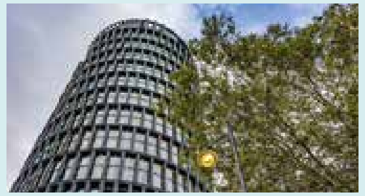
A year to **be proud**

New openings and brand diversification

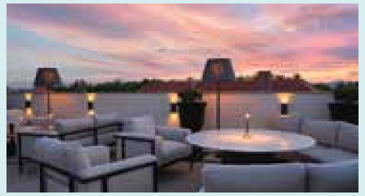
As we entered the final stages of our £300+ million capital expenditure (CAPEX) programme, we opened several new properties under a variety of brands, driving our multi-brand development and diversification strategy.

See more on pages 4 and 5



art'otel London Hoxton (United Kingdom)
April 2024 saw the soft opening of this iconic new landmark hotel, located in Hoxton. 2025 will see the launch of the 5,000m² office space and the 25th floor restaurant.

art'otel Rome Piazza Sallustio (Italy)
On track to open in March 2025, this completely repositioned property is set to join Rome's buzzing luxury hotel market.



art'otel Zagreb (Croatia)
In May, we launched the rooftop bar at the Croatian capital's most premium hotel, marking the completion of our office-to-hotel conversion project.

Radisson RED Belgrade (Serbia)
Our first Radisson RED branded property opened in the Serbian capital in February following an extensive repositioning programme.

Radisson RED Berlin Kudamm (Germany)
Our first Radisson RED property in Germany fully opened in September following an extensive repositioning programme.

Financial performance and growth

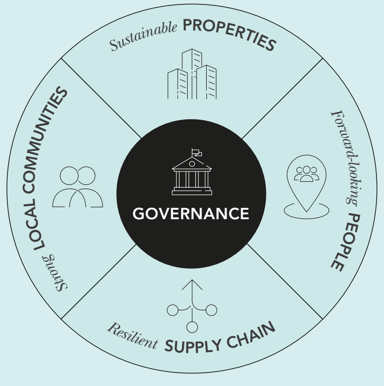
Total revenue	EBITDA*
£442.8m	£136.5m
2023: £414.6m	2023: £128.2m
EPRA earnings*	Adjusted EPRA EPS*
£53.2m	125p
2023: £50.1m	2023: 118p
Reported PBT	Reported basic EPS
£30.6m	67p
2023: £28.8m	2023: 53p
EPRA NRV per share*	Dividend[1]
£27.51	38p
2023: £26.72	2023: 36p

Operational achievements

Occupancy
74.5%
2023: 72.4%
Average room rate*
£161.5
2023: £166.8
RevPAR*
£120.3
2023: £120.7
Employee engagement rate
84.5%
2023: 83.0%

This annual report includes various Alternative Performance Measures (APMs), such as EPRA performance metrics and hospitality operational performance indicators. For definitions, further details, and reconciliations to measures defined under International Financial Reporting Standards (IFRS), please refer to the Appendix: Alternative Performance Measures on pages 218 and 219 of the report. The metrics presented remain consistent with those in our previous annual report, with no changes to the bases of calculation. All APMs have been separately flagged throughout the report with the use of an asterix*.

1 Includes the interim dividend and the proposed final dividend over the year.



ESG strategic progress

We made advancements on our SBTi submission by starting the work on our decarbonisation plan and reduced our plastic consumption through the introduction of large amenities dispensers.

We obtained new environmental building certifications and awards, such as BREEAM Excellent for art'otel London Hoxton and the 2024 Green Building and Sustainable Built Environment Award in Croatia for art'otel Zagreb.

Post balance sheet events

On 9 January 2025, Ken Bradley was appointed as Non-Executive Chairman and Roni Hirsch as Non-Executive Director.

See more on pages 15 and 16

Contents

Unlocking **Growth**

art'otel London Hoxton

6

At a glance

We are an integrated hospitality real estate Group, with a £2.2 billion portfolio of primarily prime freehold and long-leasehold assets in Europe.

See more on pages 6 to 13

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Our investment case

Our "Buy, Build, Operate" business model provides exposure and returns across the entire hospitality real estate value chain.

18

CEO Review

We delivered a record performance and launched exciting properties in Belgrade, Zagreb, Berlin and London, with Rome opening in March 2025.

See more on pages 18 to 25

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Strategy in action

Following a period of investment, we have unlocked value by launching and now operating several new properties.
As a result we create asset value and ensure steady revenue flows.

See more on pages 30 to 37

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Stakeholder engagement

We fully engaged throughout the year with all our stakeholder groups, including guests, team members, investors, suppliers and affiliates.

See more on pages 64 to 67

Radisson RED Belgrade reception

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ESG report

In 2024, we have made important advancements on our ESG strategy, improving the sustainability profile of our properties and their social impact.

See more on pages 68 to 83

About us

Unlocking Growth

Radisson RED Berlin Kudamm Bar

PPHE Hotel Group's unique and integrated model of owning, developing and operating hospitality properties has delivered strong shareholder returns since our inception in 1989. Our track record spans from successful ground-up property developments, to office to hotel conversions and repositioning existing properties into premium upper upscale assets.

2024 was a spectacular year for us when it came to new developments and future value creation, with our £300+ million CAPEX investment programme nearing completion.

We opened our first Radisson RED branded properties in Belgrade and Berlin, in February and June respectively. This was the result of the full repositioning of two existing properties following extensive investments. We believe the progressive and vibrant Radisson RED brand positioning will drive further value for these assets. Both hotels have been well received by guests and have started contributing positively to our EBITDA[1] performance.

art'otel Zagreb Skyline

The art'otel brand and portfolio have been on an exciting growth journey in recent years, starting with the full opening of art'otel London Battersea Power Station, in February 2023, followed by the full launch and opening of art'otel Zagreb, in May 2024. The latter is an office-to-hotel conversion which marked our debut in the Croatian capital, perfectly complementing our already strong presence on the Adriatic Coast.

In April 2024, we celebrated the soft launch of our much anticipated and brand flagship art'otel London Hoxton. This ground-up development was the result of detailed planning and investment for over a decade and the result is spectacular, with many more exciting phases yet to come. Our property repositioning programme to create art'otel Rome Piazza Sallustio is nearing completion, with its soft opening planned for March 2025. Several other growth and development opportunities are actively being pursued, to generate further growth for our Group.

See more on page 20

At a glance

Who we are

We are an international hospitality group, with a strong prime real estate portfolio consisting of 51 properties in operation in eight countries, that transforms an asset's potential into value and profits.

What we do

We have a clear strategy to drive growth and create long-term value. We recognise, and progressively pursue, the opportunities for our assets to reach their full potential. We delight our guests every day, through engaging service and quality products in inviting places.

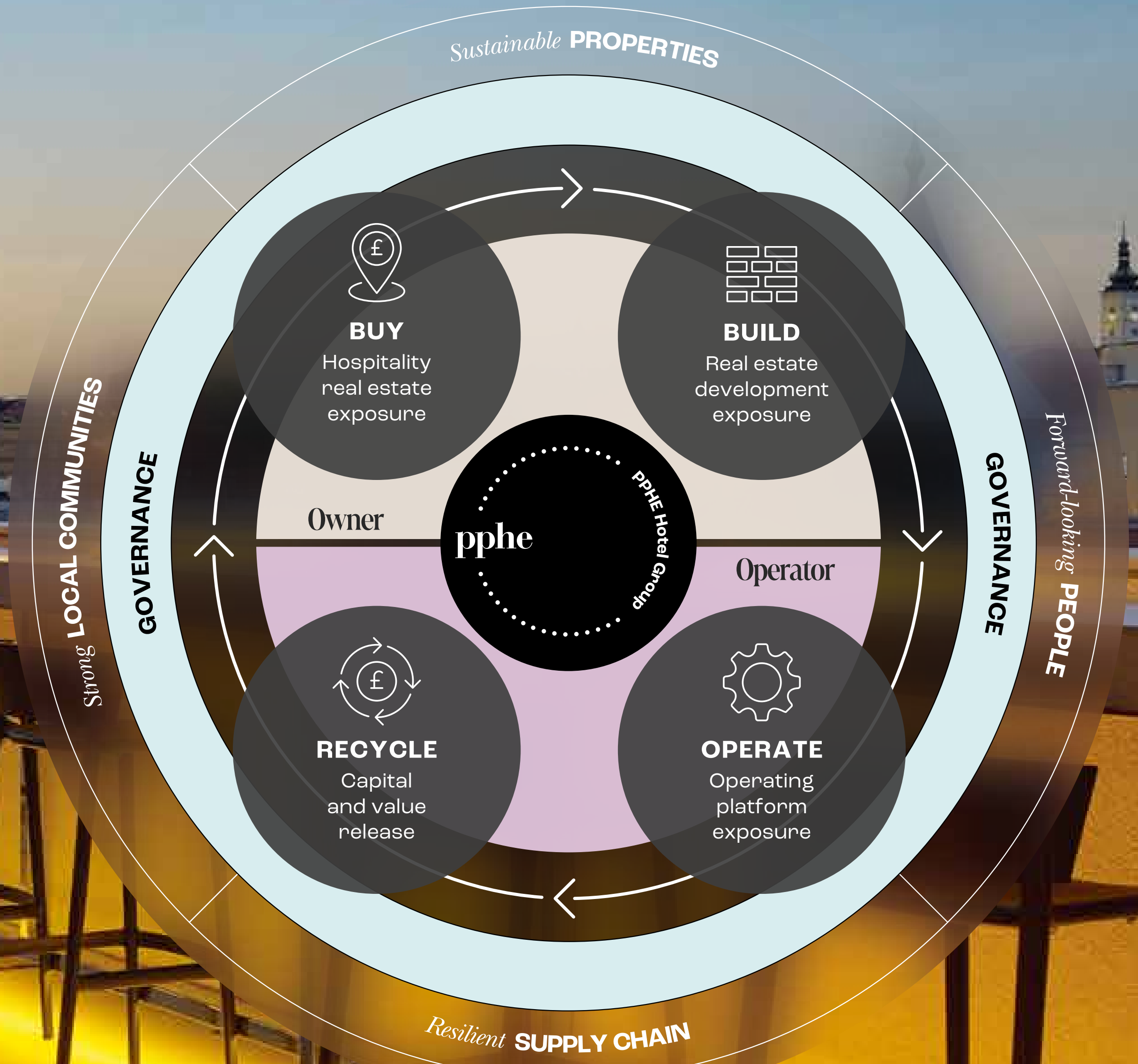
How we do it

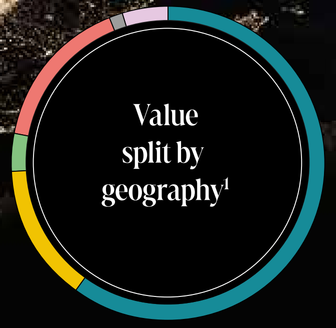
By valuing our people, being led by an entrepreneurial Executive Leadership Team and through investing in our portfolio, opportunities with upside potential and in local communities.

We are proud to open our first art'otel in Croatia, a £19 million investment which fully opened in May 2024.
Rooftop terrace – art'otel Zagreb

Our vision

To deliver a best-in-class performance through building further scale and depth in our real estate portfolio and growing the platform with our integrated 'Buy, Build, Operate' model.





- **£1,328m** United Kingdom
- **£319m** The Netherlands
- **£85m** Germany
- **£351m** Croatia
- **£31m** Other
- **£99m** Under development[2]

(Excludes managed, operated, leased, franchised and unconsolidated hotels)

- **12** United Kingdom
  4,206 rooms
- **6** The Netherlands
  1,073 rooms
- **7** Germany
  1,106 rooms
- **22** Croatia
  8 hotels
  6 resorts
  8 campsites
  2,744 rooms
  5,749 pitches
- **4** Austria, Hungary, Italy, Serbia
  3 hotels
  1 resort
  496 rooms

(Includes franchises)

- **45** Freehold hotels, resorts and Long leasehold (ground rent)
  23 Freehold Hotels
  7 Freehold Resorts
  2 Co-owned Hotels- included in Freehold in the FS
  5 Long leasehold
  8 Campsites
- **6** Managed, leased and franchised

(Includes franchises)

1 The fair values were determined on the basis of independent external valuations prepared in December 2024.
2 Properties under development include: New York, Westminster Bridge Road (London), art'otel Rome Piazza Sallustio.

Our investment case

We are an integrated hospitality real estate group with a £2.2 billion portfolio of primarily prime freehold and long-leasehold assets in Europe.

1. Business model

Integrated developer, owner and operator

- Our **"Buy, Build, Operate"** business model provides exposure and returns across the entire hospitality real estate value chain
- Strong preference for assets with development and/or repositioning potential
- Diversified real estate portfolio focused on pre-eminent European cities and resort locations

2. Focus on equity value

Unique approach to capital structure

- Driving equity value growth through development, property repositioning and operational excellence
- Value created by capital recycling through raising funds (both third party equity and debt) at asset level, without diluting PPHE shareholders
- Multiple sources of capital providing a hedge against market fluctuations

3. Hospitality management platform

All disciplines under one roof

- Scalable platform offering growth through management of owned and third party properties
- Unique and recently extended strategic relationship with Radisson Hotel Group, enabling brand diversification
- Long-term management agreements, providing base fee income with performance-based incentive mechanisms

Attractive brands

As independent property owners, our approach is to select the brand for each of our properties which we believe will generate most value. We work with a number of distinct and appealing brands from premium lifestyle to upper upscale and upscale.

PARK PLAZA

An **upper upscale, contemporary hotel brand** featuring individually designed hotels in vibrant city centre locations and select resort destinations. Renowned for creating memorable moments, Park Plaza caters to both leisure and business travellers with stylish guest rooms and versatile meeting facilities which are perfectly complemented by award-winning restaurants and bars.

Feel the authentic
parkplaza.com

A place to dream and be inspired, art'otel is a hotel like no other. A contemporary collection of **upper upscale, lifestyle hotels,** each inspired by a Signature Artist, forming a cultural, gastronomic and social hub in the most creative areas of the most interesting cities, attracting international, domestic and local guests. Each art'otel is an arts and premium lifestyle hotel devoted to creating and presenting original work.

Be bold. Be creative. Be original.
artotel.com

art'otel

HOLMES HOTEL LONDON

This award-winning **premium boutique hotel** is located on iconic Chiltern Street in London's West End and is surrounded by fashion boutiques, cafés and restaurants. The hotel has been inspired by Baker Street's most famous resident, Sherlock Holmes, and is a witty blend of heritage and playfulness, filled with a stylish mix of antiques, curiosities and artefacts that are bound to intrigue even the busiest of guests.

For curious minds
holmeshotel.com

ARENA HOTELS & APARTMENTS

Arena Hotels & Apartments is a collection of hotels and self-catering apartment complexes offering relaxed and comfortable accommodation within beachfront locations across the historic settings of Pula and Medulin in Istria, Croatia and at a mountain resort in Nassfeld, Austria. Arena Hotels & Apartments features contemporary and warm design/interiors accompanied by welcoming and friendly service, offering a holiday full of opportunities for exploration and relaxation complemented by a food and drink offering with a touch of local flavour.

arenahotels.com

Arena Campsites and glamping sites are located on exclusive beachfront sites across the southern coast of Istria, Croatia. Situated within close proximity to the historic towns of Pula and Medulin, each campsite provides a distinctive offering and relaxed environment from which guests can experience Istria's areas of natural beauty and enjoy outdoor activities all year round.

arenacampsites.com
arenaglamping.com

ARENA CAMPSITES

PARTNER BRANDS

RADISSON COLLECTION

In 2022, we extended our long-standing partnership with Radisson Hotel Group ('Radisson'), providing us with access to all of Radisson's brands at favourable commercial terms. This new agreement enabled us to launch the Grand Hotel Brioni Pula, a Radisson Collection Hotel, in May 2022.

radissonhotels.com

Following the **launch of the luxury Grand Hotel Brioni Pula, a Radisson Collection Hotel,** in 2022 we have further diversified our property portfolio and consumer offering with the introduction of our first two Radisson RED branded hotels.

The Radisson RED brand is an upscale/upper upscale brand with a playful twist on the conventional and we are proud to now offer this in the heart of Belgrade – **Radisson RED Belgrade** – and in Berlin – **Radisson RED Berlin Kudamm** – following their respective openings in February and June 2024.

radissoncollection.com
radissonred.com

RED Radisson

Restaurants & bars

JOIA BATTERSEA

JOIA is a restaurant, bar and rooftop restaurant created by two Michelin starred Portuguese chef Henrique Sá Pessoa, located on the 14th, 15th and 16th floors of art'otel London Battersea Power Station. JOIA means 'jewel' in Portuguese. The menu comprises Petiscos (small tapas), with large dishes to share, such as the signature Arroz de Marisco.

joiabattersea.com

ARCA AMSTERDAM

ARCA celebrates a casual Portuguese sharing plates experience infused with modern flavours, Asian inspirations and impressive cocktails.

arcaamsterdam.com

TOZI RESTAURANT & BAR

TOZI is a Venetian-Italian restaurant and bar concept spanning London Victoria and Amsterdam. The brand has evolved in Battersea with a focus on pizza as well as the signature Cicchetti sharing plates. Drinks include Italian wines and barrel aged negronis served via a trolley.

tozirestaurantsandbars.com

YEZI

YEZI is a brand new concept launched at the end of 2023. This relaxed fine dining restaurant and bar experience in the heart of Zagreb, Croatia is a unique approach to Asian Cuisine. The second is set to launch this spring in Rome, located in the art'otel Rome Piazza Sallustio. Inspired by the traditional Asian tea-house style of eating, drinking and socialising, YEZI focuses on the art of dim sum, mixology, tea and European patisserie.

yezirestaurant.com

THE BRUSH GRAND CAFÉ

The Brush is an all-day grand café, Lounge and cocktail bar taking inspiration from some of the best signature dishes and drinks from Europe. With a large outdoor terrace and open for breakfast, brunch, lunch and dinner, this is the perfect spot for any moment of the day.

thebrushhoxton.co.uk

A selection of some of our restaurant & bar brands

CARSTENS AMSTERDAM
CHINO LATINO
THE KITCHEN AT HOLMES
joël
CARSTENS Café
ICHI
PRIMO
illy CAFFÈ
106 BAKER ST

Chairman's Statement

Ken Bradley
Chairman

Ken Bradley
Chairman

"These openings are notable in what they signify. Firstly, the successful evolution of PPHE into a truly pan-European, multi-brand hospitality real estate group, generating broader customer appeal and the opportunity for heightened long-term growth."

Ken Bradley
Chairman

Introduction

I was pleased to be appointed Chairman of the Board on 9 January 2025, succeeding Eli Papouchado ('Papo') following his decision to step aside. I am thankful to the Board for its trust in me and look forward to engaging with all stakeholder groups.

A year of unlocking longer-term growth

Looking back at 2024, I am pleased to report on a year of excellent strategic progress for the Group, marked by a number of key highlights, including new openings and brand diversification, as we continue to unlock longer-term growth. We began the year with strong momentum and delivered year-on-year growth. We also entered the final stages of our £300+ million development, repositioning and refurbishment pipeline, which has included the expansion of our upper upscale premium lifestyle art'otel brand in Zagreb, Croatia, and Hoxton, London, all of which will contribute to the Group's continuing growth.

Alongside this excellent strategic progress, the Group's existing portfolio performed strongly to deliver a solid like-for-like*[1] performance, driven by higher occupancy levels in all our operating markets, achieved despite a challenging geo-political and macro-economic environment and strong prior year comparatives.

Continued focus on Environment, Social and Governance

We strive to minimise our impact on the environment in which we operate and to positively impact all our stakeholders, including employees, guests, partners and those in our local communities. To reflect this, our Environmental, Social and Governance (ESG) strategy and commitments are divided between Sustainable Properties, Forward-looking People, Strong Local Communities and Resilient Supply Chain, with governance at its heart.

1 The like-for-like* performance excludes the 2024 results of the newly opened art'otel London Hoxton and the results of art'otel Zagreb for the first ten months of 2024.

We recognise the importance of engagement with all our stakeholders to understand their priorities and hear their feedback. The Board and leadership team regularly meet with shareholders and seek to be available on an ongoing basis. The Group actively engages with our team members through twice-a-year engagement surveys and quarterly town hall meetings, and our guests always have the opportunity to tell us about their experience staying with us.

As we start the new financial year, we remain focused on ESG and good corporate governance and will continue to develop and expand our ESG reporting and fundamental KPIs for the business.

Further details can be found in the CEO Review on pages 18 to 25.

The Board

We welcomed Greg Hegarty to the role of Co-Chief Executive Officer in February 2024, alongside the Company's long-serving President and Chief Executive Officer, Boris Ivesha. This appointment, which followed Greg's appointment to the Board in May 2023, further strengthens the Group's strong leadership team and is in keeping with the PPHE's long-standing emphasis on promoting internal talent and intra-Group mobility. Greg manages the day-to-day running of the business and has a key role in defining and implementing the Group's long-term strategy. Greg also remains responsible for the Group's ongoing proactive engagement with shareholders. Meanwhile, Boris Ivesha is focused on pursuing growth and development opportunities for the Group, including concept creation.

In the first quarter, Marcia Bakker assumed the role of Chair of the Group's ESG Committee. Marcia assumed this responsibility from me, but I still remain a member of the Committee. Nigel Keen also joined the Committee, which reflects our commitment to this important area of our business.

> We have a strong, multi-disciplined Board and highly skilled leadership team with an entrepreneurial mindset.
>
> **Ken Bradley**
> Chairman

As mentioned above, I succeeded Papo as Non-Executive Chairman in January from my prior role of Non-Executive Deputy Chairman, having joined the Group as a Non-Executive Director in 2019. Papo, a founder of the Group, has held the role of Chairman since its formation in 1989. Over this period, he has played an instrumental role in both the Group's growth and development, and the expansion of the Park Plaza and art'otel brands across Europe.

Roni Hirsch was appointed as Non-Executive Director on 9 January 2025. Roni is the CEO of the Red Sea Group, a role he has held since 1993. The Red Sea Group is controlled by Papo, who, together with his family trusts, owns 32.93% of the voting rights in PPHE Hotel Group.

51
properties in operation across eight key countries in Europe

We have a strong, multi-disciplined Board and highly skilled leadership team with an entrepreneurial mindset. Together, we look forward to continuing to drive forward our growth strategy and the longer-term development of the Group.

Dividends

The Board has a progressive dividend policy and remains committed to delivering value to its shareholders.

In light of this, we have declared a proposed final dividend of 21 pence per share, an increase of 5.0%, which, combined with the interim dividend, brings the total dividend for the 2024 financial year to 38 pence per share, an increase of 5.6% compared with 2023.

In addition, we were pleased to complete two Share Buy-Back Programmes, amounting to a total of £7.9 million, which the Board considered the best means to return a portion of capital to shareholders. We will continue to engage with shareholders regarding how we can best deliver enhanced value.

Further details about dividend and the Share Buy-Back Programmes are set out in the Financial Review on pages 40 to 48.

A platform for future growth

The excellent performance achieved by the Group during 2024 provides a strong platform for long-term growth. Our portfolio spans 51 properties in operation across eight key countries in Europe, and we are proud to deliver memorable experiences for our guests through our seven brands every day. This is made possible by our unique business model, our relentless focus on quality and our team's expertise.

As we near the completion of our £300+ million development pipeline, we are working on longer-term development opportunities to support our future growth.

We look forward to building on our successful and proven strategy in 2025 and beyond, and updating our stakeholders on further progress.

Ken Bradley
Chairman

CEO Review

Boris Ivesha
President & Chief Executive Officer

Greg Hegarty
Co-Chief Executive Officer

Boris Ivesha & Greg Hegarty

> "The progress with our £300+ million development pipeline continues at pace, and the soft opening of our new art'otel London Hoxton was a momentous occasion for the Group. Our accretive pipeline nearing completion affords us confidence as we move through the year and into the busy summer season."
>
> **Boris Ivesha**
> President & Chief Executive Officer

2024 in review

2024 was an exciting and busy year for the Group as we neared completion of our £300+ million development pipeline. This included opening four new hotels across four countries in the year, one of which was our flagship art'otel London Hoxton, as well as preparing for the forthcoming opening of our new art'otel Rome Piazza Sallustio in Italy.

The Group's operational and financial performance was characterised by our focus on driving EBITDA* and EBITDA margin* growth through a combination of occupancy growth and a strong internal focus on efficiencies and enhancements.

We saw increased occupancy across our property portfolio, including newly opened hotels, and the stabilisation of room rates alongside a normalisation of the business mix throughout the year. While leisure travel remained the most dominant segment, bookings stabilised, meetings and events bookings recovered, and business travel and in-person engagements increased, which supported the continued recovery of corporate travel albeit at a slightly slower pace than anticipated. As predicted, this led to a moderation of average room rate*.

This was particularly true in the Group's two largest markets, the UK and the Netherlands. In Croatia, our portfolio of eight hotels, six resorts and eight campsites performed well, particularly during the peak summer months of July and August.

We were pleased to achieve a strong underlying performance for the year, against strong comparables and despite the ongoing challenging macro-economic and geo-political backdrop. This was underpinned by the strength of our unique Buy, Build, Operate business model, the broadening appeal of our high quality multi-brand portfolio and the hard work and dedication of our teams.

Delivery of £300+ million development pipeline

After years of planning, investment and construction, the delivery of our £300+ million repositioning and refurbishment pipeline is now nearly complete, with several high profile hotels opening in the year, and the efforts of our team are now reflected in the fantastic reviews of our guests.

Most notably, we opened our second art'otel in London. The development cost for art'otel London Hoxton (including the land), was approximately £300 million delivered through our partnership with Clal Insurance. In 2025, we expect to launch the extensive office space available at this property, as well as the restaurant and bar on the 25th floor. We have a long-term hotel management agreement for this 357 room property, and upon stabilisation, we expect it to contribute £20+ million of additional EBTIDA*.

We opened our first two Radisson RED branded hotels following our recently extended strategic partnership with Radisson Hotel Group, facilitating our focus on brand diversification. These were Radisson RED Belgrade in February 2024 and Radisson RED Berlin Kudamm with a soft opening in June and full opening in September 2024.

These new openings followed a £19 million investment at art'otel Zagreb – the Group's first art'otel in Croatia – which fully opened in May 2024, building on the hotel's soft opening in October 2023.

Whilst in some instances the full openings of these hotels were slightly later than initially anticipated, we are delighted with the excellent guest feedback and reviews received so far as well as the performance to date.

"Our margin improvement in the year was the result of our focus on cost management, centralisation and technological initiatives."

Greg Hegarty
Co-Chief Executive Officer

Finally, the repositioning of art'otel Rome Piazza Sallustio in Italy is now in its final stages and we look forward to welcoming guests from March 2025.

The strategic progress delivered during the year yet again demonstrates the value of our unique 'Buy, Build, Operate' business model, which sees the Group maximise value by acquiring and (re)developing assets to reach their full potential, operating them to deliver high quality hospitality experiences, and unlocking investment for future opportunities through non-dilutive capital recycling.

These openings are notable in what they signify. Firstly, the successful evolution of PPHE into a truly pan-European, multi-brand hospitality real estate group, generating broader customer appeal and the opportunity for heightened long-term growth. Secondly, the successful execution of our expanded strategic partnership with Radisson Hotel Group, namely the leveraging and development of cross-business brands to accelerate our expansion in key gateway cities and to drive brand awareness across multiple customer segments.

A solid like-for-like* performance

We saw solid underlying trading momentum throughout the year, with like-for-like* revenue, which excludes the newly opened art'otel Zagreb and art'otel London Hoxton, 3.3% higher at £428.3 million (2023: £414.6 million). Like-for-like* EBITDA* increased by 8.7% to £139.3 million (2023: £128.2 million), delivering an enhanced like-for-like* EBITDA margin* of 32.5% (2023: 30.9%). This margin performance was aligned with our commitment to enhance margins through our focus on cost management, centralisation and technological initiatives.

We were particularly pleased to achieve this against a more measured travel market backdrop and macro-economic environment, and a strong comparable performance achieved in 2023.

Reported revenue, which included the impact of the phased openings of new hotels, increased by 6.8% to £442.8 million. Reported EBITDA* was up 6.5%, at £136.5 million and the EBITDA margin* was 30.8%.

Our Business Review on pages 49 to 63 sets out the full-year performance of our assets across all our international markets.

Longer-term development opportunities

As we complete the final phase of our £300+ million development pipeline, we are pleased to have secured several exciting longer-term development opportunities as we look to expand our London portfolio and deliver value for our stakeholders.

We have secured planning approval for a 186-room mixed-use hotel led development at London Westminster Bridge Road, in the vibrant South Bank area. The site was purchased for £12.5 million in 2019 and will increase the Group's presence in the capital to 3,900 rooms, cementing our very strong presence in this part of London.

Other longer-term development opportunities include a 465-room mixed-use hotel adjacent to Park Plaza London Park Royal in West London and consent to convert 6,500m² of subterranean space at Park Plaza Victoria London to a 179-room subterranean hotel.

On our development site near Hudson Yards in New York we completed the demolition of the existing structures and we are reviewing development opportunities for this site.

We also continue to explore investment and development opportunities in existing and target markets, including Croatia, where we see a clear opportunity to drive returns across the entire hospitality real estate value chain through our unique business model.

"We are pleased to have secured several exciting longer-term development opportunities as we look to expand our portfolio in London and beyond and deliver value for our stakeholders."

Boris Ivesha
President & Chief Executive Officer

Strategic Report
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Our sustainability commitment

Throughout the year, our teams made good progress against our sustainability commitments, as described in the ESG section of this report. We were particularly pleased to have implemented a number of initiatives across our hotels to minimise environmental impact, including the introduction of large amenities' dispensers, which have replaced small, single-use plastic bottles, the offer of wooden cards (instead of plastic) in some of our hotels, supported by a focus on our digital check-in to reduce card use altogether.

