29 August 2024

PPHE Hotel Group Limited
("PPHE" or the "Group")

Unaudited Interim Results for the six months ended 30 June 2024

Continued momentum in like-for-like[1] occupancy[1], 10.9% growth in like-for-like[1] EBITDA[1] with margin improvement and dividend increase

PPHE Hotel Group, the international hospitality real estate group which develops, owns and operates hotels and resorts, announces its unaudited interim results for the six months ended 30 June 2024 (the 'Period').

Commenting on the results, Greg Hegarty, Co-Chief Executive Officer, PPHE Hotel Group said:

"We are pleased to report a solid like-for-like[1] hotel portfolio performance for the Group, with record revenues following significant increases last year, and good momentum across the portfolio against a more measured travel market backdrop.

We continue to drive EBITDA[1] and EBITDA margin[1] growth through a combination of occupancy[1] growth and a strong internal focus on efficiencies and enhancements.

As the £300+ million pipeline[1] nears completion, our new property openings and soft launches continue in Zagreb, Belgrade, Rome and London Hoxton.

art'otel London Hoxton successfully soft opened in April 2024 and we have been thrilled by the excellent guest feedback and reviews. Our unwavering commitment to delivering high quality assets and services has meant that some properties have taken longer to get up and running than originally planned, however our focus remains committed to enhancing the value of our assets wherever possible. Regardless of short-term timings, we continue to expect these new hotels will generate at least £25 million of incremental EBITDA[1] upon stabilisation of trading.

The Board[1] remains focused on enhancing shareholder returns, with an increased interim dividend of 17 pence per share (H1 2023: 16 pence per share) and a further share buyback programme recently announced. The second half of the year has started well and has seen a continuation of our strong operational and strategic momentum, which supports the Board[1]'s confidence in the Group's outlook."

Highlights

- Positive like-for-like[1] growth of total revenue and EBITDA[1] was achieved in the context of a persistently challenging macroeconomic backdrop and strong comparative periods.

- Continued diversification of the business mix, from predominantly leisure demand in 2023 to greater growth in 2024 from groups, meetings & events and corporate business travel.

- Like-for-like[1] total revenue growth was up 4.3% to £187.8 million (H1 2023: £180.0 million) and up 6.1% on a reported basis (H1 2024: £191.0 million). Against a strong 2023 comparative, the total revenue performance for the London portfolio was flat with solid revenue growth in all other territories.

- Like-for-like[1] EBITDA[1] was up 10.9% to £50.2 million (H1 2023: £45.2 million) and like-for-like[1] EBTIDA margin[1] improved to 26.7% (H1 2023: 25.1%). Reported EBITDA[1] was at £48.3 million (H1 2023: £45.2 million) with the new openings dilutive to EBITDA[1] which is typical in the first months of operation.

- Like-for-like[1] EBITDA margin[1] increased by 160bps to 26.7% (H1 2023: 25.1%) as a result of several effective cost management, centralisation and technological initiatives introduced in recent years. Reported EBITDA margin[1] was 25.3%.

- Like-for-like[1] RevPAR[1] was broadly flat at £109.9 versus last year £110.3 despite softening of average room rates[1]. On a reported basis RevPAR[1] was £107.8 (H1 2023: £110.3), temporarily negatively impacted by the newly opened art'otel Zagreb and art'otel London Hoxton.

- Average room rates[1] were softened by 4.4% on a like-for-like[1] basis due to the market mix stabilising from the largely leisure driven performance of 2023. On a reported basis, the average room rate[1] was £152.8 (H1 2023: £159.6).

- Like-for-like[1] occupancy[1] rates continued to increase to 72.0% compared with 69.1% in H1 2023. Reported occupancy[1] was 70.6% impacted by the occupancy[1] phasing from newly opened hotels.

- EPRA NRV per share[1,2] on 30 June 2024 was £26.24 (31 December 2023: £26.72). This decline is due to FX[1] movements and dividend distributions. Revaluations, which will include newly opened hotels, will be completed at the year-end as per the usual course of business.

- Adjusted EPRA earnings[1] of 124 pence for the last 12 months ended 30 June 2024 (LTM[1]) was up by 5.1% versus 2023 (31 December 2023: 118 pence). EPRA earnings[1] include the temporary negative effect of newly opened hotels, which amounts to approximately 4 pence per share.

- The Board[1] is focused on enhancing value for shareholders and, in line with its progressive dividend policy, it proposes to increase the interim dividend to 17 pence per share (H1 2023: 16 pence per share). In addition, in light of the current share price discount relative to the EPRA NRV[1] which as at 30 June 2024 was £26.24 per share, the Board[1] launched a new Share buyback programme of up to £4 million on 11 July 2024. This follows on from another buyback completed in March 2024 at an aggregate value of £3.8 million

[1] See Appendix for definitions and further information on Alternative Performance Measures ('APM') and other definitions.
[2] EPRA NRV and EPRA NRV per share were calculated based on the independent external valuations prepared in December 2023.

New openings and development pipeline[1]

- Following many years of planning and investment, we were pleased to deliver several of our £300 million plus pipeline[1] projects. Upon full stabilisation of trading, our new openings are targeted to deliver at least £25 million of incremental EBITDA[1] to the Group.

- art'otel London Hoxton successfully soft opened in April 2024 and has been well received with very strong guest feedback.

  - The phased launch programme continues to plan, working towards a full opening by Q4 2024.

  - The Group has also been actively looking to enhance the value of this attractive asset and has identified a range of new opportunities for the approximately 5,000 square metre office space and the substantial leisure elements within the asset.

- Works are nearing completion on the art'otel Rome Piazza Sallustio project and the hotel is now expected to open in the winter 2024/2025.

- In Croatia, art'otel Zagreb had a soft opening in October 2023 with full facilities open from May 2024, including a rooftop terrace with stunning city views. The hotel is ramping up currently and is expected to have a positive EBITDA[1] contribution from next year onwards.

- Two Radisson RED hotels opened following extensive repositioning and rebranding programmes: Radisson RED Belgrade, Serbia (February 2024) and Radisson RED Berlin Kudamm (soft opening June 2024; full launch expected September 2024).

- Planning approval has now been received for a new 186-bedroom mixed-use hotel-led development in London's vibrant South Bank area:
    - Development site is located on Westminster Bridge Road and will be PPHE's fifth hotel in the broader Waterloo area.
    - The site was purchased for £12.5 million in 2019 and the Group is now in the process of creating detailed designs and fulfilling the conditions included in the planning permit.

Current trading and outlook

- As previously guided, H1 has seen the continuation of business mix and room rates normalising, offset by improved occupancy[1] and good cost control**.**
- Excluding new openings in the year, the Group's like-for-like[1] performance remains in line with expectations.
- The Group's Croatian operations are currently in their peak season, with trading in line with expectations and the Group expects a continuation of the positive trends experienced in the first six months. However, consumers are still making last-minute booking decisions which impacts the Group's overall visibility.
- Certain supply chain issues have delayed the Group's ability to fully open its exciting art'otel London Hoxton and art'otel Rome Piazza Sallustio properties. Notwithstanding these delays, the various soft openings have been very well received by guests and the Group continue to expect these properties to be meaningful contributors of at least £25 million EBITDA[1] uplift upon stabilisation.
- As a result of the extended construction and fit-out programmes at art'otel London Hoxton and art'otel Rome Piazza Sallustio, the anticipated positive EBITDA[1] contribution from these projects is now forecasted to commence from 2025 onwards.

[1] See Appendix 1 for definitions and further information on Alternative Performance Measures ('APM') and other definitions.

Enquiries:

PPHE Hotel Group Limited	Tel: +31 (0)20 717 8600
Greg Hegarty Co-Chief Executive Officer	
Daniel Kos Chief Financial Officer & Executive Director	
Robert Henke Executive Vice President of Commercial Affairs	
Hudson Sandler Wendy Baker / Lucy Wollam / India Laidlaw	Tel: +44 (0)20 7796 4133 Email: pphe@hudsonsandler.com

Notes to Editors

PPHE Hotel Group is an international hospitality real estate company, with a £2.2 billion portfolio, valued as at December 2023 by Savills and Zagreb nekretnine Ltd (ZANE), of primarily prime freehold and long leasehold assets in Europe.

Through its subsidiaries, jointly controlled entities and associates it owns, co-owns, develops, leases, operates and franchises[1] hospitality real estate. Its portfolio includes full-service upscale, upper upscale and lifestyle hotels in major gateway cities and regional centres, as well as hotel, resort and campsite properties in select resort destinations. The Group's strategy is to grow its portfolio of core upper upscale city centre hotels, leisure and outdoor hospitality and hospitality management platform.

PPHE Hotel Group benefits from having an exclusive and perpetual licence from the Radisson Hotel Group[1], one of the world's largest hotel groups, to develop and operate Park Plaza®[1] branded hotels and resorts in Europe, the Middle East and Africa. In addition, PPHE Hotel Group wholly owns, and operates under, the art'otel® brand and its Croatian subsidiary[1] owns, and operates under, the Arena Hotels & Apartments®[1] and Arena Campsites®[1] brands.

PPHE Hotel Group is a Guernsey[1] registered company with shares listed on the London Stock Exchange. PPHE Hotel Group also holds a controlling ownership interest in Arena Hospitality Group[1] ('AHG'), whose shares are listed on the Prime market of the Zagreb Stock Exchange.

