identify areas for improvement in their hotel and across the Group. Correspondence between the Health and Safety Team and the customer or guest continues until the matter is resolved. Should the customer or guest wish to pursue a claim, a formal legal notice must be sent by post to Dalata's Head Office with all correspondence thereafter with the legal representatives of the customer or guest.

A guest can obtain access to their incident report by emailing dataprotection@dalatahotelgroup.com subject to the approval from Data Protection Team and the Head of Operational Risk and Sustainability. Any follow up communication to an incident is usually dealt with by the Health and Safety Team. Health and safety incidents and the corrective actions recorded in the health and safety system are reported to the Chief Operating Officer on a monthly basis. The effectiveness of the process is measured by the number of health and safety incidents.

Procedures to raise IT Concerns

Corporate customers and guests can raise an IT security concern by emailing dataprotection@dalatahotelgroup.com. The IT Team and / or the IT support provider investigate all information security incidents with the relevant stakeholder. Advice may be sought from a cyber security consultant investigating certain incidents and a report may also be submitted to the Group insurance providers in certain circumstances. All information security incidents including cyber events are recorded in the information security management system. There were no material cyber incidents recorded in 2024.

Whistleblowing Channels

The Whistleblowing channel can be used by our employees and external stakeholders to raise concerns in a confidential manner. Concerns are generally raised through the confidential email address on speakup@dalatahotelgroup.com. These concerns are dealt with on a case-by-case basis by Group Human Resources. Customers or guests who disclose concerns in good faith through the whistleblowing channels are not offered protection against retaliation. Although we inform our customers and guests about the remediation procedures such as the data protection and whistleblowing channels, we do not assess their awareness of and trust in the procedures to raise their concern.

S4-4

Actions - Overview

Details of the actions undertaken or planned to be undertaken by the Group to manage and mitigate impacts are outlined under the relevant IROs.

S4-5

Targets - Overview

As we have been assessing the impacts of our policies and actions at management level over a number of years, we have agreed not to set targets for the IROs. In the medium term we plan to assess all available current metrics to understand if targets are required and if so, what targets are appropriate.

ESRS 2, BP-1, ESRS 2, BP-2

Basis of Preparation

As is required as part of the ESRS standards we outline the basis under which we have prepared the information for the Company and its subsidiary undertakings as follows:

- IROs identified extend to our own operations and not to upstream or downstream value chain.
- The Group has not deviated from the definitions of short-, medium- and long-term time horizons defined by ESRS 1 as they align with those applied in the Group's Financial Statements.
- There are no estimations or judgements used in calculating metrics.
- Changes in the preparation and presentation of sustainability information in the 2024 Annual Report resulted in the disclosure of additional IROs following the DMA and the requirement to provide additional information in respect of the IROs, policies, actions, targets and metrics.
- The Group has not disclosed any information relating to prior periods nor availed of any phase-in reporting exemptions in relation to Consumers and End-Users disclosures.

IROs

IMPACTS RISKS OPPORTUNITIES

INFORMATION RELATED IMPACTS

ESRS 2, SBM-3; S4, SBM-3

IROs related to Information Related Impacts

Topic	Description	Category	Position in Value Chain	Timeframe
S4: Consumers and End Users: Information related impacts	Cyber security and data protection protect the privacy of our guest information. A data breach could have both a negative financial and wellbeing impact on our guests.	Impact - Negative Potential	Own Operations	Short Term:

Maintaining data of corporate customers and business and leisure guests in a safe and secure manner is a key priority for Dalata given the nature of our operations across the Group. The Group has data protection policies, procedures and training in place and has undertaken an assessment of its data protection environment and General Data Protection Regulation (GDPR) compliance. These controls enable Dalata to process data fairly and transparently, protect the rights and freedom of its' data subjects and communicate any data breaches in accordance with the relevant legislation.

S4-1

Policies related to Information related impacts

Data Protection Policies

The data protection policies outline the Group's obligations regarding the collection, processing, transfer, storage, and disposal of data, with the objective of protecting the personal details of its customers and guests. All data breaches are recorded by the Data Protection Team and reported to the Privacy Committee monthly with an update provided to the Audit and Risk Committee annually. The Data Protection Team investigates all breaches with the customers and guests and any other relevant stakeholder. In the case of a reportable data breach, a report is submitted to the relevant data protection regulator. The effectiveness of the policies and procedures is assessed by the number of data breaches. In 2024, there were 41 breaches recorded including two reportable breaches.

The policies apply to all employees, agents, contractors, or other parties working on behalf of the Group in Ireland, UK, Germany and the Netherlands. The Data Protection Team and the Privacy Committee are responsible for implementing and monitoring the policy with the Company Secretary and the Head of Risk and Compliance responsible for overseeing the policy for the Group.

The policies are prepared in accordance with GDPR and / or relevant legislation in the jurisdictions in which we operate. The views of employees were taken into account when implementing the procedures, resulting in the development of data protection training programmes. Employees, customers, guests and suppliers' rights as data subjects, which is defined by GDPR were considered in developing the policy. The policies are communicated to employees through the Code of Conduct, data protection training programmes and GDPR bulletins issued by the GDPR officers.

DIRECTORS' REPORT

S4-4

Actions related to Information related impacts

Privacy Committee

The committee comprises of 15 members including the Company Secretary and Head of Risk and Compliance, members of the Data Protection Team, representatives of each function and an external data protection advisor. The committee meets monthly to review processing activities records, subject access requests and personal data processing policies and procedures and monitor compliance with GDPR, data processing agreements, data protection impact assessments, breaches and consider corrective actions and data privacy training requirements.

The work undertaken by the committee enables the Data Protection Team to implement, monitor and develop the data protection policies and procedures in an efficient manner. Effectiveness of data privacy actions are tracked through the number of data privacy breaches and incidents recorded by the Group. During 2024, there 41 data protection incidents of which two were reportable.

Training and Awareness

We provide ongoing data protection training to all employees to outline their responsibilities and the policies and procedures in place to minimise the risk of data breaches via the eLearning Platform. During 2024, in house training was provided to GDPR officers in April, and front office staff in May and June 2024 on preventative actions relating to specific data breaches. This informs employees of the processes for mitigation and remediation in case of negative impacts. The effectiveness is measured by the number of employees who completed data protection training courses which was 4,339 in 2024.

The Data Protection Team meet with GDPR Officers monthly to address concerns and raise awareness of specific breaches and to maintain awareness of the policies and procedures.

Audit

In 2024, Internal Audit commissioned a Cyber Security and Data Protection Consultant to undertake an assessment of our data protection environment and GDPR compliance. The scope of the assessment included governance and accountability, record processing activities, cookies and consent, policies, training, subject access requests and data protection impact assessment. The Audit and Risk Committee considered the findings of the assessment and the action plan to address the findings in October 2024 which the Group plans to implement in 2025.

Our actions, including procedures, training and audits which support our business have not caused or contributed to any material negative impacts on consumers or end-users particularly in relation to marketing, sales and data use.

PERSONAL SAFETY

ESRS 2, SBM-3; S4, SBM-3

IROs related to Personal Safety

Topic	Description	Category	Position in Value Chain	Timeframe
S4: Consumers and End-Users: Personal Safety	Guests' safety may be impacted by fire, food safety breaches, or other public health events, or by events in the surrounding neighbourhood.	Impact - Negative Potential	Own Operations	Short Term:

Health, safety and security of our customers and guests are key priorities for Dalata given the nature of our operations across the Group. The Group has a health and safety management system, health and safety, food and fire safety policies and procedures in place. These controls are aimed at ensuring high standards of health, food and fire safety, mitigating potential negative impacts such as physical injuries, food related illness, public health events or events in the surrounding neighbourhood. Dalata has also implemented safety protocols including mandatory employee training and food safety audits.

S4-1

Policies related to Personal Safety

Health and Safety Policy

Our commitment to the health and safety of our customers and guests is outlined in our health and safety and food safety policies. Information on the Health and Safety Policy are outlined in S1-1 Policies related to Health and Safety.

Food Safety Policy

The Food Safety Policy sets out employee responsibilities relating to food traceability, food preparation and storage with the objective of protecting the personal safety of customers and guests. All food safety incidents are reported in the health and safety management system. The Health and Safety Team investigate all incidents with customers and guests and any other stakeholders involved until the matter is resolved. Food safety incidents and corrective actions recorded in the health and safety management system are reported to the Chief Operating Officer monthly.

The scope of the policy covers employees in food procurement and preparation roles in all geographies. The hotel general managers are responsible for implementing the policy in their respective hotels with the Head of Procurement and Food and Beverage overseeing the policy for the Group. The policy is prepared in accordance with the European Communities (Hygiene of Foodstuffs) 2000 and the relevant legislation in the jurisdictions in which we operate.

The policy is communicated to employees through food safety training programmes and HACCP manuals in all hotel kitchens. The interests of employees were taken into account when developing the health and safety and food safety policies resulting in health and safety and food safety training programmes being developed by Group Human Resources Team.

Human Rights Policy

The Group has in place a Human Rights Policy which outlines the Group's commitment to align with the Universal Declaration of Human Rights, Labour Organisation's Declaration on Fundamental Rights and Principles at Work which applies to our corporate customers and business and leisure guests.

Guests and corporate customers can raise human rights incidents through the Whistleblowing Channel.

The Group records human rights issues or incidents connected to consumers and end-users and cases of non-respect of the UN Guiding Principles on Business and Human Rights, ILO Declaration on Fundamental Principles and Rights at Work or OECD Guidelines for Multinational Enterprises that involve consumers and end-users in our downstream value chain. There were no human rights incidents in 2024.

S4-4

Actions related to Personal Safety

Health and Safety Management System

Health and safety policies and procedures, serve as the foundation for actions we take to prevent, mitigate or remediate negative material impacts associated with the health and safety of our customers and guests.

Our health and safety management system records all incidents and corrective actions in a timely manner enabling the Health and Safety Team monitor and report all health and safety incidents, identify improvements and implement the necessary changes to make our operations a safer place for all customers and guests. The effectiveness of the health and safety policies, procedures and management system are measured by the number and severity of health and safety incidents relating to customers and guests which was 2,767 in 2024.

Health and Safety Audits

We are continuously working to mitigate against possible accidents or injuries to our customers and guests and to preserve our health and safety record as our business expands. We also conduct ongoing external health and safety, night safety and food safety audits with external providers where the findings enable us to continuously improve the processes and controls in managing health and safety. In addition, we engage an external auditor to conduct health, safety and security audits in all properties annually, with an average compliance score of 91% achieved in 2024.

DIRECTORS' REPORT

BUSINESS INTERRUPTION

ESRS 2, SBM-3; S4, SBM-3

IROs related to Business Interruption

Topic	Description	Category	Position in Value Chain	Timeframe
S4: Consumers and End-Users: Business Interruption	Disruption to our business in the event of a successful cyber event.	Risk	Own Operations	Short Term:

Maintaining robust and safe information systems is a key priority for Dalata given the nature of our operations across the Group. The Group has an information security policy and crisis management plan in place to mitigate against the potential risk of cyber events and outlines the actions to be taken should such events occur.

S4-1

Policies related to Business Interruption

Information Security Policy

The Information Security Policy outlines management's approach to Information Security with the objective of protecting the Group's information assets and mitigating against any potential impacts including cyber events. All information security incidents including cyber events are recorded in the information security management system and are reported to Executive Risk Committee quarterly.

The Information Security Policy applies to all information security systems is managed from our Central Office. The Group IT Manager is responsible for implementing the policy. Consideration is always given to the legal rights of data subjects including employees, customers, guests and suppliers when updating this policy. The policy is communicated to employees as part of Code of Conduct and through gateway induction training via the eLearning Online Platform.

Crisis Management Plan

The Group's crisis management plan outlines an integrated framework for the achievement of an effective and efficient response to emergencies and crises such as a cyber event. The Group undertakes various simulated event to test the robustness of the plan and the impact on its stakeholders.

The crisis management plan applies to all properties in Ireland, UK, Germany and the Netherlands, and handles incidents within partner hotels. The Chief Executive Officer is responsible for implementing and updating the plan. The plan is communicated to the Crisis Management Team, and the core, support and administrative teams.

S4-4**Actions related to Business Interruption**

Information security policies and procedures, serve as the foundation for the actions we take to prevent, mitigate or remediate against cyber risk.

Audits and Assessments

We undertake bi-annual external information technology audits to determine its compliance with ISO27001 and review Information Technology security trends and scores. The requirements of the audit include scope, leadership commitment, policies, security controls, internal audits, risk assessment, and risk management. The effectiveness of the security controls is measured using security scores which is verified by external security consultants. We also conduct ongoing phishing and ransomware simulations, penetration testing, and vulnerability scans.

Crisis Management Simulation

In 2024, we undertook a simulated tabletop cyber security event with a cyber security consultant to test the robustness of our crisis management and communication plans and concluded that they operate effectively. In 2025, we will undertake further crisis management simulations to strengthen our reaction to the risk of other events.