Having submitted our commitment letter to the Science Based Targets initiative (SBTi) in 2023, in 2024 we have engaged external specialists to support us in assembling our decarbonisation plan and refining our emission reduction targets. The project is expected to be completed in 2025, with the final output being a comprehensive list of actions to reduce the carbon emissions across the whole business and our targets being submitted to SBTi. This will address emissions throughout all our business activities, ranging from implementing energy efficiency initiatives to working with our suppliers to improve the environmental performance of the products and services we purchase.

This year, we have also worked with our listed subsidiary Arena Hospitality Group D.D. to ensure preparedness for the IFRS S1 and S2 and CSRD reporting frameworks. With this in mind, Arena Hospitality Group D.D. has conducted its double materiality assessment in 2024, covering the Croatian, German and CEE regions, while the consolidated Group will conduct it in the first half of 2025, informing our ESG reporting requirements for the coming years.

→ Further details on our strategy, targets and KPIs are set out at pages 28 to 39.

> "The Board remains highly focused on enhancing value for shareholders, which is reflected in the Group's progressive dividend policy."

Increased shareholder returns

The Board remains highly focused on enhancing value for shareholders, which is reflected in the Group's progressive dividend policy. This will see £15.9 million returned to shareholders in respect of 2024 through a 5.6% increase in total ordinary dividend to 38 pence per share, and the completion of two Share Buy-Back Programmes in the year.

→ Further details about dividend and the Share Buy-Back Programme are set out in the Financial Review on pages 40 to 48.

Our expert teams

Our teams are at the heart of our business and at the forefront of creating memorable experiences for our guests. We place great importance on ensuring that we provide rewarding long-term careers for all our employees at every level, so they feel valued at every stage of their career, positioning the Group as a market leading employer of choice.

During the year, we hired many employees, which included more than 250 newly created jobs at art'otel London Hoxton.

>250
newly created jobs at art'otel London Hoxton

We invested in a Head of Employee Experience role in our head office team to futureproof all parts of our employee life cycle and implement leadership training and development initiatives to support a sustainable talent pipeline over the coming years. We also have programmes to encourage talent to a career in hospitality, including a degree apprenticeship programme.

We are seeing the positive output from our focus on engagement, retention and development. The integration of our London in-house housekeeping colleagues into hotel operations has delivered a significant improvement in engagement and productivity levels and has reduced staff turnover.

I am pleased to report that our continued efforts in this area are resonating well with our colleagues, with our twice-annual employee engagement surveys returning an increase in the Group's engagement scores from 83.0% to 84.5%, notably exceeding the sector average of 82%.

We also continued to deploy technology to support our teams, optimise the service offered to our guests in the UK and the Netherlands, and to enhance back-office efficiencies. We introduced a digital concierge platform for guests at our lifestyle properties.

> "We are seeing the positive output from our focus on engagement, retention and development."

We expanded our in-house data and technology team to build and manage data cloud platforms, customer data platforms and robotics and Artificial Intelligence (AI) programmes and processes, including piloting AI for our customer service centre.

In Croatia, to address an increasingly competitive labour market for skilled hospitality workers, the HR team has been focused on diversifying the sources of labour with overseas recruitment on a permanent and seasonal basis. To accommodate this approach, there is greater provision for employee accommodation and transport between Company sites. In Germany, we opened the first Radisson RED in Berlin and recruited and onboarded a new team aligned to new brand standards. There has also been the expansion of an employee communications app among the properties of our Croatian subsidiary, with this app now also providing some learning content and a survey tool.

Our culture

Entrepreneurial

Our team members share our purpose of creating valuable memories for our guests and value for our assets. Our purpose and values underpin our overall Company blueprint: to place the guest experience at the heart of everything we do.

People-oriented

We're firm believers that inspiring our team members is the key to inspiring our guests. This is why we focus on making PPHE a fun and inclusive working environment, which is supported by great leadership.

Creators

We refer to our team members as Creators. By valuing our Creators, and by continuously investing in opportunities and our portfolio, we create valuable memories for our guests and value for our assets, people and communities.

Looking ahead

Notwithstanding wider macro-economic and geo-political uncertainties, the Board expects to build on the record performance achieved during 2024, and to further grow revenue and EBITDA[1] in 2025, driven by a growing contribution from its newly opened and repositioned hotels. Forward booking momentum across all regions for Q2 and the remainder of the year is encouraging following a quieter Q1, the Group's slowest quarter in the financial year.

The Board remains confident in delivering results in line with market expectations for 2025 and the longer-term opportunities ahead. The Board maintains its expectation that its newly-opened hotels (including art'otel Rome Piazza Sallustio once open) will generate at least £25 million of incremental EBITDA[1] upon stabilisation of trading.

On 6th March 2025, we will welcome the first guests to our first property in Italy – art'otel Rome Piazza Sallustio – following a major repositioning programme. As ever, we would like to thank all our team members for their hard work and excellent service delivery during 2024, and our shareholders for their continued support.

Boris Ivesha
President & Chief Executive Officer

Greg Hegarty
Co-Chief Executive Officer

Park Plaza London Westminster Bridge – Welcoming guests

Business model

Our values: Trust · Respect · Teamwork · Enthusiasm · Commitment · Care

Engagement with our stakeholders

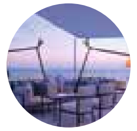
Engagement with our stakeholders has enabled us to better understand what is considered material to them and better position our business model and strategy.

Read more about our materiality assessment in the ESG report on pages 68 to 83.

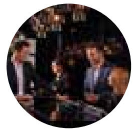
Our purpose

Creating valuable memories for our guests and value for our assets, people and local communities.

Key sources of value



Diverse prime property portfolio
Our real estate portfolio consists of properties in the heart of strategic gateway cities and resort destinations.



In-house hospitality management platform
Our expert team of hospitality specialists manage our own properties as well as those of third parties.

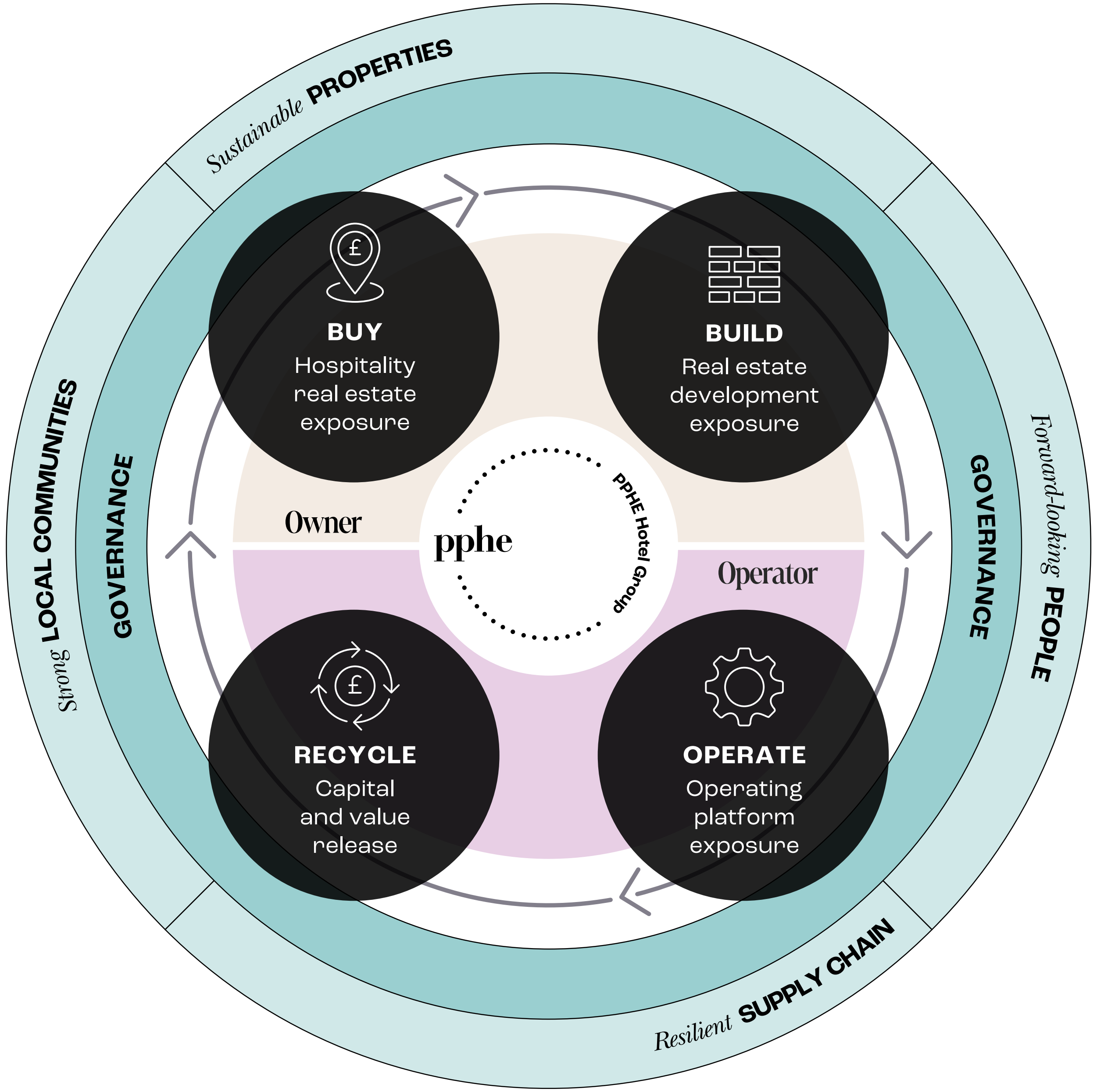
Our people and culture
Our strong track record of creating memorable guest experiences is consistently delivered by our team members.

Multi-brand approach
We select the right brand for each property, using our own as well as those from the Radisson Hotel Group.

International network
Our strong international network cultivated in the past 30+ years includes banks, contractors, suppliers and strategic partners.

Financial strength and non-dilutive capital approach
Our portfolio has grown from a single property into a £2.2 billion portfolio without diluting shareholders since IPO, and we enjoy a strong cash position.

How we create value



The value we create

Team members
We offer rewarding international employment opportunities for our team members, with continuous investment in training programmes.

84.5%
Employee engagement score measured through surveys

Guests
We provide high quality, memorable hospitality experiences in dynamic and vibrant destinations, combining exceptional service, premium products and thoughtfully designed experiences. Our commitment to excellence ensures that every guest enjoys unforgettable moments, tailored to their needs and expectations, creating lasting impressions and inspiring loyalty.

87.8%
Guest satisfaction rating score

Investors
Our shareholders benefit from the attractive industry dynamics of the markets in which we operate as well as our flexible business model, developments and operations. This drives both capital appreciation and income from dividend.

38p
Total ordinary dividend for the year, per share

Affiliates
Our partnership with Radisson Hotel Group gives us access to global distribution systems, powerful online and mobile platforms, and global sales, marketing and buying power. As part of the Radisson Rewards™ programme, members account for a significant part of the annual occupancy of our Radisson affiliated properties.

20m
Radisson Rewards™ global loyalty programme has over 20 million members worldwide

Local communities
We care about our neighbourhoods and make positive contributions to our local communities and the people who work and/or live there through fundraising activities, employment opportunities, volunteering, and local resourcing partnerships and charities.

Suppliers
As an owner/operator, long-term sustainability and ethical operations are high on our agenda, including supply chain management and the development of long-term relationships with strategic partners, many of whom are local.

Strategy at a glance

Strategic blocks | **2024 performance** | **2025 priorities** | **Related risks and opportunities** | **KPIs** | **Our vision**

REAL ESTATE

1. Strategic priority – CORE, UPPER UPSCALE, CITY CENTRE HOTELS

2024 performance

Property:
- Full launch of art'otel Zagreb (office to hotel conversion), following completion of rooftop bar
- Soft opening of art'otel London Hoxton, with nearly all rooms, event space and spa & wellness completed
- Progressed development project in Rome, scheduled to open March 2025
- Completed repositioning programmes of two Radisson RED properties in Belgrade (February) and Berlin (September)
- Secured planning to develop 186-room hotel near Waterloo Station in London
- BREEAM Excellent certification awarded to art'otel London Hoxton and work begun to obtain the BREEAM in-use certification for other properties

Operations:
- Build the opening teams for all new properties
- Continued focus on learning and development, improved productivity and team member engagement
- Drove the commercial launch strategies for new properties and for existing portfolio
- Continued to drive efficiencies through technology implementations and efficiency programmes

2025 priorities

Property:
- Complete investment at art'otel London Hoxton (25th floor restaurant, 5,000m^2 office space, second gym and studio space)
- Complete and launch art'otel Rome Piazza Sallustio
- Drive detailed design stage, define operating models and select brands for development sites in London (Westminster Bridge Road and Park Royal) and New York
- Pursue new growth opportunities

Operations:
- Review operating structures in light of portfolio growth and wider macro-economic environment
- Continue to drive performance of newly opened hotels during 2024/2025
- Introduce new energy saving programmes, particularly gas reduction initiatives
- Continue to focus on learning and development, improved productivity and team member engagement
- Drive the commercial performance of all properties in their respective markets and support the maturity of newly launched properties
- Continue to drive operational efficiencies through technology implementations and efficiency programmes
- Create and implement a new Food & Beverage Operating Model to further enhance performance

Related risks and opportunities

Property:
- Funding and liquidity – ability to raise finance allows us to pursue opportunities for growth. See page 96 for related risk detail.
- Development project delivery – opportunities to drive growth through the successful planning and delivery of new developments. See page 96 for related risk detail.
- ESG – asset values could be enhanced by meeting the highest standards for sustainability in our properties. See page 70 for ESG strategic objectives.

Operations:
- Economic climate and market dynamics – impact the performance of both established and newly opened hotels – see page 95 for related risk details.
- ESG – positive impact of the delivery of our ESG strategy on our communities, our people and the environment – see page 99 for related risk detail.
- Our People – Talent attraction and retention should be strengthened through the delivery of various engagement and people development initiatives – see page 99 for related risk detail.
- Technology – elevated guest experience and optimised performance through the early adoption of new technologies – see page 97 for related technology and information security risk details.
- Safety and continuity – operational performance could be affected by health and safety issues or operational disruption – see page 98 for risk details

KPIs

Property:
- Successfully deliver and stabilise openings and repositioning projects
- EPRA NRV*
- EPRA EPS*
- Net return on shareholder capital
- Disclosure of Scope 1, 2 and 3 carbon emissions in TCFD report
- Carbon net zero no later than 2050

Operations:
- EBITDA* and EBITDA margin*
- RevPAR*
- Recruitment and retention
- Employee engagement
- Guest rating score
- Health and safety assessment scores

2. Strategic priority – LEISURE AND OUTDOOR HOSPITALITY

2024 performance

Property:
- Fully completed and launched art'otel Zagreb, following the opening of the rooftop bar
- Continued to drive maturity of recent investments (Grand Hotel Brioni Pula, a Radisson Collection Hotel, Arena Nassfeld Hotel in Austria and three campsites in Croatia)

Operations:
- Continued to focus on building the teams and improving the overall guest experience
- Continued to drive the performance of all properties
- Continued to drive efficiencies through technology implementations

2025 priorities

Property:
- Complete CAPEX investments in two campsites, ahead of the 2025 summer season
- Drive performance of recently invested in leisure city centre properties

Operations:
- Launch, and drive the performance of, two newly invested in campsites
- Continue to focus on improving the overall guest experience
- Continue to drive the performance of all properties
- Continue to drive efficiencies through technology implementations

Related risks and opportunities

Property:
- Funding and liquidity – ability to raise finance allows us to pursue opportunities for growth. See page 96 for related risk detail.
- Development project delivery – opportunities to drive growth through the successful planning and delivery of new developments. See page 96 for related risk detail.
- ESG – asset values could be enhanced by meeting the highest standards for sustainability in our properties. See page 70 for ESG strategic objectives.

Operations:
- Economic climate and market dynamics – impact the performance of both established and newly opened hotels – see page 95 for related risk details.
- ESG – positive impact of the delivery of our ESG strategy on our communities, our people and the environment – see page 99 for related risk detail.
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KPIs

Property:
- Successfully deliver and stabilise openings and repositioning projects
- EPRA NRV*
- EPRA EPS*
- Net return on shareholder capital
- Disclosure of Scope 1, 2 and 3 carbon emissions in TCFD report
- Carbon net zero no later than 2050

Operations:
- EBITDA* and EBITDA margin*
- RevPAR*
- Recruitment and retention
- Employee engagement
- Guest rating score
- Health and safety assessment scores

3. Strategic priority – HOSPITALITY MANAGEMENT PLATFORM

2024 performance

Operations:
- Launch of, and opening preparations for, five new properties across five different countries and two brands, including a new brand for the Group (Radisson RED)
- Further leveraged the extended partnership with Radisson Hotel Group, with increased collaboration on our art'otel brand and utilisation of Radisson Collection (in Croatia) and Radisson RED (in Belgrade and Berlin)
- Delivered elevated art'otel brand experience in London, completed brand audits across all Park Plaza properties and implemented Radisson RED brand across two assets
- Continued to drive efficiencies for the managed properties through centralisation and introduction of new technologies
- Continued to implement new ESG strategy
- Appointed Responsible Business Ambassadors at every property
- Continued to drive recruitment programmes to create jobs and opportunities for local communities
- Continued to implement several organisational changes following a review conducted in 2023, supporting growth

2025 priorities

Operations:
- Continue to develop art'otel brand growth strategy, in partnership with Radisson Hotel Group
- Continue to drive multi-brand and diversification strategy
- Full opening of art'otel London Hoxton
- Launch of art'otel Rome Piazza Sallustio
- Focus on driving the maturing of newly opened properties
- Continue to develop art'otel brand proposition and brand activation
- Continue to drive efficiencies for the managed properties through centralisation and introduction and adoption of new technologies
- Continue to drive the new ESG strategy
- Continue to drive learning and development programmes
- Continue to implement changes following the 2023 organisational review

Related risks and opportunities

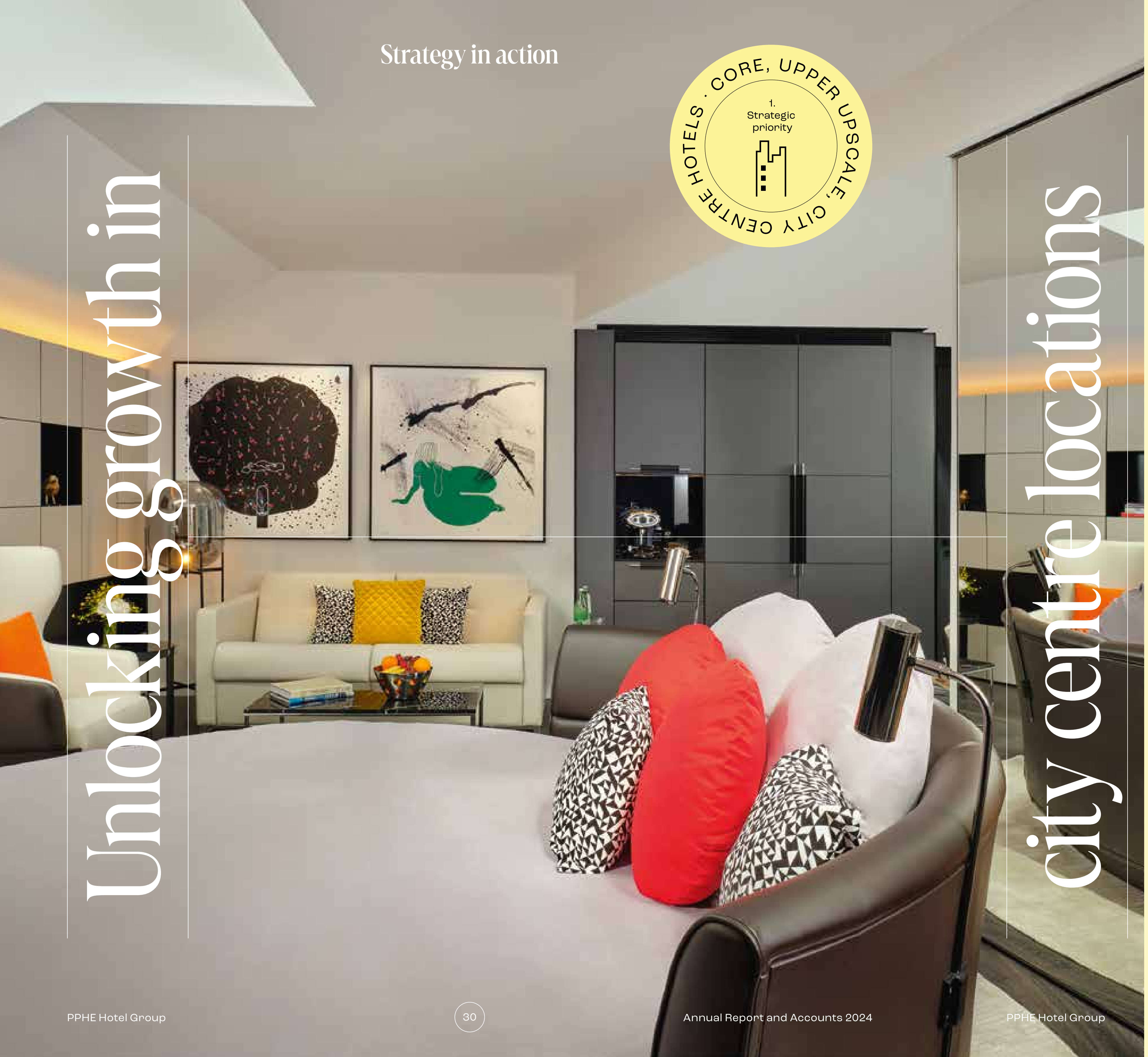
Operations:
- Economic climate and market dynamics – impact the performance of both established and newly opened hotels – see page 95 for related risk details.
- ESG – positive impact of the delivery of our ESG strategy on our communities, our people and the environment – see page 99 for related risk detail.
- Our People – Talent attraction and retention should be strengthened through the delivery of various engagement and people development initiatives – see page 99 for related risk detail.
- Technology – elevated guest experience and optimised performance through the early adoption of new technologies – see page 97 for related technology and information security risk details.
- Safety and continuity – operational performance could be affected by health and safety issues or operational disruption – see page 98 for risk details

KPIs

Operations:
- EBITDA*
- Successfully deliver and stabilise openings and repositioning projects
- Growth in portfolio
- Growth in fee-based income through third party or joint venture management agreements
- Monitoring of gender pay gap for the UK and the Netherlands
- Identifying metrics for diversity and inclusion

Our vision

Our strategic framework is built across a series of distinct objectives, supported by PPHE's pillars and enablers, which allow us to achieve our vision of delivering a best-in-class performance through building further scale and depth in our real estate portfolio and growing the platform with our integrated 'Buy, Build, Operate' model.



CORE, UPPER UPSCALE, CITY CENTRE HOTELS ·
1. Strategic priority

Unlocking growth in city centre locations

PPHE Hotel Group is primarily focused on owning hospitality real estate in city centre locations of capitals and major cities that hold strong appeal for business travellers, leisure travellers and event delegates. The Group invests in acquiring assets with upside potential, including land sites and conversion and repositioning opportunities.

Investment strategy

Following a period of investment, PPHE unlocks value by launching and then operating the properties. This strategic approach not only enhances the value of the assets but also ensures a steady flow of revenue as the properties mature and stabilise.

Development pipeline in 2024

In 2024, PPHE completed most of its development pipeline with four new openings, and a fifth is nearing completion, with a launch planned for March 2025. The new openings are strategically located in prime city centre locations:

- London (Hoxton area)
- Berlin (near the Kurfürstendamm in Charlottenburg)
- Belgrade (near the city's old town)
- Zagreb (in the heart of the city)
- Rome (near the city's main landmarks, opening in 2025)

Putting our guests in the heart of the city

. CORE, UPPER UPSCALE, CITY CENTRE HOTELS

1. Strategic priority

Operational focus

PPHE's own award-winning hospitality management platform drives the day-to-day operations of these hotels. The focus is on driving the maturing of these newly opened assets to ensure that they reach their full potential.

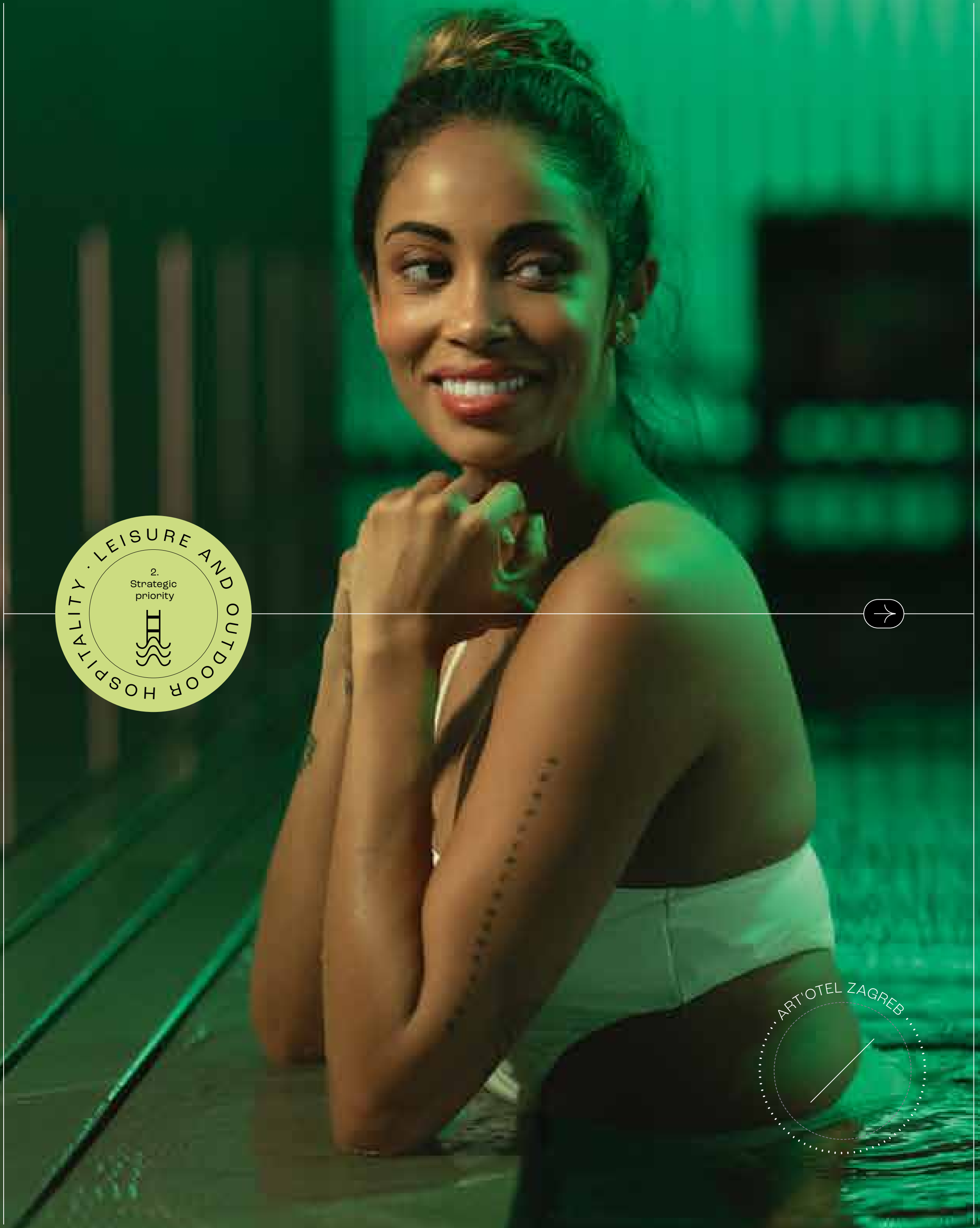
Future EBITDA* uplift

On stabilisation, these new openings, along with the yet to open art'otel in Rome, are expected to deliver an additional £25 million in EBITDA* to the Group. This significant increase in EBITDA* highlights the success of PPHE's strategic investment and operational strategies.

Well positioned for further growth

PPHE Hotel Group's focus on acquiring and developing hospitality real estate in high demand locations, coupled with its effective management platform, positions it strongly for continued growth and profitability. The recent developments in 2024, the forthcoming launch in 2025 and the Group's longer-term pipeline projects (it holds various land sites with hotel planning permission in London) are testaments to the Group's commitment to excellence and strategic foresight.

Memorable relaxation



PPHE's diversification though its leisure and outdoor segments

From prime city centres to scenic retreats

PPHE Hotel Group is a name that resonates with contemporary sophistication and prime city centre locations. Known primarily for its upper upscale and lifestyle properties, PPHE has made a significant mark in the hospitality industry with its strategic investments and expansion. However, since 2008, the Group has ventured beyond the urban landscape, making notable strides in the leisure and outdoor segments of the hospitality sector. This shift was marked by its investment in what is now recognised as the Arena Hospitality Group ('Arena'), where PPHE stands as the largest and controlling shareholder.

Arena Hospitality Group

Through its investment in Arena, PPHE has been in the privileged position to be working very closely with Arena's leadership and their expert specialist teams, who have decades of experience in operating leisure properties across Croatia's Istrian region. It has enabled both companies to broaden their horizons, investing in and managing a diverse portfolio of resorts, hotels, self-catering apartments, campsites and an all-glamping property. This diversification is not merely a strategic business move but a recognition of the evolving demands of modern travellers, who seek unique and versatile holiday experiences.

Repositioning and expansion

Since its initial investment, PPHE has committed substantial resources towards repositioning, upgrading and expanding Arena's offerings. The Group has meticulously curated a portfolio that today includes a five-star hotel, several four-star hotels and resorts, three-star self-catering accommodations, and eight campsites. This thoughtful expansion reflects a deep understanding of market needs and a commitment to delivering high quality experiences across various segments of the hospitality industry.