Company[1] websites: www.pphe.com | www.arenahospitalitygroup.com

For reservations:
www.parkplaza.com | www.artotel.com | www.radissonhotels.com | www.arenahotels.com | www.arenacampsites.com

BUSINESS & FINANCIAL REVIEW

BUSINESS REVIEW

The Group is pleased to report on its performance for the first six months of 2024, particularly in the context of a record performance delivered in the first six months of 2023. With positive like-for-like[1] growth delivered across the Group's attractive multi-brand portfolio, and several high-profile hotel openings during the Period with more upcoming, the Board[1] remains very confident about the Group's outlook and future opportunities.

Positive like-for-like[1] growth was achieved against a persistently challenging macroeconomic backdrop. While demand for leisure travel remained the most dominant business theme, as anticipated, the rate growth normalised in the first half of 2024, as leisure room rates moderated, and other market segments continued to increase. Corporate travel globally remained somewhat subdued but showed signs of building back towards pre-2019 levels. Nevertheless, forward booking momentum across all segments and geographies continued to be encouraging, with meetings and events performing particularly well, supporting longer-term forecasting.

The ongoing normalisation of the leisure booking and corporate mix has, as expected, resulted in a stabilising of the Group's room rates in 2024 to date. In the meantime, growth has been delivered through the planned rebuilding of occupancy[1] levels across its portfolio, and through the phased opening of new properties during the Period.

This has driven an increase in like-for-like total revenue of 4.3% to £187.8 million (H1 2023: £180.0 million) and EBITDA[1] grew by 10.9% to £50.2 million (H1 2023: £45.2 million).

The Group remained focused on enhancing its margin performance and delivered on a like-for-like basis a 160bps increase in EBITDA margin[1] to 26.7% (H1 2023: 25.1%). This follows the previously announced introduction of several new extensive effective cost management, centralisation and technological initiatives over recent years. The Group's reported performance was impacted by the ramping up of the newly opened hotels which are in their soft opening stages.

Shareholder returns

The Board[1] is focused on enhancing value for shareholders and, in line with its previously communicated progressive dividend policy, it proposes to increase the interim dividend. Moreover, it recently launched another share buyback programme given the substantial discount of the current share price compared with the Group's EPRA NRV per share[1].

Increased interim dividend

This financial progress in the Period and confidence in outlook supports the Board[1]'s decision to pay an increased interim dividend of 17 pence per share (H1 2023: 16 pence per share). The interim dividend will be paid on 15 October 2024 to those shareholders on the register at the close of business on 20 September 2024.

Share buyback programme

Earlier this year, the Company[1] bought back 300,000 shares (for an aggregate amount of £3.8 million, at an average share price of £12.80) and in consideration of the current share price discount relative to the EPRA NRV per share[1], the Board[1] believes it is in the best interests of shareholders to return a portion of capital by means of a Share Buyback Programme.

The share buyback programme to buy up 400,000 ordinary shares for an aggregate maximum consideration to £4.0 million was launched on 11 July 2024. Since launch, 97,869 ordinary shares have been purchased for a total amount of £1.3 million till 27 August 2024. The total number of shares outstanding (net of treasury shares) prior to the July buyback was 42,075,300.

£300 million development pipeline[1] nears completion

As previously announced, the Group's property pipeline[1] saw record activity during the first half of 2024, with significant progress made both in terms of new openings and feeding further opportunities into the future pipeline[1].

While these openings generally require significant time and financial investment in addition to operational support, this is all provided in-house due to PPHE's unique buy-build-operate business model. Therefore, the Board[1]'s expectation remains that upon stabilisation these new hotels will contribute at least £25 million in incremental EBITDA[1] going forward.

More specifically, during the Period the Group's Radisson RED property in Belgrade and art'otel Zagreb fully opened. Meanwhile, following soft openings at art'otel London Hoxton and Radisson RED Berlin Kudamm launched during the first half and initial reviews from our customers have been extremely positive. Finally, extensive repositioning is ongoing at art'otel Rome Piazza Sallustio, which is expected to be completed in the coming winter.

The Group's future pipeline[1] continues to be filled with high-quality properties and exciting opportunities. Most recently, this includes the securing of planning permission for a 186-room hotel on London's popular South Bank, which has proceeded to the design stage following a successful planning appeal process. This 15-storey design-led mid-scale hotel concept will combine lifestyle hotel rooms, leisure and creative spaces and will include two floors of office and light industrial floorspace, an all-day dining bar and café. The building's design will be focused on sustainability, transforming a former brownfield site, and targeting a BREEAM[1] 'Excellent' environmental accreditation.

Board[1] update

In February, Greg Hegarty was appointed Co-Chief Executive Officer and assumed this role alongside Boris Ivesha, the Company[1]'s long-serving President & CEO. In his role, 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 as it continues in its current phase of significant growth. In addition, Greg continues to be responsible for the Group's ongoing proactive engagement with shareholders. Boris Ivesha remains focused on pursuing growth and development opportunities for the Group, including concept creation.

In Q1 2024 Marcia Bakker became Chair of the ESG Committee, with Ken Bradley stepping down from the role of Chair but remaining a valued member of the Committee. At the same time, the Senior Independent Director, Nigel Keen joined the ESG Committee.

Environmental, Social and Governance (ESG)

Stakeholder engagement

A Task Force on Climate-related Financial Disclosures (TCFD) report was produced for 2023, including an assessment of climate risks to the business and their potential financial impact, and is accessible from pphe.com.

The Group had various ESG workshops across the teams monitoring and refining the implementation of the ESG strategy and processing of targets. We are working to ensure preparedness for reporting to IFRS S1 and S2, and CSRD[1] reporting frameworks (where applicable in the EU[1]) as these come into force. This determined some important actions for H2 2024 for both PPHE and AHG.

People

The Group conducts two Pulse Surveys per year, which provide insights on ESG metrics such as employee engagement and wellbeing. Last year's results also showed that employees wanted to be better informed on ESG initiatives. Consequently, we have introduced employee engagement initiatives to provide regular updates on progress, in the form of an ESG newsletter, a new network of ESG ambassadors present in each hotel, and regular ESG updates at quarterly employee meetings. We are in process of launching an initiative by which every employee will have access to one paid volunteering day per year, also aimed at strengthening our relationships with the local communities.

Carbon and energy

As for all recent years, the Group has conducted a complete carbon footprint report for 2023, including scope1, 2 and 3 emissions. We are currently in the process of drafting a decarbonisation plan with a view to reaching net zero in 2040.

Current trading and outlook

The second half of the year is typically the Group's strongest trading period, particularly with the onset of the summer leisure season, with the opening of our well-invested portfolio of hotel and camping assets in Croatia.

As previously guided, H1 has seen the continuation of business mix and room rates normalising, offset by improved occupancy[1] and good cost control. Excluding new openings in the year, the Group's like-for-like[1] performance remains in line with expectations.

As a result of the extended construction programmes at art'otel London Hoxton, art'otel Rome Piazza Sallustio and art'otel Zagreb delaying the full opening of these properties, the anticipated positive EBITDA[1] contribution from these projects is now forecasted to commence from 2025 onwards.

FINANCIAL PERFORMANCE[1]

[1] This interim management report contains multiple alternative performance measures. See Appendix 1 at the of the report for definitions and further information on those Alternative Performance Measures ('APM'). The metrics presented in this report are consistent with those presented in our previous annual report and there have been no changes to the bases of calculation.

	H1 Reported in GBP[1]		
	Six months ended 30 June 2024	Six months ended 30 June 2023	Change[2]
Total revenue	**£191.0 million**	£180.0 million	6.1%
Room revenue[1]	**£138.5 million**	£133.6 million	3.7%
EBITDA[1]	**£48.3 million**	£45.2 million	6.7%
EBITDA margin[1]	**25.3%**	25.1%	13bps
Reported PBT[1]	**£(1.3) million**	£2.0 million	n/a
Normalised PBT[1]	**£2.6 million**	£3.6 million	(25.1)%
Occupancy[1]	**70.6%**	69.1%	150bps
Average room rate[1]	**£152.8**	£159.6	(4.3)%
RevPAR[1]	**£107.8**	£110.3	(2.2)%

[1] See Appendix 1 for definitions and further information on Alternative Performance Measures ('APM') and other definitions.
[2] Percentage change figures are calculated from actual figures as opposed to the rounded figures included in the above table.

		H1 Like-for-like[1,3] GBP[1]	
	Six months ended 30 June 2024	Six months ended 30 June 2023	Change[2]
Total revenue	**£187.8 million**	£180.0 million	4.3%
Room revenue[1]	**£136.3 million**	£133.6 million	2.1%
EBITDA[1]	**£50.2 million**	£45.2 million	10.9%
EBITDA margin[1]	**26.7%**	25.1%	160bps
Occupancy[1]	**72.0%**	69.1%	290bps
Average room rate[1]	**£152.6**	£159.6	(4.4)%
RevPAR[1]	**£109.9**	£110.3	(0.3)%

[1] See Appendix 1 for definitions and further information on Alternative Performance Measures ('APM') and other definitions.
[2] Percentage change figures are calculated from actual figures as opposed to the rounded figures included in the above table.
[3] The like-for-like figures for the six months ended 30 June 2024 exclude the results of art'otel London Hoxton and art'otel Zagreb for the Period.