Training

As a preventive measure against cyber risk, we have mandatory induction and annual training on phishing, password protection and information management for all employees. We also perform an annual phishing exercise with staff in Central Office, the effectiveness of which is measured and reported to Internal Audit on a quarterly basis.

DIRECTORS' REPORT

ESRS G1 - Business Conduct

G1 GOV-1	Role of administrative, supervisory and management bodies	G1, GOV-1
G1 IRO-1	Business Conduct IROs / Description of Process	G1, IRO-1
G1-1	Business conduct policies and corporate culture	G1-1
G1-2	Management of relationships with suppliers	G1-2
G1-3	Prevention and detection of corruption or bribery	G1-3
G1-4	Incidents of corruption or bribery - metrics	G1-4
G1-6	Payment practices	G1-6

Dalata as a leading hotel operator is committed to the highest standards of corporate governance and business conduct throughout the Group and in our interactions with our stakeholders.

G1, GOV-1

Role of administrative, supervisory and management bodies

The Board provides rigorous challenges to management ensuring the Group maintains effective risk management and internal control systems, and business conduct policies and procedures. The Board considers business conduct matters such as company values and culture, whistleblowing, anti-bribery and corruption, human rights and modern slavery. Management is responsible for developing and assessing the effectiveness of business conduct policies and procedures while central office and hotel teams are responsible for implementing and monitoring controls in relation to business conduct matters including whistleblowing channels, business conduct training, anti-bribery and corruption, human rights and supplier due diligence.

The Board of Directors have sufficient business conduct expertise as experienced board members and through their extensive commercial experience. Members of the management and administrative teams have sufficient experience to manage the material business conduct matters in the Group. Any knowledge which the Board of Directors, management or administrative do not directly possess can be leveraged from external advisors.

G1, IRO-1

BUSINESS CONDUCT IROs

In 2024, we undertook a DMA and related analysis to identify our material IROs. The Group identified four material impacts related to business conduct and three other material IROs relating to impacts deep in our value chain which are sub-topics of biodiversity, workers in the value chain and affected communities. The material IROs set out in the G1 standard are included in the following table for ease of reference.

Material IRO description	Category
Protection of Whistleblowers The Group has a protected disclosure mechanism in place for all employees, third party workers and local communities.	Positive Actual Impact
Protection of Whistleblowers The Group does not have a protected disclosure mechanism in place for workers in its value chain or affected communities.	Negative Actual Impact
Management of Suppliers The Group's approach to the management of suppliers can have implications on social and environmental issues across the value chain.	Negative Potential Impact
Management of Suppliers Poor labour practices in our supply chain, particularly suppliers deep in our supply chain may lead to poor employment conditions, inadequate wages, forced or child labour and a higher potential for health and safety related injuries for their workers.	Negative Potential Impact
Management of Suppliers Production processes within Dalata's supply chain may negatively impact value chain communities social and cultural rights, if large quantities of natural resources are used or land-use is changed.	Negative Potential Impact
Management of Suppliers Production and transportation of food and beverage products, consumables and capital goods procured by the hotels may contribute to land-use change, freshwater-use change, climate change and biodiversity loss.	Negative Potential Impact
Anti-Bribery and Corruption The potential for corruption in the organisation and supply chain may result in undue damage to the environment and abuse of human rights.	Negative Potential Impact

Description of processes to identify and assess business conduct related impacts, risks and opportunities:

As part of the DMA, Dalata conducted a primary business activity review, sectoral screening of our value chain, and identified business relationships and affected stakeholder groups. The Group identified seven material impacts related to business conduct.

The impacts identified require the Group to recognise the importance of anti-bribery and corruption awareness and training, and the benefits of an effective whistleblowing channel enabling employees to report concerns in a confidential and non-retaliatory manner. It also recognises the importance of maintaining strong relationships with our suppliers in managing the social and environmental issues across the value chain. These impacts align with the Group's ESG and governance strategic priorities which is to operate a sustainable and responsible business.

The Group allocates financial and human resources to our Company Secretarial, Human Resource and Procurement Teams to manage the material impacts identified. Activities undertaken by the teams include maintaining our whistleblowing channels, managing supplier relationships and providing employee training programmes. As our material IROs are related to our core business activities, our actions to mitigate against the impacts are embedded in our current operating structures, hence the financial impact is limited. There is no risk of material adjustment to the financial performance and cashflows within the current reporting period and to the carrying amounts of assets and liabilities in the Financial Statements in the next annual reporting period.

Further information on each material IRO is outlined below.

DIRECTORS' REPORT

ESRS 2, BP-1; ESRS 2, BP-2

Basis of Preparation

As is required as part of the ESRS standards we outline the basis under which we have prepared the information for the Company and its subsidiary undertakings as follows:

- IROs identified extend to our own operations and not to upstream or downstream value chain.
- The Group has not deviated from the definitions of short-, medium- and long-term time horizons defined by ESRS 1 as they align with those applied in the Group's Financial Statements.
- There are no estimations or judgements used in calculating metrics.
- Details of the accounting policies used in calculating metrics are outlined beside the relevant data table.
- Changes in the preparation and presentation of sustainability information in the 2024 Annual Report resulted in the disclosure of additional IROs following the DMA and the requirement to provide additional information in respect of the IROs, policies, actions, metrics and targets.
- As we have been assessing the effectiveness of our policies and procedures over a number of years in respect of the material IROs we have agreed that it not appropriate to set targets. However, we will continue to assess the effectiveness of these policies and procedures, to determine if a target is required in the medium to long term.

G1-1

Business conduct policies and corporate culture

Approach

Dalata's approach to business conduct and corporate culture is set out in the Group's Code of Conduct and Supplier Code of Conduct, alongside specific policies addressing anti-bribery and corruption, data protection, IT security and insider trading. These policies support our employees to conduct our business ethically and behave according to our core values when dealing, both as a business and as individuals, with all our stakeholders.

Corporate Culture

The Board is ultimately responsible for oversight of Dalata's business conduct and corporate culture, and the Executive Management Team is responsible for leading by example and driving a culture of business integrity.

The Board develops and promotes the Group's purpose, values and culture through its interactions with management, including discussions as part of Board and committee meetings and site visits to group companies throughout the year. Discussions and decisions made by the Board and its committees are based on fulfilling the Group's purpose which is compatible with our culture and values.

The Board uses multiple sources to evaluate the strength of its culture and understand how it manifests across employee sentiment, observed behaviours and trends. These include feedback from employee engagement surveys, board evaluation surveys, reports from and discussions with management during site visits, speak up reports and the employees' views received from the activities undertaken by the Workforce Engagement Director. The Nomination Committee also assesses the inclusion and diversity strategy and its impact on culture.

Codes of Conduct

The Code of Conduct outlines the standards of behaviour expected from our employees and others who represent the Group in their dealings with all our stakeholders in relation to matters including, diversity and equal opportunities, human rights, health and safety, data security, privacy and confidentiality, business ethics and fair marketing. The Supplier Code of Conduct sets out the standards expected from our suppliers.

The Chief Executive Officer and the Executive Management Team are responsible for implementing the Codes of Conduct for Employees and Suppliers. The Group monitors the effectiveness of the Code of Conduct by the number of human rights, bullying and harassment incidents and data breaches.

Business Conduct Training

All new employees receive business conduct training as part of their gateway induction to provide an understanding of the standards of behaviour expected of them as outlined in the Code of Conduct. Topics include anti-bribery and corruption, information security, data protection, insider dealing, health and safety, human rights and modern slavery, and whistleblowing. Employees are provided with information on each topic and are required to complete a knowledge test to assess their understanding of the topic. Training can be completed in any language in all geographies in which we operate, through the eLearning Online Platform. Employees also receive annual training on certain business conduct topics such as information security and data protection. Functions who pose a greater risk of bribery and corruption are required to complete anti-bribery and corruption training annually.

The Group's policy for training on business conduct outlines the topics covered in the gateway induction training, annual training and has identified the functions deemed to be at risk of corruption and bribery. The scope of the policy covers all employees in all geographies and is communicated through the business conduct training programmes via the eLearning Online Platform. Group Human Resources monitors the effectiveness of the policy through the training compliance rates.

Procedures to report and investigate concerns

Reporting concerns about unlawful behaviour or behaviour in contradiction of the Code of Conduct or similar internal rules can be made to the employee's line manager, HR manager, General Manager or through the confidential email address on speakup@dalatahotelgroup.com. Concerns can also be raised by external stakeholders using the confidential email address on speakup@dalatahotelgroup.com or info@dalatahotelgroup.com. In the case of a concern which is deemed a protected disclosure, the individual raising the concern also has the right to bypass the line management structure and take their protected disclosure directly to the Chair of the Audit and Risk Committee via email on auditandriskcommitteechair@dalatahotelgroup.com.

An initial assessment to consider the concerns raised, whether there is prima facie evidence that a relevant wrongdoing has taken place, the scope and manner of any investigation is undertaken by the relevant investigating officer. The investigating officer will communicate with the person raising the concern, unless it is an anonymous concern.

Concerns where there is no prima facie evidence are usually dealt with through other Group policies and procedures such as Grievance Procedure and Bullying and Harassment - Dignity in the Workplace. Where the concern raised has prima facie evidence, the investigating officer will address the relevant wrongdoing and provide feedback to the employee who raised the concern within a reasonable time period and at regular intervals thereafter until the matter is resolved.

The scope of the investigation and the persons responsible for the investigation will depend on the seriousness of the allegation and seniority of the person being accused of the allegation. During the investigation, it might be necessary for the investigating officer to review relevant documentation and conduct interviews with relevant parties. In certain cases, it might be considered necessary to appoint an external investigator(s) to conduct the investigation. The investigators or investigating committee are separate from the chain of management involved in the matter.

PROTECTION OF WHISTLEBLOWERS

ESRS 2, SBM-3

IROs related to Whistleblowing

Topic	Description	Category	Position in Value Chain	Timeframe
G1 Business Conduct: Protection of whistleblowers	The Group has a protected disclosure mechanism in place for all employees, third party workers and local communities.	Impact - Positive, Actual	Own Operations	Short Term, Medium Term and Long Term:
G1 Business Conduct: Protection of whistleblowers	The Group does not have a protected disclosure mechanism in place for workers in its value chain or affected communities.	Impact - Negative, Actual	Value Chain Upstream and Downstream	Short Term, Medium Term and Long Term:

Dalata's commitment to business integrity, including the procedures to report and investigate concerns raised is outlined in the protected disclosure policy. Our protection of whistleblowers encourages and enables our employees to speak up. The ability to raise concerns in such a manner helps Dalata to mitigate risks and negative impacts in the organisation. However, the absence of a protected disclosure mechanism for workers in the value chain and the value chain communities may result in certain matters being unreported.

DIRECTORS' REPORT

Protected Disclosure Policy

The Protected Disclosure or Whistleblowing Policy encourages and provides guidance to employees, to raise suspected wrongdoing confidentially, in the knowledge that their concerns will be taken seriously and investigated appropriately with no fear of reprisals. It also outlines the procedures for making a protected disclosure. The policy complies with relevant legislation in the countries in which we operate transposing the EU Whistleblower Protection Directive.

The scope of the policy applies to all employees in all geographies in which the Group operates. The Company Secretary and Head of Risk and Compliance has overall responsibility for this policy at a Group level. Group Human Resources maintain a register of concerns raised during the year. Details of the concerns raised, channel used to raise the concern, steps taken to resolve the concern and the outcome are reported to the Audit and Risk Committee on an annual basis. The effectiveness of the policy is monitored by the number of concerns raised during the year. In 2024, 11 concerns raised through the whistleblowing channel were investigated, all of which have been closed to the satisfaction of all concerned.

Information on the Group's whistleblowing channels is provided to employees through the Protected Disclosure Policy, and through the mandatory business conduct training. Internal communications messages are also posted on the employee database as a reminder of the existence of the whistleblowing channel. Staff designated to receive the concerns are provided with external training. The Group may obtain external professional advice in determining a protected disclosure.

The Group's whistleblowing policy offers protection to an employee who raises a concern in good faith by ensuring that the person will not be subject to any penalisation or detrimental treatment by the Group, and that any employee who threatens or retaliates against the person raising a concern faces disciplinary action.

G1-2 MANAGEMENT OF SUPPLIERS

ESRS 2, SBM-3 IROs related to management of relationships with suppliers:

Topic	Description	Category	Position in Value Chain	Timeframe
G1 Business Conduct: Management of Suppliers	The Group's approach to the management of suppliers can have implications on social and environmental issues across the value chain.	Impact - Negative, Potential	Value Chain Upstream and Downstream	Short Term, Medium Term and Long Term

Dalata has an international supply chain in sectors such as construction, food and beverage production and agriculture. Negative environmental impacts from these sectors include the generation of high levels of GHG emissions and waste and consumption of large volumes of water. Negative social impacts from these industries could include the mistreatment of workers and the economic, social and cultural effects on their local communities. To ensure the Group's procurement practices and the practices of its suppliers do not cause or contribute to material negative impacts, Dalata has a supplier approval process, Supplier Code of Conduct and sustainable procurement policy in place, to mitigate against the potential negative environmental and social impacts associated with the procurement of goods and services upstream.