Focus on Istria

A significant part of Arena's portfolio is concentrated in Croatia's picturesque Istria region. This area is renowned for its historical sites, such as one of the best-preserved Roman amphitheatres, and its culinary delights, including high quality wines, truffles and olive oil. The region's stunning coastlines and crystal-clear oceans further enhance its appeal, making it a prime destination for tourists seeking both leisure and adventure.

Given Istria's proximity, many guests arrive by car from neighbouring countries such as Germany, Austria, Switzerland and Italy, as well as from Croatia. Additionally, visitors from the UK, Nordics and the Netherlands add to the diverse mix of tourists, attracted by the region's unique offerings and easy accessibility. The tourism potential of Istria continues to grow, with internal airport arrivals yet to fully recover following the pandemic, indicating further room for growth and visitor influx.

Significant investments

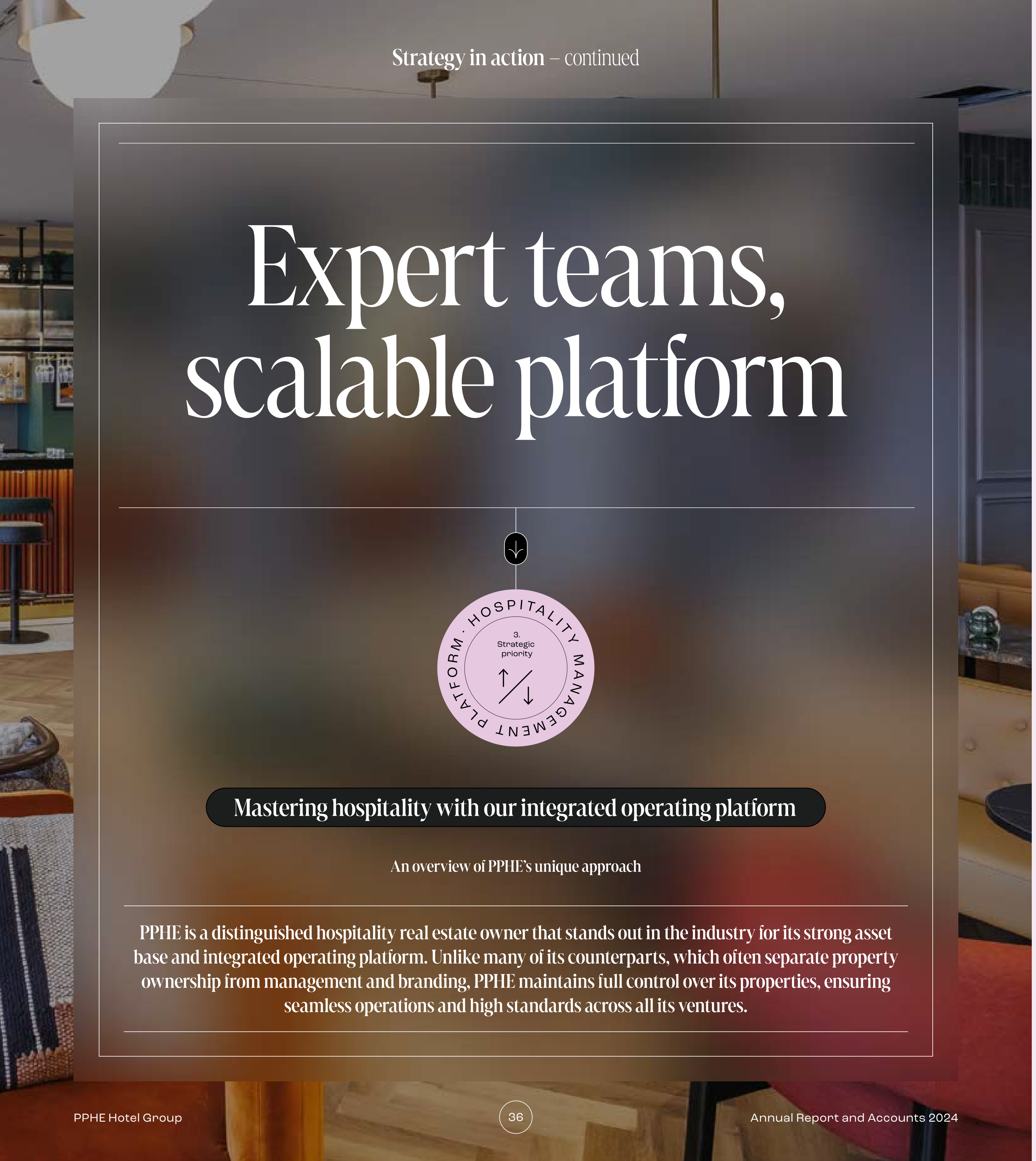
Recognising the need to diversify geographically and across different market segments, Arena has invested approximately €200 million in its leisure and outdoor offerings in recent years. This substantial investment has not only enhanced the quality of the existing properties but also facilitated the acquisition of new assets, further solidifying Arena's position in the market.

Venturing into Austria

In addition to its extensive portfolio in Croatia, PPHE has expanded its reach into Austria with the acquisition of a resort hotel in Nassfeld. This property appeals to a wide range of guests, including couples, families and groups of friends, offering a versatile destination for both summer and winter activities, such as skiing. This strategic acquisition underscores PPHE's commitment to providing diverse and high quality holiday experiences, catering to various preferences and requirements.

An experienced owner/operator in leisure and outdoor

PPHE's foray into the leisure and outdoor segment of the hospitality industry through Arena Hospitality Group represents a significant expansion of its portfolio and an astute response to the evolving demands of the tourism market. By investing heavily in upgrading and expanding Arena's offerings, PPHE has strengthened its position as a leading player in the industry, blending urban sophistication with scenic retreats. As the Group continues to diversify and explore new opportunities, it remains committed to delivering exceptional experiences, ensuring that its properties across Europe stand as exemplars of quality, luxury and outdoor.



Expert teams, scalable platform

3. Strategic priority

HOSPITALITY · MANAGEMENT PLATFORM

Mastering hospitality with our integrated operating platform

An overview of PPHE's unique approach

PPHE is a distinguished hospitality real estate owner that stands out in the industry for its strong asset base and integrated operating platform. Unlike many of its counterparts, which often separate property ownership from management and branding, PPHE maintains full control over its properties, ensuring seamless operations and high standards across all its ventures.

Industry context

In the hospitality industry, it is common for hotel owners, such as private equity firms and institutional investors, to engage third party management companies along with commercial brands. This model, while widespread, does mean that there are three stakeholder parties involved whose priorities may not always be aligned. PPHE, however, adopts a different approach by keeping full control over its properties. This integrated model not only enhances operational efficiency but also ensures that the Company's strategic vision is consistently implemented across its portfolio.

Ownership and management

PPHE typically has an ownership interest in the properties it manages. This dual role as owner and operator allows PPHE to align its interests with those of the property, ensuring that decisions are made with a long-term perspective. In addition to managing its own properties, PPHE also provides management services to other property owners. This expands its revenue streams and leverages its extensive expertise in hospitality management.

Branding strategy

PPHE uses a combination of its own brands and brands licensed from other entities. A key partnership is with Radisson Hotel Group, under which PPHE operates Park Plaza hotels through a master franchise agreement. This relationship allows PPHE to tap into Radisson's extensive brand recognition and loyalty programmes while maintaining operational control. The Group has also entered into an agreement with Radisson for its art'otel brand, whereby this is fully integrated into Radisson's brand portfolio, reservation system and commercial programmes, with Radisson obtaining certain development rights to mutually grow the art'otel portfolio. Additionally, PPHE has preferred commercial agreements with Radisson for using other Radisson brands, providing flexibility and a broad range of branding options for its properties. Its recent utilisation of Radisson Collection (luxury segment) and Radisson RED (upscale segment) are examples of this.

Scale and reach

PPHE's operating platform manages over £2.2 billion in properties, spanning eight countries and nearly 20 cities. This extensive portfolio includes a diverse array of hospitality offerings, such as five-star hotels, lifestyle hotels, conference and airport hotels, self-catering resorts, campsites, a glamping property, destination restaurants and bars, large spas, and more.

This diversity enables PPHE to cater to various market segments and customer preferences, enhancing its competitive edge.

Management excellence

PPHE's expert team is a cornerstone of its success. The team's extensive experience and skills cover a wide range of hospitality sectors, ensuring that each property is managed to the highest standards. Each PPHE property has its dedicated management team, supported by regional leadership and central support services. This structure ensures localised attention to detail while leveraging the resources and expertise of the wider PPHE organisation.

Comprehensive services

PPHE's management platform offers a broad spectrum of services, making it a stand alone value store recognised for excellence and innovation.

These services include the following:

- **Acquisitions and Development:** leveraging our broad network, we continuously source value-add opportunities.
- **Development and Technical Services:** our team oversees the development of new properties and renovations, the highest standards of design and functionality are met.
- **Concept Development and Launches:** we excel in creating unique hospitality concepts that cater to market demands. From concept development to the grand opening, our team ensures that each property launch is a success.
- **Legal and Governance:** With two listed companies in the Group, both adhering to high standards, governance and compliance are at the forefront of the legal team.
- **Commercial:** we aim to maximise revenue through strategic pricing, marketing, and sales and distribution initiatives, including robust digital and customer loyalty strategies.
- **Brand and Guest experience:** we define and implement the desired guest experience across each property and support the operational teams in their consistent delivery.
- **Finance:** PPHE's finance department provides comprehensive financial management, including budgeting, forecasting and financial reporting.
- **People and Culture:** we place a strong emphasis on our people, fostering a culture of excellence, diversity and inclusion, which all translates into exceptional guest experiences.
- **Technology:** we leverage cutting-edge technology to enhance operational efficiency and guest experience.
- **Central Procurement:** our team ensures that all properties benefit from economies of scale and the highest standards of quality in goods and services.
- **Day-to-Day Operations:** PPHE's operations team ensures that each property runs smoothly and efficiently, providing guests with a seamless experience.
- **Business Intelligence (BI) and Data Management:** we use advanced BI tools and data management practices to inform decision-making and optimise performance.
- **ESG team,** driving the sustainability strategy and target setting for all properties and the business overall.

Scalability and growth

PPHE's operating platform is highly scalable, allowing the Company to grow and adapt to new opportunities. The platform's flexibility and the team's vast experience enable PPHE to take on new properties and ventures with confidence. Contracts with property owners typically include a base fee and an incentive fee based on performance, aligning PPHE's interests with those of its clients.

Award-winning recognition

PPHE's integrated operating platform has garnered widespread recognition and numerous awards. This acclaim is a testament to the Company's commitment to excellence and innovation in hospitality management. By maintaining full control over its operations and continuously striving for improvement, PPHE sets a high standard for the industry.

A proven model with further scope

PPHE's unique approach to hospitality management, characterised by integrated ownership, management and branding, sets it apart from traditional models. This strategy not only enhances operational efficiency but also ensures that each property delivers exceptional guest experiences. With a scalable platform, a diverse portfolio and a commitment to excellence, PPHE is well positioned for continued growth and success in the hospitality industry.

Key performance indicators

Financial KPIs[1]

Total revenue £m

	£m
2024	442.8
2024 (like-for-like)*	428.3
2023	414.6
2022	330.1
2021	141.4
2020	101.8

KPI definition

Total revenue includes all operating revenue generated by the Group's owned and leased hotels, management fees, franchise fees and marketing fees.

EBITDA* £m

	£m
2024	136.5
2024 (like-for-like)*	139.3
2023	128.2
2022	94.6
2021	25.1
2020	(10.1)

KPI definition

Earnings before interest* (Financial income and expenses), tax, depreciation and amortisation, impairment loss, share in results of joint ventures and exceptional items presented as other income and expense.

Normalised profit before tax* £m

	£m
2024	38.8
2023	37.5
2022	8.3
2021	(47.5)
2020	(89.8)

KPI definition

Profit before tax adjusted to remove exceptional or one-time influences which are not part of the Group's regular operations.

Reported basic earnings per share pence

	pence
2024	67
2023	53
2022	24
2021	(123)
2020	(192)

KPI definition

Earnings for the year, divided by the weighted average number of ordinary shares outstanding for basic earnings per share during the year.

Operating KPIs[1]

Occupancy %

	%
2024	74.5
2024 (like-for-like)*	75.8
2023	72.4
2022	60.0
2021	30.7
2020	28.0

KPI definition

Total rooms occupied divided by the available rooms.

Guest rating score %

	%
2024	87.8
2023	86.4
2022	84.8
2021	85.5
2020	Data not indicative

KPI definition

Guest satisfaction and a strong reputation are vital to our long-term success. We measure these through guest surveys and reviews completed on major travel review websites and booking platforms. The reported guest rating score is based on guest reviews from external platforms, reflecting our focus on delivering quality and exceptional experiences.

1 Further details on the key financial, operating and property KPIs can be found in the Financial Review on pages 40 to 48.

Average room rate* £

	£
2024	161.5
2024 (like-for-like)*	160.8
2023	166.8
2022	160.4
2021	117.0
2020	105.1

KPI definition

Total room revenue divided by the number of rooms sold.

RevPAR* £

	£
2024	120.3
2024 (like-for-like)*	122.0
2023	120.7
2022	96.2
2021	35.9
2020	29.4

KPI definition

Revenue per available room; total room revenue divided by the number of available rooms.

Employee engagement %

	%
2024	84.5
2023	83.0
2022	81.0*
2021	Trial of new survey format
2020	Data not indicative

KPI definition

Previously measured through annual engagement surveys, in which team members were encouraged to share feedback about the Company, their jobs, their team and their manager. Notwithstanding the high scores achieved, we have changed our measurements to be more regular and topical in the form of engagement surveys.

* Up until 2019, the Group measured employee satisfaction through annual surveys. Post pandemic, it has implemented a new methodology which captures employee engagement. As a result, from 2022 onwards, the performance shown is not comparable with earlier years.

Property KPIs[1]

EPRA NRV per share* £

	£
2024	27.51
2023	26.72
2022	25.17
2021	22.15
2020	22.08

KPI definition

Recognised equity, attributable to the parent company's shareholders on a fully diluted basis adjusted to include properties and other investment interests at fair value and to exclude certain items not expected to crystallise in a long-term investment property business model (deferred tax on timing differences on property, plant and equipment and intangible assets and financial instruments) divided by the dilutive number of shares. Adjustments to the recognised equity are calculated on the share allocated to the parent company's shareholders (net of non-controlling interest).

Adjusted EPRA EPS* pence

	pence
2024	125
2023	118
2022	50
2021	(44)
2020	(123)

KPI definition

Shareholders' earnings from operational activities with the Company's specific adjustments. The main adjustment is adding back the reported depreciation charge, which is based on assets at historical cost and replacing it with a change calculated as 4% of the Group's total revenues, which represents the Group's expected average cost to upkeep the real estate in good quality. The adjusted shareholders' earnings from operational activities are divided by the weighted average number of ordinary shares outstanding during the year.

Solid topline growth with EBITDA margin* improvement

"Despite operating in a highly inflationary environment, the Group's strong focus on cost control enabled us to achieve EBITDA margin* growth."

Daniel Kos
Chief Financial Officer & Executive Director

Overview of 2024

In 2024, the Group achieved a solid financial performance on a like-for-like* basis, with noteworthy revenue growth primarily driven by increased occupancy throughout the year, although room rates were marginally lower following significant increases in previous years. EBITDA* and EBITDA margin* growth were realised despite facing inflationary pressures, particularly concerning labour costs.

The Group sustained a stringent focus on cost control during the year, coupled with ongoing efficiency measures to support the like-for-like* margin growth, which increased by 160 basis points from 30.9% in the previous year to 32.5% in the current year.

In the second half of the year, the Group refinanced an existing loan facility related to six Dutch hotels and one in London, originally set to mature in June 2026. The new facility, maturing in June 2031, comprises two tranches: the first tranche, amounting to €160 million for the Dutch hotels, carries an all-in fixed interest rate of 2.765% until June 2026, rising to 4.49% thereafter until maturity. The second tranche pertains to Holmes Hotel London and has a fixed interest rate of 3.9% until 2026, followed by a competitive floating interest rate. During this refinancing process, independent valuations commissioned by the bank confirmed the value included in the Group's EPRA NRV*, which stands at £1,163.3 million at year-end.

The Group is currently nearing the completion of an extensive development cycle. Throughout the year, several new hotels within the Group's £300 million+ development pipeline became fully operational. These openings initially had a negative impact on the Group's results, characteristic of the pre-opening phase, but, upon stabilisation, these openings are projected to increase EBITDA* by at least £25 million.

Financial results

Key financial statistics for the financial year ended 31 December 2024.

	Reported			Like-for-like*[1]		
	Year ended 31 December 2024	Year ended 31 December 2023	% change[2]	**Year ended 31 December 2024**	Year ended 31 December 2023	% change[2]
Occupancy[3]	**74.5%**	72.4%	215 bps	**75.8%**	72.4%	350 bps
Average room rate[3]*	**£161.5**	£166.8	(3.2)%	**£160.8**	£166.8	(3.6)%
RevPAR[3]*	**£120.3**	£120.7	(0.3)%	**£122.0**	£120.7	1.0%
Total revenue	**£442.8 million**	£414.6 million	6.8%	**£428.3 million**	£414.6 million	3.3%
Total room revenue[3]	**£317.2 million**	£300.1 million	5.7%	**£306.4 million**	£300.1 million	2.1%
EBITDA*	**£136.5 million**	£128.2 million	6.5%	**£139.3 million**	£128.2 million	8.7%
EBITDA margin*	**30.8%**	30.9%	(10) bps	**32.5%**	30.9%	160 bps
Adjusted EPRA EPS*	**125p**	118p	5.9%	**n/a**	n/a	n/a
EPRA NRV per share*	**£27.5**	£26.7	3.0%	**n/a**	n/a	n/a
Reported PBT	**£30.6 million**	£28.8 million	6.2%	**n/a**	n/a	n/a
Normalised PBT*	**£38.8 million**	£37.5 million	3.6%	**n/a**	n/a	n/a
Reported basic EPS	**67p**	53p	26.8%	**n/a**	n/a	n/a
Reported diluted EPS	**66p**	53p	26.0%	**n/a**	n/a	n/a

1. The like-for-like* figures exclude the 2024 results of art'otel London Hoxton and the results of art'otel Zagreb for the first ten months of 2024.
2. Percentage change figures are calculated from actual figures as opposed to the rounded figures included in the above table.
3. The room revenue, average room rate*, occupancy and RevPAR* statistics include all accommodation units at hotels and self-catering apartment complexes and exclude campsites and mobile homes.

Revenue

Like-for-like* total revenue, which excludes the impact of art'otel London Hoxton and art'otel Zagreb, rose 3.3% to £428.3 million. Reported total revenue was up 6.8% to £442.8 million.

2024 RevPAR* was £120.3, a decrease of 0.3%. This reflected good growth in occupancy, which rose to 74.5% against a strong 2023 comparative, and an anticipated reduction in average room rate* to £161.5 due to the evolving composition of the Group's booking mix, namely the increasing proportion of business and meetings and events bookings.

EBITDA*, profit and earnings per share

The Group reported like-for-like* EBITDA* of £139.3 million for 2024, compared with £128.2 million in the previous year. The like-for-like* margin showed a year-on-year improvement to 32.5%, up from 30.9% in 2023. This growth was achieved despite double-digit percentage increases in minimum wage across the portfolio. The Group focused on enhancing efficiencies within back-office functions through automation and increasing productivity levels. Additionally, the Group benefited from lower utility costs per occupied room, primarily due to favourable hedged utility prices.

Reported basic earnings per share for the period were 67 pence, compared with 53 pence in 2023. Depreciation for the year amounted to £47.1 million (2023: £45.1 million). While depreciation is recorded in accordance with IFRS, internally, we consider the ongoing average CAPEX over the lifespan of our hotels as a more pertinent measure for determining profit. In the hospitality industry, this is approximately 4% of total revenue. Our EPRA earnings* are calculated using this 4% rate instead of the reported non-cash depreciation charge (refer to the EPRA earnings* table on page 44).

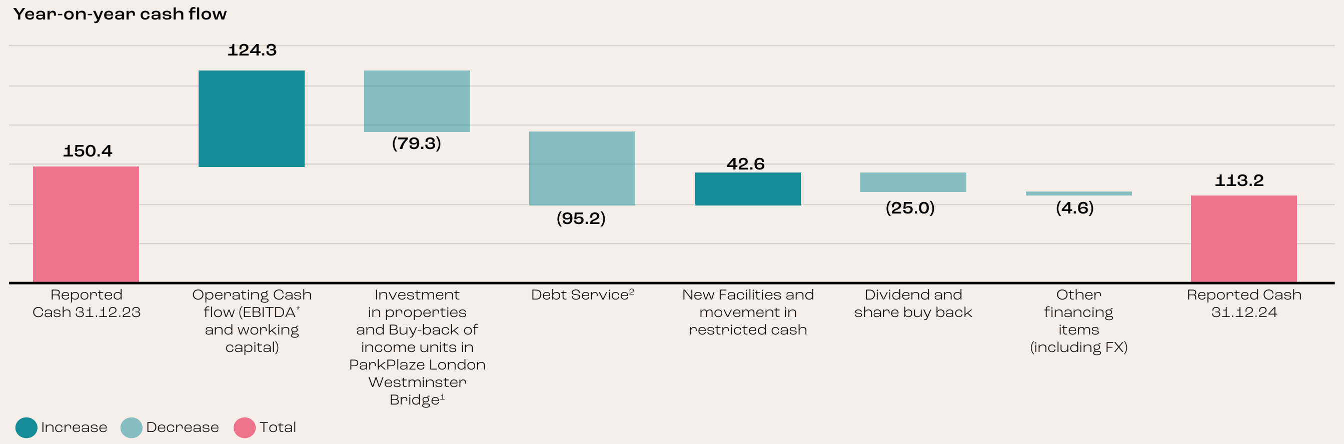
Normalised profit before tax* improved to £38.8 million, compared with £37.5 million in 2023. Reported profit before tax increased by £1.8 million to £30.6 million (2023: £28.8 million). Further details can be found in the normalisation adjustments table on page 42.

Cash flow and EPRA earnings*

In 2024, as outlined in the year-on-year graph below, the Group had a positive operational cash flow of £124.3 million. Debt service costs increased to £95.2 million (2023: £82.2 million), mainly due to net interest expenses (£49.9 million), loan amortisations (£41.1 million) and lease amortisations (£4.2 million). This rise was driven by the opening of art'otel London Hoxton.

Investment cash flows reported an outflow of £79.3 million, with around 70% due to development projects and £16.0 million dedicated to maintenance CAPEX* projects. With the current £300m+ investment pipeline nearing completion, construction CAPEX is expected to drop significantly in 2025.

The Group reported adjusted EPRA earnings* of £53.2 million, up 6.4% (2023: £50.1 million), with adjusted EPRA earnings per share* of 125 pence, up 5.9% (2023: 118 pence).



1. £16.0 million reflects regular CAPEX.
2. Including leases and unit holders in Park Plaza London Westminster Bridge.

Normalised profit before tax*

£million	12 months ended 31 December 2024	12 months ended 31 December 2023
Reported profit before tax	30.6	28.8
Loss on buy-back of units in Park Plaza London Westminster Bridge from private investors	1.5	3.3
Non-cash re-measurement of lease liability	4.0	3.9
Refinance expenses	2.6	–
Non-cash changes in fair value of Park Plaza County Hall London Income Units	(0.5)	(1.6)
Pre-opening expenses and other non-recurring expenses	3.9	1.4
Capital loss on disposal of fixed assets and inventory	0.2	–
Non-cash changes in fair value of financial instruments	(3.5)	1.7
Normalised profit before tax*	38.8	37.5

Real estate performance

Valuations

The Group is an integrated developer, owner and operator of hotels, resorts and campsites, with a business model centred on real estate. We generate returns and enhance value for all stakeholders by developing our owned assets and optimising the operation of our properties. Certain EPRA performance measures are disclosed to assist investors in analysing the Group's performance and assessing the value of its assets and earnings from a property perspective.

In December 2024, the Group's properties (excluding operating leases and managed and franchised properties) were independently valued primarily by Savills for properties in the Netherlands, UK and Germany, and by Zagreb Nekretnine Ltd (Zane) for properties in Croatia.

Based on these valuations, we have calculated the Group's EPRA NRV*, EPRA NTA* and EPRA NDV*. As of 31 December 2024, the EPRA NRV*, as detailed in the EPRA performance measurement section on page 43, amounts to £1,163.3 million (2023: £1,136.4 million), equating to £27.51 per share (2023: £26.72 per share).

The EPRA NRV* was positively impacted by the £28.2 million profit for the year, as well as a £41.0 million increase in property valuations (on a constant currency basis). However, this was offset by a £23.4 million reduction due to dividend distributions and share buybacks, along with a £20.0 million decline resulting from unfavourable foreign currency translation to the British Pound.

The table below provides additional information regarding the discount and cap rates used.

Actualised trading versus assumption in 2024 valuations

	Discount rates		Cap rates	
	2024 Valuations	2023 Valuations	2024 Valuations	2023 Valuations
United Kingdom	7.75%–10.50%	7.75%–10.50%	5.25%–8.00%	5.25%–8.00%
The Netherlands	8.00%–10.00%	8.25%–9.75%	5.50%–7.50%	5.75%–7.25%
Germany	8.25%–9.25%	8.25%–9.25%	5.75%–6.75%	5.75%–6.75%
Croatia	8.00%–11.00%	8.00%–11.00%	6.00%–9.00%	6.00%–9.00%

Valuation comparison

2024 versus 2023 valuation – total portfolio +1.7%	
United Kingdom	3.4%
The Netherlands	0.3%
Germany	(7.2)%
Croatia	(2.8)%

EPRA performance measurement

EPRA summary

	Summary of EPRA performance indicators			
	Year ended 31 December 2024		Year ended 31 December 2023	
	£ million	Per share	£ million	Per share
EPRA NRV (Net Reinstatement Value)*	1,163.3	£27.51	1,136.4	£26.72
EPRA NTA (Net Tangible Assets)*	1,134.1	£26.82	1,106.6	£26.02
EPRA NDV (Net Disposal Value)*	1,101.3	£26.05	1,070.4	£25.17
EPRA earnings*	60.7	143p	59.0	139p
Adjusted EPRA earnings*	53.2	125p	50.1	118p

EPRA NRV*

	31 December 2024			31 December 2023		
£ million	EPRA NRV*	EPRA NTA*[4]	EPRA NDV*	EPRA NRV*	EPRA NTA*[4]	EPRA NDV*
NAV per the financial statements	312.7	312.7	312.7	314.6	314.6	314.6
Effect of exercise of options	0.5	0.5	0.5	–	–	–
Diluted NAV, after the exercise of options[1]	313.2	313.2	313.2	314.6	314.6	314.6
Includes:						
Revaluation of owned properties in operation (net of non-controlling interest)[2]	824.5	824.5	824.5	794.6	794.6	794.6
Revaluation of the joint venture interest held in two German properties (net of non-controlling interest)[2]	6.3	6.3	6.3	6.1	6.1	6.1
Fair value of fixed interest rate debt	–	–	(6.8)	–	–	(5.9)
Deferred tax on revaluation of properties	–	–	(35.9)	–	–	(39.0)
Real estate transfer tax[3]	21.6	–	–	19.1	–	–
Excludes:						
Fair value of financial instruments	18.3	18.3	–	14.2	14.2	–
Deferred tax	(16.0)	(16.0)	–	(16.2)	(16.2)	–
Intangibles as per the IFRS balance sheet	–	7.6	–	–	10.7	–
NAV	1,163.3	1,134.1	1,101.3	1,136.4	1,106.6	1,070.4
Fully diluted number of shares (in thousands)[1]	42,288	42,288	42,288	42,527	42,527	42,527
NAV per share (in £)	27.51	26.82	26.05	26.72	26.02	25.17

1 The fully diluted number of shares excludes treasury shares but includes 498,248 outstanding dilutive options (as at 31 December 2023: 163,221).
2 The fair values of the properties were determined on the basis of independent external valuations prepared in December 2024.
3 EPRA NTA* and EPRA NDV* reflect fair value net of transfer costs. Transfer costs are added back when calculating EPRA NRV*.
4 NTA is calculated under the assumption that the Group does not intend to sell any of its properties in the long run.

EPRA earnings*

	12 months ended 31 December 2024 £ million	12 months ended 31 December 2023 £ million
Earnings attributed to equity holders of the parent company	28.2	22.4
Reported depreciation and amortisation	47.1	45.1
Revaluation of Park Plaza County Hall London Income Units	(0.5)	(1.6)
Changes in fair value of financial instruments	(3.5)	1.7
Non-controlling interests in respect of the above[3]	(10.6)	(8.6)
EPRA earnings*	**60.7**	59.0
Weighted average number of ordinary shares outstanding (in thousands)	42,482	42,541
EPRA earnings per share (in pence)*	**143**	139
Company specific adjustments:[1]		
Capital loss on buy-back of Income Units in Park Plaza London Westminster Bridge	1.5	3.3
Remeasurement of lease liability[4]	4.0	3.9
Disposals and other non-recurring expenses (including pre-opening expenses)[7]	4.1	1.4
Refinance expenses	2.6	–
Adjustment of lease payments[5]	(2.6)	(2.3)
One-off tax adjustments[6]	(1.7)	(2.5)
Maintenance CAPEX*[2]	(17.7)	(16.6)
Non-controlling interests in respect of maintenance CAPEX* and the adjustments above[3]	2.3	3.9
Company adjusted EPRA earnings*	**53.2**	50.1
Company adjusted EPRA earnings per share* (in pence)	**125**	118
Reconciliation Company adjusted EPRA earnings* to normalised PBT*:		
Company adjusted EPRA earnings*	53.2	50.1
Reported depreciation and amortisation	(47.1)	(45.1)
Non-controlling interest in respect of reported depreciation[3]	10.6	8.6
Maintenance CAPEX*[2]	17.7	16.6
Non-controlling interests in respect of maintenance CAPEX* and the adjustments above[3]	(2.3)	(3.9)
Adjustment of lease payments[5]	2.6	2.3
One-off tax adjustments[6]	1.7	2.5
Profit attributable to non-controlling interests[3]	(0.5)	4.7
Reported tax	2.9	1.7
Normalised profit before tax*	**38.8**	37.5

1 The 'Company specific adjustments' represent adjustments of non-recurring or non-trading items.
2 Calculated as 4% of revenues, which represents the expected average maintenance capital expenditure* required in the operating properties.
3 Non-controlling interests include the non-controlling shareholders in Arena, third party investors in Income Units of Park Plaza London Westminster Bridge and the non-controlling shareholders in the partnership with Clal that was entered into in June 2021 and March 2023.
4 Non-cash revaluation of finance lease liability relating to minimum future CPI/RPI increases.
5 Lease cash payments which are not recorded as an expense in the Group's income statement due to the implementation of IFRS 16.
6 Mainly relates to deferred tax asset on carry forward losses recorded in 2023 and 2024
7 Mainly relates to pre-opening expense and net profit and loss on disposal of property, plant and equipment.