	Q2 Reported in GBP[1]		
	Three months ended 30 June 2024	Three months ended 30 June 2023	Change[2]
Total revenue	**£114.0 million**	£111.2 million	2.5%
Room revenue[1]	**£83.3 million**	£83.2 million	0.1%
Occupancy[1]	**70.7%**	70.8%	(10)bps
Average room rate[1]	**£163.3**	£171.0	(4.5)%
RevPAR[1]	**£115.4**	£121.0	(4.6)%

[1] See Appendix 1 for definitions and further information on Alternative Performance Measures ('APM') and other definitions.
[2] Percentage change figures are calculated from actual figures as opposed to the rounded figures included in the above table.

	Q2 Like-for-like[1,3] in GBP[1]		
	Three months ended 30 June 2024	Three months ended 30 June 2023	Change[2]
Total revenue	**£111.4 million**	£111.2 million	0.2%
Room revenue[1]	**£81.3 million**	£83.2 million	(2.2)%
Occupancy[1]	**72.6%**	70.8%	190bps
Average room rate[1]	**£163.0**	£171.0	(4.7)%
RevPAR[1]	**£118.3**	£121.0	(2.2)%

[1] See Appendix 1 for definitions and further information on Alternative Performance Measures ('APM') and other definitions.
[2] Percentage change figures are calculated from actual figures as opposed to the rounded figures included in the above table.
[3] The like-for-like figures for the six months ended 30 June 2024 exclude the results of art'otel London Hoxton and art'otel Zagreb for the Period.

Activity across the Group's regions was predominantly driven by demand for leisure stays, groups and meetings and events, which helped to deliver a reported total revenue of £191.0 million; representing an increase of 6.1% (H1 2023: £180.0 million).

In the first half of 2024, RevPAR[1] decreased by 2.2% to £107.8, driven by a 4.3% decrease in average room rate[1] to £152.8 (H1 2023: £159.6) as rates normalised. Occupancy[1] rose by 150 bps to 70.6% (H1 2023: 69.1%).

In Q2 2024, against a strong 2023 comparative, average room rate[1] decreased by 4.5% to £163.3. Occupancy[1] declined by 10 bps to 70.7% (Q2 2023: 70.8%). This resulted in a Q2 RevPAR[1] of £115.4 (Q2 2023: £121.0).

Group-reported EBITDA[1] in the Period increased to £48.3 million (H1 2023: £45.2 million and the EBITDA margin[1] improved to 25.3% (H1 2023: 25.1%).

Reconciliation of reported profit before tax to normalised profit before tax[1]

In £ millions	**Six months ended 30 June 2024**	Six months ended 30 June 2023	**12 months ended 30 June 2024**	12 months ended 31 December 2023
Reported profit (loss) before tax[1]	**(1.3)**	2.0	**25.5**	28.8
Loss on buyback of units in Park Plaza Westminster Bridge London from private investors	**0.7**	1.3	**2.7**	3.3
Revaluation of finance lease	**1.9**	1.9	**3.9**	3.9
Revaluation of Park Plaza County Hall London Income Units	**-**	-	**(1.6)**	(1.6)
Disposals and Other non-recurring expenses (including pre-opening expenses)	**2.7**	0.2	**3.9**	1.4
Non-cash changes in fair value of financial instruments	**(1.4)**	(1.8)	**2.1**	1.7
Normalised profit before tax[1]	**2.6**	3.6	**36.5**	37.5

[1] See Appendix 1 for definitions and further information on Alternative Performance Measures ('APM') and other definitions.

EPRA[1] accounting information

The Group is a developer, owner and operator of hotels, resorts and campsites and realises returns through both developing and owning assets as well as managing the operations of those assets to their full potential. Certain EPRA[1] performance measurements are disclosed to aid investors in analysing the Group's performance and understanding the value of its assets and earnings from a property perspective.

EPRA[1] performance indicators

The Group's last twelve months (LTM[1]) adjusted EPRA earnings per share[1] to 30 June 2024 increased to 124 pence per share. A summary of the Group's EPRA[1] performance measures is set out in the table below.

	30 June 2024 £ million	31 December 2023 £ million
EPRA earnings (LTM)[1,2]	**61.1**	59.0
Adjusted EPRA earnings (LTM)[1,2]	**52.4**	50.1
EPRA NRV (Net Reinstatement Value)[1,3]	**1,117.4**	1,136.4
EPRA NTA (Net Tangible Assets)[1,3]	**1,089.4**	1,106.6
EPRA NDV (Net Disposal Value)[1,3]	**1,059.7**	1,070.4
EPRA LTV[1] (in percentage)	**34.8%**	33.4%

Per share figures:	**30 June 2024 £**	31 December 2023 £
EPRA earnings per share (LTM)[1]	**1.45**	1.39
Adjusted EPRA earnings per share (LTM)[1]	**1.24**	1.18
EPRA NRV per share[1,3]	**26.24**	26.72
EPRA NTA per share[1,3]	**25.58**	26.02
EPRA NDV per share[1,3]	**24.89**	25.17

[1] See Appendix 1 for definitions and further information on Alternative Performance Measures ('APM') and other definitions.
[2] EPRA earnings and adjusted EPRA earnings for 30 June 2024 are calculated for the last 12-month period ended on 30 June 2024.
[3] EPRA NRV / NTA / NDV and EPRA NRV / NTA / NDV per share were calculated based on the independent external valuations prepared in December 2023.

EPRA[1] performance measures

a. EPRA net asset value[1]

To guide investors on the market value of the Group's property portfolio and performance, the Group has been reporting various EPRA[1] key performance indicators since 2018, alongside its operational metrics. Property valuations have historically been undertaken once a year by independent external valuers, using established and widely recognised methods including applying appropriate discount rates to property cash flow generation and applying capitalisation rates from precedent transactions.

In December 2023, the Group's properties (with the exception of operating leases, managed and franchised properties) were independently valued by Savills (in respect of properties in the Netherlands, UK and Germany) and by Zagreb nekretnine Ltd (ZANE) (in respect of properties in Croatia). Based on those valuations the Directors had updated the Group's EPRA NRV[1], EPRA NTA[1] and EPRA NDV[1] for 30 June 2024. The EPRA NRV[1] as at 30 June 2024, set out in the table below, amounts to £1,117.4 million (31 December 2023: £1,136.4 million), which equates to £26.24 per share (31 December 2023: £26.72). This slight NRV decline was mainly as a result of the change in the GBP[1]/EUR[1] currency conversion rate and a dividend distribution in the Period. The Group's annual revaluation will take place in December 2024.

	30 June 2024 £ million		
	EPRA NRV (Net Reinstatement Value)[1]	**EPRA NTA (Net Tangible Assets)[1,5]**	**EPRA NDV (Net Disposal Value)[1]**
NAV per the financial statements	**302.8**	**302.8**	**302.8**
Effect of exercise of options	**-**	**-**	**-**
Diluted NAV, after the exercise of options[2]	**302.8**	**302.8**	**302.8**
Includes:			
Revaluation of owned properties in operation[3]	**795.4**	**795.4**	**795.4**
Revaluation of the JV interest held in two German properties[3]	**4.5**	**4.5**	**4.5**
Fair value of fixed interest rate debt	**-**	**-**	**(3.1)**
Deferred tax on revaluation of properties	**-**	**-**	**(39.9)**
Real estate transfer tax[4]	**18.9**	**-**	**-**
Excludes:			
Fair value of financial instruments	**20.1**	**20.1**	**-**
Deferred tax on timing differences on Property, plant and equipment and intangible assets	**(15.9)**	**(15.9)**	**-**
Intangibles assets as per the IFRS balance sheet	**-**	**9.1**	**-**
EPRA NAV	**1,117.4**	**1,089.4**	**1,059.7**
Fully diluted number of shares (in thousands)[2]	**42,583**	**42,583**	**42,583**
EPRA NAV per share (in £)	**26.24**	**25.58**	**24.89**

[1] See Appendix 1 for definitions and further information on Alternative Performance Measures ('APM') and other definitions.
[2] The fully diluted number of shares excludes treasury shares but includes 507,998 outstanding dilutive options (as at 31 December 2023: 163,221).
[3] The fair values of the properties were determined on the basis of independent external valuations prepared in December 2023. The properties under development are measured at cost.
[4] EPRA NTA and EPRA NDV reflect fair value net of transfer costs. Transfer costs are added back when calculating EPRA NRV.
[5] NTA is calculated under the assumption that the Group does not intend to sell any of its properties in the long run.

	31 December 2023 £ million		
	EPRA NRV (Net Reinstatement Value)[1]	**EPRA NTA (Net Tangible Assets)[1,5]**	**EPRA NDV (Net Disposal Value)[1]**
NAV per the financial statements	**314.6**	**314.6**	**314.6**
Effect of exercise of options	**-**	**-**	**-**
Diluted NAV, after the exercise of options[2]	**314.6**	**314.6**	**314.6**
Includes:			
Revaluation of owned properties in operation[3]	**794.6**	**794.6**	**794.6**
Revaluation of the JV interest held in two German properties[3]	**6.1**	**6.1**	**6.1**
Fair value of fixed interest rate debt	**-**	**-**	**(5.9)**
Deferred tax on revaluation of properties	**-**	**-**	**(39.0)**
Real estate transfer tax[4]	**19.1**	**-**	**-**
Excludes:			
Fair value of financial instruments	**14.2**	**14.2**	**-**
Deferred tax	**(16.2)**	**(16.2)**	**-**
Intangibles as per the IFRS balance sheet	**-**	**10.7**	**-**
EPRA NAV	**1,136.4**	**1,106.6**	**1,070.4**
Fully diluted number of shares (in thousands)[2]	**42,527**	**42,527**	**42,527**
EPRA NAV per share (in £)	**26.72**	**26.02**	**25.17**

[1] See Appendix 1 for definitions and further information on Alternative Performance Measures ('APM') and other definitions.