Supplier Code of Conduct

The Supplier Code of Conduct sets out the standards expected of suppliers in relation to their business practices and value chains in matters such as business ethics, labour practices, human rights, health and safety, environmental and legal matters. We also expect our suppliers to comply with international human rights standards and national laws regarding child labour and forced labour, working hours, wages and benefits, and non-discrimination. Suppliers are required to sign the Supplier Code of Conduct when providing services to the Group. We reserve the right to terminate a business relationship when a supplier is found to contravene the requirements of the Supplier Code of Conduct.

The Head of Procurement and Food and Beverage Projects is responsible for implementing the Supplier Code of Conduct. The Group monitors the number of breaches of the Supplier Code of Conduct to assess its effectiveness of which there were none in 2024.

Sustainable Procurement Statement of Policy

The Sustainable Procurement Statement of Policy outlines the Group's commitment to minimise the environmental impact of every purchasing decision and to prioritise suppliers who have embedded sustainable and ethical practices within their organisation and their value chain. The policy also outlines the Group's commitment to waste management, local supply sourcing and green purchasing.

The scope of the policy includes employees who engage in procurement in all geographies in which we operate and suppliers in our value chain. The Head of Procurement and Food and Beverage Projects is responsible for implementing the policy with the Chief Operating Officer responsible for overseeing the policy for the Group.

The Group considered the interests of its supplier when identifying the green purchasing commitments outlined in the policy.

Procurement Process and Social and Environmental Criteria

As part of the supplier selection process, the Procurement Team requests information from potential suppliers on pay and working conditions and the rights of workers in their organisation. They also consider sustainability criteria, requiring each potential supplier to provide details of their environmental, social and governance credentials together with relevant policy documents.

Sustainability credentials requested from suppliers include scope 1 and 2 emissions data, details of responsible sourcing programmes, local food offerings and local food partners and accreditations received or pending. Information on modern slavery policy, supplier code of conduct, environmental policies, health and safety and food safety training are also requested from suppliers.

Risks related to supply chain and impacts on sustainability matters

In 2024, the Group conducted a desktop due diligence of 26 of its largest suppliers to evaluate their performance on social and environmental matters. We assessed their supplier code of conduct, anti-bribery and corruption, whistleblowing, health and safety, human rights and modern slavery, child labour and forced labour and environmental policies, and their environment and social targets.

The Head of Procurement and Food and Beverage Projects also engaged in one-to-one meetings with 16 suppliers in 2024, to obtain further information on their environmental and social policies and targets. The Group concluded that its largest suppliers have the appropriate policies and procedures in place to manage risks related to supply chain and impacts on sustainability matters.

The Group plans to expand the scope of the supplier due diligence in 2025 to increase our understanding of the risks related to our supply chain and the impacts on sustainability matters.

Payment Practices

Dalata recognises its responsibilities to suppliers by adhering to the specific payment terms issued by each individual supplier, with payments to suppliers made in accordance with the original, agreed terms of the contract. Where payment terms are not determined by the supplier, we have standard payment terms up to a maximum of 44 days from date of invoice. Although the Group does not have a formal policy on late payments to SMEs, we recognise the importance of preventing delayed payments to small and medium-sized enterprises by encouraging open communication and transparency in terms of payment terms and practices.

DIRECTORS' REPORT

MANAGEMENT OF SUPPLIERS

ESRS 2, SBM-3

IROs related to management of relationship with suppliers

Topic	Description	Category	Position in Value Chain	Timeframe
G1 Business Conduct Management of Suppliers	Poor labour practices in our supply chain, particularly suppliers deep in our supply chain may lead to poor employment conditions, inadequate wages, forced or child labour and a higher potential for health and safety related injuries for their workers.	Impact - Negative, Potential	Value Chain Upstream	Medium Term
G1 Business Conduct Management of Suppliers	Production processes within Dalata's supply chain may negatively impact value chain communities social and cultural rights, if large quantities of natural resources are used or land-use is changed.	Impact - Negative, Potential	Value Chain Upstream	Medium Term
G1 Business Conduct Management of Suppliers	Production and transportation of food and beverage products, consumables and capital goods procured by the hotels may contribute to land-use change, freshwater-use change, climate change and biodiversity loss.	Impact - Negative, Potential	Value Chain Upstream	Short Term, Medium Term and Long Term

Dalata's interaction with its upstream value chain is limited to its engagement with its suppliers, and as such does not have direct influence over working conditions and working rights of workers deep in the value chain, the social and cultural rights of affected communities deep in the value chain and the changes in land use or freshwater use from the production of goods procured by the Group. Policies and actions have not been implemented to mitigate the potential negative impact associated with these impacts.

The Group is not undertaking any specific actions to address the potential negative impact relating to working conditions and working rights of workers deep in the value chain, the social and cultural rights of affected communities deep in the value chain and the changes in land use or freshwater use in growing, producing and transporting food and beverage products, hotel consumables and construction materials. Our interaction with the upstream value chain is limited to our engagement with our suppliers, and as such we do not have direct influence. We will undertake an assessment of the impacts of the agricultural, manufacturing and transportation processes in the medium term before developing an action plan to address them.

G1-3

ANTI-BRIBERY AND CORRUPTION

ESRS 2, SBM-3

IRO's related to prevention and detection of corruption and bribery

Topic	Description	Category	Position in Value Chain	Timeframe
G1 Business Conduct: Anti-Bribery and Corruption	The potential for corruption in the organisation and supply chain may result in undue damage to the environment and abuse of human rights.	Impact - Negative, Potential	Own Operations, Upstream and Downstream Value Chain	Short Term, Medium Term and Long Term

Anti-Bribery and Corruption are important priorities for Dalata given the nature of our operations across its geographies. To ensure that our own practices do not cause or contribute to material negative impacts. The Group has an Anti-Bribery and Corruption Policy, Code of Conduct for our workforce and anti-bribery and corruption training in place to mitigate against potential negative impacts associated with corruption and bribery which may cause damage to the environment and human rights. We also require our suppliers to act in a similar manner regarding bribery and corruption.

Anti-Bribery and Corruption Policy

Our Anti-Bribery and Corruption Policy prohibits any activity that could constitute bribery or corruption and provides summary guidance to employees and management on these activities and related areas, thereby reducing the potential for corruption within the Group and its supply chain. The policy also addresses topics such as bribery, facilitation payments, charitable donations and sponsorships, political donations, gifts and hospitality.

The scope of the policy applies to all officers and employees of Dalata and is also applicable to any agents/advisors the Group may use in its business activities in the geographies in which it operates. The Chief Executive Officer has overall responsibility for this policy at a Group level.

We communicate with our employees on anti-bribery and corruption via the business conduct e-Learning module as part of the gateway induction training and through the Code of Conduct which employees are required to sign on joining the Group. The Group's zero tolerance approach to anti-bribery and corruption is also outlined in the Supplier Code of Conduct which our suppliers are required to sign on providing services to the Group.

Anti-bribery and Corruption Prevention and Detection Procedures

To prevent any allegations or incidents of bribery or corruption, we provide guidance to employees on activities that would be construed as bribery or corruption using the Group's Anti-Bribery and Corruption Policy, Code of Conduct and anti-bribery and corruption training. Any allegation or incident indicating potential violation of our Anti-Bribery and Corruption Policy is investigated by the Company Secretary and Head of Risk and Compliance if reported internally, or if reported through our Whistleblowing channel, in accordance with our whistleblowing procedures. If a violation is confirmed, it is promptly addressed, and corrective measures are taken.

The Company Secretary and Head of Risk and Compliance maintains a register of confirmed bribery and corruption incidents which is reported to the Audit and Risk Committee on an annual basis. The effectiveness of the policy is monitored by the number of incidents of corruption or bribery. During 2024, there were no allegations or confirmed incidents of bribery or corruption.

Anti-bribery and Corruption Training

The Group provides mandatory training to all employees in all geographies, as part of the gateway induction training to provide them with an overview of fraud, bribery and corruption. Certain functions who pose an elevated risk for corruption and bribery due to their involvement in critical financial transactions and interactions with external stakeholders have been identified. Functions at risk which include the Hotel Performance Committee, Procurement and Acquisitions and Development Teams, are required to undertake mandatory annual anti-bribery and corruption training.

The anti-bribery and corruption training includes two modules on; understanding fraud, bribery and corruption, and fraud, bribery and corruption in practice, takes a nominal time to complete and requires the employees to pass a knowledge test at the end.

During the year ended 31st December 2024, Dalata provided anti-bribery and corruption training to employees who joined the Group and employees identified as functions at risk. Details of the number of employees identified in functions at risk who completed anti-bribery and corruption training in 2024 is outlined in the table below:

DIRECTORS' REPORT

Anti-Bribery and Corruption Training	Functions at Risk
Total number of employees identified as functions at risk	23
Total number of employees identified as functions at risk who completed the training	4
% of employees who received training	17%

G1-4

Incidents of Corruption and Bribery

Dalata did not receive any convictions or fines by a court for a violation of anti-corruption or anti-bribery laws, nor has it been the subject of any legal actions relating to corruption or bribery in 2024.

G1-6

Payment Practices

Contextual Information

Dalata Hotel Group has two categories of suppliers.

- Suppliers that set non-negotiable contract terms and receive payments as and when the invoices fall due.
- "Dalata Term Suppliers" are suppliers where mutually contracted payment terms have been agreed and are paid at a particular time from the end of the month in which the invoice arises. The contracted payment terms for this category of supplier are set at a maximum of 44 days. 52% of the value of the supplier payments that fall into this category are paid within 44 days.

Average payment period

The average payment days for the "Dalata Term Suppliers" invoices are 12 days from the commencement of the contractual or statutory payment terms.

Standard payment terms in number of days by main category of suppliers

"Dalata Term Suppliers" represent 50% of annual supplier payments by value.

Outstanding legal proceedings for late payment

There are no outstanding proceedings against the Group for late payment.



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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. 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 Directors' 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

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF DALATA HOTEL GROUP PLC

Report on the audit of the financial statements Opinion

We have audited the financial statements of Dalata Hotel Group plc ('the Company') and its consolidated undertakings ('the Group') for the year ended 31 December 2024, contained within the reporting package 635400L2CWET7ONOBJ04-2024-12-31-0-en.zip which comprise the consolidated statement of profit or loss and other comprehensive income, the consolidated and Company statements of financial position, the consolidated and Company statements of changes in equity, the consolidated and Company statements of cash flows and related notes, including the summary of material accounting policies set out in note 1.

The financial reporting framework that has been applied in their preparation is Irish Law, including the Commission Delegated Regulation 2019/815 regarding the single electronic reporting format (ESEF) and International Financial Reporting Standards (IFRS) as adopted by the European Union and, as regards the Company financial statements, as applied in accordance with the provisions of the Companies Act 2014.

In our opinion:

- the financial statements give a true and fair view of the assets, liabilities and financial position of the Group and Company as at 31 December 2024 and of the Group's profit for the year then ended;
- the Group consolidated financial statements have been properly prepared in accordance with IFRS as adopted by the European Union;
- the Company financial statements have been properly prepared in accordance with IFRS as adopted by the European Union, as applied in accordance with the provisions of the Companies Act 2014; and
- the Group consolidated financial statements and Company financial statements have been properly prepared in accordance with the requirements of the Companies Act 2014 and, as regards the consolidated financial statements, Article 4 of the IAS Regulation.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (Ireland) (ISAs (Ireland)) and applicable law. Our responsibilities under those standards are further described in the Auditor's Responsibilities section of our report. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion. Our audit opinion is consistent with our report to the Audit and Risk Committee.

We were appointed as auditor by directors on 30 June 2016. The period of total uninterrupted engagement is the nine years ended 31 December 2024. We have fulfilled our ethical responsibilities under, and we remained independent of the Group in accordance with, ethical requirements applicable in Ireland, including the Ethical Standard issued by the Irish Auditing and Accounting Supervisory Authority (IAASA) as applied to public interest entities. No non-audit services prohibited by that standard were provided.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. The risk that we considered most likely to adversely affect the Group's and Company's available financial resources over this period was the potential impact from market uncertainty, due to external geopolitical and economic factors outside of the Group's control, on consumer demand and the cost base of the Group.

Our evaluation of the directors' assessment of the Group's and Company's ability to continue to adopt the going concern basis of accounting included:

- considering the cash and undrawn bank loan facilities available to the Group and the related covenants in the facilities agreement which are applicable in the going concern period; and
- considering management's going concern and viability assessment papers and the reasonableness of the underlying assumptions.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's or the Company's ability to continue as a going concern for a period of at least twelve months from the date when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

In relation to the Group's and the Company's reporting on how they have applied the UK Corporate Governance Code and the Irish Corporate Governance Annex, we have nothing material to add or draw attention to in relation to the directors' statement in the financial statements about whether the directors considered it appropriate to adopt the going concern basis of accounting.