Category	Year ended 31 December 2024 £ million Group[1]	Year ended 31 December 2023 £ million Group[1]
Acquisitions	–	–
Development	53.3	107.2
Investment properties	16.0	15.0
Incremental lettable space	–	–
No incremental lettable space	16.0	15.0
Tenant incentives	–	–
Other material non-allocated types of expenditure	–	–
Capitalised interest	1.9	3.4
Total CAPEX	**71.2**	125.6
Conversion from accrual to cash basis	2.9	(10.5)
Total CAPEX on cash basis	**74.1**	115.1

1. Proportionate consolidation was not applied to the joint ventures as it is considered as not material.

Other EPRA measurements

Given that the Group's asset portfolio comprises hotels, resorts and campsites which are also operated by the Group, a few of EPRA's performance measurements, which are relevant to real estate companies with passive rental income, have not been disclosed as they are not relevant or non-existent. Those EPRA performance measurements include EPRA Net Initial Yield (NIY), EPRA 'Topped-up' NIY, EPRA Vacancy Rate and EPRA Cost Ratios.

Capital structure

Call impact minorities and future

As part of our strategy, we unlock capital from our assets through various methods. This includes raising debt, securing equity via multiple partnership forms, or sometimes entering into ground rent structures exceeding 100 years. This funding approach allows us to leverage the fair value of our assets, while balancing liquidity and interest rate risk within our capital structure.

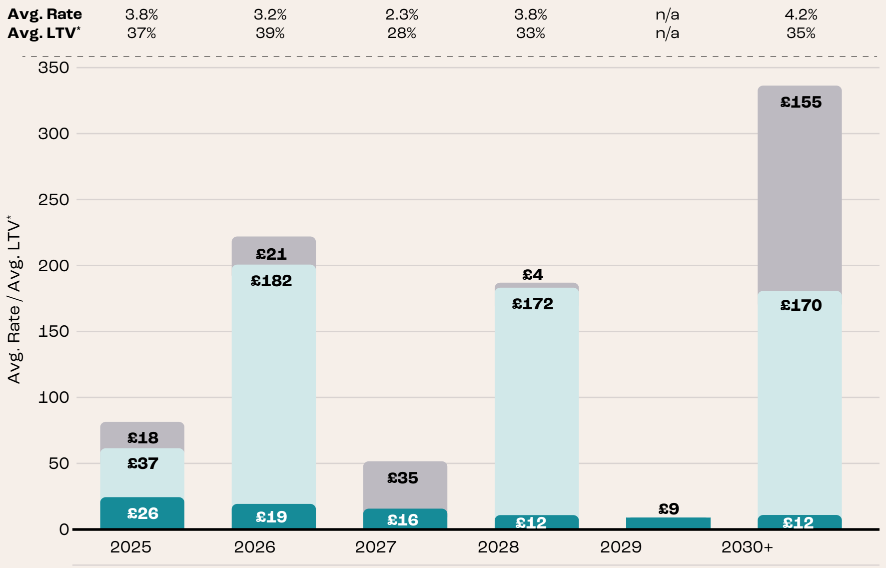
Our partnerships, including third party unit holders in Park Plaza London Westminster Bridge, shareholders in our listed Croatian subsidiary, and individual professional partners across several assets, provide long-term equity, thereby sharing the risks and returns on each asset.

The 100+ year ground rent structures offer long-term access to capital without covenants, recourse to the Group, refinance risk, or interest rate exposure. These arrangements are typically linked to inflation, often capped at approximately 4–5% annually.

Furthermore, our asset-backed mortgages are mainly established with long-standing banking partners, featuring five to ten-year maturities and either fixed or variable rates with hedging arrangements. These mortgages include covenants relating to asset value (loan-to-value*, or LTV*) and trading performance (interest or debt service coverage ratios)*. The debt raised on trading assets generally represents about 50% of their value, with appropriate buffers maintained towards loan covenants. Additionally, most loans are amortised annually at around 2.5% of the nominal amount over the term. The current net bank debt leverage (EPRA LTV*) percentage stands at 33.5%.

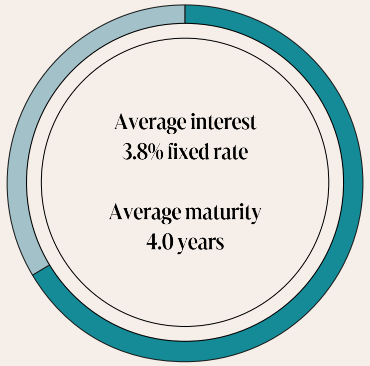
Although our mortgages involve interest rate risks, the majority were secured years ago, averaging at 3.8% interest (96% fixed), with an average remaining maturity of 4.0 years.

Debt maturity schedule (£ in millions)



% Net debt* leverage

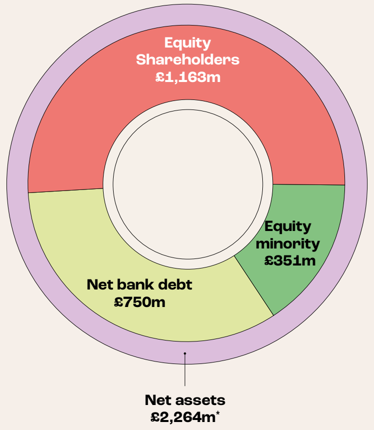
Gross debt composition and metrics



£591m GBP

£297m Euro

Net debt* leverage



* Includes assets at market value, with ground rent liabilities included in the asset valuation. Units in Park Plaza London Westminster Bridge owned by private investors are netted of with the unitholder liability.

Net debt* leverage/EPRA LTV* reconciliation

	Group as reported under IFRS £ million	Adjustments to arrive at EPRA Group LTV* £ million	Group EPRA LTV* before non-controlling interest adjustment £ million	Proportionate consolidation (non-controlling interest) £ million	Combined EPRA LTV* £ million
Include:					
Borrowings (short-/long-term)	885.6	–	885.6	(205.0)	680.6
Exclude:					
Cash and cash equivalents and restricted cash	(135.6)	–	(135.6)	28.7	(106.9)
Net debt* (a)	**750.0**	**–**	**750.0**	**(176.3)**	**573.7**
Include:					
Property, plant and equipment	1,421.4	791.7	2,213.1	(521.3)	1,691.8
Right-of-use assets	225.3	(225.3)	–	–	–
Lease liabilities	(281.9)	281.9	–	–	–
Liability to Income Units at Park Plaza London Westminster Bridge	(110.6)	110.6	–	–	–
Intangible assets	7.6	–	7.6	(0.7)	6.9
Investments in joint ventures[1]	8.2	11.8	20.0	(9.0)	11.0
Other assets and liabilities, net	6.1	(9.1)	(3.0)	8.2	5.2
Total property value (b)	**1,276.1**	**961.6**	**2,237.7**	**(522.8)**	**1,714.9**
EPRA LTV* (a/b)	**58.8%**		**33.5%**		**33.5%**
Adjustments to reported EPRA NRV*:					
Real estate transfer tax	–	26.6	26.6	(5.0)	21.6
Effect of exercise of options	–	0.5	0.5	–	0.5
Total property value after adjustments (c)	**1,276.1**	**988.7**	**2,264.8**	**(527.8)**	**1,737.0**
Total equity (c-a)	**526.1**	**988.7**	**1,514.8**	**(351.5)**	**1,163.3**

1 Proportionate consolidation was not applied to the joint ventures as it is considered as not material.

Capital expenditure/development pipeline update

With an expansion CAPEX of £55.2 million, we have remained committed to executing our strategy, advancing our development pipeline, and extending our presence into new and highly attractive markets.

The construction phase of our new hotel in Hoxton London (art'otel London Hoxton) was fully completed in December 2024, following a phased opening that began in April 2024.

Our first art'otel in Croatia, art'otel Zagreb, was fully operational by May 2024 after a phased opening that started in Q3 2023. This was an office-to-hotel conversion project located in the centre of Zagreb, with a total investment of £19 million.

Similarly, Radisson RED Belgrade, the first Radisson RED property to be operated by the Group and the second under the extended Radisson partnership, opened in February 2024 following extensive repositioning efforts.

In Rome, the full repositioning and construction of art'otel Rome Piazza Sallustio, formerly the Londra & Cargill Hotel, which began in July 2022, is progressing well and is expected to open in early March 2025.

The Group has a remaining commitment of approximately £13 million for its investment pipeline.

We are continuously striving to enhance our existing portfolio and seek out promising opportunities to acquire additional assets to expand the Group's holdings. The diagram above summarises our investments over the past decade, with the capital expenditures of the last three years attributable to recent openings expected to deliver EBITDA* growth of at least £25 million.

Dividend

The Board proposes increasing the final dividend to 21 pence per share (2023: 20 pence). Combined with the interim dividend of 17 pence, the total for the financial year will be 38 pence per share, a 5.6% increase from 2023.

Pending approval at the 2025 Annual General Meeting, the final dividend will be paid on 30 May 2025 to all shareholders who are on the register as of 25 April 2025.

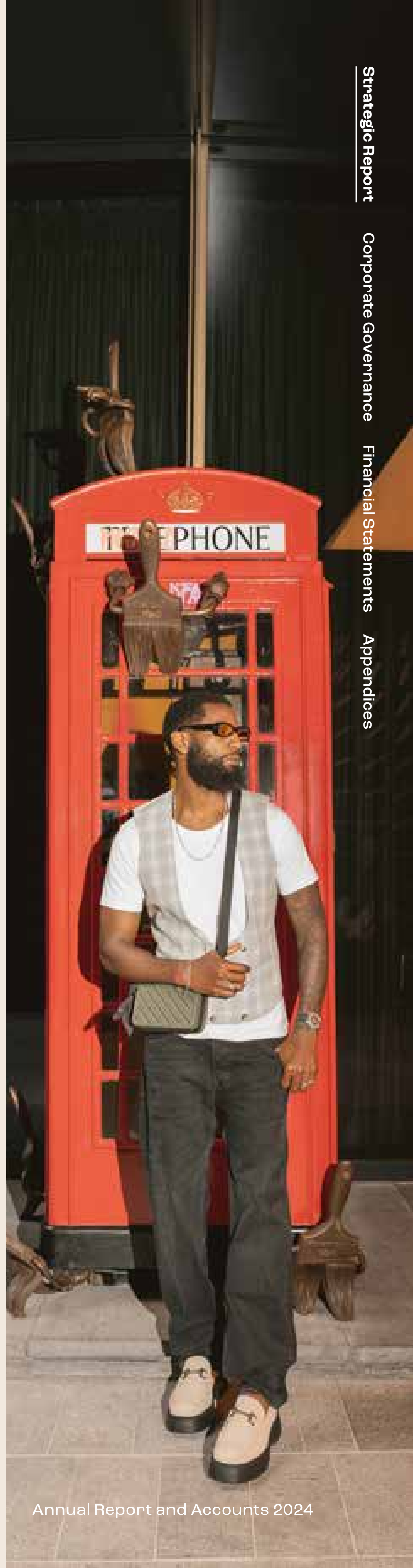
This follows the Company's policy of distributing around 30% of adjusted EPRA earnings*, supporting both returns and future growth investments.

Daniel Kos
Chief Financial Officer & Executive Director

Business Review

We were pleased to report revenue growth across all our operating regions, and we expect this to continue in 2025 as our newly opened hotels will continue to stabilise.

United Kingdom	The Netherlands	Croatia	Germany
Value of property portfolio			
£1,328m	£319m	£351m	£85m
Total revenue			
£249m	£66m	£84m	£24m



Unlocking growth in the **United Kingdom**

Property portfolio

The Group operates over 3,700 rooms in the upper upscale segment of the London hotel market. This well-invested property portfolio has been further enhanced with the addition of 357 rooms following the opening of art'otel London Hoxton in 2024.

Four of these hotels are located in London's popular South Bank area, with further properties in Hoxton, Victoria, Marylebone, Battersea and Park Royal. Three of the Group's properties are in the UK regional cities of Nottingham, Leeds and Cardiff.

The Group has an ownership interest in ten properties: Park Plaza London Westminster Bridge, Park Plaza London Riverbank, Park Plaza London Waterloo, Park Plaza County Hall London[4], Park Plaza Victoria London, Park Plaza London Park Royal, art'otel London Hoxton, Holmes Hotel London, Park Plaza Leeds and Park Plaza Nottingham. Park Plaza Cardiff[4] operates under a franchise agreement. The Group operates art'otel London Battersea Power Station[3] hotel under a long-term management agreement through its hospitality platform.

The Group also has three development sites in London, which are expected to add more than 800 rooms to its UK portfolio.

art'otel London Hoxton

Following its phased soft opening in April 2024, this brand new flagship hotel in the heart of Hoxton has gone from strength to strength.

visit artotellondonhoxton.com

Financial performance

UK	Reported in Pound Sterling (£) Year ended 31 Dec 2024	Year ended 31 Dec 2023	% change[4]	Like-for-like*[1] Pound Sterling (£) Year ended 31 Dec 2024	Year ended 31 Dec 2023	% change[4]
Total revenue	**£248.6m**	£234.9m	5.8%	**£237.6m**	£234.9m	1.1%
Room revenue	**£192.2m**	£183.8m	4.6%	**£183.4m**	£183.8m	(0.2)%
EBITDA*	**£77.4m**	£76.3m	1.4%	**£79.9 m**	£76.3m	4.8%
EBITDA margin*	**31.1%**	32.5%	(135) bps	**33.6%**	32.5%	120 bps
Occupancy	**83.0%**	83.6%	(60) bps	**85.8%**	83.6%	210 bps
Average room rate*	**£186.0**	£190.8	(2.5)%	**£185.2**	£190.8	(3.0)%
RevPAR*	**£154.4**	£159.6	(3.3)%	**£158.8**	£159.6	(0.5)%

1 The like-for-like* figures for the year ended 31 December 2024 exclude the results of art'otel London Hoxton.
2 Independent valuation by Savills in December 2024, excluding the London development at Westminster Bridge Road.
3 Revenues derived from these hotels are accounted for in Management and Holdings, and their values and results are excluded from the data provided in this section.
4 Percentage change figures are calculated from actual figures as opposed to the rounded figures included in the above table.

Total value of the UK property portfolio[2]

£1,328m

(2023: £1,014m)

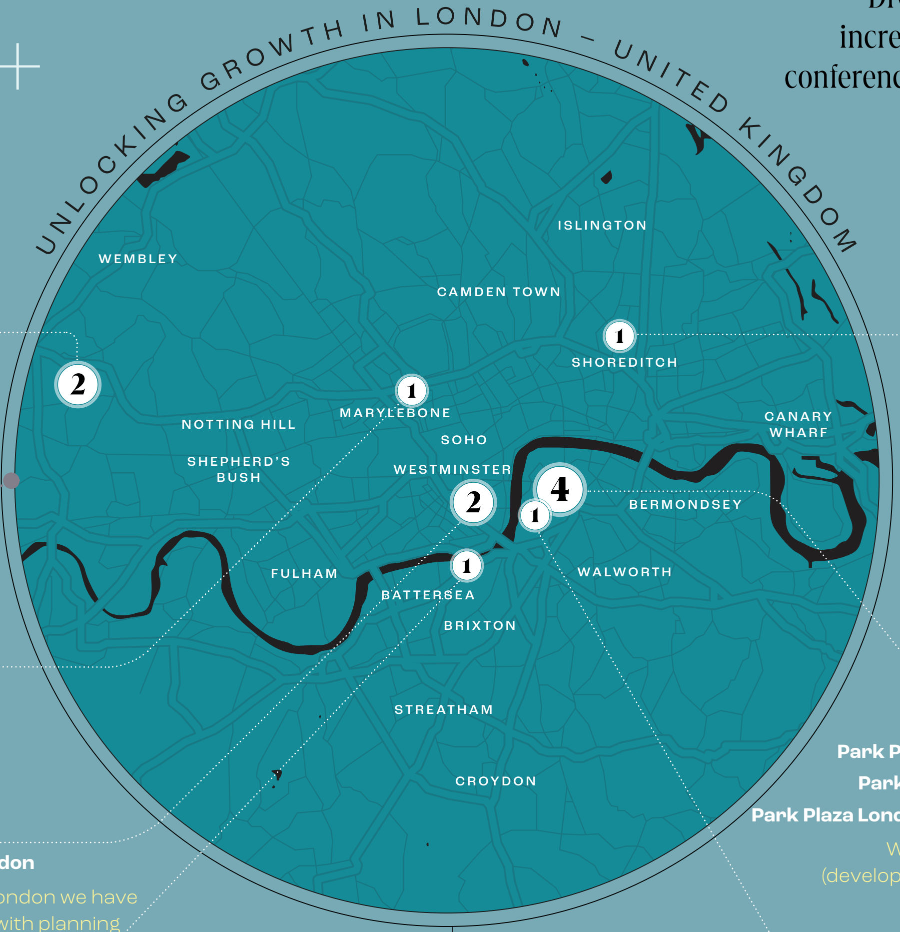
Number of employees across the UK

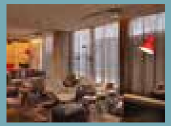
2,900

Room count

4,200+

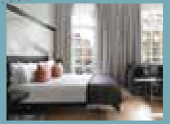
Diverse clientele with increasing business and conference guest occupancy



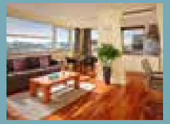


Park Plaza London Park Royal

Adjacent to the Park Plaza London Park Royal we have a development site with planning



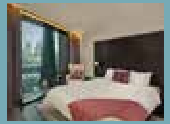
Holmes Hotel London



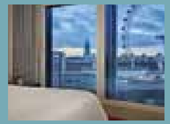
Park Plaza Victoria London

At Park Plaza Victoria London we have a development project with planning

art'otel London Battersea Power Station

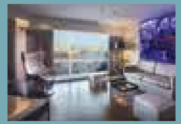


art'otel London Hoxton



Park Plaza County Hall London
Park Plaza London Waterloo
Park Plaza London Westminster Bridge

Westminster Bridge Road (development site, with planning)



Park Plaza London Riverbank

> "The UK continues to be a cornerstone of our growth strategy. Its dynamic hospitality market and enduring appeal to both leisure and business travellers present exceptional opportunities for our premium brands."

Unlocking growth in the **United Kingdom** – continued

April 2024 saw the phased soft opening of the Group's highly anticipated flagship art'otel London Hoxton

Portfolio performance

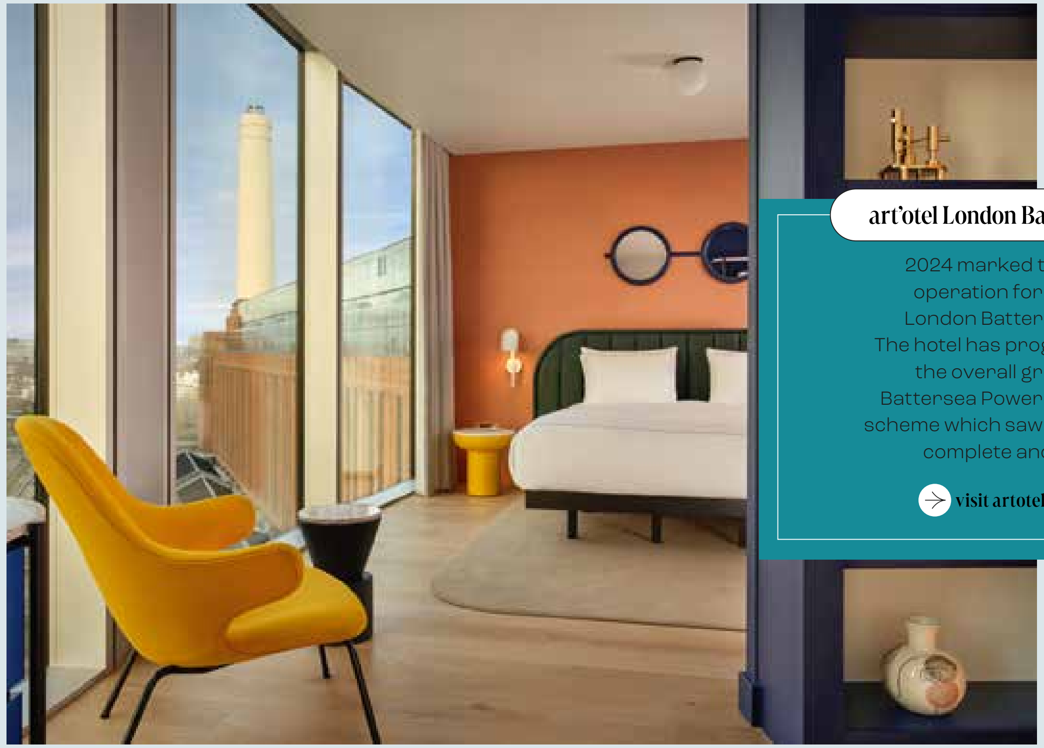
The United Kingdom remains the Group's most significant operating region in terms of revenue generated and the value of its property portfolio.

The solid like-for-like* performance was characterised by growth in occupancy throughout the year as the business mix normalised, with increasing demand from corporates, groups and meetings and events alongside the leisure segment. As anticipated, average room rates* stabilised compared with the strong performance in the prior year, which included the Coronation of His Majesty King Charles III in May 2023.

April 2024 saw the phased soft opening of the Group's highly anticipated flagship art'otel London Hoxton, with an inventory of approximately 100 rooms, a ground floor restaurant, a bar, spa and pool, gallery and auditorium. Works continued throughout 2024 and, by the end of the year, the gym on the 26th floor, the meetings and events spaces on the 24th floor and the vast majority of the 357 guestrooms (with the exception of some of the premium suites) had all been completed. The hotel has been very well received by guests and in the wider London market, with excellent guest feedback and reviews, recognised with a 9.3 score on Booking.com (on a scale of 1-10), rated a 5-star score on Tripadvisor.com (on a scale of 1-5) and ranked in 52nd position on Tripadvisor.com (out of 1,160 hotels in London). In 2025, we look forward to launching the premium suites, the office spaces and the 25th floor restaurant and bar.

On a like-for-like* basis, total revenue increased by 1.1% to £237.6 million (2023: £234.9 million). This was driven by an improvement in occupancy from 83.6% to 85.8%, a slightly lower average room rate* at £185.2 (2023: £190.8), which resulted in RevPAR* of £158.8, down 0.5% (2023: £159.6).

Like-for-like* EBITDA* increased to £79.9 million (2023: £76.3 million), delivering a like-for-like* EBITDA margin* of 33.6% (2023: 32.5%).



art'otel London Battersea Power Station

2024 marked the first full year of operation for the iconic art'otel London Battersea Power Station. The hotel has progressed well, tracking the overall growth of the wider Battersea Power Station development scheme which saw further developments complete and units occupied.

visit artotellondonbattersea.com

Reported revenue was £248.6 million, up by 5.8% year-on-year

Reported revenue was £248.6 million, up 5.8%, adversely affected by the gradual opening of art'otel London Hoxton. Reported RevPAR* was £154.4 (2023: £159.6), which was the result of an occupancy of 83.0% (2023: 83.6%) and an average room rate* of £186.0 (2023: £190.8).

Reported EBITDA* was £77.4 million (2023: £76.3 million), delivering an EBITDA margin* of 31.1% (2023: 32.5%).

In 2025, the Company will continue to focus on driving further efficiencies, particularly to help mitigate the cost pressures as a direct result of the increases in the national minimum wage and national insurance contributions.

Development projects

The Group continues to identify and assess opportunities to replenish its development pipeline[1] in the UK. It has three longer-term development projects in London with planning consent.

The Group's site at 79–87 Westminster Bridge Road in the South Bank area, close to the Group's Park Plaza London Waterloo and Westminster Bridge properties, has been granted planning permission for a mixed-use hotel led development. Under the approved plans, PPHE will bring a novel 15-storey design led midscale concept to the market, comprising up to 186 rooms as well as two floors of office and light industrial floorspace, activated by a flexible use ground floor public space featuring an all-day dining bar and café. The building's design will focus heavily on sustainability, transforming a former brownfield site, and targeting a Building Research Establishment Environmental Assessment Methodology (BREEAM) 'Excellent' environmental accreditation.

At a site adjacent to Park Plaza London Park Royal (in West London), planning has been granted for a 465-room hotel.

In Victoria, the Group has planning consent to create an additional 179-rooms at Park Plaza Victoria London in predominantly subterranean space. The Group is currently assessing various options for best use of space, with value creation as guiding principle.

The United Kingdom hotel market*

RevPAR* was up 2.6%, at £94.5, driven by a 1.9% increase in average room rate* to £121.7 and a 0.6% increase in occupancy to 77.6%.

In London, RevPAR* increased by 1.4% to £157.9 compared with 2023, reflecting a 1.5% increase in occupancy to 81.0%, and a 0.1% decrease in average room rate* to £194.9.

* Source: STR European Hotel Review, December 2024

Unlocking growth in **the Netherlands**

Property portfolio
The Group has an ownership interest in three hotels in the centre of Amsterdam (Park Plaza Victoria Amsterdam, art'otel Amsterdam and Park Plaza Vondelpark, Amsterdam), and a fourth property located near Schiphol Airport (Park Plaza Amsterdam Airport). It also owns Park Plaza branded hotels in Utrecht and Eindhoven.

Portfolio performance
The Group's properties in the Netherlands continued to perform well throughout the year, with improving occupancy driving the performance while maintaining average room rate*.

Total revenue (in local currency) increased by 7.7% to €78.4 million (2023: €72.8 million), which reflected the solid improvement in occupancy to 86.5% (2023: 82.4%). The average room rate* was stable at €171.2 (2023: €171.6). This resulted in an 4.7% increase in RevPAR* to €148.0 (2023: €141.4).

EBITDA* improved by €3.7 million to €26.2 million (2023: €22.5 million), delivering an EBITDA margin* of 33.4% (2023: 30.9%).

art'otel Amsterdam

art'otel Amsterdam served as the blueprint for the new generation art'otels which the Group has developed, and the wider brand portfolio now includes key capital cities such as London, Rome and Zagreb.

visit artotelamsterdam.com

The Dutch hotel market*
RevPAR* decreased by 0.4% to €108.0 compared with 2023.

Occupancy increased by 1.5% to 72.7%, and the average room rate* was €148.7, 1.8% lower than in 2023.

In Amsterdam, our main market in the Netherlands, RevPAR* decreased by 2.3% to €131.0.

Occupancy levels increased by 0.6% to 75.7%, and the average daily room rate decreased by 3.0% to €173.1.

* Source: STR European Hotel Review, December 2024.

Financial performance

The Netherlands	Reported in Pound Sterling (£) Year ended 31 Dec 2024	Year ended 31 Dec 2023	% change[3]	Reported in local currency euro[1] (€) Year ended 31 Dec 2024	Year ended 31 Dec 2023	% change[3]
Total revenue	**£66.2m**	£63.3m	4.6%	**€78.4m**	€72.8m	7.7%
Room revenue	**£49.1m**	£48.1m	2.0%	**€58.1m**	€55.4m	5.0%
EBITDA*	**£22.1m**	£19.6m	13.0%	**€26.2m**	€22.5m	16.3%
EBITDA margin*	**33.4%**	30.9%	250 bps	**33.4%**	30.9%	250 bps
Occupancy	**86.5%**	82.4%	410 bps	**86.5%**	82.4%	410 bps
Average room rate*	**£144.5**	£149.1	(3.1)%	**€171.2**	€171.6	(0.2)%
RevPAR*	**£124.9**	£122.8	1.7%	**€148.0**	€141.4	4.7%

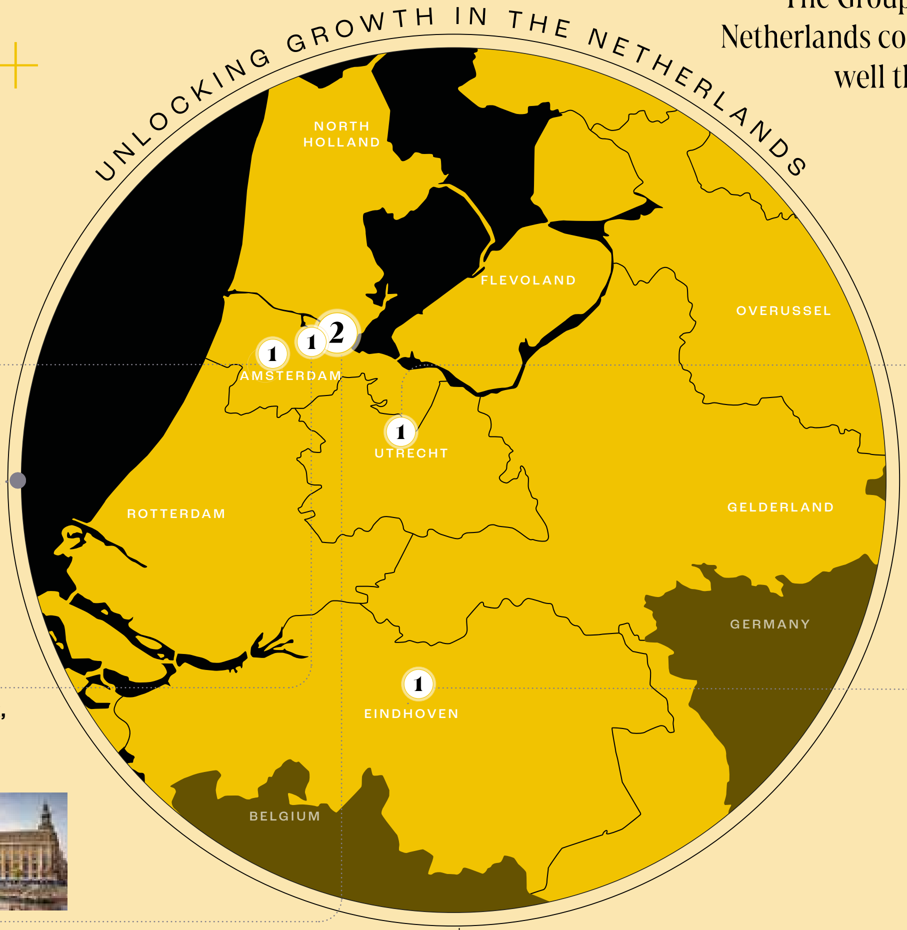
1 Average exchange rate from euro to GBP for the period ended 31 December 2024 was 1.185 and for the period ended 31 December 2023 was 1.151, representing a 2.9% increase.
2 Independent valuation by Savills in December 2024.
3 Percentage change figures are calculated from actual figures as opposed to the rounded figures included in the above table.