[2] The fully diluted number of shares excludes treasury shares but includes 163,221 outstanding dilutive options (as at 31 December2022: 150,223).
[3] The fair values of the properties were determined on the basis of independent external valuations prepared in December 2023. The properties under development are measured at cost.
[4] EPRA NTA and EPRA NDV reflect fair value net of transfer costs. Transfer costs are added back when calculating EPRA NRV.
[5] NTA is calculated under the assumption that the Group does not intend to sell any of its properties in the long run.

EPRA earnings[1]

The basis for calculating the Company[1]'s adjusted EPRA earnings[1] of £52.4 million for the 12 months to 30 June 2024 (LTM[1]) 12 months to 31 December 2023: £50.1 million) and the Company[1]'s adjusted EPRA earnings[1] per share of 124 pence for the 12 months to 30 June 2024 (12 months to 31 December 2023: 118 pence) is set out in the table below.

	12 months ended 30 June 2024 £ million	12 months ended 31 December 2023 £ million
Earnings attributed to equity holders of the parent company[1]	**21.9**	22.4
Depreciation and amortisation expenses	**47.8**	45.1
Revaluation of Park Plaza County Hall London Income Units	**(1.6)**	(1.6)
Changes in fair value of financial instruments	**2.1**	1.7
Non-controlling interests[4] in respect of the above	**(9.1)**	(8.6)
EPRA earnings[1]	**61.1**	59.0
Weighted average number of shares outstanding[1] (in thousands) (LTM)[1]	**42,275**	42,451
EPRA earnings per share[1] (in pence)	**145**	139
Company[1] specific adjustments[2]:		
Capital loss on buyback of Income Units in Park Plaza Westminster Bridge London	**2.7**	3.3
Remeasurement of lease liability[5]	**3.9**	3.9
Disposals and Other non-recurring expenses (including pre-opening expenses)[8]	**3.9**	1.4
Adjustment of lease payments[6]	**(2.3)**	(2.3)
One-off tax adjustments[7]	**(2.6)**	(2.5)
Maintenance capex[1,3]	**(17.0)**	(16.6)
Non-controlling interests in respect of Maintenance capex[1] and the adjustments above[4]	**2.7**	3.9
Company[1] adjusted EPRA earnings[1]	**52.4**	50.1
Company[1] adjusted EPRA earnings per share[1] (in pence)	**124**	118

Reconciliation Company[1] adjusted EPRA earnings[1] to normalised reported profit before tax[1]		
Company[1] adjusted EPRA earnings[1,2]	**52.4**	50.1
Reported depreciation and amortisation	**(47.8)**	(45.1)
Non-controlling interest[4] in respect of reported depreciation and amortisation	**9.1**	8.6
Maintenance capex[1,3]	**17.0**	16.6
Non-controlling interests[4] in respect of Maintenance capex[1,3] and the adjustments above	**(2.7)**	(3.9)
Adjustment of lease payments[6]	**2.3**	2.3
One-off tax adjustments[7]	**2.6**	2.5
Profit attributable to non-controlling interests[4]	**2.1**	4.7
Reported tax	**1.5**	1.7
Normalised profit before tax[1]	**36.5**	37.5

[1] See Appendix 1 for definitions and further information on Alternative Performance Measures ('APM') and other definitions.
[2] The 'Company specific adjustments' represent adjustments of non-recurring or non-trading items.
[3] Calculated as 4% of revenues, which represents the expected average maintenance capital expenditure required in the operating properties.

[4] Non-controlling interests include the non-controlling shareholders in Arena, third-party investors in income units of Park Plaza Westminster Bridge London and the non-controlling shareholders in the partnership with Clal that was entered into in June 2021 and March 2023 respectively.
[5] Non-cash revaluation of finance lease liability relating to minimum future CPI/RPI increases.
[6] Lease cash payments which are not recorded as an expense in the Group's income statement due to the implementation of IFRS 16.
[7] Mainly relates to deferred tax asset on carry forward losses recorded in 2023 (see note 25b in the 2023 annual consolidated financial statements).
[8] Mainly relates to pre-opening expense and net profit and loss on disposal of property, plant and equipment.

EPRA LTV[1] reconciliation

	31 December 2024 £ million				
	Group as reported under IFRS	**Adjustments to arrive at Group EPRA LTV[1]**	**Group EPRA LTV[1] before NCI[1] adjustment**	**Proportionate Consolidation (Non-controlling interest)**	**Combined EPRA LTV[1]**
Include:					
Borrowings (short-/long-term)	902.3	–	902.3	(212.0)	690.3
Exclude:					
Cash and cash equivalents and restricted cash	(137.1)	–	(137.1)	32.7	(104.4)
Net Debt[1] (a)	**765.2**	**–**	**765.2**	**(179.3)**	**585.9**
Include:					
Property, plant and equipment	1,425.3	759.7	2,185.0	(516.8)	1,668.2
Right-of-use assets	229.7	(229.7)	–	–	–
Lease liabilities	(281.9)	281.9	–	–	–
Liability to income units in Westminster Bridge hotels	(112.7)	112.7	–	–	–
Intangible assets	9.1	–	9.1	(0.8)	8.3
Investments in Joint ventures[2]	8.5	8.3	16.8	(7.6)	9.2
Other assets and liabilities, net	2.1	(12.3)	(10.2)	8.9	(1.3)
Total Property Value (b)	**1,280.1**	**920.6**	**2,200.7**	**(516.3)**	**1,684.4**
EPRA LTV[1] (a/b)	**59.8%**	**–**	**34.8%**	**–**	**34.8%**
Adjustments to reported EPRA NRV[1]:					
Real estate transfer tax	–	21.7	21.7	(2.8)	18.9
Total Property Value after adjustments (c)	**1,280.1**	**942.3**	**2,222.4**	**(519.1)**	**1,703.3**
Total Equity (c-a)	**514.9**	**942.3**	**1,457.2**	**(339.8)**	**1,117.4**

[1] See Appendix 1 for definitions and further information on Alternative Performance Measures ('APM') and other definitions.
[2] Proportionate consolidation was not applied to the Joint ventures as it is considered as not material.

	31 December 2023 £ million				
	Group as reported under IFRS	Adjustments to arrive at Group EPRA LTV[1]	Group EPRA LTV[1] before NCI[1] adjustment	Proportionate Consolidation (Non-controlling interest)	Combined EPRA LTV[1]
Include:					
Borrowings (short-/long-term)	893.0	–	893.0	(202.4)	690.6
Exclude:					
Cash and cash equivalents and restricted cash	(167.7)	–	(167.7)	36.6	(131.1)
Net Debt[1] (a)	**725.3**	**–**	**725.3**	**(165.8)**	**559.5**
Include:					
Property, plant and equipment	1,412.8	762.4	2,175.2	(511.8)	1,663.4
Right-of-use assets	229.2	(229.2)	–	–	–
Lease liabilities	(277.4)	277.4	–	–	–
Liability to income units in Westminster Bridge hotels	(114.3)	114.3	–	–	–
Intangible assets	10.7	–	10.7	(0.9)	9.8
Investments in Joint ventures[2]	5.4	11.4	16.8	(7.8)	9.0
Other assets and liabilities, net	(9.9)	(4.0)	(13.9)	8.5	(5.4)
Total Property Value (b)	**1,256.5**	**932.3**	**2,188.8**	**(512.0)**	**1,676.8**
EPRA LTV[1] (a/b)	**57.7%**	**–**	**33.1%**	**–**	**33.4%**
Adjustments to reported EPRA NRV[1]:					
Real estate transfer tax	–	21.9	21.9	(2.8)	19.1
Total Property Value after adjustments (c)	**1,256.5**	**954.2**	**2,210.7**	**(514.8)**	**1,695.9**
Total Equity (c-a)	**531.2**	**954.2**	**1,485.4**	**(349.0)**	**1,136.4**

[1] See Appendix 1 for definitions and further information on Alternative Performance Measures (‘APM’) and other definitions.
[2] Proportionate consolidation was not applied to the Joint ventures as it is considered as not material.

REVIEW OF OPERATIONS

United Kingdom

Hotel operations

	Reported in GBP[1]		Like-for-like[1,2] in GBP[1]	
	Six months ended 30 June 2024	Six months ended 30 June 2023	**Six months ended 30 June 2024**	Six months ended 30 June 2023
Total revenue	**£111.7 million**	£110.0 million	**£110.2 million**	£110.0 million
Room revenue[1]	**£85.5 million**	£85.9 million	**£84.3 million**	£85.9 million
EBITDA[1]	**£32.4 million**	£31.8 million	**£34.0 million**	£31.8 million
Occupancy[1]	**81.3%**	81.7%	**83.8%**	81.7%
Average room rate[1]	**£175.6**	£184.3	**£175.1**	£184.3
RevPAR[1]	**£142.8**	£150.5	**£146.7**	£150.5

[1] See Appendix 1 for definitions and further information on Alternative Performance Measures ('APM') and other definitions.
[2] The like-for-like figures for the six months ended 30 June 2024 exclude the results of art'otel London Hoxton for the Period.