Detecting irregularities including fraud

We identified the areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements and risks of material misstatement due to fraud, using our understanding of the Group's industry, regulatory environment and other external factors and inquiry with the directors and other management. In addition, our risk assessment procedures included:

- Inquiring with the directors and other management as to the Group's policies and procedures regarding compliance with laws and regulations, and identifying, evaluating and accounting for litigation and claims, as well as whether they have knowledge of non-compliance or instances of litigation or claims.
- Inquiring of directors, the Audit and Risk Committee and internal audit as to the Group's policies and procedures to prevent and detect fraud, including the internal audit function, and the Group's channel for "whistleblowing", as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Inquiring of directors, the Audit and Risk Committee and internal audit regarding their assessment of the risk that the financial statements may be materially misstated due to irregularities, including fraud.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF DALATA HOTEL GROUP PLC (CONTINUED)

- Reading Board, Audit and Risk Committee, Nomination Committee, Environmental Social and Governance Committee and Remuneration Committee meeting minutes.
- Considering remuneration incentive schemes and performance targets for directors and other management.
- Performing planning analytical procedures to identify any usual or unexpected relationships.

We discussed identified laws and regulations, fraud risk factors and the need to remain alert among the audit team.

Firstly, the Group is subject to laws and regulations that directly affect the financial statements including companies and financial reporting legislation. We assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items, including assessing the financial statement disclosures and agreeing them to supporting documentation when necessary.

Secondly, the Group is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: health and safety, employment law, and environmental law.

Auditing standards limit the required audit procedures to identify non-compliance with these non-direct laws and regulations to inquiry of the directors and other management and inspection of regulatory and legal correspondence, if any. These limited procedures did not identify actual or suspected non-compliance.

We assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. As required by auditing standards, we performed procedures to address the risk of management override of controls. On this audit we do not believe there is a fraud risk related to revenue recognition. We did not identify any additional fraud risks.

In response to the fraud risks, we also performed procedures including:

- Identifying journal entries to test based on risk criteria and comparing the identified entries to supporting documentation
- Assessing significant accounting estimates for bias
- Assessing the disclosures in the financial statements

As the Group is regulated, our assessment of risks involved obtaining an understanding of the legal and regulatory framework that the Group operates in and gaining an understanding of the control environment including the entity's procedures for complying with regulatory requirements.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remains a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

Key audit matters: our assessment of risks of material misstatement

Key audit matters are those matters that, in our professional judgement, were of most significance in the audit of the financial statements and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by us, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

In arriving at our audit opinion above, the key audit matters, in decreasing order of audit significance, were as follows:

Group: Property valuations - carrying value of land and buildings €1,564.2 million (2023: €1,478.6 million) (unchanged from the prior year).

Refer to Audit and Risk Committee Report, Note 1 (xi) to the consolidated financial statements (accounting policy for Property, Plant and Equipment), and Note 13 to the consolidated financial statements (financial disclosures - Property, Plant and Equipment).

The key audit matter

The Group has a large owned hotel property portfolio and under its accounting policies applies the revaluation model to its land and buildings included within property plant and equipment. This gives rise to a significant risk of material misstatement if periodic revaluations are not performed on an appropriate basis or are not accounted for in accordance with relevant accounting standards. The Group engages independent external experts to perform periodic hotel revaluations, which are inclusive of fixtures fittings and equipment, which the Group accounts for under the cost model. Appropriate allocations of hotel valuations must therefore be made between land and buildings, and fixtures and fittings and equipment for accounting purposes. These revaluations involve considerable estimation uncertainty, primarily stemming from the application of key assumptions such as the discount rate and projected future earnings.

How the matter was addressed in our audit

Our audit procedures included among others:

- undertaking process understanding including walkthrough of the valuations process and testing the design and implementation of the relevant controls therein;
- obtaining and evaluating the work performed by the independent external experts engaged by the Group in relation to hotel valuations;
- using our auditor judgement to understand and challenge the key assumptions in the hotel valuation reports, as applied in the accompanying discounted cash flow valuation calculations, in relation to, among others, forecasts of future performance and the key drivers behind revenue estimates, the relativities of discount rates and capitalisation rates applied in valuations of different hotels, and other matters specific to particular hotels or the markets in which they operate which impacted on valuations;
- engaging our own valuation specialists to review the revaluations performed by the external experts;
- testing the mathematical accuracy of the discounted cash flow models used in the valuations;
- testing the amounts of individual property revaluation movements and their presentation either in other comprehensive income or in profit or loss, as appropriate; and
- evaluating the adequacy of the Group's disclosures in relation to property valuations.

Our audit procedures did not identify any material issues with the significant assumptions adopted in the property valuations such as the discount rate and projected future earnings. We found the allocation of valuations between land and buildings and fixtures fittings and equipment and the inclusion of net revaluation gains in other comprehensive income (€13.1 million) for the year to be appropriate. We also found the disclosures in the financial statements relating to property valuations to be adequate in providing an understanding of the basis of the valuations.

Group: Impairment of hotel cash-generating units - carrying values of right of use assets €760.2 million (2023: €685.2 million), goodwill €53.6 million (2022: €53.8 million), and fixtures fittings and equipment €116.0 million (2023: €104.5 million) (unchanged from the prior year).

Refer to Audit and Risk Committee Report, Note 1 (vii) (xi) and (xiii) to the consolidated financial statements (accounting policies for Leases, Property, Plant and Equipment, and Goodwill), Note 10 to the consolidated financial statements (financial disclosures - Impairment) and Note 12 to the consolidated financial statements (financial disclosures - Intangible Assets and Goodwill).

The key audit matter

As a result of the carrying amount of the net assets of the Group being more than its market capitalisation as at 31 December 2024, impairment assessments of all hotel cash generating units (CGUs) were required, in accordance with relevant accounting standards as at 31 December 2024. The Group has material right-of-use assets, goodwill, and fixtures fittings and equipment. There is a risk that the carrying amounts of these assets could be more than the estimated recoverable amount. The recoverable amount of right-of-use assets, goodwill, and fixtures fittings and equipment is arrived at by forecasting and discounting future cash flows to determine value in use for each CGU. These cash flows are inherently judgmental and rely on certain key assumptions including in particular:

- future trading performance
- discount rates
- management charges; and
- future long-term growth rates

There is a significant audit risk of material misstatement in relation to the carrying values of right-of-use assets if impairment assessments are not performed on an appropriate basis or are not accounted for in accordance with relevant accounting standards.

How the matter was addressed in our audit

Our audit procedures included among others:

- obtaining and documenting our understanding including performing a walkthrough of the impairment assessment process and testing the design and implementation of the relevant controls therein;
- evaluating the methodology applied by the Group in determining the CGUs and the estimates of the recoverable amounts of right-of-use assets, goodwill, and fixtures fittings and equipment to determine if they are in line with the requirements of the relevant accounting standard;
- using our auditor judgement, evaluate key assumptions used, in particular those relating to future trading performance, discount rates, long-term growth rates and management fees, by performing sensitivity analysis;
- engaging our own valuation specialists to assess the appropriateness of key assumptions used by the Group including discount rates;
- testing the mathematical accuracy of the discounted cash flow models used in the impairment assessment; and
- evaluating the adequacy of the Group's disclosures in relation to impairment.

We found the resulting estimates of the recoverable amounts of right-of-use assets, goodwill, and fixtures fittings and equipment to be acceptable. Our audit procedures did not identify any material issues with the key assumptions adopted in the impairment reviews. We found that the Group's conclusions were appropriate that for the year ended 31 December 2024 there was no impairment of goodwill, right-of-use assets, and fixtures fittings and equipment. We also found the disclosures in the financial statements to be adequate in providing an understanding of the basis of the impairment assessments.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF DALATA HOTEL GROUP PLC (CONTINUED)

Company: Investment in subsidiaries €919.8 million (2023: €898.5 million) (unchanged from the prior year).

Refer to Note 1 (i) to the Company financial statements (accounting policy for Investments in Subsidiaries) and Note 2 to the Company financial statements (financial disclosures – Investments in Subsidiaries).

The key audit matter

The investments in subsidiaries are carried in the Company's financial statements at cost less any impairment. As the net assets of the Group are separately subject to property revaluations and impairment reviews as noted above, the carrying value of the investments in subsidiaries is not separately considered to give rise to a significant risk of material misstatement. However, due to the materiality of the investments in the context of the Company financial statements, this is considered to be the area that had the greatest focus of our overall audit of the Company financial statements and is therefore a key audit matter.

How the matter was addressed in our audit

Our audit procedures included among others:

- obtaining an understanding of management's approach to the assessment of investments in subsidiaries for potential impairment;
- considering the audit work performed in the current year in relation to property valuation and impairment of hotel cash-generating units; and
- comparing the carrying value of the investments to the net assets of the subsidiaries.

We found management's assessment of the carrying value of investments in subsidiaries to be appropriate.

Our application of materiality and an overview of the scope of our audit

The materiality for the consolidated financial statements as a whole was set at €4.8 million (2023: €5.4 million).

This has been calculated with reference to a benchmark of consolidated profit before tax for the year ended 31 December 2024. Materiality represents approximately 5% (2023: approximately 5%) of this benchmark, which we consider to be one of the principal considerations for members of the Company in assessing the financial performance of the Group.

As profit before tax is the benchmark typically used to calculate materiality for listed groups which have reached a mature stage in their development, we determined that it was the most appropriate benchmark.

Performance materiality for the Group financial statements as a whole was set at €3.60 million (2023: €4.05 million), determined with reference to materiality, of which it represents 75% (2023: 75%).

In using a profit before tax benchmark for the current year, we applied a materiality measure of approximately 5%. A range of 3%-5% is typically used for a profit before tax benchmark, where applicable, in public company audits. Our materiality measure for 2024, although based on a profit before tax measure, also had regard to the level of revenue and net assets and represented approximately 0.7% of 2024 revenue and approximately 0.3% of net assets at 31 December 2024.

We reported to the Audit and Risk Committee any corrected and uncorrected misstatements we identified through our audit exceeding €0.24 million (2023: €0.27 million), in addition to any other audit misstatements below that threshold that warranted reporting on qualitative grounds.

Materiality for the Company financial statements as a whole was set at €4.8 million (2023: €4.0 million), determined with reference to a benchmark of total assets, of which it represents approximately 0.5% (2023: approximately 0.4%). Performance materiality for the Company financial statements as a whole was set at €3.6 million (2023: €3.0 million), determined with reference to materiality, of which it represents 75% (2023: 75%).

We used materiality to assist us to determine what risks were significant risks and to determine the audit procedures to be performed including those discussed above. Our audit was undertaken to the materiality and performance materiality level specified above and was performed by a single Group engagement team in Dublin.

Other information

The directors are responsible for the preparation of the other information presented in the Annual Report together with the financial statements. The other information comprises the information included in the Strategic Report, Corporate Governance Statement (which also includes the directors' report), Sustainability Statement and Supplementary Information.

The financial statements and our auditor's report thereon do not comprise part of the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work we have not identified material misstatements in the other information.

Based solely on our work on the other information undertaken during the course of the audit we report that, in those parts of the directors' report specified for our consideration:

- we have not identified material misstatements in the directors' report;
- in our opinion, the information given in the directors' report is consistent with the financial statements; and
- in our opinion, the directors' report has been prepared in accordance with the Companies Act 2014.

Corporate governance statement

We have reviewed the directors' statements in relation to going concern, longer-term viability, and that part of the Corporate Governance Statement relating to the Company's compliance with the provisions of the UK Corporate Governance Code and the Irish Corporate Governance Annex specified for our review by the Listing Rules of Euronext Dublin and the UK Listing Authority.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the Corporate Governance Statement is materially consistent with the financial statements and our knowledge obtained during the audit:

- directors' statement with regards to the appropriateness of adopting the going concern basis of accounting and any material uncertainties identified;
- directors' explanation as to their assessment of the Group's prospects, the period this assessment covers and why the period is appropriate;
- director's statement on whether it has a reasonable expectation that the Group will be able to continue in operation and meet its liabilities;
- directors' statement on fair, balanced and understandable and the information necessary for shareholders to assess the Group's position and performance, business model and strategy;
- Board's confirmation that it has carried out a robust assessment of the emerging and principal risks and the disclosures in the annual report that describe the principal risks and the procedures in place to identify emerging risks and explain how they are being managed or mitigated;
- section of the annual report that describes the review of effectiveness of risk management and internal control systems; and;
- section describing the work of the Audit and Risk Committee.

The Listing Rules of Euronext Dublin also require us to review certain elements of disclosures in the report to shareholders by the Board of Directors' Remuneration Committee. We have nothing to report in this regard.