Total value of the Netherlands property portfolio[2]
£319m
(2023: £318m)

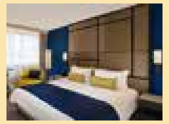
Room count
1,000+

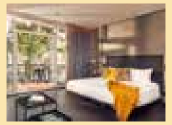
Number of employees across the Netherlands
450

The Group's properties in the Netherlands continued to perform well throughout the year

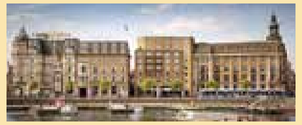



Park Plaza Amsterdam Airport


Park Plaza Utrecht


Park Plaza Vondelpark, Amsterdam


Park Plaza Eindhoven


art'otel Amsterdam
Park Plaza Victoria Amsterdam

"The Netherlands, and Amsterdam in particular, continues to be an important part of our portfolio."

Unlocking growth in **Croatia**

Property portfolio

The Group's subsidiary Arena Hospitality Group d.d. owns and operates a Croatian portfolio comprising nearly 8,500 rooms and accommodation units across eight hotels, six resorts and eight campsites (including one all-glamping property). Four of these properties are Park Plaza branded, one property is art'otel branded, and Grand Hotel Brioni Pula is a Radisson Collection hotel. The remainder of our portfolio operates as part of the Arena Hotels & Apartments and Arena Campsites brands. Except for art'otel Zagreb, the Group's first art'otel in Croatia, which opened in Q4 2023, all properties are located in Istria – Croatia's most prominent tourist region, which benefits from easy access from Italy, the DACH countries and Central and Eastern Europe.

Financial performance

Croatia	Reported in Pound Sterling (£) Year ended 31 Dec 2024	Year ended 31 Dec 2023	% change[5]	Reported in local currency euro[2] (€) Year ended 31 Dec 2024	Year ended 31 Dec 2023	% change[5]
Total revenue	**£84.1m**	£78.1m	7.6%	**€99.6m**	€89.9m	10.8%
Room revenue*[4]	**£46.6m**	£42.6m	9.5%	**€55.2m**	€49.0m	12.7%
EBITDA*	**£21.5m**	£20.4m	5.2%	**€25.4m**	€23.5m	8.3%
EBITDA margin*	**25.6%**	26.1%	(60) bps	**25.6%**	26.1%	(60) bps
Occupancy[4]	**54.8%**	52.7%	210 bps	**54.8%**	52.7%	210 bps
Average room rate*[4]	**£138.3**	£140.2	(1.3)%	**€163.8**	€161.3	1.6%
RevPAR*[4]	**£75.7**	£73.8	2.6%	**€89.7**	€85.0	5.6%

Croatia	Like-for-like*[1] in Pound Sterling (£) Year ended 31 Dec 2024	Year ended 31 Dec 2023	% change[5]	Like-for-like*[1] in local currency euro[2,4] (€) Year ended 31 Dec 2024	Year ended 31 Dec 2023	% change[5]
Total revenue	**£80.6m**	£78.1m	3.2%	**€95.5m**	€89.9m	6.2%
Room revenue[4]	**£44.6m**	£42.6m	4.7%	**€52.8m**	€49.0m	7.8%
EBITDA*	**£21.7m**	£20.4m	6.5%	**€25.7m**	€23.5m	9.6%
EBITDA margin*	**27.0%**	26.1%	85 bps	**27.0%**	26.1%	85 bps
Occupancy[4]	**55.2%**	52.7%	255 bps	**55.2%**	52.7%	255 bps
Average room rate*[4]	**£138.7**	£140.2	(1.0)%	**€ 164.3**	€ 161.3	1.9%
RevPAR*[4]	**£76.6**	£73.8	3.8%	**€ 90.8**	€ 85.0	6.8%

1 The like-for-like* figures exclude the results of art'otel Zagreb for the first 10 months of 2024.
2 Average exchange rate from euro to GBP for the period ended 31 December 2024 was 1.185 and for the period ended 31 December 2023 was 1.151, representing a 2.9% increase.
3 Independent valuation by Zagreb nekretnine Ltd in December 2024.
4 The room revenue, average room rate*, occupancy and RevPAR* statistics include all accommodation units at hotels and self-catering apartment complexes and exclude campsites and mobile homes.
5 Percentage change figures are calculated from actual figures as opposed to the rounded figures included in the above table.

Total value of the Croatia property portfolio[3]

£351m

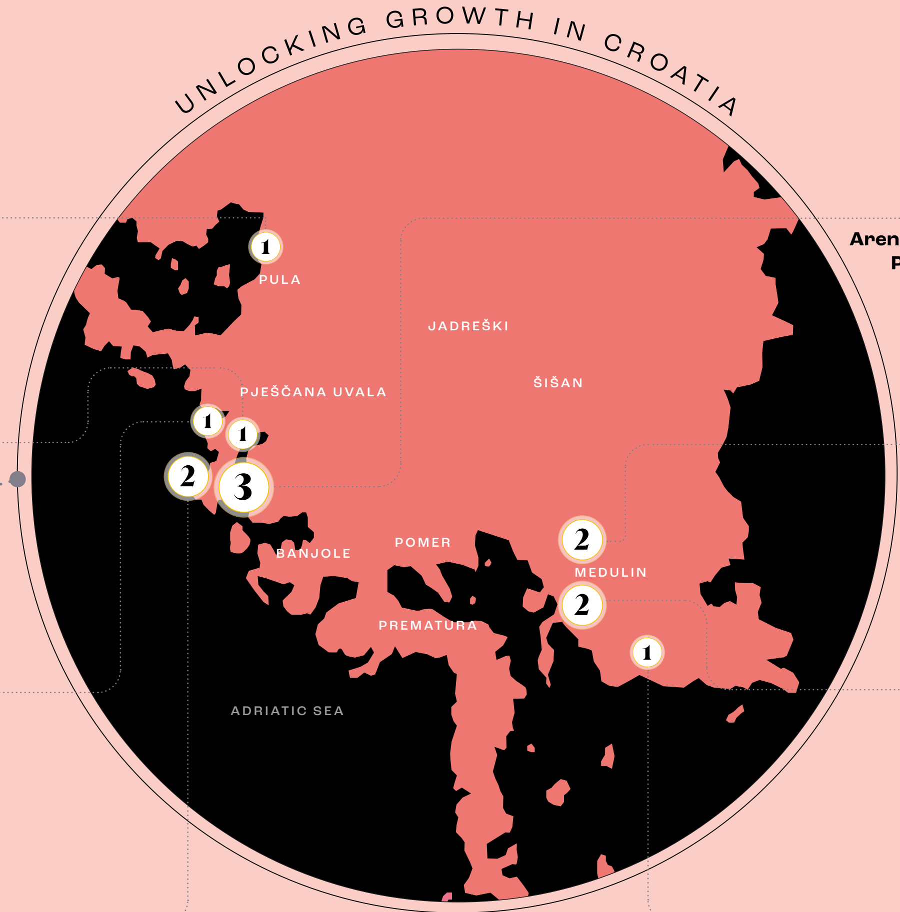
(2023: £361m)

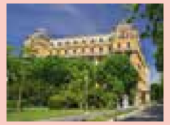
Room count

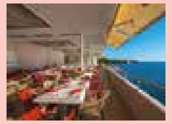
2,700+

Number of employees across Croatia

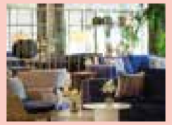
750

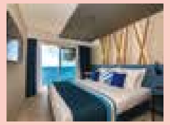


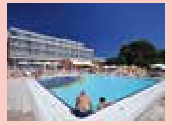

Hotel Riviera

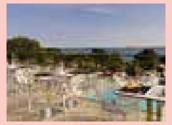

Horizont Resort

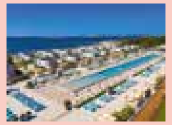

Splendid Resort


Grand Hotel Brioni Pula, Park Plaza Arena Pula


Arena Verdula Beach & Villas, Park Plaza Verudela Pula, Park Plaza Histria Pula,


Ai Pini Resort, Arena Hotel Holiday


TUI Blue Medulin, Park Plaza Belvedere Medulin,


Kamp Kažela apartments

> "We entered the Croatian market in 2008 with a vision to reposition the Arena portfolio and capitalise on the growing leisure demand for upscale and upper upscale properties in this beautiful part of Europe. We are thrilled with our progress made since."

Unlocking growth in **Croatia** – continued

> "Arena Stoja Campsite was upgraded to four-star and was awarded the prestigious 'Croatia's Best Campsites 2025' for the second consecutive year, together with Arena Grand Kažela Campsite and Arena One 99 Glamping."

Portfolio performance

The Group's operations in Croatia are principally seasonal and aimed at the leisure segment. Most hotels, resorts and campsites are closed during the winter season the (first and last quarters of the year), and open for guests from early spring, around Easter time. Demand and activity then accelerate during Q2 ahead of the peak summer season in June, July and August.

The portfolio performed well during the peak season, albeit the shoulder month of September was impacted by unseasonal weather. Growth reported is a result of the continued maturing of properties which we have repositioned throughout the years, with enhanced guest appeal and now firmly positioned as upscale and upper upscale properties. Tourism demand for our portfolio is predominantly from countries within driving distance such as Germany, Austria, Italy, Slovenia, the Czech Republic, Poland and Hungary, as well as domestic guests. This growth was delivered despite reduced flight capacity into Pula Airport compared with 2019, which affected demand from guests relying on flights from countries such as the UK and the Nordics.

The Group's hotels, campsites, and self-catering holiday apartments all delivered year-on-year revenue growth, driven by increased average daily rates, increased occupancy levels, and recent investment projects. Following a repositioning investment programme, Arena Stoja Campsite was upgraded to four-star and was awarded the prestigious 'Croatia's Best Campsites 2025' for the second consecutive year, together with Arena Grand Kažela Campsite and Arena One 99 Glamping.

The performance in the region benefited from a strong year-on-year performance of Grand Hotel Brioni Pula, which continued to capitalise on significant investment to reposition the property as a luxury destination, and the recently opened city centre art'otel Zagreb. These hotels operate all year round.

Total reported revenue (in local currency) was up 10.8% to €99.6 million (2023: €89.9 million). RevPAR* increased by 5.6% to €89.7, which reflected a 1.6% higher average room rate* to £163.8 (2023: €161.3), while occupancy was 210 bps higher at 54.8% (2023: 52.7%).

Reported EBITDA* increases by 8.3% to €25.4 million (2023: €23.5 million), which delivered an EBITDA margin* of 25.6% (2023: 26.1%).

On a like-for-like* basis, which excludes art'otel Zagreb, total revenue was up 6.2% to €95.5. Like-for-like* EBITDA* was up 9.6% to €25.7, which represented an EBITDA margin* of 27.0%.

Grand Hotel Brioni Pula – lobby bar

Unlocking growth in **Germany**

Property portfolio

The Group's portfolio includes four properties in Berlin and one hotel each in Cologne, Nuremberg and Trier. Hotels with an ownership interest include Radisson RED Berlin Kudamm[3] (formerly Park Plaza Berlin Kudamm), Park Plaza Nuremberg, art'otel Berlin Mitte[3], Park Plaza Berlin and art'otel Cologne. Park Plaza Wallstreet Berlin Mitte operates under an operating lease and Park Plaza Trier[3] operates under a franchise agreement.

Portfolio performance

In Germany, the Group's portfolio delivered strong RevPAR* growth, driven by significantly higher year-on-year occupancy and a relatively stable average room rate*, underscored by favourable travel trends, international trade fairs and events in Berlin, Cologne and Nuremberg, and continued recovery in demand.

Total revenue (in local currency) was up 10.4%, at €28.9 million (2023: €26.2 million). RevPAR* grew by 10.2% to €94.9 (2023: €86.2), driven by occupancy rebuilding to 69.5% (2023: 62.3%) and average room rate* was maintained at €136.6 (2023: €138.4).

EBITDA* improved significantly, up 28.5% to €8.1 million (2023: €6.3 million), due to increased revenue as well as a more stable inflationary and labour cost environment. EBITDA margin* improved to 28.0% (2023: 24.0%).

During the year, the repositioning and rebranding of the former Park Plaza Berlin Kudamm was completed. The property closed in November 2023 for the refurbishment of all the public areas and guest rooms and was relaunched as a Radisson RED hotel in June 2024. The soft opening enabled the hotel to take advantage of the high level of demand in Berlin during the European UEFA Football Championship in June and July. The hotel was fully operational from September 2024 and is achieving excellent guest feedback. This is the second Radisson RED branded hotel operated by PPHE's Croatian subsidiary Arena Hospitality Group d.d.. The property is a joint venture, so its performance in not included in the metrics reported above.

The German hotel market*

The German market experienced a 6.8% increase in RevPAR* to €79.4, resulting from a 3.0% improvement in occupancy to 66.9% and a 3.8% increase in average room rate* to €118.8.

In Berlin, RevPAR* increased by 8.3% to €93.1 and occupancy increased by 2.4% to 73.4%. Average room rate* increased 5.8% to €126.8.

* Source: STR European Hotel Review, December 2024

Financial performance

	Reported in Pound Sterling (£)			Reported in local currency euro[1] (€)		
Germany	**Year ended 31 Dec 2024**	Year ended 31 Dec 2023	% change[4]	**Year ended 31 Dec 2024**	Year ended 31 Dec 2023	% change[4]
Total revenue	**£24.4m**	£22.8m	7.2%	**€28.9m**	€26.2m	10.4%
Room revenue	**£20.9m**	£19.5m	7.3%	**€24.8m**	€22.5m	10.5%
EBITDA*	**£6.8m**	£5.5m	24.9%	**€8.1m**	€6.3m	28.5%
EBITDA margin*	**28.0%**	24.0%	395 bps	**28.0%**	24.0%	395 bps
Occupancy	**69.5%**	62.3%	720 bps	**69.5%**	62.3%	720 bps
Average room rate*	**£115.3**	£120.3	(4.1)%	**€136.6**	€138.4	(1.3)%
RevPAR*	**£80.1**	£74.9	7.0%	**€94.9**	€86.2	10.2%

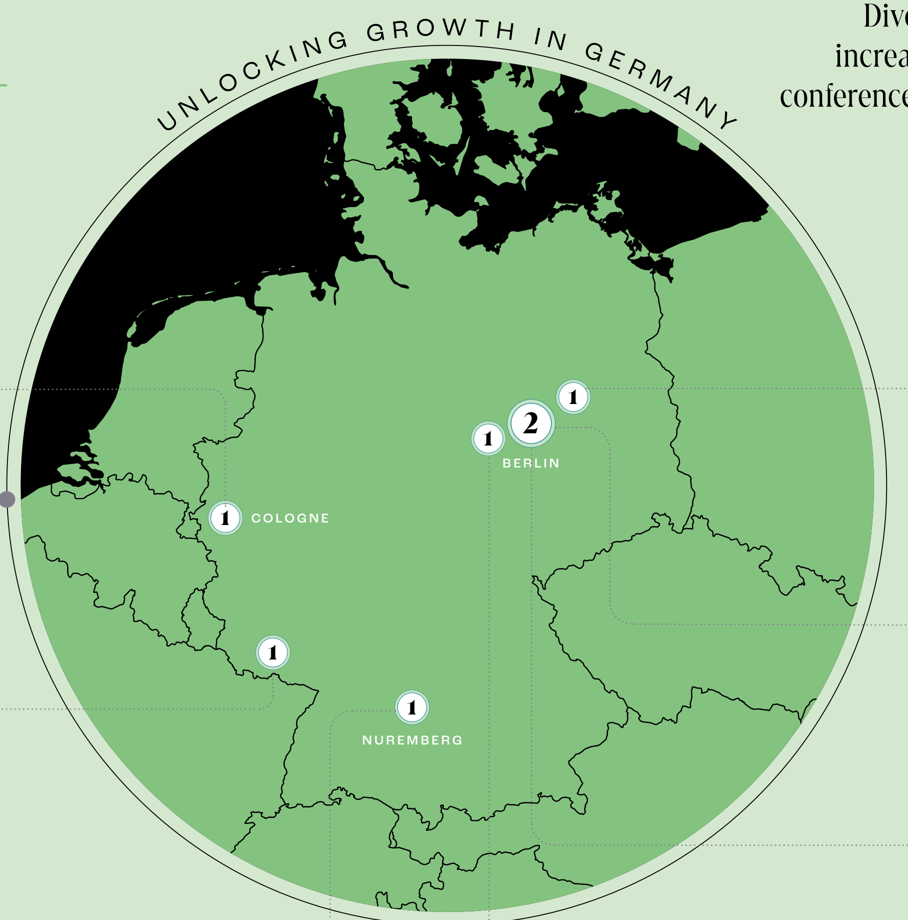
1 Average exchange rate from euro to GBP for the period ended 31 December 2024 was 1.185 and for the period ended 31 December 2023 was 1.151 representing a 2.9% increase.
2 Independent valuation by Savills in December 2024.
3 Revenues derived from these hotels are accounted for in Management and Central Services performance and their values and results are excluded from the data provided in this section.
4 Percentage change figures are calculated from actual figures as opposed to the rounded figures included in the above table.

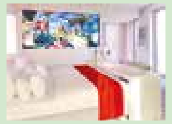
Total value of the German property portfolio[2]
£85m
(2023: £92m)

Room count
1,100+

Number of employees across Germany
250

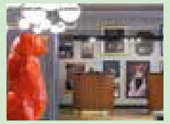
Diverse clientele with increasing business and conference guest occupancy

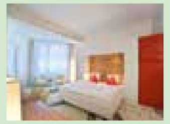


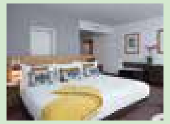

art'otel Cologne


Park Plaza Trier


Park Plaza Nuremberg


Radisson RED Berlin Kudamm


Park Plaza Wallstreet Berlin Mitte


art'otel Berlin Mitte


Park Plaza Berlin

"Germany is a growing market and our presence is balanced between predominantly corporate travel and conference destinations such as Nuremberg and Cologne, and the capital Berlin which benefits from a strong leisure appeal."

Unlocking growth in **other markets**

Number of employees across other markets
200

Italy, Hungary, Serbia and Austria

This includes the Group's properties in Austria, Italy and Serbia, and a property operated in Hungary.

	Reported in Pound Sterling (£)		
	Year ended 31 Dec 2024	Year ended 31 Dec 2023	% change[1]
Total revenue	**£10.7m**	£7.9m	35.8%
Room revenue	**£8.3m**	£6.1m	36.7%
EBITDA*	**£1.3m**	£(0.5)m	n/a
EBITDA margin*	**11.8%**	(6.7)%	1,850 bps
Occupancy	**59.3%**	44.4%	1,485 bps
Average room rate*	**£116.1**	£129.8	(10.6)%
RevPAR*	**£68.8**	£57.7	19.3%

1 Percentage change figures are calculated from actual figures as opposed to the rounded figures included in the above table.

Our performance

The Group's properties in Austria and Hungary were open throughout the year. The property in Serbia reopened as a Radisson RED branded hotel in February 2024 following an investment programme. The property in Italy was closed throughout the year due to an ongoing major repositioning investment programme.

Total revenue increased by 35.8% to £10.7 million, and EBITDA* increased to £1.3 million. This significant improvement reflected the strong trading performance of the three properties in operation, including the Radisson RED in Serbia, which was open for most of the year, compared with two properties in operation in 2023.

RevPAR* increased by 19.3% to £68.8, driven by occupancy, which increased to 59.3%. The average room rate* decreased to £116.1.

The Group's three properties in operation all have achieved a 4.5 out of 5 guest rating on Tripadvisor.

Nassfeld, Austria

The Arena FRANZ Ferdinand, a 144-room mountain resort in the Austrian Alps, performed strongly in its second year in operation, following an investment programme to refurbish the hotel and upgrade amenities to position the resort. The resort, which is now well positioned to capture, benefiting from now operating 10 months of the year.

Rome, Italy

The major repositioning programme for art'otel Rome Piazza Sallustio is nearing completion, with construction work finished and the hotel scheduled to open early March 2025. Following an extensive investment programme, the property will be a 99-room upper upscale premium lifestyle hotel in a prime position in the city of Rome, opposite the famous Horti Sallustiani (the Gardens of Sallust) and close to other iconic landmarks such as the Spanish Steps and Villa Borghese. The Signature Artist is renowned contemporary Roman artist Pietro Ruffo and each room will feature Ruffo's signature artworks and originals, enhancing the guest experience.

As well as contemporary rooms, the hotel will offer guests a unique restaurant and bar concept, and an art gallery with seasonal exhibitions.

Belgrade, Serbia

Radisson RED Belgrade opened in February 2024, following a £2.6 million refurbishment programme to reposition and rebrand the property. The hotel offers a guest gym, an all-day restaurant, flexible event spaces, a co-working area, and a rooftop bar with views of the historic city centre.

Since reopening, the hotel has continued to rebuild its presence in the city.

This property was formerly Arena 88 Rooms Hotel. It was the Group's first Radisson RED branded property to open.

Budapest, Hungary

Park Plaza Budapest (formerly art'otel Budapest) performed well, reporting an increase in revenue, driven by an improvement in occupancy.

The Hungarian hotel market*

The Hungary market experienced a 4.4% increase in RevPAR* to €82.4, resulting from a 4.0% increase in occupancy to 70.3% and a 0.4% increase in average room rate* to €117.1.

In Budapest, RevPAR* increased by 6.3% to €86.9 and occupancy increased by 5.0% to 70.6%. Average room rate* increased 1.2% to €123.0.

* Source STR European Hotel Review, December 2024

The Belgrade hotel market, Serbia*

In Belgrade, RevPAR* increased by 15.6% to €85.53 and occupancy increased by 2.2% to 67.3%. Average room rate* increased 13.1% to €127.1.

* Source STR European Hotel Review, December 2024

The Italian hotel market*

The Italian market experienced a 4.5% increase in RevPAR* to €154.3, resulting from a 0.1% increase in occupancy to 69.4% and a 4.4% increase in average room rate* to €222.5.

In Rome, RevPAR* increased by 3.1% to €172.4 and occupancy increased by 1.1% to 72.4%. Average room rate* increased 2.0% to €238.2.

* Source STR European Hotel Review, December 2024

Management and Central Services

Our performance

The revenue in this segment is primarily related to management, sales, marketing and franchise fees, and other charges for Central Services. This includes properties operated by the Group's hospitality management platform, such as art'otel London Battersea Power Station.

These fees and costs are mainly charged within the Group and therefore eliminated upon consolidation. For the year ended 31 December 2024, the segment showed an EBITDA* profit of £7.4 million, as internally and externally charged management fees exceeded the costs in this segment.

Management, Group Central Services and licence, sales and marketing fees are calculated as a percentage of revenue and profit and therefore are affected by underlying hotel performance.

	Reported in Pound Sterling (£) Year ended 31 Dec 2024				
	Listed Company	**Development Projects**	**Management Platform**	**Arena Hospitality Group**	**Total**
Management revenue	–	£0.1m	£40.1m	–	£40.1m
Central Services revenue	–	–	–	£15.8m	£15.8m
Revenues within the consolidated Group	–	–	£(32.2)m	£(14.9)m	£(47.1)m
External and reported revenue	**–**	**£0.1m**	**£7.8m**	**£0.9m**	**£8.8m**
EBITDA*	**£(3.2)m**	**£(0.3)m**	**£11.1m**	**£(0.2)m**	**£7.4m**

	Reported in Pound Sterling (£) Year ended 31 Dec 2023				
	Listed Company	Development Projects	Management Platform	Arena Hospitality Group	Total
Management revenue	–	–	£37.3m	–	£37.4m
Central Services revenue	–	–	–	£14.0m	£14.0m
Revenues within the consolidated Group	–	–	£(30.9)m	£(12.9)m	£(43.7)m
External and reported revenue	**–**	**–**	**£6.5m**	**£1.2m**	**£7.7m**
EBITDA*	**£(2.2)m**	**£(1.0)m**	**£12.0m**	**£(1.9)m**	**£7.0m**

Stakeholder engagement

As our business grows, it provides long-term, sustainable value to a variety of financial and community stakeholders. By creating beautiful, world-class hotels across our destinations, we deliver our guests great experiences. We contribute to the economies of our local communities, and we drive up environmental performance.

Guests

Stakeholder priorities

- Unique, memorable experiences
- Consistency in service and product across the portfolio
- To enjoy our hotels in a responsible way through a proactive approach to reducing carbon, plastics and other waste
- Multiple, easy communication channels throughout the guest journey
- A personalised approach
- Rewarding their loyalty

How we engaged in 2024

Our teams engage with guests, and monitor guest feedback, in many different ways, from interactions when guests stay with us – face-to-face or through our dedicated WhatsApp service, or pre and post stay with our customer service centre team. In addition, we collect and analyse more than 95,000 guest reviews per annum, as well as thousands of guest surveys, and we have social media listening tools in place, allowing us to engage with guests in real time. We also offer a live chat function on our hotel websites during office hours. In addition, our guests can contact us through the Radisson Contact Centres. In the year, we have expanded our communications of ESG activities on our hotel websites, to ensure that each of them conveys to our guests the most important information about what we do in this area.

Investors

Stakeholder priorities

- Transparency and accountability to ensure that what we do drives long-term, sustainable returns on investment
- Good corporate governance
- Reduced carbon emissions
- Diversity, Equity and Inclusion at leadership level

How we engaged in 2024

Our senior leadership follow up on our full-year and half-year results announcements with an Investor roadshow. This enables us to have open conversations on the results and our strategy, allowing for increased accountability to our investor base. Video presentations about the results are recorded and made available, to allow any investor to access the key messages and updates.

We continue to have regular investor lunches at our hotels and conduct site visits to present the progress made on development projects and update on future projects. We are also available on an ad-hoc basis for periodic investor calls and presentations, as well as online information channels such as LinkedIn and an email newsletter to investors.

Team members

Stakeholder priorities

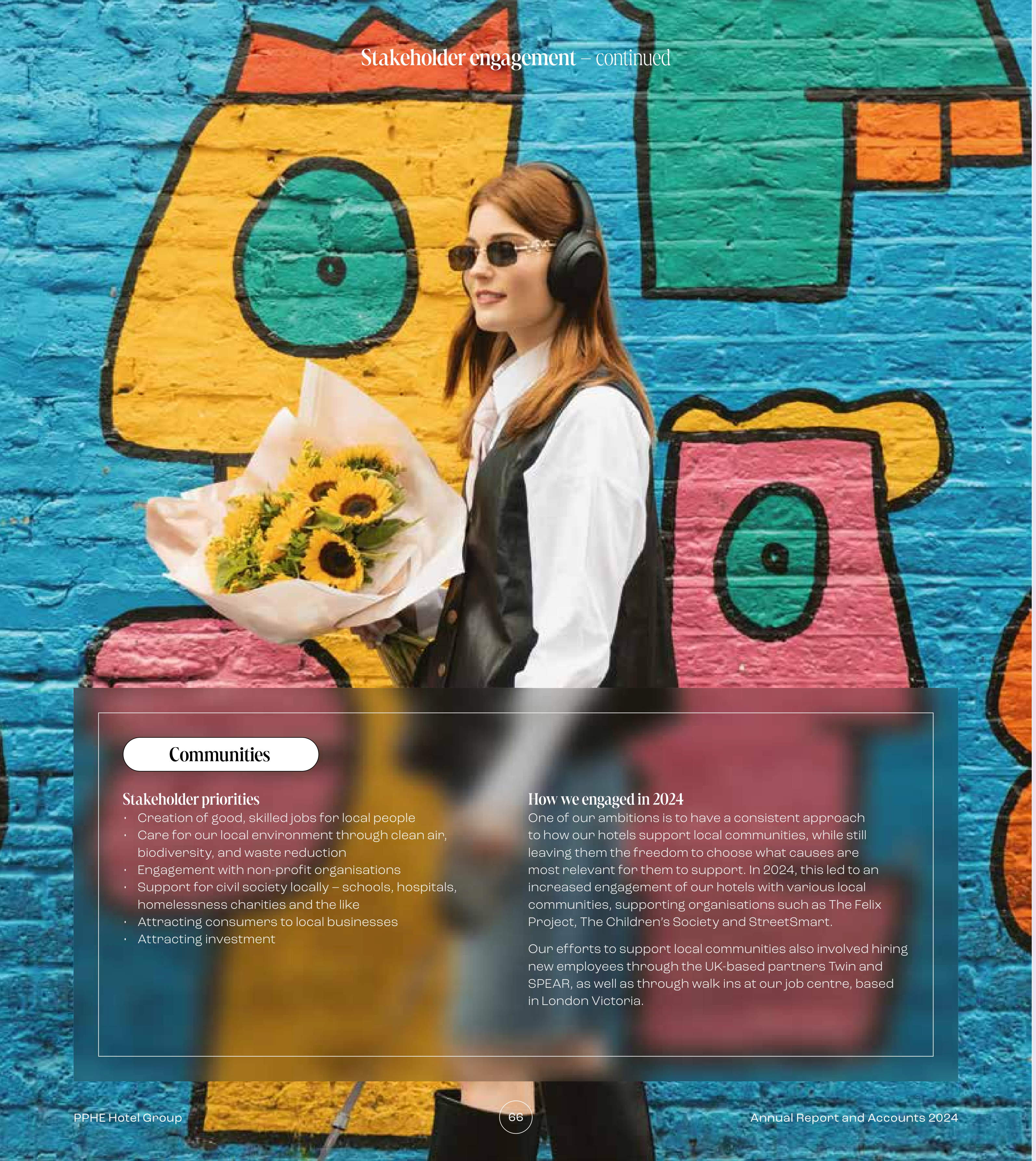
- Working for an employer that cares about their wellbeing and development
- Contributing to environmental and social progress
- A great place to work: safe, flexible, diverse and inclusive
- A job to be proud of
- Health, physical and mental
- Being rewarded for loyalty and dedication

How we engaged in 2024

We continue to have monthly 'Team Member Forums' in our hotels, each attended by a committee of employee representatives. The Team Member Forums are an occasion for everyone to raise comments and suggestions, as listening to the employee voice is key to ensure a smooth communication between the business and our team members. The members of the Forum are elected by their peers, with representatives from each department in the hotel or regional office. A Regional Forum made of a representative from each location meets with the Executive Vice President of Operations for the region quarterly. Besides these Forums, we also hold regular 'Let's Connect' sessions, which follow a town hall meeting approach. All employees are invited to these sessions, where senior leadership presents updates on the business and receive feedback.