Hotel portfolio performance

The United Kingdom represents our most significant operating region and we delivered a like-for-like[1] growth in occupancy[1]. As mentioned earlier, corporate travel was slower in the first half than anticipated hence the Group's focus on converting demand from other market segments including groups and meetings & events.

In April 2024, the soft opening of our flagship art'otel London Hoxton took place. Consisting of 357 rooms, it is our largest single property investment in the past decade and follows the art'otel brand's successful London debut at Battersea Power Station in February 2023. Since opening, customer interest has been strong, and booking activity is expected to ramp up further over the coming months as part of a managed phased opening due to be completed by Q4 2024.

Whilst the London revenue performance was softer than the Group's other territories, the majority of the Group's established hotels exceeded their fair market share[1] in occupancy[1] terms and its two largest London hotels outperformed their competitor sets in terms of average room rate[1,2].

Total reported revenue (impacted by the art'otel London Hoxton which soft opened in April 2024) increased by 1.5% to £111.7 million (H1 2023: £110.0 million). While reported occupancy[1] was in line with last year at 81.3% (H1 2023: 81.7%), the average room rate[1] decreased 4.7% to £175.6 (H1 2023: £184.3). This resulted in RevPAR[1] of £142.8 (H1 2023: £150.5). EBITDA[1] increased slightly by 1.9% to £32.4 million (H1 2023: £31.8 million).

On a like-for-like[1] basis, which excludes the recently launched art'otel London Hoxton, EBITDA[1] increased to £34.0 million, delivering an EBITDA margin[1] of 30.8% (H1 2023: 28.9%).

The Group continues to identify and review opportunities to replenish its development pipeline[1]. This includes progressing the development opportunities at its various land sites.

*The United Kingdom hotel market**

Market RevPAR[1] was up 2.6% at £86.7 (H1 2023: £84.4), driven by a 2.1% increase in average room rate[1] to £115.1 (H1 2023: £112.8) and a 0.6% increase in occupancy[1] to 75.3% (H1 2023: 74.8%).

In London, the market RevPAR[1] was flat at £142.4 (H1 2023: £142.4), reflecting a 1.0% increase in occupancy[1] to 77.5% (H1 2023: 76.8%) and a 1.0% decrease in average room rate[1] to £185.5 (H1 2023: £187.5).

[1] See Appendix 1 for definitions and further information on Alternative Performance Measures ('APM') and other definitions.
[2] STR Hotel Benchmarking, June 2024
*STR European Hotel Review, June 2024

The Netherlands

Hotel operations

	Reported in GBP[1]		Reported in local currency EUR[1,2]	
	Six months ended 30 June 2024	Six months ended 30 June 2023	**Six months ended 30 June 2024**	Six months ended 30 June 2023
Total revenue	**£32.9 million**	£30.2 million	**€38.5 million**	€34.6 million
Room revenue[1]	**£24.3 million**	£23.1 million	**€28.5 million**	€26.5 million
EBITDA[1]	**£10.9 million**	£9.4 million	**€12.8 million**	€10.8 million
Occupancy[1]	**85.1%**	79.6%	**85.1%**	79.6%
Average room rate[1]	**£146.2**	£149.6	**€171.5**	€171.2
RevPAR[1]	**£124.4**	£119.1	**€146.0**	€136.3

[1] See Appendix 1 for definitions and further information on Alternative Performance Measures ('APM') and other definitions.
[2] The average exchange rate from EUR to GBP for the period ended 30 June 2024 was 1.173 and for the Period ended 30 June 2023 was 1.144, representing a 2.5% increase.

Hotel portfolio performance

The Group's hotels in the Netherlands continued to perform well. Like in the United Kingdom, there was a stabilisation of average room rates[1] and the focus was on rebuilding occupancy[1], which successfully increased by 548 bps in H1 2024. All four of the Group's hotels in Amsterdam and Amsterdam airport, outperformed their competitive set[2] in terms of occupancy[1] and three properties outperformed in RevPAR[1]. The provincial hotels maintained fair market share[1] in occupancy[1] terms[2].

Total revenue (in local currency) increased to €38.5 million (H1 2023: €34.6 million). Average room rate[1] slightly increased to €171.5 (H1 2023: €171.2). Occupancy[1] improved to 85.1%. This led to a 7.1% increase in RevPAR[1] to €146.0 (H1 2023: €136.3).

EBITDA[1] improved by €2 million to €12.8 million which represents an increase of 18.4% (H1 2023: €10.8 million). EBITDA margin[1] improved by 198 bps to 33.2% (H1 2023: 31.2%).

*The Dutch hotel market**

During H1 2024, market RevPAR[1] decreased by 1.5% to €104.9 compared to €106.4 in H1 2023. Occupancy[1] improved by 0.9% to 70.0% (H1 2023: 69.4%) and the average room rate[1] was 2.3% lower at €149.7 (H1 2023: €153.3).

In Amsterdam, the market RevPAR[1] decreased by 3.7% to €127.7 (H1 2023: €132.7). Occupancy[1] levels declined slightly to 72.8% (H1 2023: 72.9%) and the average daily room rate fell by 3.7% to €175.4 (H1 2023: €182.0).

[1] See Appendix 1 for definitions and further information on Alternative Performance Measures ('APM') and other definitions.
[2] STR Hotel Benchmarking, June 2024
*STR European Hotel Review, June 2024

Croatia

Hotel operations

	Reported in GBP[1]		Reported in local currency EUR[1,2]	
	Six months ended 30 June 2024	Six months ended 30 June 2023	**Six months ended 30 June 2024**	Six months ended 30 June 2023
Total revenue	**£25.3 million**	£22.1 million	**€29.7 million**	€25.3 million
Room revenue[1,3]	**£14.4 million**	£12.6 million	**€16.9 million**	€14.4 million
EBITDA[1]	**£0.2 million**	£(0.4) million	**€0.2 million**	€(0.5) million
Occupancy[1,2,3]	**45.0%**	47.2%	**45.0%**	47.2%
Average room rate[1,3]	**£106.4**	£102.3	**€124.8**	€117.0
RevPAR[1,3]	**£47.9**	£48.3	**€56.2**	€55.3

[1] See Appendix 1 for definitions and further information on Alternative Performance Measures ('APM') and other definitions.
[2] The average exchange rate from EUR to GBP for the Period ended 30 June 2024 was 1.173 and for the Period ended 30 June 2023 was 1.144, representing a 2.5% increase.
[3] The room revenue, average room rate, occupancy and RevPAR statistics include all accommodation units at hotels and self-catering apartment complexes but excludes campsites and mobile homes.

	Like-for-like[1,4] **in GBP**[1]		Like-for-like[1,4] in local currency EUR[1,2]	
	Six months ended 30 June 2024	Six months ended 30 June 2023	**Six months ended 30 June 2024**	Six months ended 30 June 2023
Total revenue	**£23.6 million**	£22.1 million	**€27.7 million**	€25.3 million
Room revenue[1,3]	**£13.5 million**	£12.6 million	**€15.8 million**	€14.4 million
EBITDA[1]	**£0.6 million**	£(0.4) million	**€0.6 million**	€(0.5) million
Occupancy[1,3]	**45.6%**	47.2%	**45.6%**	47.2%
Average room rate[1,3]	**£105.1**	£102.3	**€123.3**	€117.0
RevPAR[1,3]	**£47.9**	£48.3	**€56.2**	€55.3

[1] See Appendix 1 for definitions and further information on Alternative Performance Measures ('APM') and other definitions.
[2] The average exchange rate from EUR to GBP for the Period ended 30 June 2024 was 1.173 and for the Period ended 30 June 2023 was 1.144, representing a 2.5% increase.
[3] The room revenue, average room rate, occupancy and RevPAR statistics include all accommodation units at hotels and self-catering apartment complexes but excludes campsites and mobile homes.
[4] The like-for-like figures for the six months ended 30 June 2024 exclude the results of art'otel Zagreb for the Period.

Hotel portfolio performance

Activity in Croatia accelerated during Q2 as the Group's hotels, apartments and campsites opened for the summer season, with properties starting to reopen in March due to an early Easter. These operations performed well driven by tourism demand, most of which is generated from markets within driving distance from Croatia such as Germany, Austria, Italy, The Netherlands and from the surrounding countries, and growth in average room rate[1]. Our revenue growth was delivered despite reduced flight capacity into Pula compared with 2019 levels, which continues to affect occupancy[1] levels in the wider region from guests travelling from feeder countries, such as the UK and Nordic region.

In addition, the performance was supported by the newly opened art'otel Zagreb, which opened in October 2023, as well as year-round operation of the Grand Hotel Brioni Pula, a Radisson Collection hotel.

Total reported revenue (in local currency and including results of the newly opened art'otel Zagreb) increased by 17.5%, to €29.7 million (H1 2023: €25.3 million). This was driven by solid rate growth across the Group's hotels, with average room rate[1] up 6.6% to €124.8. Occupancy[1] slightly reduced to 45.0% (H1 2023: 47.2%), which can be mainly attributed to the majority of the Group's hotels in the region being open for parts of the winter season whereas previously they had been closed. RevPAR[1] increased slightly to €56.2 (H1 2023: €55.3).

This strong revenue performance led to a €0.7 million improvement in reported EBITDA[1] (H1 2023: €(0.5) million).

On a like-for-like[1] basis, which excludes the results of art'otel Zagreb, total revenue was €27.7 million and average room rate[1] was €123.3.