In addition, as required by the Companies Act 2014, we report, in relation to information given in the Corporate Governance Statement (which also includes the directors' report), that:

- based on the work undertaken for our audit, in our opinion, the description of the main features of internal control and risk management systems in relation to the financial reporting process, and information relating to voting rights and other matters required by the European Communities (Takeover Bids (Directive 2004/EC) Regulations 2006 and specified for our consideration, is consistent with the financial statements and has been prepared in accordance with the Act;
- based on our knowledge and understanding of the Company and its environment obtained in the course of our audit, we have not identified any material misstatements in that information; and
- the directors' report contains the information required by the European Union (Disclosure of Non-Financial and Diversity Information by certain large undertakings and groups) Regulations 2017.

We also report that, based on work undertaken for our audit, the information required by the Act is contained in the Corporate Governance Statement.

Our opinions on other matters prescribed by the Companies Act 2014 are unmodified

We have obtained all the information and explanations which we consider necessary for the purposes of our audit.

In our opinion the accounting records of the Company were sufficient to permit the financial statements to be readily and properly audited and the financial statements are in agreement with the accounting records.

We have nothing to report on other matters on which we are required to report by exception

The Companies Act 2014 requires us to report to you if, in our opinion:

- the disclosures of directors' remuneration and transactions required by Sections 305 to 312 of the Act are not made;
- the Company has not provided the information required by Section 1110N in relation to its remuneration report for the financial year ended 31 December 2023;
- the Company has not provided the information required by section 5(2) to (7) of the European Union (Disclosure of Non-Financial and Diversity Information by certain large undertakings and groups) Regulations 2017 for the year ended 31 December 2023 as required by the European Union (Disclosure of Non-Financial and Diversity Information by certain large undertakings and groups) (amendment) Regulations 2018.

We have nothing to report in this regard.

Respective responsibilities and restrictions on use

Responsibilities of directors for the financial statements

As explained more fully in the directors' responsibilities Statement of Directors' Responsibilities, the directors are responsible for: the preparation of the financial statements including being satisfied that they give a true and fair view; 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; assessing the Group's and Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF DALATA HOTEL GROUP PLC (CONTINUED)

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (Ireland) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A fuller description of our responsibilities is provided on IAASA's website at <https://iaasa.ie/publications/description-of-the-auditors-responsibilities-for-the-audit-of-the-financial-statements>.

The purpose of our audit work and to whom we owe our responsibilities

Our report is made solely to the Company's members, as a body, in accordance with Section 391 of the Companies Act 2014. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

5 March 2025

Eamon Dillon

for and on behalf of KPMG
Chartered Accountants, Statutory Audit Firm
1 Stokes Place
St. Stephen's Green Dublin 2

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2024

	Note	2024 €'000	2023 €'000
Continuing operations			
Revenue	2	652,190	607,698
Cost of sales		(238,847)	(214,509)
Gross profit		413,343	393,189
Administrative expenses	4	(256,332)	(238,530)
Other income	5	1,447	1,484
Operating profit		158,458	156,143
Net finance costs	6	(67,220)	(50,611)
Profit before tax		91,238	105,532
Tax charge	9	(12,497)	(15,310)
Profit for the year attributable to owners of the Company		78,741	90,222
Other comprehensive income			
<i>Items that will not be reclassified to profit or loss</i>			
Revaluation of property	13	13,083	92,098
Related deferred tax	24	(3,513)	(10,451)
		9,570	81,647
<i>Items that are or may be reclassified subsequently to profit or loss</i>			
Exchange gain on translating foreign operations		27,095	11,396
Loss on net investment hedge		(8,590)	(6,343)
Fair value movement on cash flow hedges	23	923	1,753
Cash flow hedges – reclassified to profit or loss	23	(7,688)	(6,949)
Related deferred tax	24	1,660	1,299
		13,400	1,156
Other comprehensive income for the year, net of tax		22,970	82,803
Total comprehensive income for the year attributable to owners of the Company		101,711	173,025
Earnings per share			
Basic earnings per share	30	35.5 cents	40.4 cents
Diluted earnings per share	30	35.3 cents	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
Assets			
Non-current assets			
Intangible assets and goodwill	12	53,649	54,074
Property, plant and equipment	13	1,710,974	1,684,831
Right-of-use assets	14	760,151	685,193
Investment property		1,518	2,021
Deferred tax assets	24	33,100	24,136
Other receivables	15	7,362	6,418
Total non-current assets		2,566,754	2,456,673
Current assets			
Derivative assets	23	-	6,521
Trade and other receivables	15	30,842	28,262
Inventories	16	2,761	2,401
Cash and cash equivalents	17	39,575	34,173
Assets held for sale	18	20,717	-
Total current assets		93,895	71,357
Total assets		2,660,649	2,528,030
Equity			
Share capital	19	2,129	2,235
Share premium	19	507,365	505,079
Treasury share reserve	19	(19)	-
Capital reserves	19	107,104	106,988
Share-based payment reserve	19	7,955	8,417
Hedging reserve	19	(214)	4,891
Revaluation reserve	19	468,605	461,181
Translation reserve	19	6,323	(12,182)
Retained earnings		320,157	316,328
Total equity		1,419,405	1,392,937
Liabilities			
Non-current liabilities			
Loans and borrowings	22	271,384	254,387
Lease liabilities	14	764,619	686,558
Deferred tax liabilities	24	92,763	84,441
Derivative liabilities	23	244	-
Provision for liabilities	21	5,708	6,656
Other payables	20	19	348
Total non-current liabilities		1,134,737	1,032,390
Current liabilities			
Lease liabilities	14	13,939	12,040
Trade and other payables	20	88,652	86,049
Current tax liabilities		1,576	2,659
Provision for liabilities	21	2,340	1,955
Total current liabilities		106,507	102,703
Total liabilities		1,241,244	1,135,093
Total equity and liabilities		2,660,649	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 €'000	Share premium €'000	Treasury share reserve €'000	Capital reserves €'000	Share-based payment reserve €'000	Hedging reserve €'000	Revaluation reserve €'000	Translation reserve €'000	Retained earnings €'000	Total €'000
At 1 January 2024	2,235	505,079	-	106,988	8,417	4,891	461,181	(12,182)	316,328	1,392,937
Comprehensive income:										
Profit for the year	-	-	-	-	-	-	-	-	78,741	78,741
Other comprehensive income										
Exchange gain on translating foreign operations	-	-	-	-	-	-	-	27,095	-	27,095
Loss on net investment hedge	-	-	-	-	-	-	-	(8,590)	-	(8,590)
Revaluation of properties (note 13)	-	-	-	-	-	-	13,083	-	-	13,083
Fair value movement on cash flow hedges (note 23)	-	-	-	-	-	923	-	-	-	923
Cash flow hedges – reclassified to profit or loss (note 23)	-	-	-	-	-	(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)
Total comprehensive income for the year	-	-	-	-	-	(5,105)	7,424	18,505	80,887	101,711
Transactions with owners of the Company:										
Equity-settled share-based payments (note 8)	-	-	-	-	3,615	-	-	-	-	3,615
Transfer from share-based payment reserve to retained earnings	-	-	-	-	(4,325)	-	-	-	4,325	-
Vesting of share awards and options (note 8)	10	2,286	-	-	-	-	-	-	-	2,296
Dividends paid (note 19)	-	-	-	-	-	-	-	-	(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 (note 19)	(116)	-	-	116	-	-	-	-	(48,683)	(48,683)
Related deferred tax	-	-	-	-	248	-	-	-	-	248
Total transactions with owners of the Company	(106)	2,286	(19)	116	(462)	-	-	-	(77,058)	(75,243)
At 31 December 2024	2,129	507,365	(19)	107,104	7,955	(214)	468,605	6,323	320,157	1,419,405

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 €'000	Share premium €'000	Capital reserves €'000	Share-based payment reserve €'000	Hedging reserve €'000	Revaluation reserve €'000	Translation reserve €'000	Retained earnings €'000	Total €'000
At 1 January 2023	2,229	504,910	106,988	5,011	8,788	379,534	(17,235)	232,541	1,222,766
Comprehensive income:									
Profit for the year	-	-	-	-	-	-	-	90,222	90,222
Other comprehensive income									
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)
Total comprehensive income for the year	-	-	-	-	(3,897)	81,647	5,053	90,222	173,025
Transactions with owners of the Company:									
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)
Total transactions with owners of the Company	6	169	-	3,406	-	-	-	(6,435)	(2,854)
At 31 December 2023	2,235	505,079	106,988	8,417	4,891	461,181	(12,182)	316,328	1,392,937

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
Cash flows from operating activities		
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
	235,067	224,132
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)
Net cash from operating activities	218,273	171,379
Cash flows from investing activities		
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)
Net cash used in investing activities	(63,029)	(214,368)
Cash flows from financing activities		
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)
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)
Net cash used in financing activities	(150,875)	(14,714)
Net increase/(decrease) in cash and cash equivalents	4,369	(57,703)
Cash and cash equivalents at the beginning of the year	34,173	91,320
Effect of movements in exchange rates	1,033	556
Cash and cash equivalents at the end of the year	39,575	34,173

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.

1 Material accounting policies (continued)

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.

(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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(CONTINUED)

1 Material accounting policies (continued)

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.

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.

1 Material accounting policies (continued)

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.

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

(CONTINUED)

1 Material accounting policies (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.

1 Material accounting policies (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

(CONTINUED)

1 Material accounting policies (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.

1 Material accounting policies (continued)

(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.

(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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(CONTINUED)

1 Material accounting policies (continued)

(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.

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.

1 Material accounting policies (continued)

(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.

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(CONTINUED)

1 Material accounting policies (continued)

(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.

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
Revenue		
Dublin	283,793	286,130
Regional Ireland	110,474	112,317
UK	220,813	186,292
Continental Europe	37,110	22,959
Total revenue	652,190	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.

2 Operating segments (continued)

	2024 €'000	2023 €'000
Segmental results – EBITDAR (APM (iv))		
Dublin	132,308	135,883
Regional Ireland	34,990	37,018
UK	80,965	71,658
Continental Europe	11,274	7,707
EBITDAR for reportable segments	259,537	252,266
Segmental results – EBITDA		
Dublin	130,233	133,750
Regional Ireland	34,856	36,889
UK	80,627	71,082
Continental Europe	11,177	6,915
EBITDA for reportable segments	256,893	248,636
Reconciliation to results for the year		
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)
Adjusted EBITDA	234,453	223,108
Adjusting items		
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)
Group EBITDA	231,753	220,247
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)
Profit before tax	91,238	105,532
Tax charge	(12,497)	(15,310)
Profit for the year attributable to owners of the Company	78,741	90,222

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(CONTINUED)

2 Operating segments (continued)

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).

'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
Revenue review by segment – Dublin		
Room revenue	214,644	216,948
Food and beverage revenue	51,938	51,263
Other revenue	17,211	17,919
Total revenue	283,793	286,130

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

2 Operating segments (continued)

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

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

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
Revenue								
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
Total revenue	394,267	220,813	37,110	652,190	398,447	186,292	22,959	607,698

	Republic of Ireland €'000	UK €'000	Continental Europe €'000	Total €'000	Republic of Ireland €'000	UK €'000	Continental Europe €'000	Total €'000
EBITDAR								
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
Total EBITDAR	167,298	80,965	11,274	259,537	172,901	71,658	7,707	252,266

	Republic of Ireland €'000	UK €'000	Continental Europe €'000	Total €'000	Republic of Ireland €'000	UK €'000	Continental Europe €'000	Total €'000
Other information								
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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

2 Operating segments (continued)

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

3 Statutory and other information

	2024 €'000	2023 €'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 €'000	2023 €'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 €'000	2023 €'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 (CONTINUED)

4 Administrative expenses

	2024 €'000	2023 €'000
Administrative wages and salaries	76,500	69,178
Depreciation and amortisation (note 12,13,14)	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 (note 14)	2,644	3,630
Hotel pre-opening expenses	1,895	497
Impairment charge/(reversal) relating to property, plant and equipment through profit and loss (note 13)	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 (note 14)	(1,719)	-
Reversal of prior period insurance provisions (note 21)	(990)	(927)
	256,332	238,530

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

5 Other income

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

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).

6 Net finance costs

	2024 €'000	2023 €'000
Finance income	(138)	-
Finance income	(138)	-
Interest on lease liabilities (note 14)	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 (note 13)	(666)	(2,008)
Finance costs	67,358	50,611
Net finance costs	67,220	50,611

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

(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
	4,032	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
	4,032	3,996

The aggregate payroll costs of these persons were as follows:

	2024 €'000	2023 €'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	-
	181,954	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 €'000	2023 €'000
Long Term Incentive Plans	3,419	5,580
Share Save schemes	196	330
	3,615	5,910

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.

8 Share-based payments expense (continued)

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 Awards	2023 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)
Outstanding at the end of the year	4,504,528	4,089,901

	2024 Awards	2023 Awards
Grant date		
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	-
Outstanding at the end of the year	4,504,528	4,089,901

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

8 Share-based payments expense (continued)

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.

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
Outstanding at the end of the year	2,359,273	2.99	1,480,299	2.39

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

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
Effects of:		
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
	12,497	15,310

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(CONTINUED)

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.

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.