This year, we continued to engage our team members with regular ESG newsletters, to share updates on the milestones in this space. Our network of ESG Ambassadors based in the hotels is still supporting us to gather information on various initiatives taking place in every location, as well as sharing any updates with their colleagues directly in the hotels, thus reinforcing our central communications efforts. The ESG Manager has also regularly visited our hotels to ensure that the General Managers (GMs), the Ambassadors and all other team members are up to date with the latest progress on the ESG strategy.

Please see page 102 for further information on Board engagement with the workforce.



Communities

Stakeholder priorities

- Creation of good, skilled jobs for local people
- Care for our local environment through clean air, biodiversity, and waste reduction
- Engagement with non-profit organisations
- Support for civil society locally – schools, hospitals, homelessness charities and the like
- Attracting consumers to local businesses
- Attracting investment

How we engaged in 2024

One of our ambitions is to have a consistent approach to how our hotels support local communities, while still leaving them the freedom to choose what causes are most relevant for them to support. In 2024, this led to an increased engagement of our hotels with various local communities, supporting organisations such as The Felix Project, The Children's Society and StreetSmart.

Our efforts to support local communities also involved hiring new employees through the UK-based partners Twin and SPEAR, as well as through walk ins at our job centre, based in London Victoria.

Affiliates

Stakeholder priorities

- A strong business partnership through shared stewardship of brand standards
- Safeguarding brand reputation for environmental and social issues

How we engaged in 2024

In 2024, we continued to engage regularly with Radisson to enable alignment across the two organisations, both on brand standards and on other opportunities for collaboration. An example of this collaboration is the accreditation of our hotels to Hotel Sustainability Basics (HSB), which Radisson has conducted across all its brands. HSB is an initiative launched by the World Travel and Tourism Council (WTTC) and is a globally recognised set of sustainability indicators for the hospitality sector, allowing for standardised criteria across the industry. Our partnership with Radisson is strong and spans many expert teams, from our commercial team to learning and development, from ESG to procurement and from business development to health and safety. All of these disciplines have regular meetings and interactions with Radisson, both structured and ad hoc, to ensure that initiatives are aligned and that PPHE is fully leveraging Radisson's offering of technologies, commercial programmes and consumer brands.

Suppliers

Stakeholder priorities

- Ensure that suppliers are able to meet our sustainability demands
- Alignment and collaboration on sustainability goals

How we engaged in 2024

Our priority in 2024 has been to explore what our current and prospective suppliers are doing on ESG and understand how we can collaborate to enhance the sustainability profile of the products and services we purchase. For example, we engaged with our supplier of laundry services in London to define how we can work together to reduce energy and water consumption associated with their service, a collaboration that will continue in 2025.

The membership in the Zero Carbon Forum has also been particularly helpful. This allowed us to engage with various suppliers and stay up to date with current sustainability trends and opportunities across various of our key commodities.

Environmental, Social and Governance

In 2024, we have made important advancements on our ESG strategy, improving the sustainability profile of our hotels and their social impact. This builds on a set of 35 ESG targets we had established in 2023, all of which have seen progress in the past 12 months.

Inbar Zilberman
Chief Corporate & Legal Officer

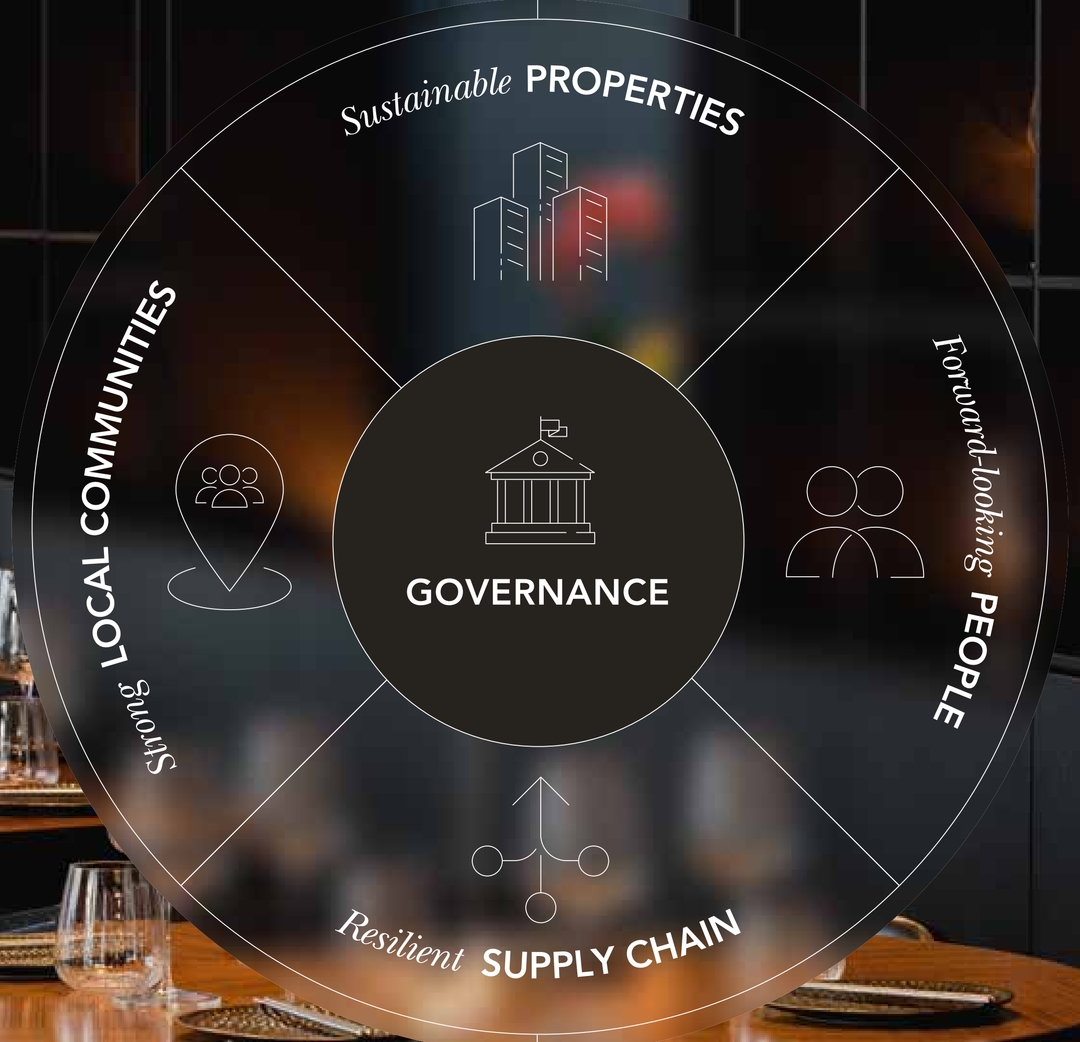
In 2024, we have made important advancements in our ESG strategy, working on the sustainability profile of our hotels and their social impact. This builds on a set of 35 ESG targets we had established in 2023, grouped under ten strategic objectives, all of which have seen progress in the past 12 months.

The implementation of the strategy is led by the ESG Manager, who reports to the Chief Legal & Corporate Officer on our performance and progress towards our strategic objectives. We continue to be members of the Zero Carbon Forum and the Energy & Environment Alliance, both particularly helpful for staying up to date with real estate and hospitality trends on sustainability, as well as reporting to CDP (formerly known as Carbon Disclosure Project) and WDI (Workforce Disclosure Initiative).

ESG strategy targets

Our ESG strategy is based on the double materiality principles. The last double materiality assessment ('DMA') we conducted was in 2022. This enabled us to understand the most important issues for our stakeholders, as well as how societal and environmental factors affect our business. Following a three-year cycle, we have already begun the work to conduct a new DMA in 2025, with the results to be presented in next year's annual report.

Our ESG strategy



Each of our targets is intended to contribute to one or more of the United Nations Sustainable Development Goals (SDGs). The SDGs that we support the most are the ones below.

Links to UN SDGs

ESG strategic objectives

Each target contributes to achieving a specific strategic objective, which has been established to address stakeholder priorities and ensure that all elements of the strategy work cohesively. The strategic objectives are designed to be mutually reinforcing, meaning that progress on one will in many cases advance others as well. These strategic objectives are listed in the table to the right.

Strategic objective	Strategic pillar
Achieve net zero by 2040	
Adapt to climate change	
Attract and retain talent	
Communicate our ESG efforts to stakeholders	
Enhance biodiversity	
Ensure waste management best practice	
Promote Diversity, Equity and Inclusion	
Promote ESG across our supply chain	
Ensure good stewardship of water resources	
Support local communities	

Decarbonisation journey

In our effort to reduce carbon emissions, we have submitted a commitment letter to the SBTi, outlining our intention to set net zero and near-term targets, which we will request the SBTi to validate. As part of this, we are required by the SBTi to meet interim goals, ensuring public accountability for our progress, metrics and milestone achievements. The next steps on this journey are to assemble a decarbonisation plan and finally submit to the SBTi for validation by the end of 2025.

In 2024, we began the internal engagement work with our senior management to draft the decarbonisation plan. We have also contracted additional support from Greenview, a company which specialises in this area to accompany us in this journey. This project is expected to be completed in 2025, with the final output being a comprehensive list of actions to reduce the carbon emissions across the whole business. This will address emissions within Scopes 1, 2 and 3, that is, ranging from recommendations to possibly replace and phase out gas boilers, to working with our suppliers to improve the environmental performance of the products and services we purchase.

Our business is at the intersection between real estate and hospitality operations, therefore a key focus of the plan will be on the construction and refurbishment activities that form part of our operations. This will entail looking at construction materials used for our projects and working with our suppliers to find ways to reduce our footprint in this area. Another critical area for decarbonisation will be food and beverage products, representing the majority of our Scope 3 emissions, which again will require significant engagement with our suppliers.

This year, we placed increased focus on ESG communications and awareness within the Company at all levels. In Q1 2024, we held a bespoke masterclass for the Company's ESG Committee, which was delivered by the Zero Carbon Forum. The purpose of this training session was to educate the Board members on the key aspects of decarbonisation and equip them with knowledge to lead PPHE's response to climate change. This is particularly important as we embark on systemic changes in our strategic and operational approach to both the real estate and hospitality sides of our business in the pursuit of decarbonisation. In addition to that, the ESG Manager has conducted regular engagement with teams in all the properties to communicate progress on the ESG strategy, as well as to get feedback on it. This was aided by the team of ESG Ambassadors present in each of our hotels, who are the reference point on the ground for initiatives around sustainability and local community engagement.

To enhance alignment across the whole Group, in June 2024 we held a cross-regional workshop in Pula, Croatia. The objective was to review progress towards our ESG targets and strategic objectives and set future priorities, also accounting for key regional differences across our regions.

Carbon footprint

In 2024, we continued to make advancements in our carbon footprint methodology, further increasing the level of confidence in our results. This includes improvements in internal processes to ensure data integrity and extensive involvement of various teams throughout the footprint exercise.

Another area of improvement relates specifically to Scope 3 emissions. The available methods for calculating these emissions generally are: 1) spend-based; 2) volume-based; and 3) supplier level data. While the spend-based method is the simplest, as it consists in a multiplication between the amount spent by an emission factor, the volume-based method accounts for the actual volume of products or services purchased (regardless of the amount spent on them), making the calculations more accurate and disjointed from factors such as inflation, which could artificially skew the emissions calculations. Finally, the supplier level data is regarded as the most accurate method, as it relies directly on emission factors provided by the suppliers, who would have conducted life cycle assessments on their products. With this in mind, this year we expanded the share of emissions calculated through a volume-based approach across the whole Group, with a view to start using supplier level data in the near future, thus slowly moving away from a spend-based approach towards more accurate methods.

In 2024, we consolidated our suppliers across various product categories in the UK. Having fewer suppliers led to increased standardisation in the data in our procurement system, thus allowing us to assign more accurate emission factors to the individual items we purchase and increasing the accuracy of the carbon footprint calculations. Furthermore, this year we implemented a halt to suppliers offering more than one delivery per day, unless critical for business continuation. This enabled us to consolidate multiple deliveries into a single one, hence reducing associated costs and emissions.

In 2024 the carbon footprint calculations were conducted by the consultants Zero Carbon Services for PPHE and Code Gaia for AHG, based on data provided by PPHE and AHG. This is the same process as was followed in 2023. The results are shown in Table 1 below, together with a comparison with 2023 in Table 2. The figures for 2023 are the result of a recalculation conducted in 2024 to reflect an improved and more accurate methodology.

Table 1 Carbon footprint of PPHE Hotel Group – 2024

	tCO_2e (market-based)	% of total (market-based)	tCO_2e (location-based)	% of total (location-based)
Scope 1	9,661	11.2%	9,661	9.5%
Scope 2	1,887	2.2%	17,654	17.3%
Scope 3	74,744	86.6%	74,744	73.2%
Total	**86,292**	**100.0%**	**102,059**	**100.0%**

Table 2 Carbon footprint of PPHE Hotel Group – 2023

	tCO_2e (market-based)	% of total (market-based)	tCO_2e (location-based)	% of total (location-based)
Scope 1	9,067	10.1%	9,067	8.8%
Scope 2	3,915	4.4%	16,935	16.4%
Scope 3	76,999	85.6%	76,999	74.8%
Total	**89,981**	**100.0%**	**103,001**	**100.0%**

The results show that overall emissions for the Group have slightly decreased year on year. The main driver of this reduction is Scope 3, as various construction and refurbishment projects conducted throughout 2023 have come to an end in 2024 (art'otel London Hoxton, art'otel Zagreb, Radisson RED Belgrade and Radisson RED Berlin Kudamm), meaning that the related emissions in the Scope 3 category 'Capital Goods' have decreased in 2024. Another notable reduction is in Scope 2 market-based emissions, due to 2024 being the first full financial year with renewable electricity contracts for various European countries, which now cover our properties in all countries except for Serbia. On the other hand, Scope 1 and Scope 2 location-based have both increased year on year, largely due to the four new operational properties and increased occupancy across all regions.

Sustainable properties

Links to UN SDGs

We continue to source 100% renewable electricity to all our hotels (except for Serbia) through Renewable Energy Guarantees of Origin (REGOs) in the UK and Guarantees of Origin (GoOs) in the rest of Europe. Park Plaza Arena Pula and Grand Hotel Brioni Pula are equipped with photovoltaic panels for on-site renewable energy generation, which we are looking to install in additional properties in 2025.

In 2024, we have upgraded some of the equipment in our hotels to achieve energy efficiency gains. These include the replacement of old minibars with highly efficient thermoelectric ones, the installation of boiler pumps with improved efficiency, and the installation of a kitchen extractor control system in various hotels.

Building certifications

To raise our properties' environmental performance, in past years we have already achieved BREEAM certifications for some of them: Park Plaza London Waterloo (Very Good), Park Plaza London Riverbank (Very Good), Park Plaza London Park Royal (Very Good) and art'otel London Battersea Power Station (Excellent). This list has been expanded in 2024, with art'otel London Hoxton obtaining a BREEAM Excellent certification, with other properties in our portfolio expected to get the certification in 2025.

In 2024, we have adopted a Group-wide policy which will require that all new-build hotels, repositioning projects and refurbishments obtain a certification by a recognised building certification scheme, such as BREEAM or DGNB (Deutsche Gesellschaft für Nachhaltiges Bauen), depending on the location.

Building on this work, in the fourth quarter we have also engaged the consultancy Sweco to support us in obtaining the BREEAM in-use certification for some additional properties, with the submission to BRE (the organisation responsible for the BREEAM certification) expected to be completed in 2025. Once this is done, BRE will review the evidence provided in our submission and issue the BREEAM in-use certifications for the appropriate rating.

A remarkable achievement was art'otel Zagreb receiving the 2024 Green Building and Sustainable Built Environment Award in the Building of the Year – Reconstruction category. This was awarded by the Croatian Green Building Council and recognises energy-efficient building reconstructions completed between January 2023 and July 2024.

Hotel sustainability certifications

The environmental performance of our properties has also supported our hotels in achieving high scores in their sustainability certifications, such as Green Tourism, Green Globe, Green Key, Travelife and Blue Flag. The full list of these certifications is shown in Table 3 on page 75.

The few properties in our portfolio currently missing from the list are on track to receive their Green Key and Green Tourism certifications in 2025.

In 2024, all our hotels also achieved the HSB accreditation, an initiative promoted by Radisson across all its brands. HSB is an initiative launched by the WTTC and is a globally recognised set of sustainability indicators for the hospitality sector, allowing for standardised criteria across the industry.

Waste management

We are committed to reducing the amount of waste generated by our properties and to dispose of it through the appropriate channels. Our waste is recycled wherever possible, or incinerated to generate energy in waste-to-energy facilities, with a small minority of it still going to landfill. However, we are working across our whole portfolio to bring the share of waste sent to landfill down even further in the coming years.

As a significant step towards reducing plastic waste, in 2024 we moved from single-use toiletry bottles to large dispensers across all our properties. By eliminating small plastic bottles, we will minimise the amount of plastic produced and waste generated, ultimately reducing our environmental impact in this area. To ensure the most appropriate disposal of these dispensers we partnered with Clean the World, an organisation specialised in waste recycling, who now collect and process the used dispensers from our properties. This shift not only has environmental benefits, but also enhances the guest experience, as the larger dispensers ensure a reliable supply of high quality products for the entire stay without the need for regular replacements.

At the same time, we have progressed with the elimination of other single-use plastic items from our hotel rooms, such as the plastic wrapping around our slippers, as well as plastic combs and toothbrushes, which have been replaced with bamboo alternatives. In our Dutch properties, we adopted the EcoTap water bottling system for guest rooms, reducing our reliance on plastic bottles.

In 2024, we have engaged the company The Waste Specialists, which began to support us in aligning waste management practices across our UK properties. The plan we devised with The Waste Specialists for 2025 is to introduce new bins to improve waste sorting where necessary, to launch staff training on waste management, and to set a clear baseline for food waste to then introduce future internal reduction targets.

In various properties in Croatia, we introduced food recycling machines to convert food waste into compost, giving this waste a new life.

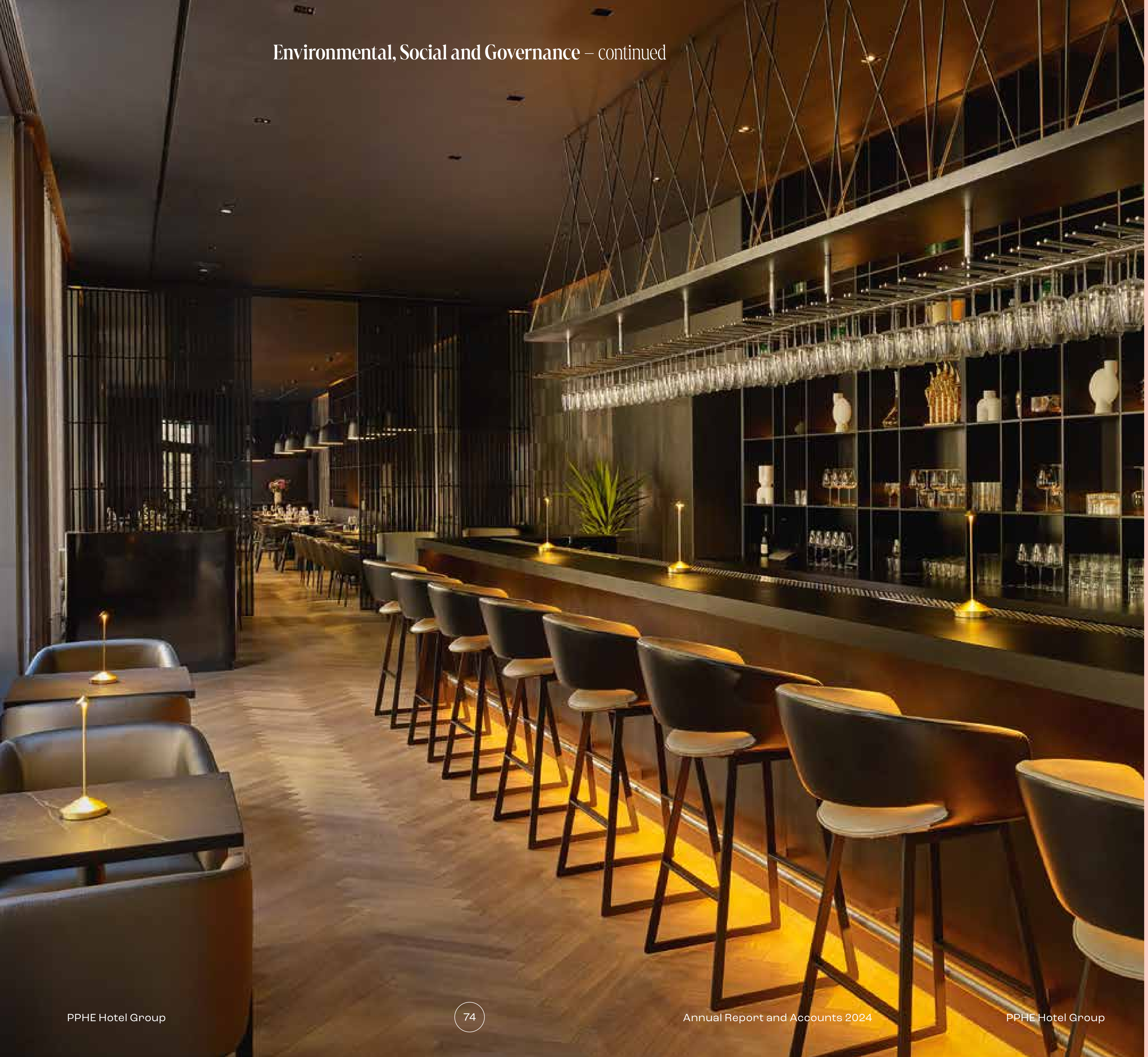


Table 3 List of our hotel sustainability certifications

Green Key

The Netherlands

Park Plaza Eindhoven
Park Plaza Vondelpark, Amsterdam
Park Plaza Utrecht

Germany

art'otel Berlin Mitte
art'otel Cologne
Radisson Red Berlin Kudamm
Park Plaza Berlin
Park Plaza Wallstreet Berlin Mitte
Park Plaza Nuremberg

Austria

Arena Franz Ferdinand Nassfeld

Serbia

Radisson RED Belgrade

Croatia

Park Plaza Histria Pula
Park Plaza Punta Verudela Pula
Arena Verudela Beach Resort Pula
Park Plaza Arena Pula
Grand Hotel Brioni Pula
Splendid Resort Pula
Horizont Resort Pula
Park Plaza Belvedere Medulin
Arena Hotel Holiday Medulin
Hotel TUI Blue Medulin
Ai Pini Medulin
art'otel Zagreb
Arena Grand Kažela Campsite Medulin
Arena One 99 Glamping
Arena Stoja Campsite Pula
Arena Medulin Campsite
Arena Stupice Campsite
Arena Tašalera Campsite
Arena Runke Campsite
Arena Indije Campsite Banjole

Green Globe

The Netherlands

Park Plaza Amsterdam Airport
Park Plaza Victoria Amsterdam

Blue Flag

Croatia

Park Plaza Histria Pula
Grand Hotel Brioni Pula

Travelife

Croatia

Park Plaza Belvedere Medulin
TUI BLUE Medulin
Park Plaza Histria Pula

Green Tourism

UK

Park Plaza London Westminster Bridge
Park Plaza Nottingham
Park Plaza County Hall London
Park Plaza London Waterloo
Park Plaza London Riverbank
Park Plaza Victoria London
Park Plaza Leeds
Holmes Hotel London

Forward-looking people

As part of the ESG strategy, we have in place various targets regarding our team members, encompassing wellbeing, engagement rate, investment in learning and development, and retention rate.

Links to UN SDGs

Our employee engagement rate is measured through two surveys per year at PPHE and one per year at AHG. PPHE's average employee engagement rate, based on the two surveys conducted in 2024, was 84.5%, placing the Company over 2% above the sector average and above our internal target. This result has had positive effects on the retention rate, which increased by 6.3% in the UK and 6.7% in the Netherlands. Due to the seasonality of employment in AHG's locations, we set a slightly lower target for those regions, with results showing an engagement level of 75%. For this reason, in 2024 the engagement survey methodology for AHG was amended to reflect the diverse workforce, such as permanent, seasonal and foreign employees, which will ultimately enable the collection of more meaningful feedback from our workforce going forward.

We have set ambitions around employee wellbeing, with the relative metric also showing significant improvements throughout 2024, supported by initiatives such as the launch of the Vitality platform for all team members.

Another area of work this year focused on learning and development (L&D). To enhance our offer, the dedicated corporate office team has been expanded, leading to the creation of an extensive onboarding journey for new leaders and our Degree Apprenticeship.

We are proud of this programme, as it is an industry first. This is run in collaboration with Dorchester Group, Grosvenor House and Red Carnation, and is delivered in partnership with the University of Gloucestershire. We have now hired 12 young Londoners on two cohorts who are working over three years towards a BA in Applied Hospitality Management. This is just one of nine different apprenticeship programmes currently on offer, for which 45 people were enrolled in 2024. Management development has also been a key focus, with the development and roll out of several new workshops to all line managers, such as Employee Engagement for Line Managers and Interviewing & Candidate Experience, both contributing positively to employee engagement and time-to-hire respectively, with time-to-hire reduced by 30% in the UK. Across our art'otel hotels, we rolled out the art'print programme, our differentiated culture and purpose blueprint and related training programme, to all team members.

Diversity, Equity and Inclusion (DE&I)

This year, PPHE has placed particular focus on DE&I initiatives around talent acquisition, emphasising community engagement, personalised recruitment, and partnerships with organisations supporting diverse groups. Key actions implemented in our UK hotels include the following:

1. **Community partnerships:** PPHE collaborates with the organisations Twin and SPEAR, as well as the UK Department for Work and Pensions, to hire individuals from diverse backgrounds, including neurodiverse candidates and young people with limited experience. Regular events at the career centre connect candidates from these groups, boosting retention and community ties.
2. **Support for underrepresented groups:** in 2024, PPHE has hired 171 individuals from charities and job centres, providing support for those struggling to enter the workforce. These hires have higher retention rates, with 67% of charity-referred employees staying over a year.
3. **Talent development programmes:** Graduate and Apprenticeship programmes, focusing on skill development in roles like Apprentice Chefs and Graduate Managers, offer pathways to permanent roles, strengthening talent retention.
4. **Inclusive culture:** Representing 98 nationalities, PPHE fosters inclusivity within its properties, exemplified by a welcoming mural at Park Plaza Westminster Bridge London in employees' native languages.
5. **Sustained DE&I focus:** Using data-driven retention reports, PPHE regularly refines its hiring practices and supports DE&I goals by gathering new-hire feedback and adjusting sourcing strategies based on retention rates.

With these initiatives, we aim to make DE&I a key focus of our recruitment approach, one that values personalisation, inclusivity and long-term retention.

Besides these initiatives in recruitment, in 2024 we have introduced mandatory DE&I training for all managers in our organisation, both at the beginning of their journey with PPHE and then as refreshers on a yearly basis.

ESG Ambassadors

Last year, we established a network of ESG Ambassadors throughout our organisation, with at least one Ambassador in each of our properties in the UK and the Netherlands. This is a group of nearly 20 very passionate team members who provide invaluable support to the ESG Manager in the implementation of our ESG strategy. Examples of their involvement include fostering relationships with charities, supporting the GMs in the reporting of ESG data, and leading on the process to obtain the hotel sustainability certifications such as Green Tourism.