Germany

Hotel operations

	Reported in GBP[1]		Reported in local currency EUR[1,2]	
	Six months ended 30 June 2024	Six months ended 30 June 2023	**Six months ended 30 June 2024**	Six months ended 30 June 2023
Total revenue	**£11.9 million**	£10.6 million	**€14.0 million**	€12.1 million
Room revenue[1]	**£10.2 million**	£9.1 million	**€12.0 million**	€10.4 million
EBITDA[1]	**£3.2 million**	£2.3 million	**€3.8 million**	€2.6 million
Occupancy[1]	**65.9%**	56.1%	**65.9%**	56.1%
Average room rate[1]	**£119.7**	£125.1	**€140.5**	€143.1
RevPAR[1]	**£78.9**	£70.2	**€92.5**	€80.3

[1] See Appendix 1 for definitions and further information on Alternative Performance Measures ('APM') and other definitions.
[2] The average exchange rate from EUR to GBP for the Period ended 30 June 2024 was 1.173 and for the Period ended 30 June 2023 was 1.144, representing a 2.5% increase.

Hotel portfolio performance

The German region saw a consistently improving trend in bookings through the first half of the year, and the Group expects this to continue into Q3 and beyond. This performance has been supported by favourable travel trends and demand.

The repositioned Radisson RED Berlin Kudamm – the second Radisson RED-branded hotel to be operated by PPHE's Croatian subsidiary[1] Arena Hospitality Group[1] – opened for guest arrivals from 10 June 2024 to take advantage of the high level of demand in the city ahead of the European UEFA Football Championship in June and July. Following the soft opening, the hotel is expected to be fully operational in Q3. This hotel is a Joint Venture and its performance is not included in the metrics reported above.

Total revenue (in local currency) was €14.0 million, an increase of 15.5% (H1 2023: €12.1 million). Average room rate[1] slightly declined by 1.9% to €140.5 (H1 2023: €143.1), while occupancy[1] improved to 65.9% (H1 2023: 56.1%). As a result, RevPAR[1] increased significantly, up 15.2% to €92.5 (H1 2023: €80.3).

EBITDA[1] increased significantly, up 44.4% to €3.8 million, compared to €2.6 million in the prior year. EBITDA[1] margin improved to 27.3% (H1 2023: 21.8%).

*The German hotel market**

The German market experienced a 6.3% increase in RevPAR[1] to €74.9 (H1 2023: €70.4), resulting from a 2.4% improvement in occupancy[1] to 63.7% (H1 2023: 62.1%) and a 3.8% increase in average room rate[1] to €117.6 (H1 2023: €113.3).

In Berlin, market RevPAR[1] increased by 6.4% to €87.0 (H1 2023: €82.1) and occupancy[1] increased by 1.2% to 70.1% (H1 2023: 69.3%). Average room rate[1] increased 5.2% to €124.1 (H1 2023: €119.1).

*STR European Hotel Review, June 2024

Other Markets: Austria, Hungary, Italy and Serbia

Hotel operations

	Reported in GBP[1]	
	Six months ended 30 June 2024	Six months ended 30 June 2023
Total revenue	**£5.3 million**	£3.8 million
Room revenue[1]	**£4.0 million**	£2.9 million
EBITDA[1]	**£0.7 million**	£(0.2) million
Occupancy[1]	**54.1%**	36.3%
Average room rate[1]	**£125.1**	£140.4
RevPAR[1]	**£67.6**	£51.0

[1] See Appendix 1 for definitions and further information on Alternative Performance Measures ('APM') and other definitions.

Hotel portfolio performance

In Austria, the FRANZ Ferdinand Mountain Resort in Nassfeld performed strongly and delivered average room rate[1] and occupancy[1] growth compared with H1 2023, as it benefited from a recent investment programme to reposition it as an all-year-round travel destination.

In Hungary, the refurbished hotel in Budapest also performed well, reporting increased revenue, driven by an improvement in occupancy[1].

In Serbia, the repositioning of the 88 Rooms Hotel in Belgrade was completed, and the hotel reopened in Q1 2024 as Radisson RED Belgrade.

Total revenue was £5.3 million, and EBITDA[1] was £0.7 million which represents a significant increase (39.7% for total revenue) over the same period last year. Similarly impacted were the occupancy[1] rate of 54.1% (H1 2023: 36.3%) and RevPAR[1], which increased by 32.5% to £67.6 (H1 2023: £51.0). The only outlier here is the average room rate[1] which decreased to £125.1 (H1 2023: £140.4).

In Italy, the major repositioning of the 99-room art'otel Rome Piazza Sallustio is progressing well with the property expected to open in winter 2024/2025.

*The Hungarian hotel market**

The Hungarian market experienced an 0.9% increase in RevPAR[1] to €70.7, resulting from a 0.3% improvement in occupancy[1] to 63.7% and a 0.5% increase in average room rate[1] to €111.0. In Budapest, RevPAR[1] increased by 1.7% to €73.8 and occupancy[1] increased by 1.0% to 63.7%. Average room rate[1] increased 0.7% to €115.9.

*The Belgrade hotel market**

In Belgrade, the market RevPAR[1] increased by 18.3% to €80.7 and occupancy[1] increased by 5.4% to 65.3%. Average room rate[1] increased 12.2% to €123.5.

*Source STR European Hotel Review, June 2024. Given the unique profile and location of the Group's property in Austria, no relevant STR market data is available to report.

Management and Central Services

	Reported in GBP[1] Six months ended 30 June 2024				
	Listed Company	**Development Projects**	**Management Platform**	**Arena Hospitality Group**[1]	**Total**
Management Revenue	-	-	£16.8 million	-	£16.8 million
Central Services Revenue	-	-	-	£6.4 million	£6.4 million
Revenues within the consolidated Group	-	-	£(13.3) million	£(6.0) million	£(19.3) million
External and reported revenue	**-**	**-**	**£3.5 million**	**£0.4 million**	**£3.9 million**
EBITDA[1]	**£(1.5) million**	**£(0.1) million**	**£3.9 million**	**£(1.5) million**	**£0.8 million**

[1] See Appendix 1 for definitions and further information on Alternative Performance Measures ('APM') and other definitions.

	Reported in GBP[1] Six months ended 30 June 2023				
	Listed Company	Development Projects	Management Platform	Arena Hospitality Group[1]	Total
Management Revenue	-	-	£15.6 million	-	£15.6 million
Central Services Revenue	-	-	-	£5.9 million	£5.9 million
Revenues within the consolidated Group	-	-	£(12.4) million	£(5.7) million	£(18.1) million
External and reported revenue	**-**	**-**	**£3.1 million**	**£0.2 million**	**£3.3 million**
EBITDA[1]	**£(1.1) million**	**£(0.4) million**	**£5.5 million**	**£(1.7) million**	**£2.3 million**

[1] See Appendix 1 for definitions and further information on Alternative Performance Measures ('APM') and other definitions.

Our performance

Revenues in this segment are primarily management, sales, marketing and franchise[1] fees, and other charges for central services.

These are predominantly charged within the Group and therefore eliminated upon consolidation. For the six months ended 30 June 2024 the segment showed an EBITDA[1] profit of £0.8 million, as both internally and externally charged management fees exceed the costs in this segment (H1 2023: £2.3 million).

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

PRINCIPAL RISKS AND UNCERTAINTIES

Our proactive risk management practices and reporting ensure that key business decisions are taken with full knowledge of both our existing risk environment and any emerging threats which could have a notable impact on our business.

Our current risk profile is largely in line with the principal risks detailed on pages 84-93 of the 2023 Annual Report. Our residual assessment of cyber threat has been increased back to a High risk to reflect the growing influence and use of Artificial Intelligence increasing the sophistication of cyber-attacks.

Risk update

		Annual Report Assessment		Interim update		
	Principal Risks for 2024	**Inherent Risk Assessment**	**Residual Risk Assessment**	**Inherent Risk Assessment**	**Residual Risk Assessment**	**Movement**
1	Adverse economic climate	High	High	High	High	Unchanged
2	Significant development project delays or unforeseen cost increases	High	High	High	High	Unchanged
3	Difficulty in attracting, engaging and retaining talent	High	Medium	High	Medium	Unchanged
4	Technology disruption - prolonged failure of core technology	High	Medium	High	Medium	Unchanged
5	Funding and liquidity risk	High	Medium	High	Medium	Unchanged
6	Cyber threat – undetected / unrestricted cybersecurity incidents	Very High	Medium	Very High	High	Increased
7	Data privacy – risk of data breach	Very High	Medium	Very High	Medium	Unchanged
8	Operational disruption	High	Medium	High	Medium	Unchanged
9	Negative stakeholder perception of the Group with regard to Environmental, Social and Governance (ESG) matters	High	Medium	High	Medium	Unchanged
10	Market dynamics – significant decline in market demand	High	Medium	High	Medium	Unchanged
11	Serious threat to guest, team member or third-party health, safety and security	High	Medium	High	Medium	Unchanged

The Group has not identified any new principal risks or emerging risks that will impact the remaining six months of the financial year but will closely monitor the impact of political change on the real estate and hospitality sectors as well as the wider economies in which the Group operates.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors confirm that, to the best of their knowledge, these interim condensed consolidated financial statements have been prepared in accordance with IAS 34 "Interim Financial Reporting". The interim management report includes a fair review of the information required by DTR 4.2.7 R and DTR 4.2.8 R, namely:

- An indication of important events which have occurred during the first six months and their impact on the condensed set of consolidated financial statements (see note 3 to the condensed consolidated financial statements), plus a description of the principal risks and uncertainties for the remaining six months of the financial year (see heading Principal Risks and Uncertainties) and

- Material related-party transactions in the first six months ended 30 June 2024 and any material changes in the related party transactions described in the last annual report for the year ended 31 December 2023 (see note 6f of the condensed consolidated financial statements)

- An indication of important events that have occurred since the end of the reporting Period (30th June 2024) (see note 6g to the consolidated financial statements); and

- The directors of the Company[1] are listed in the last annual report for the year ended 31 December 2023. A current list of directors is maintained on the website of the Company[1] (www.pphe.com).