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

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 (CONTINUED)

11 Tax charge (continued)

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

	3 October 2023 Fair value €'000
Recognised amounts of identifiable assets acquired and liabilities assumed	
Non-current assets	
Right-of-use asset	41,036
Fixtures, fittings and equipment	6,065
Deferred tax asset	10,587
Current assets	
Trade and other receivables	974
Stock	98
Cash	8
Non-current liabilities	
Deferred tax liability	(10,587)
Lease liability	(40,066)
Current liabilities	(1,962)
Trade and other payables	(970)
Lease liability	(264)
Accruals	41,036
Total identifiable net assets	4,919
Total cash consideration	28,344
Goodwill	23,425

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.

12 Intangible assets and goodwill

	Goodwill €'000	Other intangible assets €'000	Total €'000
Cost or valuation			
Balance at 1 January 2024	102,769	2,804	105,573
Disposal	(176)	-	(176)
Reclassification to held for sale assets (note 18)	(550)	-	(550)
Effect of movements in exchange rates	553	-	553
Balance at 31 December 2024	102,596	2,804	105,400
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
Accumulated amortisation and impairment losses			
Balance at 1 January 2024	(48,947)	(2,552)	(51,499)
Amortisation of intangible assets	-	(252)	(252)
Balance at 31 December 2024	(48,947)	(2,804)	(51,751)
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)
Carrying amounts			
At 31 December 2024	53,649	-	53,649
At 31 December 2023	53,822	252	54,074

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(CONTINUED)

12 Intangible assets and goodwill (continued)

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.

	Number of cash-generating units At 31 December 2024	2024 €'000	2023 €'000
Carrying amount of goodwill allocated			
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.

12 Intangible assets and goodwill (continued)

(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.

(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).

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13 Property, plant and equipment

	Land and buildings €'000	Assets under construction €'000	Fixtures, fittings and equipment €'000	Total €'000
At 31 December 2024				
Valuation	1,564,246	-	-	1,564,246
Cost	-	30,741	217,508	248,249
Accumulated depreciation (and impairment charges) *	-	-	(101,521)	(101,521)
Net carrying amount	1,564,246	30,741	115,987	1,710,974
At 1 January 2024, net carrying amount	1,478,636	101,703	104,492	1,684,831
Additions through capital expenditure	64	21,123	31,891	53,078
Disposal	(7,347)	-	(861)	(8,208)
Assets held for sale (note 18)	(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 (note 6)	-	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
At 31 December 2024, net carrying amount	1,564,246	30,741	115,987	1,710,974
The equivalent disclosure for the prior year is as follows:				
At 31 December 2023				
Valuation	1,478,636	-	-	1,478,636
Cost	-	101,703	187,951	289,654
Accumulated depreciation (and impairment charges) *	-	-	(83,459)	(83,459)
Net carrying amount	1,478,636	101,703	104,492	1,684,831
At 1 January 2023, net carrying amount	1,281,344	64,556	81,547	1,427,447
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 (note 6)	-	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
At 31 December 2023, net carrying amount	1,478,636	101,703	104,492	1,684,831

* 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).

13 Property, plant and equipment (continued)

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).

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 €1,054.1million (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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(CONTINUED)

13 Property, plant and equipment (continued)

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.

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

Significant unobservable inputs

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

13 Property, plant and equipment (continued)

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

13 Property, plant and equipment (continued)

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.

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
Net book value at 1 January 2024	684,600	593	685,193
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
Net book value at 31 December 2024	759,545	606	760,151
Net book value at 1 January 2023	657,790	311	658,101
Acquisitions through business combinations (note 11)	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
Net book value at 31 December 2023	684,600	593	685,193

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

14 Leases (continued)

Lease liabilities

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

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.

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).

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(CONTINUED)

14 Leases (continued)

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:

	Republic of Ireland €'000	At 31 December 2024 Continental Europe €'000	UK £'000	Total €'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
	554,487	151,685	1,522,632	2,542,483

	Republic of Ireland €'000	At 31 December 2023 Continental Europe €'000	UK £'000	Total €'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
	580,629	160,304	710,141	1,558,079

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.

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.

14 Leases (continued)

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:

	Republic of Ireland €'000	Depreciation of right-of-use assets Continental Europe €'000	UK £'000	Total €'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

	Republic of Ireland €'000	Interest on lease liabilities Continental Europe €'000	UK £'000	Total €'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.

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](#)).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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14 Leases (continued)

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

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) €'000	Potential future lease payments not included in lease liabilities (discounted) €'000
Office building	3,411	1,495

14 Leases (continued)

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 €'000	At 31 December 2023 €'000
Agreements for lease		
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
Total future lease payments	209,523	325,772

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 €'000	2023 €'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
	746	539

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 €'000	2023 €'000
Operating lease income (note 5)	384	385

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(CONTINUED)

14 Leases (continued)

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

15 Trade and other receivables

	2024 €'000	2023 €'000
Non-current assets		
Other receivables	6,495	2,328
Prepayments	867	4,090
	7,362	6,418
Current assets		
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
	30,842	28,262
Total	38,204	34,680

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.

15 Trade and other receivables (continued)

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 2024 €'000	Expected credit loss Rate 2024	Impairment provision 2024 €'000	Net receivables 2024 €'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
	11,194		(348)	10,846

	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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

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	13	19,742
Goodwill	12	550
Investment property		425
Assets held for sale		20,717

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).

19 Capital and reserves

At 31 December 2024

	Number	€'000
Authorised share capital	10,000,000,000	100,000
Ordinary shares of €0.01 each		

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

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

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

19 Capital and reserves (continued)

At 31 December 2023

	Number	€'000
Authorised share capital		
Ordinary shares of €0.01 each	10,000,000,000	100,000
	Number	€'000
Allotted, called-up and fully paid shares		
Ordinary shares of €0.01 each	223,454,844	2,235
Share premium		505,079

(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).

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(CONTINUED)

19 Capital and reserves (continued)

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.

(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 €'000	2023 €'000
Non-current liabilities		
Other payables	19	348
	19	348
Current liabilities		
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
	88,652	86,049
Total	88,671	86,397

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(CONTINUED)

21 Provision for liabilities (continued)

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	147,384	254,387
Private placement notes	124,000	-
Total bank loans and private placement notes	271,384	254,387

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](#)).

22 Bank loans and private placement notes (continued)

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

	Liabilities				Equity					
	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	Total
	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000
Balance as at 31 December 2023	254,387	698,598	86,397	(6,521)	2,235	505,079	106,988	-	316,328	1,963,491
Changes from financing cash flows										
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)
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)
Total changes from financing cash flows	(12,381)	(61,254)	(5,822)	7,688	(106)	2,286	(48,567)	(5,604)	(27,115)	(150,875)
Liability-related other changes										
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
Total liability-related other changes	29,378	141,214	8,096	(923)	-	-	-	-	-	177,765
Total equity-related other changes	-	-	-	-	-	-	48,683	5,585	30,944	85,212
Balance as at 31 December 2024	271,384	778,558	88,671	244	2,129	507,365	107,104	(19)	320,157	2,075,593

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

22 Bank loans and private placement notes (continued)

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

	Liabilities				Equity			
	Bank loans and private placement notes	Lease liabilities	Trade and other payables	Derivatives (net)	Share capital	Share premium	Retained earnings	Total
	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000
Balance as at 31 December 2022	193,488	651,791	119,057	(11,717)	2,229	504,910	232,541	1,692,299
Changes from financing cash flows								
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)
Total changes from financing cash flows	41,860	(53,498)	(1,261)	6,949	6	169	(8,939)	(14,714)
Liability-related other changes								
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
Total liability-related other changes	19,039	100,305	(31,399)	(1,753)	-	-	-	86,192
Total equity-related other changes	-	-	-	-	-	-	92,726	92,726
Balance as at 31 December 2023	254,387	698,598	86,397	(6,521)	2,235	505,079	316,328	1,856,503

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.

22 Bank loans and private placement notes (continued)

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

	Sterling bank loan facility £'000	Euro bank loan facility €'000	Sterling private placement notes £'000	Euro private placement notes €'000	Total €'000
At 1 January 2024	221,367	254,723	4,000	-	258,723
Cash flows					
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	124,694
Non-cash changes					
Effect of foreign exchange movements	-	9,202	-	622	9,824
At 31 December 2024	18,500	22,311	125,000	63,316	272,627

Cash and cash equivalents

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

Reconciliation of net debt and lease liabilities

Net debt at 31 December 2024	233,052
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
Lease liabilities at 31 December 2024 (note 14)	778,558
Net debt and lease liabilities at 31 December 2024	1,011,610

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(CONTINUED)

22 Bank loans and private placement notes (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
Bank loans – drawn amounts				
At 1 January 2023	176,500	199,001	-	199,001
Cash flows				
Facilities drawn down	72,882	84,648	36,000	120,648
Loan repayments	(28,015)	(32,374)	(32,000)	(64,374)
Non-cash changes				
Effect of foreign exchange movements	-	3,448	-	3,448
At 31 December 2023	221,367	254,723	4,000	258,723

Cash and cash equivalents

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

Reconciliation of net debt and lease liabilities

Net debt at 31 December 2023	224,550
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
Lease liabilities at 31 December 2023 (note 14)	698,598
Net debt and lease liabilities at 31 December 2023	923,148

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%.

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.

23 Derivatives (continued)

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

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 €'000	2023 €'000
Deferred tax assets	33,100	24,136
Deferred tax liabilities	(92,763)	(84,441)
Net deferred tax liabilities	(59,663)	(60,305)
	2024 €'000	2023 €'000
Movements in year		
At 1 January – net liability	(60,305)	(49,751)
Credit/(charge) for year – to profit or loss (note 9)	557	(460)
Movement for year – to equity	(1,822)	(9,152)
Realisation of tax charge associated with hotel disposal – to equity	1,907	-
Acquired net deferred tax liabilities	-	(942)
At 31 December – net liability	(59,663)	(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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

24 Deferred tax (continued)

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.

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.

24 Deferred tax (continued)

Deferred tax arises from temporary differences relating to:

	Net balance at 1 January 2024 €'000	Recognised in profit or loss 2024 €'000	Recognised in equity 2024 €'000	Realisation of tax charge associated with hotel disposal 2024 €'000	Net deferred tax 2024 €'000	Deferred tax assets 2024 €'000	Deferred tax liabilities 2024 €'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 2023 €'000	Recognised in profit or loss 2023 €'000	Recognised in equity 2023 €'000	Acquired net deferred tax liabilities 2023 €'000	Net deferred tax 2023 €'000	Deferred tax assets 2023 €'000	Deferred tax liabilities 2023 €'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)

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(CONTINUED)

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

Trade and other receivables excluding prepayments (note 15)	-	24,888	24,888				
Cash at bank and in hand (note 17)	-	39,575	39,575				
	-	64,463	64,463				

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

Derivatives (note 23) - hedging instruments	(244)	-	(244)	-	(244)	-	(244)
Bank loans (note 22)	-	(147,384)	(147,384)	-	(147,384)	-	(147,384)
Private placement notes (note 22)	-	(124,000)	(124,000)	-	(124,000)	-	(124,000)
Trade and other payables and accruals (note 20)	-	(62,035)	(62,035)				
	(244)	(333,419)	(333,663)				

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.

25 Financial instruments and risk management (continued)

	Financial assets measured at fair value 2023 €'000	Financial assets measured at amortised cost 2023 €'000	Total carrying amount 2023 €'000	Level 1 2023 €'000	Level 2 2023 €'000	Level 3 2023 €'000	Total 2023 €'000
Financial assets							
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 2023 €'000	Financial liabilities measured at amortised cost 2023 €'000	Total carrying amount 2023 €'000	Level 1 2023 €'000	Level 2 2023 €'000	Level 3 2023 €'000	Total 2023 €'000
Financial liabilities							
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).

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

25 Financial instruments and risk management (continued)

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
	64,463	55,512

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.

	Contractual cashflows						
	Carrying value	Total	6 months	6 – 12	1 – 2	2 – 5	5 – 7
	2024 €'000	2024 €'000	or less €'000	months €'000	years €'000	years €'000	years €'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

(CONTINUED)

25 Financial instruments and risk management (continued)

The equivalent disclosure for the prior year is as follows:

	Carrying value 2023 €'000	Total 2023 €'000	Contractual cashflows 6 months or less €'000	6 – 12 months €'000	1 – 2 years €'000	2 – 5 years €'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
Variable rate instruments		
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.