ESG communications and training

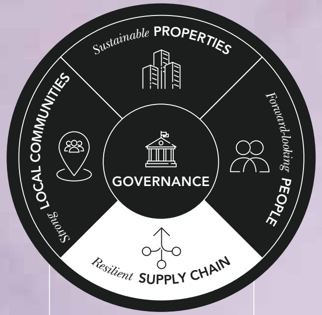
PPHE's ESG Manager and Head of Compliance regularly visit our hotels in the UK and the Netherlands to deliver updates to team members, including General Managers and Heads of Department. These typically cover highlights of the ESG strategy and key sustainability initiatives, as well as a general refresher on our whistleblowing policy, harassment in the workplace and safe personal data handling. AHG's ESG Manager also has regular contact with all the ESG teams across our properties, who drive environmental and social initiatives on site, for example supporting in the Green Key certification process.

We launched a quarterly ESG newsletter, with the aim to keep our colleagues engaged and up to date with the latest development in the strategy. The various editions covered updates on our emission reduction plans, engagement with local communities and the launch of the corporate volunteering day.

ESG communications in AHG are shared to all employees via the Connecteam app. This internal channel is very important to ensure that relevant information and updates reach the widest possible audience across the organisation. Examples of content shared through this channel include activities in support of local communities and volunteering, as well as corporate ESG updates.

The ESG Ambassadors also play an important role to ensure that our team members are involved in the Company's environmental and social activities, as they are now recognised as the relevant people in their respective hotels and regularly share updates on the ESG strategy in team meetings, as well as serve as first points of contact for any queries at the hotel level.

With clients and prospective team members increasingly demanding information about our ESG activities, we identified the need to upskill our Sales and Recruitment teams in this area. To bridge this gap, the ESG Manager started to deliver regular updates to these teams, to equip them with the necessary knowledge to communicate PPHE's ESG ambitions and progress.



Resilient supply chain

Given the size and nature of our business, our supply chain spans across many sectors and geographies. Therefore, having an understanding of our impacts along the supply chain is critical to raise environmental and social standards.

Links to UN SDGs

8 DECENT WORK AND ECONOMIC GROWTH
12 RESPONSIBLE CONSUMPTION AND PRODUCTION
13 CLIMATE ACTION

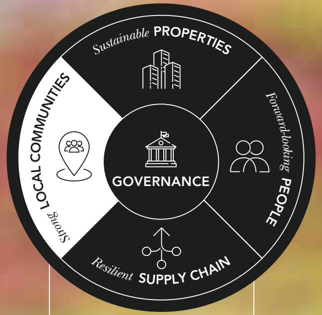
Our priority in 2024 has been to explore what our current and prospective suppliers are doing on ESG. An example of this collaboration is the engagement we had with our supplier of laundry services in London, which is allowing us to identify opportunities to reduce energy and water consumption associated with their service.

As mentioned on page 71, in 2024 we consolidated our suppliers across various product categories in the UK. This led to increased standardisation in the data in our procurement system and allowed us to assign more accurate emission factors to the individual items we purchase, ultimately increasing the accuracy of the carbon footprint calculations.

Through engagement with the Zero Carbon Forum, in 2024 we also continued to obtain industry knowledge on sustainability trends and opportunities in the sector. This is particularly important as it allows us to stay up to date with the latest sustainability developments, for example regarding various F&B products that have a significant impact on our carbon footprint (such as meat and dairy).

At PPHE, we have a Responsible and Ethical Sourcing Policy in place, covering issues such as human rights and discrimination, which we ask all our current and prospective suppliers to abide by, while AHG has a set of policies that lay out various standards for the supply chain (for example, the Environmental Management Policy and the Human Rights and Labour Standard Policy). As a UK-listed company, we have also set out how we approach human rights and labour standards in our supply chain in our Modern Slavery Statement, which is available on our corporate website.

As part of the upcoming work on the decarbonisation plan, in 2025 we will devise a list of actions to reduce our carbon emissions across our supply chain (Scope 3). Since these represent the vast majority of our emissions, a focus on this area will be instrumental for PPHE to achieve meaningful reductions over the coming years.



Strong Local Communities

In 2024, we have strengthened our collaboration with the local communities where we operate in various ways. We have formally launched a corporate volunteering day, allowing every employee to take one paid day off work (on top of their annual leave allowance) to volunteer for a not-for-profit organisation. This will enable our team members to provide a valuable contribution to these organisations and help them achieve their missions.

Links to UN SDGs

3 GOOD HEALTH AND WELL-BEING · 8 DECENT WORK AND ECONOMIC GROWTH · 11 SUSTAINABLE CITIES AND COMMUNITIES

To expand our contribution to our communities, we have established partnerships with some new charities, such as The Children's Society and The Felix Project.

The Children's Society

The Children's Society is a UK-based charity that focuses on improving the lives of vulnerable children and young people. For this organisation, we have hosted activities such as bake sales and charity sales in our hotels and corporate office in the UK, and we are currently planning further recurrent initiatives going forward.

Felix THE FELIX PROJECT

The Felix Project is a London-based charity focused on reducing food waste and combating hunger by redistributing surplus food to those in need. This year, we have donated nearly £4,000 to the project by adding an optional donation to restaurant and bar bills over the period May – July.

STREETSMART

Following the beginning of our collaboration in 2023, this year we also continued to support the charity StreetSmart, which assists homeless people in London. For this charity we also collected funds through optional donations to restaurant and bar bills in the period November – December, raising a total of nearly £4,000.

In addition to this work, we continue our strong collaboration with the charity Just a Drop. Through this programme, launched in September 2022, guests staying for at least two nights have the option to forgo all housekeeping services, thereby reducing the amount of water, energy and detergents used to clean linens. The hotel then donates €/£1 per opted-out night to Just a Drop and all the funds raised help the charity to provide essential water, hygiene and sanitation to communities in developing countries. In return, guests can also choose from a selection of rewards in recognition of their support.

In 2024, we donated £129,000 to Just a Drop, bringing the total raised since the start of the collaboration to over £240,000. These resources enabled the charity to fund projects in small communities in Cambodia, Zambia, Nicaragua and Kenya.

Other notable organisations that our hotels have supported through in-kind or financial support include the Oasis Academy, the Ealing Soup Kitchen and Hospitality Action. In September 2024, some of our GMs in the Netherlands have also raised €6,500 for the charity Kika by taking part in the Dam tot Dam Loop run in Amsterdam, supporting the organisation in the fight against childhood cancer. In Croatia, AHG supported the city of Pula through donations to the Pula General Hospital, the Pula Film Festival and the Pula Marathon.

Besides these charity initiatives, some of our hotels also support biodiversity projects. For instance, with our Croatian properties in Pula and Medulin being located within Natura 2000 protected areas, we are committed to protect these areas and ensure their preservation. To reduce the impact that our business on water resources in the area, in 2023 we installed two desalination plants, one in Pula and one in Medulin, which provide us with fresh water for landscape irrigation. In 2024, we commissioned environmental impact studies on both plants, with the outcomes confirming that these plants do not have adverse impact on the local ecosystems.

Other examples of biodiversity projects are the beehives that our hotels Park Plaza Nottingham and Park Plaza London Waterloo have on their rooftops, each of them producing around 70kg of honey in 2024, which is used for food and drinks in the hotel or gifted to some of our guests.

TCFD report

The UK Listing Rules (6.6.6(8)R) require the Company to include a Task Force on Climate-related Financial Disclosures (TCFD) statement in the Annual Report.

This section is drafted in compliance with the 11 TCFD recommendations and, together with a climate scenario analysis, it provides an overview of the four pillars of the TCFD report for PPHE: Governance, Strategy, Risk Management, and Metrics and Targets. These pages also address our reporting obligations under the Streamlined Energy and Carbon Reporting (SECR) regulation and the requirements of the Companies Act 2006 as amended by the Companies (Strategic Report) (Climate-related Financial Disclosure) Regulations 2022.

Governance

An important change in our Enterprise Risk Management (ERM) framework is that, to reflect their relevance in our business planning, as of 2024 climate related risks are no longer classified as emerging risks and are treated just like all other business risks. Our risk management framework is built on four key elements that support informed decision-making: a risk-reward strategy, strong risk governance, a structured risk management process, and risk assurance. Enterprise risk assessments are conducted quarterly, evaluating each risk's likelihood and potential impact.

In 2021, we established an ESG Committee, which is currently made up of four of our Non-Executive Directors and oversees PPHE's work in this area. Meeting on a quarterly basis, the Committee engages with the Executive Leadership Team to discuss updates on climate related issues, approves the strategy and targets proposed by the Executive Leadership Team, and reviews the TCFD disclosures annually in February. It also oversees the ESG strategy, ensures that stakeholders are consulted on ESG related initiatives, and monitors how these activities are communicated to both internal and external stakeholders.

The Audit Committee oversees and advises the Board on the Group's risk exposure, risk appetite and future risk strategy. As part of this responsibility, it meets quarterly to help monitor both financial and non-financial climate related risks, tracking changes that could affect the Group's overall risk profile. In Q4 2024, the Head of Internal Audit and Risk conducted routine functional risk reviews with all internal departments, aided by the ESG Manager, for climate related risks. The findings were reported to the Audit Committee, and no new issues or concerns regarding climate related risks were identified during this process.

The Chief Corporate & Legal Officer, Inbar Zilberman, reports to the ESG Committee of the Board and is the Executive Leadership Team member responsible for ESG and climate related matters. She oversees compliance with TCFD reporting requirements and ESG arrangements, practices and procedures.

In 2024, we continued with our awareness campaign to embed environmental sustainability and social responsibility into our daily operations. This campaign included a newsletter, ESG Ambassadors at our hotels, and ESG training available to all employees. Through these initiatives, we aim to cultivate a culture of responsible action across all areas of our business.

Strategy

We recognise the complexity of climate change and our responsibility to minimise our environmental impact. With this in mind, we are committed to reducing our carbon footprint and overall environmental footprint. Our ESG strategy, along with its detailed targets, plays a pivotal role in helping us achieve this goal. As a company that develops, owns, co-owns and manages many of its properties, we have an advantage in adopting sustainability initiatives across every stage of our business, from property development to daily operations. By embedding sustainability into all aspects of our activities, we aim to create long-term value for the Group and our stakeholders.

Building on the progress made in 2023, this year we further developed and refined our ESG strategy. As part of our journey, we have committed to create a detailed decarbonisation plan on the path to achieving net zero by 2040, which will be instrumental for our SBTi submission. In Q4 2024, we have engaged specialist support from the consultant Greenview to assist us in this mission. The output of this work will be a comprehensive list of actions to tackle carbon emissions in our business, a crucial stepping stone to inform our decarbonisation actions in the years to come. Additionally, we have maintained our collaboration with the Zero Carbon Forum and the Energy and Environment Alliance, whose expertise also continues to inform our decarbonisation efforts.

Environmental sustainability is a dynamic and evolving field, shaped by advancements in climate science, emerging technologies, and governmental commitments to reduce economy-wide carbon emissions. As these commitments drive changes in policy across our industry, climate risk assessment remains essential to ensure that our business strategy remains resilient and sustainable for the long term.

Climate scenario analysis

As part of the TCFD obligations, in 2024 we reassessed the transition and physical risks that PPHE is exposed to. This year, we expanded our analysis of physical risks beyond the regional level and delved into the risk profile at the property level, an ambition that we set out in 2023. We did so by engaging the specialists at Climatig, who provided us with access to their proprietary software to analyse physical climate risks under the two different climate change scenarios below.

Representative Concentration Pathway 4.5 (RCP4.5): This is an International Panel on Climate Change (IPCC) intermediate climate scenario for GHG emissions where the assumption is that these emissions will peak around 2040 and then decline.

Representative Concentration Pathway 8.5 (RCP8.5): This is another IPCC climate scenario, generally taken as the basis for the worst-case climate scenario for GHG emissions, with the assumption that the GHG emissions will continue to rise throughout the 21st century.

Time horizons

Given the long-term implications of climate change, the risks were considered across three time horizons:

- short term: 2025–2027;
- medium term: 2028–2030; and
- long term: 2031–2040.

These scenarios were selected as they allow for sufficient granularity in the analysis, while also not overextending our ability to conduct the climate risk assessment far into the future. Given the uncertainty surrounding climate change, both in its effects and in the policies governing the response, it is challenging to accurately forecast the long-term impact on our business. As a result, we chose to define 2040 as the end boundary for our long-term scenario, as predictions beyond that point become speculative.

Note that the tables that follow, presenting transition and physical risks, group together the assessment of the financial impact in the medium and long term. The reason for this is that, given the time horizons selected, our assessment did not identify any meaningful difference between the impacts of these risks in the medium and the long term.

Transition risks

We identified and assessed four transition risks, as outlined in Table 1. The risk profile for these varies primarily based on the geographic location of our properties. For instance, customer expectations around climate related issues may have a stronger influence in certain countries, and the same applies to local regulatory environments.

Table 1 Assessment of residual transition risks

Transition risk	Likelihood	Short-term financial impact*	Medium/long-term financial impact*
Negative perception of the Group by stakeholders with regard to climate related matters	Unlikely	Moderate	Moderate
Climate change increasing input costs	Almost certain	Minor	Moderate
New climate related regulations impacting asset value	Very unlikely	Minor	Moderate
Cost and disruption of updating physical infrastructure to phase out non-renewable energy sources	Almost certain	Minor	Major

* Minor: <£1.25 million; Moderate: £1.25–6.75 million; Major: £6.75–25 million. All refer to annual impact.

The risk of 'Negative perception of the Group by stakeholders with regard to climate related matters' is well mitigated by PPHE through some elements of our ESG strategy, such as our ambitions around building environmental certifications to assess climate risk and the work to submit our decarbonisation targets to the SBTi.

The reason for highlighting the risk of 'Climate change increasing input costs' in our assessment is twofold. On the one hand, it relates to F&B costs, which have increased in recent years because of, among other reasons, the effects of climate change. On the other hand, it is due to the impact that carbon pricing has on some of the input costs to build our properties (for example, steel and cement). Given the significant part that F&B and construction activities play in our business model, this is a risk that we will pay close attention to in the future.

The risk of 'New climate related regulations impacting asset value' refers to the various mandates requiring that buildings adapt to certain standards, such as the EPC rating (energy performance certificate) in the UK. One of our main mitigation measures for this risk is to ensure that all our all new-build hotels, repositioning projects and refurbishments obtain a certification by a recognised building certification scheme (such as BREEAM or DGNB). In addition to this, we are currently conducting BREEAM in-use assessments for some of our properties, which will serve as a further mitigation measure to this risk.

The 'Cost and disruption of updating physical infrastructure to phase out non-renewable energy sources' is also an important one in our risk register. Some of the countries in which we operate have set ambitious goals around the phasing out of gas (for example, the UK and the Netherlands), which might lead organisations like ours to accelerate the transition to other energy sources, with potentially higher costs associated to it.

Having identified the above risks, we have control and mitigation measures in place for all of them, which we monitor on an annual basis to ensure that our response can be promptly adjusted if there are any changes to the risk profile.

Physical risks

The physical risks we consider material to our business are outlined in Table 2.

Table 2 Assessment of residual physical risks

Physical risk	Likelihood	Short-term financial impact*	Medium/ long-term financial impact*
Coastal flooding	Very unlikely	Minor	Minor
River flooding	Unlikely	Moderate	Moderate
Heavy precipitation	Likely	Minor	Minor
Drought	Possible	Minor	Minor
Wildfires	Unlikely	Moderate	Moderate
Heatwaves	Possible	Minor	Minor

* Minor: <£1.25 million; Moderate: £1.25–6.75 million; Major: £6.75–25 million. All refer to annual impact.

It is important to note that the significance of these risks varies widely across our properties. For instance, while heavy precipitation primarily poses a threat to our properties in London, coastal flooding and wildfires are a greater concern for those in parts of the Netherlands and Croatia, respectively. In contrast, risks such as heatwaves are relevant to every property in our portfolio.

While some of our properties in the Netherlands are potentially exposed to coastal flooding, being below sea level, the country has various sea barriers throughout the coastline to protect it from this type of event, leading to a very low likelihood of occurrence. In the same way, while it is true that many of our hotels are located near rivers (for example, the River Thames in London), river flooding risk is still relatively low for them due to defence mechanisms that are in place. In London, this role is played by the Thames Barrier, which is located in the Eastern part of the city and protects it from tidal surges and sea level rise, ultimately reducing the risk of river flooding.

Similarly to coastal and river flooding, heavy precipitation can also lead to flooding. Of the three flooding related risks (coastal, river, heavy precipitation), this is the most concerning for our properties, as it is the one for which the fewest measures are in place at the city or regional level. However, the expected impact on our properties is still considered minor.

The drought risk is of particular relevance to our Croatian properties. To mitigate this and tackle water shortage in the area, in 2023 we installed desalination facilities in Pula and Medulin. These plants now provide sufficient fresh water for irrigation of the surrounding landscape, contributing to reducing our freshwater withdrawal in the area.

In general, while our hotels are exposed to the transition and physical risks listed above, none of them are expected to generate major financial impacts on our portfolio, and for each of them we have control and mitigation measures in place, including insurance and crisis management plans.

Climate related opportunities

While climate change mostly poses risks to our business and to the hospitality industry as a whole, we always seek to also identify the opportunities this might bring. For our business, these typically lie in our ability to adapt to climate change more quickly than our competitors, by offering more sustainable products and services to our guests and constantly increasing the energy efficiency of our operations.

These efforts will be supported by the decarbonisation plan that we will devise in 2025, which will give us a detailed list of actions to reduce our emissions across our assets and operations. Our commitment to setting science-based targets will be an opportunity for our business to increase our competitiveness on climate related matters.

On the real estate side of our business, we are pursuing BREEAM in-use certifications for some of our properties. Among other benefits, this will help us better understand the climate related risks that these properties are exposed to and increase our preparedness to address them. Another opportunity given by the BREEAM in-use certifications is that this third party assessment will also have the potential to increase the value of these properties.

Risk Management

A comprehensive risk management process is essential to our success. We have an ERM system for the whole Group that is embedded within the strategy of each corporate function. As mentioned above, as of 2024, climate related risks are no longer classified as emerging risks in our ERM and are treated just like all other business risks, enhancing our focus on them for business planning purposes. Our risk management framework is built on four key elements that support informed decision-making: a) a risk-reward strategy; b) strong risk governance; c) a structured risk management process; and d) risk assurance. Enterprise risk assessments are conducted quarterly, evaluating each risk's likelihood and potential impact.

Metrics and Targets

With climate change presenting a major challenge to the hospitality industry, it is crucial for every organisation in the sector to pursue more sustainable and transparent operations, and PPHE is deeply committed to reducing our carbon footprint. In 2023, we enhanced the level of detail of our carbon balance sheet by providing a detailed breakdown for each country in which we operate, a format that is replicated this year as well.

This step has been instrumental in advancing our Group's progress toward science-based targets and our net zero ambition. Our key environmental performance targets include:

- achieving net zero by 2040. In 2024 we engaged external specialist support to help us with the draft of a decarbonisation plan and the submission to SBTi.
- ensuring that all our all new-build hotels, repositioning projects and refurbishments obtain a certification by a recognised building certification scheme. This year we launched an internal policy to ensure that this ambition is achieved.
- procuring renewable electricity where available.

As of 2024, we source renewable electricity in all the countries in which we operate, with the exception of Serbia.

Streamlined Energy And Carbon Reporting

The SECR requirements, established by the 2018 Regulations for quoted companies large unquoted companies and large LLPs, apply to financial reports for years beginning on or after 1 April 2019.

This SECR report includes data on energy consumption, carbon emissions, intensity ratios and methodologies, and a narrative on energy efficiency actions.

The disclosure is for the period from 1 January 2024 to 31 December 2024 and it covers:

- energy use for 2024 and 2023;
- GHG emissions for 2024 and 2023;
- intensity ratios for 2024 and 2023;
- details on energy efficiency actions implemented in 2024; and
- the methodology used for the calculations.

Our carbon footprint is based on the GHG Protocol, utilising emission factors relevant for each region in which we operate. The analysis presents our emissions across Scopes 1, 2 and 3:

- **Scope 1 emissions** cover direct emissions from the combustion of gaseous and transportation fuels by the Company.
- **Scope 2 emissions** include indirect emissions from purchased electricity and district heating and cooling used in our hotels and offices.
- **Scope 3 emissions** account for indirect emissions from the products and services we procure. While we do not have direct control over these emissions, we actively collaborate with our value chain partners to develop strategies for reducing them as part of our goal to achieve net zero by 2040.

Scope 2 emissions can be calculated using either the location-based or market-based approach. The location-based method relies on the average emission factor of the energy grid in the area where consumption occurs, while the market-based method considers specific contractual instruments companies use to procure their energy, such as renewable energy contracts or on-site renewable energy generation.

The carbon footprint calculations were conducted by the consultants Zero Carbon Services (ZCS) for PPHE and Code Gaia for AHG, and ultimately merged into the results for the whole Group by ZCS.

Note that the 2023 figures were recalculated in 2024 to reflect an improved and more accurate methodology. The figures reported include all hotels under management, regardless of the ownership structure. Therefore, emissions from the hotels Park Plaza County Hall London and art'otel London Battersea Power Station are also included in their entirety. The tables below present our carbon footprint results and summary of our energy consumption for the UK and the whole Group for 2024 and 2023.

Table 3 Summary of UK-only energy consumption and carbon emissions – 2024

Scope	Energy consumption (kWh)	Emissions (tCO_2e)
Scope 1[1]	27,542,200	5,880
Scope 2 (location-based)[2]	37,104,776	7,185
Scope 2 (market-based)[2]	37,104,776	521
Scope 1 plus Scope 2 location-based	64,646,976	13,065
Scope 1 plus Scope 2 market-based	64,646,976	6,401

1: Includes natural gas, fugitive gases, petrol, diesel, heating oil, and liquid gas.
2: Includes electricity, district heating and district cooling.

Table 4 Summary of UK-only energy consumption and carbon emissions – 2023

Scope	Energy consumption (kWh)	Emissions (tCO_2e)
Scope 1	27,520,134	5,791
Scope 2 (location-based)	30,081,394	6,681
Scope 2 (market-based)	30,081,394	535
Scope 1 plus Scope 2 location-based	57,601,529	12,472
Scope 1 plus Scope 2 market-based	57,601,529	6,326

Table 5 Summary of Group-wide energy consumption and carbon emissions – 2024

Scope	Energy consumption (kWh)	Emissions (tCO_2e)
Scope 1	42,109,398	9,661
Scope 2 (location-based)	82,208,721	17,654
Scope 2 (market-based)	82,208,721	1,887
Scope 1 plus Scope 2 location-based	124,318,119	27,315
Scope 1 plus Scope 2 market-based	124,318,119	11,548

Table 6 Summary of Group-wide energy consumption and carbon emissions – 2023

Scope	Energy consumption (kWh)	Emissions (tCO_2e)
Scope 1	42,550,684	9,067
Scope 2 (location-based)	71,580,985	16,935
Scope 2 (market-based)	71,580,985	3,915
Scope 1 plus Scope 2 location-based	114,131,670	26,002
Scope 1 plus Scope 2 market-based	114,131,670	12,982

The table below shows Scope 3 emissions for PPHE, AHG and the whole Group.

Table 7: PPHE Hotel Group Scope 3 emissions.

	2024	2023
PPHE[1]	**56,691**	60,269
AHG[2]	**18,053**	16,730
Group	**74,744**	76,999

1: PPHE includes UK, Netherlands and Italy.
2: AHG includes Germany, Croatia, Austria, Hungary and Serbia

Intensity ratios

The intensity ratios we calculated are tonnes of CO_2e/total revenue (£m) and kgCO_2e/ occupied room, both calculated using market-based emissions for Scope 2. The tables below present these ratios for each country, with the exception of Italy as art'otel Rome Piazza Sallustio is not operational yet. Please note that figures are rounded to one decimal place.

Table 8 PPHE's carbon intensity metrics for 2023 and 2024 – UK

	2024	2023
Scope 1 and 2 emissions (tCO_2e)	**6,401.0**	6,326.0
Revenue (£m)	**301.0**	282.6
tCO_2e/£m	**21.3**	22.4
Rooms sold	**1,208,901**	1,126,037
kgCO_2e/room sold	**5.3**	5.6

Table 9 PPHE's carbon intensity metrics for 2023 and 2024 – Netherlands

	2024	2023
Scope 1 and 2 emissions (tCO_2e)	**1,431.0**	1,476.0
Revenue (£m)	**66.2**	63.3
tCO_2e/£m	**21.6**	23.3
Rooms sold	**339,560**	322,607
kgCO_2e/room sold	**4.2**	4.6

Table 10 PPHE's carbon intensity metrics for 2023 and 2024 – Croatia

	2024	2023
Scope 1 and 2 emissions (tCO_2e)	**1,882.0**	3,282.0
Revenue (£m)	**84.1**	78.1
tCO_2e/£m	**22.4**	42.0
Rooms sold	**790,695**	754,661
kgCO_2e/room sold	**2.4**	4.3

Table 11 PPHE's carbon intensity metrics for 2023 and 2024 – Germany

	2024	2023
Scope 1 and 2 emissions (tCO_2e)	**698.9**	1,144.1
Revenue (£m)	**30.4**	29.3
tCO_2e/£m	**23.0**	39.1
Rooms sold	**228,060**	212,544
kgCO_2e/room sold	**3.1**	5.4

Table 12 PPHE's carbon intensity metrics for 2023 and 2024 – Austria

	2024	2023
Scope 1 and 2 emissions (tCO_2e)	**236.2**	200.3
Revenue (£m)	**4.2**	3.4
tCO_2e/£m	**56.2**	59.5
Rooms sold	**16,274**	14,901
kgCO_2e/room sold	**14.5**	13.4

Table 13 PPHE's carbon intensity metrics for 2023 and 2024 – Hungary

	2024	2023
Scope 1 and 2 emissions (tCO_2e)	**275.1**	250.8
Revenue (£m)	**5.3**	4.4
tCO_2e/£m	**51.5**	56.9
Rooms sold	**44,597**	31,166
kgCO_2e/room sold	**6.2**	8.0

Table 14 PPHE's carbon intensity metrics for 2023 and 2024 – Serbia

	2024	2023
Scope 1 and 2 emissions (tCO_2e)	**623.1**	304.0
Revenue (£m)	**1.1**	0.1
tCO_2e/£m	**560.7**	4,438.3
Rooms sold	**10,838**	816
kgCO_2e/room sold	**57.5**	372.5

The tables above show improvements in the intensity ratios for almost all countries year on year. The exception is a small increase seen for Austria, led by higher occupancy and emissions, but lower revenues. Significant reductions were achieved in Croatia and Hungary, driven by the adoption of renewable electricity contracts mid-2023, as well as Germany. Although marginal, the reductions in both ratios for the UK are significant being it the largest region by turnover for the Group. Finally, it is worth noting that the changes in the ratios for Serbia are largely due to Radisson RED Belgrade being closed for renovations for most of 2023, reopening in February 2024, skewing emissions, revenues and occupancy.

Energy efficiency actions

In 2024, we have upgraded some of the equipment in our hotels to achieve energy efficiency gains, with the key improvements made across our portfolio described in the following paragraphs.

In various hotels in the UK and the Netherlands, we have installed a new kitchen extract control system, leading to 50% energy savings in these areas. In Park Plaza London Riverbank and Park Plaza London Waterloo, we replaced old battery-operated passive infra-red (PIR) sensors for guest rooms with new generation wired sensors. In Park Plaza London Riverbank, we replaced Low Temperature Hot Water (LTHW)circulation pumps with more efficient, inverter-driven pumps and in Park Plaza Victoria London, we installed inverters on the LTHW and Chilled Water (CHW)circulation pumps, with associated energy savings of around 70–80%. In Park Plaza London Westminster Bridge and Park Plaza County Hall London, we replaced old compressor-driven minibars with more efficient thermoelectric ones.

We installed some water reduction technologies as well, such as water saving showers in Park Plaza London Westminster Bridge, allowing us to save both water and energy.

Quantification and reporting methodology

Our carbon footprint calculations were conducted by Zero Carbon Services for PPHE and Code Gaia for AHG, in line with the GHG Protocol Corporate Accounting and Reporting Standard. The following paragraphs provide more detail on the data collection processes.

Scope 1

Gas consumption data is obtained directly through automatic meter readings. F-gas leakage data is provided from our suppliers, accounting for refills and amount of gas recovered. The minimal amount of emissions coming from company vehicles is calculated based on the amount of fuel refills.

Scope 2

Electricity and district heating consumption data is obtained directly through automatic meter readings. For regions where we have renewable energy contracts in place, an emission factor of zero was applied to the electricity consumption to calculate market-based emissions.

Scope 3

Wherever possible, Scope 3 emissions were calculated with the volume-based method (over one third of the overall Scope 3 emissions). However, the majority were calculated with the spend-based method and small part through average data. The table below presents more detail on each emission category.

Category	Description	Calculation method
1. Purchased Goods and Services	Data comes from our procurement system and it is integrated with our financial accounting system to ensure completeness and consistency.	F&B products: volume-based Non-F&B products and services: spend-based
2. Capital Goods	Data comes from the CAPEX reports of each individual property.	Spend-based
3. Fuel- and Energy-Related Activities (FERA)	This is based on energy consumption captured for Scope 1 and 2.	Volume-based
4. Upstream Transportation and Distribution	Not applicable to PPHE.	
5. Waste Generated in Operations	Data comes from reports shared by our waste management suppliers.	Volume-based
6. Business Travel	Data comes partly from reports shared by our travel agencies and partly from invoices, depending on the provider.	Mix of volume- and spend-based
7. Employee Commuting	Calculations based on number of employees and average emission factors for the areas in which they are located.	Average data
8. Upstream Leased Assets	Not applicable to PPHE.	
9. Downstream Transport and Distribution	Not applicable to PPHE.	
10. Processing of Sold Products	The only input data for this category is that related to cooking oil, which is sold to companies that then recycle and repurpose it into new products.	Volume-based
11. Use of Sold Products	Not applicable to PPHE.	
12. End-of-Life Treatment of Sold Products	Not applicable to PPHE.	
13. Downstream Leased Assets	Not applicable to PPHE. While we do have some downstream leased assets (e.g., rented office and F&B areas), we are responsible for paying the utility bills for these assets, meaning that the associated emissions fall into our Scope 1 and 2 and not Scope 3.	
14. Franchises	We have two franchised properties in our portfolio, Park Plaza Cardiff (Wales) and Park Plaza Trier (Germany). Data for these calculations comes from the utility reports received directly from the hotels.	Volume-based
15. Investments	Not applicable to PPHE.	