This statement is made on behalf of the Board by:

Boris Ivesha, President and CEO

Daniel Kos, Chief Financial Officer & Executive Director

GOING CONCERN

The Board[1] believes it is taking all appropriate steps to support the sustainability and growth of the Group's activities. Detailed budgets and cash flow projections have been prepared for 2024 and 2025 which show that the Group's hotel operations will be cash generative during the Period. The Directors have assessed the viability of the Group over a period to 31 December 2026, as set out further on page 85 of the last annual report for the year ended 31 December 2023. The Directors have determined that the Company[1] is likely to continue in business for at least 12 months from the date of this announcement. This, taken together with their conclusions on the matters referred to herein and in note 1 to the condensed consolidated financial statements, has led the Directors to conclude that it is appropriate to prepare the half year condensed consolidated financial statements on a going concern basis.

INDEPENDENT REVIEW REPORT TO PPHE HOTEL GROUP LIMITED

To: The Board of Directors of PPHE Hotel Group Limited

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of PPHE Hotel Group Limited and its subsidiaries (hereafter The Group) as of 30 June 2024 and the related interim condensed consolidated income statement, statement of comprehensive income, changes in equity and cash flows for the six-month Period then ended. Management is responsible for the preparation and fair presentation of this interim financial information in accordance with International Accounting Standard 34 Interim Financial Reporting (IAS 34) and the Disclosure Guidance and Transparency Rules of the United Kingdom Financial Conduct Authority. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial information is not prepared, in all material respects, in accordance with IAS 34 and the Disclosure Guidance and Transparency Rules of the United Kingdom Financial Conduct Authority.

Brightman Almagor Zohar & Co.

Brightman Almagor Zohar & Co.
Certified Public Accountants
A Firm in the Deloitte Global Network

Tel Aviv, Israel
28 August 2024

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)

	30 June 2024	31 December 2023
	£'000	£'000
ASSETS		
NON-CURRENT ASSETS:		
Intangible assets	**9,105**	10,665
Property, plant and equipment	**1,425,253**	1,412,830
Right-of-use assets	**229,725**	229,215
Investment in joint ventures	**8,481**	5,438
Other financial assets	**48,954**	39,646
Restricted deposits and cash	**9,050**	10,385
Deferred tax assets	**13,673**	13,833
	1,744,241	1,722,012
CURRENT ASSETS:		
Restricted deposits and cash	**15,306**	6,909
Inventories	**3,340**	3,288
Trade receivables	**24,338**	17,880
Other receivables and prepayments	**18,614**	23,260
Cash and cash equivalents	**112,714**	150,416
	174,312	201,753
Total assets	**1,918,553**	1,923,765

The accompanying notes are an integral part of the Condensed consolidated interim financial statements.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)

	30 June 2024 £'000	31 December 2023 £'000
EQUITY AND LIABILITIES		
EQUITY:		
Issued capital	**–**	–
Share premium	**133,938**	133,469
Treasury shares	**(10,661)**	(6,873)
Foreign currency translation reserve	**8,626**	13,903
Hedging reserve	**10,835**	7,801
Accumulated earnings	**160,015**	166,281
Attributable to equity holders of the parent	**302,753**	314,581
Non-controlling interests	**212,186**	216,592
Total equity	**514,939**	531,173
NON-CURRENT LIABILITIES:		
Bank borrowings	**822,699**	845,199
Provision for concession fee on land	**5,090**	5,233
Financial liability in respect of Income Units sold to private investors	**112,653**	114,287
Other financial liabilities	**280,158**	280,200
Deferred income taxes	**5,789**	5,878
	1,226,389	1,250,797
CURRENT LIABILITIES:		
Trade payables	**16,555**	14,809
Other payables and accruals	**81,103**	79,149
Bank borrowings	**79,567**	47,837
	177,225	141,795
Total liabilities	**1,403,614**	1,392,592
Total equity and liabilities	**1,918,553**	1,923,765

The accompanying notes are an integral part of the Condensed consolidated interim financial statements.

INTERIM CONDENSED CONSOLIDATED INCOME STATEMENT (UNAUDITED)

	Six months ended	
	30 June 2024 £'000	30 June 2023 £'000
Revenues (note 6b)	**190,961**	179,971
Operating expenses	**(141,527)**	(133,525)
EBITDAR	**49,434**	46,446
Rental expenses	**(1,180)**	(1,210)
EBITDA	**48,254**	45,236
Depreciation and amortisation	**(22,836)**	(20,071)
EBIT	**25,418**	25,165
Financial expenses	**(19,253)**	(18,039)
Financial income	**2,496**	2,826
Other income (note 6c)	**4,035**	2,348
Other expenses (note 6d)	**(8,159)**	(4,036)
Net expense for financial liability in respect of Income Units sold to private investors	**(5,654)**	(6,188)
Share in results of associate and joint ventures	**(225)**	(50)
Profit (loss) before tax	**(1,342)**	2,026
Income tax expense	**(878)**	(1,082)
Profit (loss) for the period	**(2,220)**	944
Profit (loss) attributable to: Equity holders of the parent	**3,373**	3,858
Non-controlling interests	**(5,593)**	(2,914)
	(2,220)	944
Basic and diluted earnings per share (in Pound Sterling) (note 6e)	**0.08**	0.09

The accompanying notes are an integral part of the Condensed consolidated interim financial statements.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)

	Six months ended	
	30 June 2024 £'000	30 June 2023 £'000
Profit (loss) for the period	**(2,220)**	944
Other comprehensive income (loss) to be recycled through profit and loss in subsequent periods:		
Profit from cash flow hedges[1]	**5,930**	5,860
Foreign currency translation adjustments of foreign operations[2]	**(8,481)**	(13,117)
Other comprehensive loss, net	**(2,551)**	(7,257)
Total comprehensive loss	**(4,771)**	(6,313)
Total comprehensive income (loss) attributable to:		
Equity holders of the parent	**1,036**	(2,211)
Non-controlling interest	**(5,807)**	(4,102)
	(4,771)	(6,313)

[1] Included in hedging reserve.
[2] Included in foreign currency translation reserve.

The accompanying notes are an integral part of the Condensed consolidated interim financial statements.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

	Issued capital[1] £'000	Share premium £'000	Treasury shares £'000	Foreign currency translation reserve £'000	Hedging reserve £'000	Accumulated earnings £'000	Attributable to equity holders of the parent £'000	Non-controlling interests £'000	Total equity £'000
Balance as at 1 January 2024	**-**	**133,469**	**(6,873)**	**13,903**	**7,801**	**166,281**	**314,581**	**216,592**	**531,173**
Profit (loss) for the period	**-**	**-**	**-**	**-**	**-**	**3,373**	**3,373**	**(5,593)**	**(2,220)**
Other comprehensive income (loss) for the period	**-**	**-**	**-**	**(5,370)**	**3,033**	**-**	**(2,337)**	**(214)**	**(2,551)**
Total comprehensive income (loss)	**-**	**-**	**-**	**(5,370)**	**3,033**	**3,373**	**1,036**	**(5,807)**	**(4,771)**
Share based payments	**-**	**577**	**-**	**-**	**-**	**17**	**594**	**14**	**608**
Share buyback (note 3c)	**-**	**-**	**(3,844)**	**-**	**-**	**-**	**(3,844)**	**-**	**(3,844)**
Exercise of options	**-**	**(108)**	**56**	**-**	**-**	**-**	**(52)**	**-**	**(52)**
Dividend distribution[2]	**-**	**-**	**-**	**-**	**-**	**(8,416)**	**(8,416)**	**-**	**(8,416)**
Dividend distribution by a subsidiary to non-controlling interests	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(1,466)**	**(1,466)**
Transactions with non-controlling interests (note 3a & 3b)	**-**	**-**	**-**	**93**	**1**	**(1,240)**	**(1,146)**	**2,853**	**1,707**
Balance as at 30 June 2024	**-**	**133,938**	**(10,661)**	**8,626**	**10,835**	**160,015**	**302,753**	**212,186**	**514,939**
Balance as at 1 January 2023	**-**	**133,177**	**(5,472)**	**20,039**	**10,950**	**156,364**	**315,058**	**188,187**	**503,245**
Profit (loss) for the period	-	-	-	-	-	3,858	3,858	(2,914)	944
Other comprehensive income (loss) for the period	-	-	-	(9,047)	2,978	-	(6,069)	(1,188)	(7,257)
Total comprehensive income (loss)	-	-	-	(9,047)	2,978	3,858	(2,211)	(4,102)	(6,313)
Share based payments	-	293	-	-	-	-	293	44	337
Share buyback (note 3c)	-	-	(1,620)	-	-	-	(1,620)	-	(1,620)
Exercise of options	-	(134)	204	-	-	-	70	-	70
Dividend distribution[2]	-	-	-	-	-	(5,119)	(5,119)	-	(5,119)
Dividend distribution by a subsidiary to non-controlling interests	-	-	-	-	-	-	-	(1,444)	(1,444)
Transactions with non-controlling interests (note 3a & 3b)	-	-	-	**(110)**	**(573)**	**(1,086)**	**(1,769)**	**31,100**	**29,331**
Balance as at 30 June 2023	-	**133,336**	**(6,888)**	**10,882**	**13,355**	**154,017**	**304,702**	**213,785**	**518,487**

[1] No par value.
[2] The dividend distribution comprises a final dividend for the year ended 31 December 2023 of 20 pence per share (final dividend for the year ended 31 December 2022 of 12 pence per share).