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

(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
2024		
(Increase)/decrease in interest on bank loans	(151)	2,226
Decrease/(increase) in tax charge	19	(278)
(Decrease)/increase in profit	(132)	1,948
2023		
(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
Interest rate swaps				
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
Interest rate swaps				
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
Interest rate swaps				
Assets	6,521	7,573	7,573	-

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:

25 Financial instruments and risk management (continued)

	Carrying amount €'000	31 December 2023 Total €'000	12 months or less €'000	More than 1 year €'000
Interest rate swaps				
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 Strengthening of Euro €'000	Weakening of Euro €'000	Equity Strengthening of Euro €'000	Weakening of Euro €'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
Increase/(decrease) in profit	761	(1,268)		
Increase/(decrease) in equity			761	(1,268)

(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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(CONTINUED)

25 Financial instruments and risk management (continued)

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:

Suvarne 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 €'000	2023 €'000
Contracted but not provided for	55,783	20,569

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 ¹	Ireland	Holding company	100%	-
DHG Fleming Limited ¹	Ireland	Financing company	100%	-
DHG Harton Limited ¹	Ireland	Holding company	100%	-
DHGL Limited ¹	Ireland	Holding company	-	100%
Dalata Limited ¹	Ireland	Holding company	-	100%
Hanford Commercial Limited ¹	Ireland	Hotel and catering	-	100%
Anora Commercial Limited ¹	Ireland	Hotel and catering	-	100%
Ogwell Limited ¹	Ireland	Hotel and catering	-	100%
Caruso Limited ¹	Ireland	Hotel and catering	-	100%
C I Hotels Limited ¹	Ireland	Hotel and catering	-	100%
Tulane Business Management Limited ¹	Ireland	Hotel and catering	-	100%
Dalata Support Services Limited ¹	Ireland	Hotel management	-	100%
Fonteyn Property Holdings Limited ¹	Ireland	Hotel management	-	100%
Fonteyn Property Holdings No. 2 Limited ¹	Ireland	Hotel and catering	-	100%
Suwanne Management Limited ¹	Ireland	Hotel and catering	-	100%
Carasco Management Limited ¹	Ireland	Hotel and catering	-	100%
Amelin Commercial Limited ¹	Ireland	Hotel and catering	-	100%

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

29 Subsidiary undertakings (continued)

Subsidiary undertaking	Country of Incorporation	Activity	Ownership	
			Direct	Indirect
Lintal Commercial Limited ¹	Ireland	Hotel and catering	-	100%
Bernara Commercial Limited ¹	Ireland	Property investment	-	100%
Pillo Hotels Limited ¹	Ireland	Dormant company	-	100%
Loadbur Limited ¹	Ireland	Hotel and catering	-	100%
Heartside Limited ¹	Ireland	Hotel and catering	-	100%
Pondglen Limited ¹	Ireland	Hotel and catering	-	100%
Candlevale Limited ¹	Ireland	Hotel and catering	-	100%
Songdale Limited ¹	Ireland	Hotel and catering	-	100%
Palaceglen Limited ¹	Ireland	Hotel and catering	-	100%
Adelka Limited ¹	Ireland	Property holding company	-	100%
Leevlan Limited ¹	Ireland	Hotel and catering	-	100%
DHG Arden Limited ¹	Ireland	Hotel and catering	-	100%
DHG Barrington Limited ¹	Ireland	Hotel and catering	-	100%
DHG Cordin Limited ¹	Ireland	Hotel and catering	-	100%
DS Charlemont Limited ¹	Ireland	Hotel and catering	-	100%
Galsay Limited ¹	Ireland	Hotel and catering	-	100%
Merzolt Limited ¹	Ireland	Hotel and catering	-	100%
DHG Burlington Road Limited ¹	Ireland	Hotel and catering	-	100%
DHG Eden Limited ¹	Ireland	Hotel and catering	-	100%
DHG Dalton Limited ¹	Ireland	Property holding company	-	100%
Williamsberg Property Limited ¹	Ireland	Hotel and catering	-	100%
DHG Indigo Limited ¹	Ireland	Holding company	-	100%
DHG Belfast Limited ²	N Ireland	Hotel and catering	-	100%
DHG Derry Limited ²	N Ireland	Hotel and catering	-	100%
DHG Derry Commercial Limited ²	N Ireland	Dormant company	-	100%
DHG Brunswick Limited ²	N Ireland	Hotel and catering	-	100%
Dalata UK Limited ³	UK	Holding company	-	100%
Dalata Cardiff Limited ³	UK	Hotel and catering	-	100%
Trackdale Limited ³	UK	Hotel and catering	-	100%
Islandvale Limited ³	UK	Dormant company	-	100%
Crescentbrook Limited ³	UK	Hotel and catering	-	100%
Hallowridge Limited ³	UK	Hotel and catering	-	100%
Rush (Central) Limited ³	UK	Property holding company	-	100%
Hotel La Tour Birmingham Limited ³	UK	Hotel and catering	-	100%

29 Subsidiary undertakings (continued)

Subsidiary undertaking	Country of Incorporation	Activity	Ownership	
			Direct	Indirect
SRD (Trading) Limited ³	UK	Hotel and catering	-	100%
SRD (Management) Limited ³	UK	Hotel and catering	-	100%
DHG Finsbury Park Limited ³	UK	Property holding company	-	100%
DHG Castle Limited ³	UK	Hotel and catering	-	100%
DHG Phoenix Limited ³	UK	Property holding company	-	100%
Hintergard Limited ⁴	Jersey	Property holding company	-	100%
Dalata Deutschland Holding GmbH ⁵	Germany	Holding company	-	100%
Dalata Deutschland Hotelbetriebs GmbH ⁵	Germany	Hotel and catering	-	100%
American Hotel Exploitatie B.V. ⁶	Netherlands	Hotel and catering	-	100%
DHG Amsterdam B.V. ⁶	Netherlands	Holding company	-	100%
Dalata Coliseo S.L. ⁷	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 4th 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.

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(CONTINUED)

30 Earnings per share (continued)

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 €'000	2023 €'000
Reconciliation to adjusted profit for the year		
Profit before tax	91,238	105,532
Adjusting items (note 2, 6)		
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
Adjusted profit before tax	101,463	108,393
Tax charge (note 9)	(12,497)	(15,310)
Adjusting items in tax charge		
Tax adjustment for adjusting items	494	130
Adjusted profit for the year	89,460	93,213

31 Approval of the financial statements

The financial statements were approved by the Directors on 5 March 2025.

COMPANY STATEMENT OF FINANCIAL POSITION

AT 31 DECEMBER 2024

	Note	2024 €'000	2023 €'000
Assets			
Non-current assets			
Investment in subsidiaries	2	919,820	898,478
Deferred tax asset	3	71	71
Total non-current assets		919,891	898,549
Current assets			
Trade and other receivables	4	60	57
Amounts owed by subsidiaries	5	209,827	24,434
Cash and cash equivalents	6	1	1
Total current assets		209,888	24,492
Total assets		1,129,779	923,041
Equity			
Share capital	10	2,129	2,235
Share premium	10	507,365	505,079
Share-based payment reserve		7,707	8,417
Capital reserves		91,717	91,601
Retained earnings		490,708	290,760
Total equity		1,099,626	898,092
Non-current liabilities			
Other financial liabilities	7	20,680	4,756
Total non-current liabilities		20,680	4,756
Current liabilities			
Trade and other payables	8	1,887	2,776
Amounts owed to subsidiaries	9	1,360	11,611
Other financial liabilities	7	6,226	5,806
Total current liabilities		9,473	20,193
Total liabilities		30,153	24,949
Total equity and liabilities		1,129,779	923,041

On behalf of the Board:

John Hennessy
Chair

Dermot Crowley
Director

5 March 2025

COMPANY STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2024

	Share capital €'000	Share premium €'000	Share-based payment reserve €'000	Capital reserves €'000	Retained earnings €'000	Total €'000
At 1 January 2024	2,235	505,079	8,417	91,601	290,760	898,092
Comprehensive income:						
Profit for the year	-	-	-	-	277,621	277,621
Total comprehensive income for the year	-	-	-	-	277,621	277,621
Transactions with owners of the Company:						
Equity-settled share-based payments	-	-	3,615	-	-	3,615
Write-off of loan to Employee Benefit Trust	-	-	-	-	(6,200)	(6,200)
Vesting of share awards and options (note 10)	10	2,286	(4,325)	-	4,325	2,296
Purchase and cancellation of shares	(116)	-	-	116	(48,683)	(48,683)
Dividends paid (note 11)	-	-	-	-	(27,115)	(27,115)
Total transactions with owners of the Company	(106)	2,286	(710)	116	(77,673)	(76,087)
At 31 December 2024	2,129	507,365	7,707	91,717	490,708	1,099,626
At 1 January 2023	2,229	504,910	5,011	91,601	292,543	896,294
Comprehensive income:						
Profit for the year	-	-	-	-	4,652	4,652
Total comprehensive income for the year	-	-	-	-	4,652	4,652
Transactions with owners of the Company:						
Equity-settled share-based payments	-	-	5,910	-	-	5,910
Vesting of share awards and options (note 10)	6	169	(2,504)	-	2,504	175
Dividends paid (note 11)	-	-	-	-	(8,939)	(8,939)
Total transactions with owners of the Company	6	169	3,406	-	(6,435)	(2,854)
At 31 December 2023	2,235	505,079	8,417	91,601	290,760	898,092

COMPANY STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2024

	2024 €'000	2023 €'000
Cash flows from operating activities		
Profit for the year	277,621	4,652
<i>Adjustments for:</i>		
Foreign exchange loss	62	10
Share-based payment expense	1,043	871
Finance income	(13,625)	(6,319)
	265,101	(786)
(Decrease)/increase in trade and other payables	(888)	1,242
Increase in trade and other receivables	(3)	(16)
Net cash from operating activities	264,210	440
Cash flows from investing activities		
Cash movements on amounts due (to)/from subsidiaries	(188,123)	8,328
Loan to the Employee Benefit Trust	(6,199)	-
Net cash (used in)/from investing activities	(194,322)	8,328
Cash flows from financing activities		
Dividends paid	(27,115)	(8,939)
Purchase of owned shares (buyback schemes)	(48,684)	-
Share-based payments	3,615	-
Proceeds from vesting of share awards and options	2,296	175
Net cash used in financing activities	(69,888)	(8,764)
Net movement in cash and cash equivalents	-	4
Cash and cash equivalents at the beginning of the year	1	5
Effect of movements in exchange rates	-	(8)
Cash and cash equivalents at the end of the year	1	1

NOTES TO THE COMPANY FINANCIAL STATEMENTS

FORMING PART OF THE COMPANY FINANCIAL STATEMENTS

1 Material accounting policies

The individual financial statements of the Company have been prepared in accordance with IFRS as adopted by the EU, and as applied in accordance with the Companies Act 2014.

Material accounting policies specifically applicable to these individual Company financial statements and which are not reflected within the accounting policies for the Group consolidated financial statements are detailed below.

(i) Investments in subsidiaries

Investments in subsidiaries are accounted for in these individual Company financial statements on the basis of the direct equity interest, rather than on the basis of the reported results and net assets of investees. Investments in subsidiaries are carried at cost less impairment.

Share-based payments in respect of employees in subsidiaries are accounted for as an increase in the cost of investments in subsidiaries.

The fair value of intra-group financial guarantees at inception is accounted for as an increase in the cost of investments in subsidiaries.

Investments in subsidiaries were assessed for potential impairment at 31 December 2024. For the purposes of the consolidated financial statements, each subsidiary hotel operating unit is considered 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. Therefore, impairment tests are carried out at a hotel operating unit level and an impairment recognised if required. This ensures the net assets of the Group on consolidation are not in excess of their recoverable amount. Please see [note 10](#) of the consolidated financial statements for further details.

The net assets of the Group of €1.4 billion (2023: €1.4 billion) already reflect the outcome of the impairment tests in relation to the carrying value of the assets in subsidiaries. The Company concluded that the net assets of the Group, which are a reasonable estimate of the recoverable amount of the investments in subsidiaries, are significantly in excess of the carrying value of its investments in subsidiaries (€919.8 million). [Note 10](#) of the consolidated financial statements includes a sensitivity as to what impact a change in forecasts at 31 December 2024 would have had on the net assets of the Group at that date. No impairment charges were required as a result of the sensitivity, and therefore, the carrying value of the investment in subsidiaries remains significantly less than the net assets of the Group. As a result of the above, the Company concluded that the carrying value of its investments in subsidiaries was not impaired as at 31 December 2024.

(ii) Intra-group guarantees

Where the Company enters into financial guarantee contracts to guarantee the indebtedness of companies within the Group, the financial guarantee liability is initially measured at its fair value. The fair value of a financial guarantee contract is determined as the present value of the cost of the guarantee for the total debt facility.

At each reporting date the financial guarantee liability is subsequently measured at the higher of (i) the amount initially recognised less the cumulative amount of income recognised in accordance with the principles of IFRS 15 *Revenue from Contracts with Customers* and (ii) the loss allowance i.e. the expected credit losses under IFRS 9 *Financial Instruments*.

(iii) Employee Benefit Trust

An Employee Benefit Trust ("the Trust") has been established for the sole purpose of purchasing and transferring the Company's shares. The Trust is accounted for as a separate legal entity from the Company. The recoverability of loans given to the Trust is assessed at each reporting period.