Our **risk environment**

In an ever challenging risk environment, our embedded approach to risk management supports the delivery of our strategic vision and priorities by ensuring decisions are made, and opportunities are pursued, with a thorough understanding of the threats we face.

Our Group-wide risk management framework drives better decision making through the proactive identification, assessment and management of the risks we face and emerging threats.

Our approach is well established and continues to evolve to meet the needs of the business and harness the input from functional management, executive leadership and the Board.

As we focus on unlocking growth from our new hotel openings, our risk profile is expected to shift focus throughout 2025. As our inherent development project risk should reduce as we deliver our latest developments, addressing any threats to the growth objectives of our existing portfolio will be a priority, to ensure we deliver operating efficiency and performance.

Macroeconomic and geo-political uncertainty remains a constant driver of risk and is something that the Group has demonstrated real resilience to in recent years. The significant political change across the globe in 2024 could see a pace of change in global relationships, policies, regulation and taxation throughout 2025 which could impact our markets, supply chains and operations. Resilience to challenging conditions continues to be a priority with focussed cost management, dynamic pricing strategies, technology initiatives and new process efficiencies.

Horizon scanning for emerging threats remains an important part of our risk management approach. The evolution of AI is presenting many opportunities for us to improve the way we operate and meet the needs of our guests. We continue to embrace the use of new technologies while introducing safeguards to mitigate any associated risk.

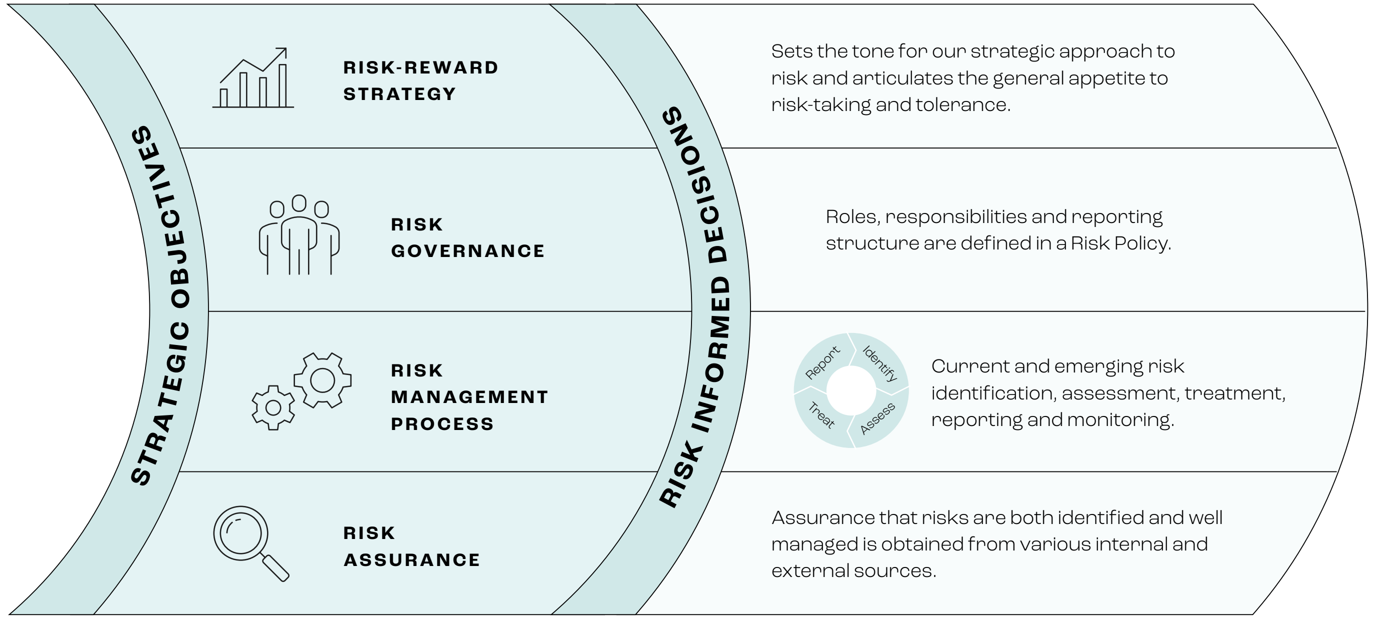
Climate related risk is fully integrated within our risk management framework. Climate change is one of the drivers of several existing principal risks. Our TCFD report details our specific climate related risks (See pages 85-86).

Principal risks – at a glance

We define our principal risks as those which could have the greatest impact on our business and represent the most significant threats to the achievement of our objectives in the year ahead. To be considered a principal risk, the potential downside or residual impact must be assessed as 'Major' or above, equating to a negative financial impact or falling asset values greater than 5% of annual EBITDA* (under normal operating conditions).

	Principal risks for 2025	Inherent risk assessment	Residual risk assessment	Trend from previous year	Oversight responsibility	Page reference
1	Adverse economic climate	High	High	← →	CFO	Page 95
2	Cyber threat – undetected/unrestricted cyber security incidents	Very High	High	↑	CFO	Page 97
3	Funding and liquidity risk	High	Medium	← →	CFO	Page 96
4	Data privacy – risk of data breach	Very High	Medium	← →	CCLO	Page 97
5	Technology disruption – prolonged failure of core technology	High	Medium	← →	CFO	Page 97
6	Operational disruption	High	Medium	← →	Co-CEO	Page 98
7	Market dynamics – significant decline in market demand	High	Medium	← →	EVP Commercial Affairs	Page 95
8	Difficulty in attracting, engaging, and retaining a suitably skilled workforce	High	Medium	← →	Co-CEO	Page 99
9	Significant development project delays or unforeseen cost increases	High	Medium	↓	CCLO and Co-CEO	Page 96
10	Negative stakeholder perception of the Group with regard to ESG matters	High	Medium	← →	CCLO	Page 99
11	Serious threat to guest, team member or third party health, safety and security	High	Medium	← →	Co-CEO	Page 98

Our risk management framework



Our risk-reward strategy

Our risk-reward strategy, which articulates our risk appetite across various business activities, is aligned to our strategic objectives. The Board has reassessed the strategy and adjusted the risk appetite for Technology change and development to Active, indicating a more proactive stance on adopting new technologies.

Risk appetite levels	Definition	Business activities	Strategic pillars and enablers
Active	We will **actively seek** to take calculated risks in this area in pursuit of our strategic objectives, as long as the associated benefits significantly outweigh the risk impact, and the risk remains within our tolerances. We will apply appropriate safeguards when pursuing these opportunities.	• Acquisitions and development opportunities • Technological change/development	Diversification of property portfolio Entrepreneurial, people-oriented and creator culture to underpin growth agenda
Neutral	We will **take on a limited increased exposure** to risk in pursuit of our strategic objectives if the associated benefits outweigh the risk impact and the risk remains within our tolerances. We will apply appropriate safeguards when pursuing these opportunities.	• Development projects (construction) • Working with third parties • Funding • Commercial and promotional activity	Non-dilutive capital approach Destination led restaurant and bar experience with ambitious growth plans Entrepreneurial, people-oriented and creator culture to underpin growth agenda
Averse	We will **act to protect** the business from increased risk exposure in these areas.	• Environmental impact • Responsible and ethical sourcing • Human rights • Operational continuity • Health and safety • Data privacy • Compliance • Financial and tax reporting • Financial control	Meaningful ESG impact for the benefit of all stakeholders Guest satisfaction – memorable and superior guest experiences

Our risk governance and risk management process

Governance

Executive Leadership – Risk Forum
- Agree the Risk Policy and Framework and formulate a risk-reward strategy (risk appetite) for proposal to the Board.
- Challenge the robustness and completeness of the full-year and half-year updates to the Group's risk registers, including key actions.
- Report PPHE principal risks for Board approval and inclusion in the Annual Report.
- Ensure effective monitoring of emerging risk and progress against key risk actions.

Audit Committee
- Keep under review the effectiveness of the Group's procedures for the identification, assessment and reporting of risks, assisting the Board in monitoring the Group's risk management systems.
- Oversee internal and external assurance requirements.

ESG Committee
- Keep under review specific ESG and climate related risk assessment.

Board
- Ultimately responsible for risk management including approval of the Group risk profile; the Group Risk Policy and Framework; the risk-reward strategy; and the statement on risk management in the Annual Report.

Process

ENTERPRISE RISK ASSESSMENT

Consolidation of underlying functional and subsidiary risks into a single view of risk reported to the Board. The enterprise assessment underpins the Group's principal risk disclosure.

CURRENT RISKS

Existing threats to the achievement of our business objectives.

Regular risk updates from functional management to identify, assess and respond to current risks. Key steps include the following:

- Assessment of the severity of each risk using the Group risk assessment criteria. Consideration is given to the effectiveness of the current controls/mitigating activity.
- Establishing clear actions with nominated accountability where further mitigation is required to contain or reduce risks to a more acceptable level.
- Regular risk reporting to Executive Leadership to support informed decision-making and prioritisation of resources.
- Reporting the enterprise risk profile to the Audit Committee quarterly.

EMERGING RISKS

Future threats that cannot be accurately assessed at the current time but could have a material impact on the business in the future through either heightening existing risks or becoming new stand alone risks.

Horizon scanning for emerging risk is considered at each functional risk workshop and each Executive Level Risk Forum with a view to improving our response plans and exploiting potential opportunities. Emerging risk trends are reported alongside the current enterprise risk assessment to the Audit Committee quarterly.

When identifying emerging risk, we consider several drivers of change, including:

- shifts in market dynamics;
- social, geo-political, macro-economic and environmental factors;
- technological trends; and
- legal and regulatory developments.

FUNCTIONAL AND SUBSIDIARY RISK ASSESSMENTS

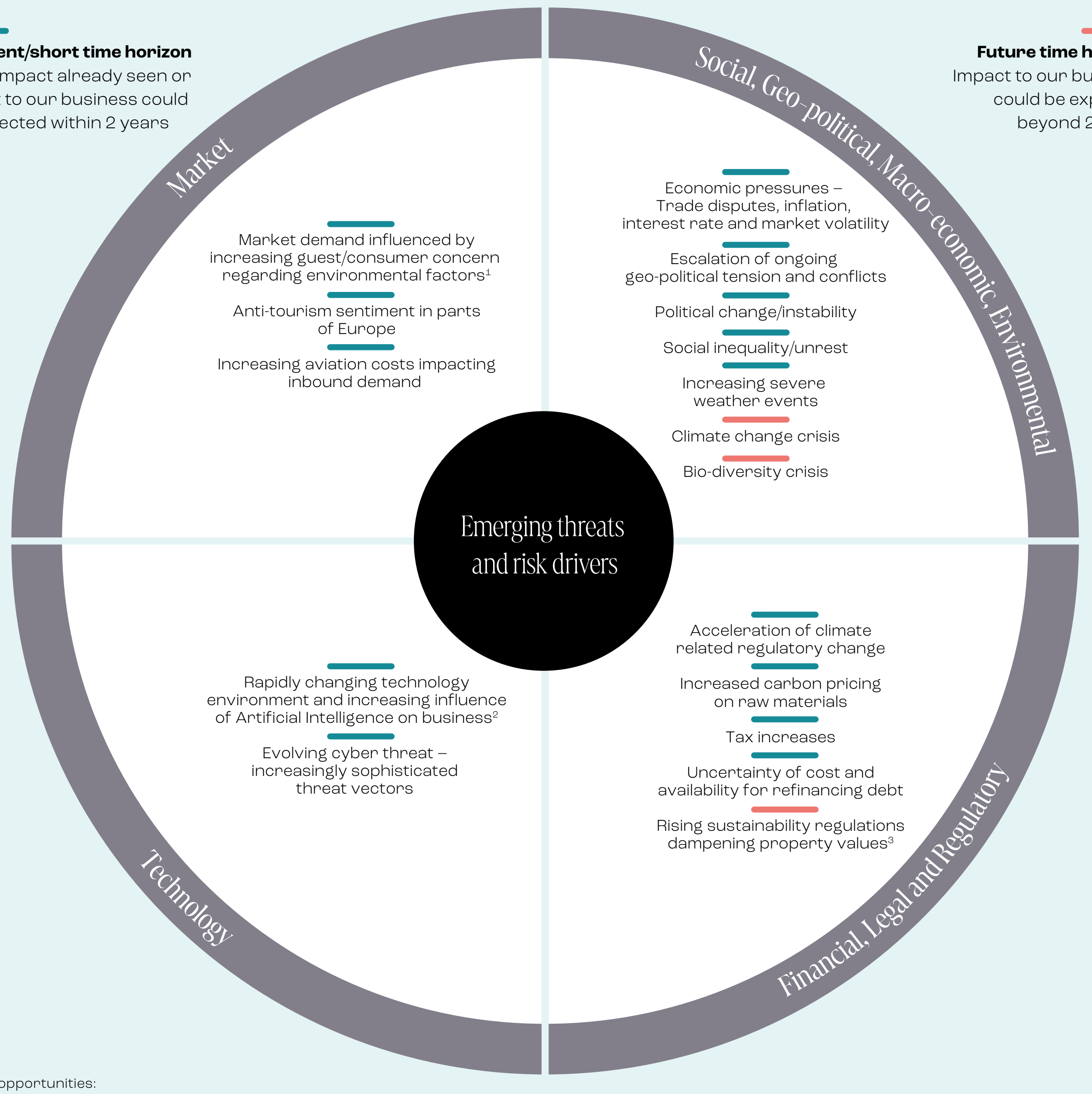
Management identifying, assessing and managing the risks and controls across all business functions.

Emerging risk

Our Executive Leadership Team considers emerging threats and risk drivers that could have a material impact on the business in the future, with a view to improving our response plans and exploiting potential opportunities. The near-term threats may already influence our principal risk assessments and the prioritisation of our risk actions.

Imminent/short time horizon
Some Impact already seen or impact to our business could be expected within 2 years

Future time horizon
Impact to our business could be expected beyond 2 years



Related opportunities:
1 The delivery of our ESG strategic objectives relating to sustainability (see page 70) could contribute to improved market demand
2 There are opportunities to improve the delivery of our guest experience and our overall performance through the early adoption of new technologies
3 There is opportunity to enhance asset values by meeting the highest standards for sustainability in our properties

Principal risks

The tables below detail our principal risks for the year ahead. The reported risks are those we consider could have the greatest impact on our business and represent the most significant threats to the achievement of our objectives. This is not an exhaustive list of all risks identified and monitored through our risk management process, which includes the consolidation of underlying functional and subsidiary risk registers into a single view of risk reported to the Board. Our risk level is decided through an assessment of the likelihood of the risk and its impact should it materialise. Our assessments are weighted towards impact to encourage prioritisation of high impact risks.

Strategic blocks	Sources of value	
1 Core, upper upscale, city centre hotels	4 Diverse prime property portfolio	7 International network
2 Leisure and Outdoor Hospitality	5 Multi-brand approach	8 Our people and culture
3 Hospitality management platform	6 In-house hospitality management platform	9 Financial strength and non-dilutive capital approach

Movement from last year: Unchanged Increased Reduced

Market and Macro-economic Environment

Risk appetite: Not applicable

Principal risk description	Residual risk	Outlook and risk response for 2025
Adverse economic climate Economic stress fuelled by the volatile geo-political environment could mean a continuation of steep inflation and unstable interest rates impacting growth and profit margins. **Related strategic blocks:** 1, 2, 3 **Related sources of value:** 7, 8, 9	**High** Unchanged	An unfavourable economic climate poses a significant and persistent risk to the achievement of our objectives. Numerous factors are expected to drive this risk in 2025, including geopolitical instability, trade disputes and regional tensions that are influencing the global macro environment. Despite challenging conditions, our robust business model means we are equipped to achieve success and unlock growth. Over the course of 2025 we will closely observe economic trends and respond as needed to protect our business. Our approach includes: · Enhanced budgeting and forecasting methods · Active pursuit of efficiencies through the introduction of new technologies · Continued focus on cost management · Agility in our strategic planning
Market dynamics – significant decline in market demand Uncertainty in future market demand could arise due to volatile macro-economic or geo-political conditions, or significant incidents which impact global travel. **Related strategic blocks:** 1, 2, 3 **Related sources of value:** 4, 5	**Medium** Unchanged	While an uncertain macro-economic and geo-political climate can present market challenges in 2025, we will benefit from unlocking the growth potential of our recent investments and our proven ability to adapt to changing market conditions, through for example changing our market segmentation or geographic areas of focus. We are also focussed on areas of opportunity such as growing contracted business and Groups and Meetings & Events bookings. We strive to drive demand, grow occupancy and maintain strong average room rates' through a range of key process enhancements, and commercial initiatives: · AI enabled revenue management and pricing systems · New AI enabled technology for guest interactions · Focussed promotional initiatives to drive demand in advance and tactical campaigns for 'need' periods · Partnerships and promotional opportunities with third party distribution partners and booking channels · Close collaboration with Radisson Hotel Group and leveraging their reach for promotional campaigns · Radisson Rewards programme which consists of 20+ million members. · Focus on digital marketing and online advertising and customer acquisition · Planned activities across key source markets and market segments, including tradeshows, hosted events and sales missions · Guest experience focused initiatives and brand audit programmes to ensure brand consistency · Ancillary revenue growth through online and pre-stay upselling initiatives, gift card sales and other commercial programmes

Funding and Investment

Risk appetite: Neutral

Principal risk description	Residual risk	Outlook and risk response for 2025
Funding and liquidity risk The impact of failing to proactively manage funding and liquidity risk could include a breach of debt covenants, cash restrictions, loss of stakeholder confidence and less favourable terms when refinancing in the future. **Related strategic blocks:** 1, 2 **Related sources of value:** 7, 9	**Medium** ↔	In the environment of fluctuating interest rates and economic uncertainty, our funding and liquidity risk is managed to an acceptable level through stringent oversight controls, coupled with our successful trading performance and solid property valuations. We also increase certainty through fixed rates on most loans. This risk and the parameters of our associated risk appetite will be closely monitored as we approach 2026 when refinancing is due for several loans. Our key treasury monitoring and reporting controls include: • Board approved treasury policy • Monthly forward covenant testing • Monthly treasury monitoring and reporting to the Board • Proactive and regular liaison with our lenders

Development Projects

Risk appetite: Neutral

Principal risk description	Residual risk	Outlook and risk response for 2025
Significant development project delays or unforeseen cost increases Various factors, such as supply chain disruption, labour market pressures and steep increases in cost of materials can influence the delivery of major construction projects, resulting in additional cost or delays in new openings. **Related strategic blocks:** 1, 2 **Related sources of value:** 4, 7	**Medium** ↓	While this risk area will continue to be of importance, it is anticipated to decrease in the short term with the completion of the art'otel London Hoxton and art'otel Rome Piazza Sallustio projects. Our assessment is reviewed frequently and could increase again as we embark on new development opportunities. The risk continues to be managed through the focused oversight of senior leadership and our in-house Technical Services team, with well-established project management controls including: • Regular project meetings with our contractors to identify and tackle any approaching issues which could impact the overall cost, targeted delivery schedule or the expected quality standards • Independent monitoring of projects by appointed third party experts

Technology and Information Security

Risk appetite: Averse

Principal risk description	Residual risk	Outlook and risk response for 2025
Cyber threat – undetected/ unrestricted cyber security incidents The Group could be subject to a serious cyber attack, resulting in significant disruption to operations and financial loss from falling revenues, cost of recovery, reputation loss and significant fines in the event of a related data breach. **Related strategic blocks:** 3 **Related sources of value:** 6	**High** ↑	This year we have increased our assessment of this risk to reflect the constantly evolving challenge of combatting cyber threats. Although we have bolstered our defense mechanisms and monitoring capabilities to their strongest levels yet, we recognise the increasingly sophisticated nature of these attacks. This keeps cyber risk as one of the most prominent threats to our business and a key priority for our risk mitigation efforts. Where possible we aim to reduce the risk through solidifying our established controls and implementing new defence and response mechanisms. Key actions include: • Aligning security controls with the changing technology infrastructure landscape • Compliance to the official Payment Card Industry Data Security Standard (PCI DSS) • AI powered network monitoring & detecting and autonomously responding to threats • Continuous vulnerability scanning and remediation • Enhanced back-up and recovery solution, including ransomware recovery • Focused team member awareness campaigns and training programmes, including the responsible use of AI in business • Targeted phishing training • Enhanced filtering of malicious phishing sites • Penetration testing programme • Targeted risk analysis/profiling and security incident tabletop exercises
Data privacy – risk of data breach The Group could experience a serious data privacy breach, which could result in investigation, significant fines in accordance with the GDPR and subsequent reputational damage. **Related strategic blocks:** 3 **Related sources of value:** 6, 8	**Medium** ↔	Managing data privacy risk is a high priority for our business. Safeguarding the information of our guests and team members remains a core commitment. Our key mitigating controls include: • Centralised records of personal data processing activity maintained within a data protection and information security platform. • Internal awareness campaigns and training programmes • Documented data protection and privacy procedures • Monitoring of databases containing Personally Identifiable Information, with data owners • Renewing and updating data privacy risk assessments and other documentation required under GDPR
Technology disruption A prolonged failure in our core technology infrastructure could present a significant threat to the continuation of our business operations, particularly where failures impact hotel management and reservation systems. **Related strategic blocks:** 3 **Related sources of value:** 6	**Medium** ↔	As we actively seek opportunities to enhance performance by integrating new technology into our business, we remain dedicated to safeguarding the robustness of our technology infrastructure and ensuring the uninterrupted delivery of our services. In 2025 our technology strategy includes crucial projects that will enhance our long-term resilience, including: • Transitioning to cloud services with a top-tier provider for our core infrastructure • Redesigning and implementing a new back-up and recovery solution alongside the move to cloud services • Upgrading to a new Property Management System • Enhancing network monitoring and vulnerability scanning capabilities.

Safety and Continuity

Risk appetite: Averse

Principal risk description	Residual risk	Outlook and risk response for 2025
Operational disruption Major global events such as pandemic, war or environmental disasters could result in widespread disruption, impacting our guests, our supply chain and our hotel operations. We could also experience more localised disruption to our operations from incidents at our hotels or in the immediate vicinity, for example floods, extreme weather, social unrest or terrorism. **Related strategic blocks:** 3 **Related sources of value:** 6, 8	**Medium**	We are dedicated to protecting our operational capabilities and ensuring the stability of our services, supply chains, and vital hotel management and reservation systems to deliver a seamless guest experience. Our mitigation of this threat includes: • Established crisis management plans and procedures • Regular crisis management training for management and team members • Relationship management with key suppliers and partners to identify and mitigate any potential issues which could impact the continuity of their service • Business continuity planning to prepare proportionate responses to the most significant threats which could impact the continuity of our critical services and operations
Serious health, safety and security incidents The Group could experience significant health and safety, food safety or physical security incidents. A failure to take reasonable steps to prevent such incidents, or a failure to respond appropriately, could impact our reputation, disrupt our operations and result in significant loss of guest, team member and stakeholder confidence. **Related strategic blocks:** 3 **Related sources of value:** 6, 8	**Medium**	To ensure a high level of health, safety and security for our guests, and to maintain a secure working environment for our team members, we have an established and comprehensive system of controls supported by external experts which includes: • Regular risk assessments including those specific to large events • Security and fire safety procedures • Health & Safety audit programmes • In-house and supplier food safety audit programmes • Team member training programmes • Mental health and wellbeing training • Centralised incident reporting • Proactive gathering of intelligence and advice on potential security risks through regular liaison with local police and security services

People

Risk appetite: Averse

Principal risk description	Residual risk	Outlook and risk response for 2025
Difficulty in attracting, engaging and retaining a suitably skilled workforce Difficulties in maintaining an engaged and suitably skilled workforce could impact our service standards, drive up operating costs, disrupt operations and impact the overall delivery of our key strategic objectives. **Related strategic blocks:** 3 **Related sources of value:** 6, 8	**Medium**	We are continually striving to address the challenge of recruiting, developing, and keeping skilled team members within our organisation. Our team members are crucial to our success, so we adopt a proactive and continuous management strategy to address this risk, including: • Employee experience programmes focused on employee needs and the delivery of group initiatives for developing retention, wellbeing, and engagement • Employer value proposition development to attract candidates and drive retention • Learning & Development programmes with focus on technical skills and management development • Internal communication strategy and use of related technologies for employee voice enablement • Talent management and succession planning to promote intra-company mobility options • Regular talent reviews and learning need analysis • Physical health and well-being initiatives • Further development of the HR technology landscape

Environmental, Social and Governance

Risk appetite: Averse

Principal risk description	Residual risk	Outlook and risk response for 2025
Negative stakeholder perception of the Group with regard to ESG matters With ESG being a key concern for our stakeholders, a perception that the Group does not apply best practice corporate governance principles, or does not act responsibly to protect the environment and the communities we operate in, could impact our performance by damaging our appeal to customers, investors and other business partners. It could also affect our ability to retain and attract talent. A failure to comply with the upcoming regulatory changes to governance and ESG reporting could further heighten this area of risk. **Related strategic blocks:** 1, 2, 3 **Related sources of value:** 8	**Medium**	ESG continues to be an important factor in shaping our strategic direction. Our ESG strategy is designed to meet our stakeholders' expectations, with its implementation led by our ESG Manager, and overseen by the Chief Legal & Corporate Officer. Our report on pages 68 to 83 details our ESG strategic objectives. The ESG Committee is charged with the Board's task of monitoring the Group's progress against these objectives. We address this risk area through various channels and programmes: • ESG strategy (aligned to Radisson Hotel Group's Responsible Business Programme). • Externally certified performance against recognised standards, e.g. Green Key. • Initiatives to reduce energy consumption in our properties. • Property sustainability certifications e.g. BREEAM (Building Research Establishment Environmental Assessment Methodology) • Member of Zero Carbon Forum • Member of the Energy & Environment Alliance • CDP independent environmental disclosures and Workforce Disclosure Initiative (WDI) reporting • Regular social media communications about ESG strategic approach, priorities and initiatives

Viability statement

After a strong recovery in 2023, the Group's primary focus in 2024 was on opening its largest hotel development pipeline in history and rebuilding EBITDA margins* across its current estate. Despite significant increases in minimum wage across the Group's operating regions, Like-for-like* EBITDA margins* improved by 160 basis points to 32.5%. Projected minimum wage increases in 2025 continue to outpace inflation rates in our territories, and these expectations have been incorporated into the Group's targets and strategy for the upcoming year.

Throughout the year, central banks globally began reducing interest rates from previously high levels not seen since the Global Financial Crisis. These reductions have moderated pending outlooks on future inflationary conditions. The Group's loan portfolio is largely protected from rising interest rates as most loans have fixed interest rates, with the first major refinancing scheduled for 2026, which will be touched on later in this statement.

To evaluate the Group's viability, the Board conducted a thorough assessment of both current and emerging risks that could impact the Group's strategy, performance, and liquidity. This assessment included detailed cash flow projections for the three-year period ending 31 December 2027, based on both base case and downside case scenarios.

Our base case scenario starts with the actual results of 2024, projecting growth consistent with or exceeding estimates published by STR. Revenue forecasts for 2025 above STR estimates are attributed to specific sales strategies. EBITDA* forecasts account for the elevated minimum wage increases and other inflationary cost impacts. For 2026 and beyond, we anticipate a 2.5% EBITDA* growth and further stabilization of our recently opened hotels. Debt service is modelled in line with current banking agreements and refinance assumptions take into account the elevated rates of interest currently in the market.

The downside case assumes a 15% reduction in EBITDA* compared to the base case each year, potentially due to prolonged declines in room rates and their effect on profit conversion. Both scenarios carry a high degree of uncertainty given the extended forecast period beyond current booking lead times.

The downside case does not necessitate covenant waivers or mandatory loan prepayments. Furthermore the downside scenario is not expected to trigger cash traps under existing loan agreements. However, if required, the Group's available cash resources are sufficient to continue without restructuring measures.

In 2024, the Group refinanced its existing loan with Aareal Bank AG early to benefit from the inverted interest curve at the original maturities. The refinanced loan comprises €160,000,000 and £16,000,000 tranches, extending the original 2016 facility maturity from June 2026 to June 2031. The Group is in discussions with the current lender on a £35 million facility maturing in June 2025 and the Board is confident of the Group's facility to refinance.

In 2026, three further loan facilities are maturing, totaling approximately £200 million. In 2022, the Group entered into a forward-starting hedge totaling around £100 million for one of the maturing facility, fixing the interest rate for five years post-2026 at rates substantially lower that the current market rates. Given our strong relationships with our lenders, the relatively low LTV* levels (below 50%) of the remaining loans up for refinancing, the substantial headroom expected in debt service covenants and the forward hedging in place the Board is confident in successful refinancing in both the base and downside scenario. Refinancing is assumed at the current levels of market interest rates.

Having reviewed both base and downside scenarios, the Directors have determined that the Group is likely to continue operations over the review period without further protective operational measures. The Group's viability does not rely on additional liquidity and it maintains strong cash flow generation. The Board concludes that a three-year timeframe is appropriate for assessing the Group's longer-term viability, given the significant new pipeline ramping up within this period.

The Board continuously monitors both the base case and downside case cash flow forecasts, considering different trading assumptions and the Company's long-term strategy. These considerations underpin the Board's evaluation of the Group's viability through 31 December 2027, taking into account the Group's current position, principal risks, and management strategies detailed in the Strategic Report, Group Strategy, and financial plans and forecasts. Based on this assessment, the Directors confirm they reasonably expect the Group will continue operations and meet its obligations as they come due over the three-year period to 31 December 2027.