2 Investments in subsidiaries

	2024	2023
	€'000	€'000
Investments in subsidiaries	919,820	898,478

2 Prior period restatement (continued)

	2024 €'000	2023 €'000
Movements in year		
At 1 January	898,478	893,440
Net movement	21,342	5,038
At 31 December	919,820	898,478

The net movement in investment in subsidiaries is primarily due to the application of IFRS 9 *Financial instruments* to intra-group financial guarantees following the Group's refinancing on 9 October 2024 (note 7). This has been reduced by the recharge of the share-based payments costs incurred in respect of subsidiaries.

Details of subsidiary undertakings are included in note 29 of the consolidated financial statements.

3 Deferred tax asset

	2024 €'000	2023 €'000
Deferred tax asset	71	71
	71	71

The deferred tax asset arises in respect of corporation tax losses carried forward.

4 Trade and other receivables

	2024 €'000	2023 €'000
Prepayments	22	28
Value added tax	38	29
	60	57

5 Amounts owed by subsidiaries

	2024 €'000	2023 €'000
Amounts owed by subsidiaries	209,827	24,434
	209,827	24,434

The amounts owed by subsidiaries at 31 December 2024 are non-interest bearing and are repayable on demand.

During the year ended 31 December 2024, the Company received dividend income of €266.0 million from its subsidiary undertakings, DHG Glover Limited and DHGL Limited. In addition, the Company provided loans to another subsidiary undertaking, DHG Fleming Limited.

Other movements in amounts owed to subsidiaries for the year ended 31 December 2024 are treasury transactions in the course of business.

The amounts owed by subsidiaries have been reviewed and no credit losses are expected based on the financial position of subsidiaries. As a result, the expected credit losses have been assessed as immaterial, and no provision has been recognised.

NOTES TO THE COMPANY FINANCIAL STATEMENTS

(CONTINUED)

6 Cash and cash equivalents

	2024	2023
	€'000	€'000
Cash at bank and in hand	1	1
	1	1

7 Other financial liabilities

	2024	2023
	€'000	€'000
At 1 January	10,562	16,880
Amortisation	(7,552)	(6,318)
Accelerated amortisation	(6,072)	-
Measurement of additional liability	29,968	-
At 31 December	26,906	10,562

	2024	2023
	€'000	€'000
Financial guarantees	26,906	10,562
Current	6,226	5,806
Non-current	20,680	4,756
	26,906	10,562

Other financial liabilities relate to intra-group guarantees measured in accordance with IFRS 9 *Financial Instruments*. The carried forward liability was reassessed on 9 October 2024 following the Group's debt refinancing (note 21 of the consolidated financial statements). Finance income of €13.6 million (2023: €6.3 million) has been recognised in the current year, comprising €10.6 million for the release of the financial liability relating to the previous facilities and €3.0 million for the partial unwind of the financial liability recognised in respect of the new facilities.

The expected credit loss risk due to financial guarantee contracts is assessed to be low at 31 December 2024 and 31 December 2023.

8 Trade and other payables

	2024	2023
	€'000	€'000
Trade payables	15	26
Accruals	1,747	2,656
Payroll taxes	125	94
	1,887	2,776

9 Amounts owed to subsidiaries

	2024	2023
	€'000	€'000
Amounts owed to subsidiaries	1,360	11,611
	1,360	11,611

Amounts due to group undertakings are non-interest bearing and repayable on demand.

10 Share capital and share premium

At 31 December 2024

	Number	€'000
Authorised share capital	10,000,000	100,000
Ordinary shares of €0.01 each		

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

Share premium		507,365
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At 31 December 2023

	Number	€'000
Authorised share capital	10,000,000,000	100,000
Ordinary shares of €0.01 each		

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

Share premium		505,079
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All ordinary shares rank equally with regard to the Company's residual assets.

During the year ended 31 December 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 of the consolidated financial statements). 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).

Capital reserves

	2024 €'000	2023 €'000
Merger reserve	91,601	91,601
Other un-denominated share capital	116	-
	91,717	91,601

The movement in capital reserves in the current year relates entirely to the capital redemption reserve. The capital redemption reserve represents the nominal value of the shares that were repurchased during the financial year and serves to maintain the Company's capital structure. During the year ended 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 capital redemption reserve.

NOTES TO THE COMPANY FINANCIAL STATEMENTS

(CONTINUED)

11 Dividends

A final dividend for 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 3 September 2024 on the ordinary shares in Dalata Hotel Group plc and amounted to €9.1 million (2023: €8.9m).

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 financial statements do not reflect this dividend.

12 Attributable profit or loss of the Company

The profit attributable to shareholders in the financial statements of the Company for the year ended 31 December 2024 was €277.6 million (2023: €4.7 million). As permitted by Section 304 of the Companies Act 2014, the statement of profit or loss and other comprehensive income for the Company has not been separately presented in these financial statements.

13 Company related party disclosures

Under IAS 24 *Related Party Disclosures*, the Company has related party relationships with Directors of the Company and with its subsidiary undertakings ([notes 27](#) and [29](#) of the consolidated financial statements).

Remuneration of key management

Key management is defined as the Directors of the Company. The compensation of key management personnel is set out in the [Remuneration Committee report](#) and [note 27](#) of the consolidated financial statements.

Transactions with related parties

During the year ended 31 December 2024, the Company charged fees amounting to €3.9 million (2023: €4.7 million) to its subsidiary undertakings for services provided during the year.

14 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 Republic of Ireland registered subsidiary companies which are listed hereafter:

Suvarne 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	Leevlan 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 Limited	

Other guarantees

At 31 December 2024, the Company has undertaken to guarantee the obligations of its subsidiaries in relation to the following:

Property	Subsidiary	Term (years)	Term remaining (years)
Lease			
Clayton Hotel Burlington Road	DHG Burlington Road Limited	25	16.9
The Gibson Hotel	Galsay Limited	35	28.7
Clayton Hotel Cardiff	Dalata UK Limited	35	27.5
Maldron Hotel Smithfield	Anora Commercial Limited	25	17.1
Clayton Hotel Birmingham	Hotel La Tour Birmingham Limited	35	27.6
Maldron Hotel Newcastle	Dalata Cardiff Limited	35	28.9
Clayton Hotel Cambridge	SRD (Trading) Limited	30	24.9
Clayton Hotel Charlemont	DS Charlemont Limited	35	30.3
Maldron Hotel Glasgow City	Dalata Cardiff Limited	35	31.6
Clayton Hotel Manchester City Centre	Dalata Cardiff Limited	35	32.0
Clayton Hotel Glasgow City	Dalata Cardiff Limited	35	32.8
Clayton Hotel Bristol City	Dalata Cardiff Limited	35	32.2
Maldron Hotel Manchester City Centre	Dalata Cardiff Limited	35	32.1
The Samuel Hotel, Dublin	Tulane Business Management Limited	35	32.2
Clayton Hotel Düsseldorf	Dalata Deutschland Hotelbetriebs GmbH	20	17.1
Central Office, Dublin	DHGL Limited	10	7.5
Clayton London Wall	DHG Castle Limited	107	105.5

NOTES TO THE COMPANY FINANCIAL STATEMENTS (CONTINUED)

14 Commitments (continued)

Property	Subsidiary	Term (years)	Term remaining (years)
Clayton Hotel Amsterdam American	DHG Amsterdam BV	18.5	17.2
Maldron Hotel Cathedral Quarter Manchester	Dalata Cardiff Limited	35	34.4
Maldron Hotel Liverpool City	Dalata Cardiff Limited	35	34.5
Maldron Hotel Brighton	Dalata Cardiff Limited	35	34.5
Agreement for Lease			
Maldron Hotel Croke Park, Dublin	Tulane Business Management Limited	35	35
Clayton Hotel Old Broad Street, London	Dalata Cardiff Limited	25	25
Loans and borrowings			
DHG Fleming Limited	DHG Fleming Limited	7	6.8

The intra-group financial guarantees of loans and borrowings have been accounted for as described in [notes 2](#) and [7](#). The intra-group guarantees of leases are immaterial for accounting purposes, as they cover payments as and when they fall due and there was no exposure to credit loss on lease guarantees as at inception and as at each subsequent reporting date.

Section 357 guarantees are not financial guarantees in the context of IFRS 9 *Financial Instruments*.

15 Subsequent events

In January 2025, the group repurchased €6.5 million worth of shares, concluding the second share buyback programme announced in October 2024.

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 financial statements do not reflect this dividend.

There were no other subsequent events which would require an adjustment or a disclosure thereon in these Company financial statements.

16 Approval of the financial statements

The financial statements were approved by the Directors on 5 March 2025.

Supplementary *Information*

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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](#)

Alternative Performance Measures ('APM') and other definitions (continued)

(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)		31 Dec 2024 €'000	31 Dec 2023 €'000
	Reference in financial statements		
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)
Net Debt (APM vi)	A	233,052	224,550
Lease Liabilities - current and non-current	Statement of financial position	778,558	698,598
Net Debt and Lease Liabilities (APM vii)	B	1,011,610	923,148
Adjusted EBITDA (APM ii)	C	234,453	223,108
Net Debt and Lease Liabilities to Adjusted EBITDA (APM viii)	B/C	4.3x	4.1x
Valuation of property assets as provided by external valuers ¹	D	1,638,334	1,545,314
Net Debt to Value (APM ix)	A/D	14.2%	14.5%

¹ 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](#)

SUPPLEMENTARY FINANCIAL INFORMATION

(CONTINUED)

Alternative Performance Measures ('APM') and other definitions (continued)

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
Lease Modified Net Debt to Adjusted EBITDA (APM x)	D/E		3.3x	3.1x

(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

Alternative Performance Measures ('APM') and other definitions (continued)

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)
Fixed lease payments:			
• 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
Exclude adjusting items with a cash effect:			
Net impact from tax deferrals from government Covid-19 support schemes ¹		-	34,917
2022 corporation tax payment in 2023 ²		-	10,451
Acquisition-related costs paid	Note 2	495	4,389
Pre-opening costs paid	Note 2	1,895	497
Refinancing costs paid ³		4,430	-
Free Cashflow (APM xi)	A	123,697	133,359
Weighted average shares outstanding – basic	B	221,621,597	223,299,760
Free Cashflow per Share (APM xii) – cents	A/B	55.8	59.7
Total lease costs paid ⁴		64,766	57,373
Other net interest and finance costs paid (excluding refinancing costs paid)		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
Debt and Lease Service Cover (APM xiii)	D/C	2.7x	3.0x

- 1 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 cashflow and trading difficulties during the pandemic.
- 2 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.
- 3 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.
- 4 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.

SUPPLEMENTARY FINANCIAL INFORMATION (CONTINUED)

Alternative Performance Measures ('APM') and other definitions (continued)

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

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)
Adjusted EBIT after rent	A	133,631	136,169
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 ¹	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	(7,362)	(6,418)
Assets under construction at year end	E	(30,741)	(101,703)
Normalised invested capital	B-D-E	1,147,589	1,042,703
Average normalised invested capital	F	1,095,146	979,075
Normalised Return on Invested Capital (APM xiv)	A/F	12.2%	13.9%

¹ 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

Alternative Performance Measures ('APM') and other definitions (continued)

and exclusion of share-based payment expense. EBITDA (see definition ii) 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

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)	-
EBITDA after rent	A	174,005	174,990
Net Debt (APM vi)	B	233,052	224,550
Net Debt to EBITDA after rent (APM xv)	B/A	1.3x	1.3x
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
Interest Cover (APM xvi)	A/C	17.5x	19.5x

(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

SUPPLEMENTARY FINANCIAL INFORMATION

(CONTINUED)

(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
Hotel EBITDA (after rent) from leased portfolio (APM xvii)	A-B		40,360	41,489
Rent Cover (APM xviii)	A/B		1.7x	1.8x

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.

ADVISOR AND SHAREHOLDER CONTACTS

Advisors

Stockbrokers

Davy

Davy House
49 Dawson Street
Dublin 2
Ireland

Berenberg

60 Threadneedle Street
London
EC2R 8HP
United Kingdom

Solicitor

A&L Goodbody

IFSC, North Wall Quay
Dublin 1
Ireland

Auditor

KPMG

1 Stokes Place
St. Stephen's Green
Dublin 2
Ireland

Investor Relations and PR

FTI Consulting

The Academy
Suites 2A & 2B
42 Pearse Street
Dublin 2
Ireland

Registrar

Computershare Investor

Services (Ireland) Limited

3100 Lake Drive
Citywest Business Campus
Dublin 24
D24 AK82
Ireland
T: 00353 1 447 5566
F: 00353 1 447 5571
E: webqueries@computershare.co.uk

Shareholder Information

Company Secretary and Registered Office

Seán McKeon

Dalata Hotel Group plc
Termini
3 Arkle Road
Sandyford Business Park
Dublin 18

Registered Number

534888

Contact Details

T: 00353 1 206 9400
F: 00353 1 206 9401

Company Website

www.dalatahotelgroup.com

Dalata Hotel Group plc

Termini,
3 Arkle Road,
Sandyford Business Park,
Dublin 18, D18 C9C5

T: 00353 1 206 9400

F: 00353 1 206 9401

E: info@dalatahotelgroup.com

W: www.dalatahotelgroup.com