The accompanying notes are an integral part of the Condensed consolidated interim financial statements.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS UNAUDITED

	Six months ended	
	30 June 2024 £'000	30 June 2023 £'000
Cash flows from operating activities:		
Loss (profit) for the period	**(2,220)**	944
Adjustments to reconcile profit (loss) to cash provided by operating activities:		
Financial expenses including expenses for financial liability in respect of Income Units sold to private investors	**24,907**	24,227
Financial income	**(2,496)**	(2,826)
Income tax expense	**878**	1,082
Net gain on disposal of assets	**(295)**	–
Loss on buyback of Income Units sold to private investors	**759**	1,289
Share based payments	**608**	337
Revaluation of lease liability	**1,991**	1,914
Share in results of associate and joint ventures	**225**	50
Share appreciation rights revaluation	**2,309**	(2,348)
Fair value movement derivatives through profit and loss	**(3,740)**	569
Depreciation and amortisation	**22,836**	20,071
	47,982	44,365
Changes in operating assets and liabilities:		
Increase in inventories	**(129)**	(252)
Increase in trade and other receivables	**(3,983)**	(5,453)
Increase in trade and other payables	**6,013**	7,833
	1,901	2,128
Cash paid and received during the period for:		
Interest paid	**(25,085)**	(24,071)
Interest received	**2,248**	1,128
Taxes paid	**(598)**	(242)
	(23,435)	(23,185)
Net cash flows provided by operating activities	**24,228**	24,252

The accompanying notes are an integral part of the Condensed consolidated interim financial statements.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED) (CONTINUED)

	Six months ended	
	30 June 2024 £'000	30 June 2023 £'000
Cash flows from investing activities:		
Investments in property, plant and equipment	**(51,107)**	(54,525)
Disposal of property, plant and equipment	**341**	-
Investment in intangible assets	**(140)**	(11)
Loan to Joint Venture	**(3,010)**	(912)
Increase in restricted cash	**(9,727)**	(139)
Decrease in restricted cash	**2,591**	6,350
Net cash flows used in investing activities	**(61,052)**	(49,237)
Cash flows from financing activities:		
Proceeds from long-term loans	**40,019**	17,829
Repayment of long-term loans	**(22,843)**	(15,483)
Repayment of leases	**(2,012)**	(2,178)
Purchase of treasury shares	**(3,844)**	(1,621)
Proceeds from transactions with non-controlling interests	**3,400**	13,992
Payments in relation to transactions with non-controlling interests	**(1,692)**	(202)
Exercise of options settled in cash	**(52)**	70
Interest rate cap	**-**	(4,080)
Dividend payment	**(8,416)**	(5,119)
Dividend payment by a subsidiary to non-controlling interests	**(1,466)**	(1,444)
Buyback of Income Units previously sold to private investors	**(2,390)**	–
Net cash flows provided by financing activities	**704**	1,764
Decrease in cash and cash equivalents	**(36,120)**	(23,221)
Net foreign exchange differences	**(1,582)**	(2,603)
Cash and cash equivalents at beginning of period	**150,416**	163,589
Cash and cash equivalents at end of period	**112,714**	137,765

Non-cash items:		
Lease additions and lease remeasurement	**5,429**	6,481
Outstanding payables on investments in property, plant and equipment	**4,115**	12,471
Receivables in respect of transaction with non-controlling interests	**-**	15,541

The accompanying notes are an integral part of the Condensed consolidated interim financial statements.

NOTES:

Note 1: General

a. PPHE Hotel Group (the ‘Company[1]’), together with its subsidiaries (the ‘Group’), is an international hospitality real estate group, which owns, co-owns and develops hotels, resorts and campsites, operates the Park Plaza®[1] brand in EMEA and owns and operates the art’otel®[1] brand.

b. These financial statements have been prepared in a condensed format as of 30 June 2024 and for the six months then ended (‘interim condensed consolidated financial statements’). These financial statements should be read in conjunction with the Company[1]’s annual consolidated financial statements as of 31 December 2023 and for the year then ended and the accompanying notes (‘annual consolidated financial statements’).

c. The Company[1] is listed on the Premium Listing segment of the Official List of the UK Listing Authority (the ‘UKLA’) and the shares are traded on the Main Market for listed securities of the London Stock Exchange.

d. **Going concern and liquidity**

As part of their ongoing responsibilities, the Directors have recently undertaken a thorough review of the Group’s cash flow forecast and potential liquidity risks. Detailed budgets and cash flow projections, which take into account the current trading environment and the industry-wide cost pressures, have been prepared for 2024 and 2025 and show that the Group’s hotel operations are expected to be cash generative during the Period. Having reviewed those cash flow projections, the Directors have determined that the Company[1] is likely to continue in business for at least 12 months from the date of approval of the interim condensed consolidated financial statements.

Note 2: Basis of preparation and changes in accounting policies

The interim condensed consolidated financial statements have been prepared in accordance with IAS 34 ‘Interim Financial Reporting’. The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group’s annual consolidated financial statements, except for the adoption of new standards effective as of 1 January 2024. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

The adoption of the following new standards effective as of 1 January 2024 had no material impact on the interim condensed consolidated financial statements:

- Supplier Finance Arrangements - Amendments to IAS 7 and IFRS 7
- Amendments to IFRS 16: Lease Liability in a Sale and Leaseback
- Amendments to IAS 1: Classification of Liabilities with Covenants Current or Non-current

Alternative Performance Measures

EBITDAR
Earnings before interest (Financial income and expenses), tax, depreciation and amortisation, impairment loss, rental expenses, share in results of joint ventures and exceptional items[1] presented as other income and expense.

EBITDA
Earnings before interest (Financial income and expenses), tax, depreciation and amortisation, impairment loss, share in results of joint ventures and exceptional items[1] presented as other income and expense.

EBIT
Earnings before interest (Financial income and expenses), tax, share in results of joint ventures and exceptional items[1] presented as other income and expense.

Note 3: Significant events during the reported Period

a. art'otel London Hoxton Development

As previously disclosed in the Company[1]'s annual consolidated financial statements as of 31 December 2023, the expected construction costs of art'otel London Hoxton have increased mainly due to the interest to be incurred throughout the construction phase. On 27 April 2023, both the Group and Clal Insurance ('Clal') mutually agreed that the sharing of these cost referred to above with a cap of £25.7 million, which is the expected amount of the overruns, would be funded by 65% from the Group and 35% from Clal. In the first six months of 2024 and in 2023 the parties contributed £9.7 million and £16.0 million respectively. The excess consideration of £1.4 million in 2024 and £2.2 million in 2023 paid by the Group was recognised as a reduction in the equity of the parent company[1]. The Group has chosen to recognise this amount in accumulated earnings.

b. Holdings in Arena Hospitality Group[1]

During the Period, the Company[1] purchased 33,363 shares of Arena for a consideration of €1.1 million (£0.9 million) and Arena purchased 28,031 of its own shares for a consideration of €0.9 million (£0.8 million). The difference between the adjustment of the non-controlling interests and the net consideration paid of approximately €0.2 million (£0.1 million) was recorded in retained earnings. As a result of those transactions, the Group's share in Arena increased to 54.5%.

c. Share buyback

In March 2024, the Company[1] completed a purchase of 300,000 shares for a total consideration of £3.8 million, representing an average price of 1,281 pence per share. The Company[1] re-issued 12,000 treasury shares in connection with the exercise of options. The total number of treasury-shares as at 30 June 2024 is 2,272,110. After the balance sheet date, the Company[1]'s Board[1] of Directors approved the commencement of a share buyback programme to buy up to a maximum of 400,000 ordinary shares for an aggregate consideration (excluding expenses) of up to a maximum of £4 million. Since launch, 97,869 ordinary shares have been purchased for a total amount of £1.3 million till 27 August 2024.

Note 4: Segment data

For management purposes, the Group's activities are divided into Owned Hotel Operations and Management and Central Services. Owned Hotel Operations are further divided into four reportable segments: *the Netherlands*, *Germany*, *Croatia* and *the United Kingdom*. *Other* includes individual hotels in Hungary, Serbia, Italy and Austria. The operating results of each of the aforementioned segments are monitored separately for the purpose of resource allocations and performance assessment. Segment performance is evaluated based on EBITDA[1], which is measured on the same basis as for financial reporting purposes in the consolidated income statement.

	Six months ended 30 June 2024 (unaudited)							
	The Netherlands £'000	Germany £'000	United Kingdom £'000	Croatia £'000	Other[2] £'000	Management and Central Services £'000	Adjustments[3] £'000	Consolidated £'000
REVENUE								
Third party	**32,863**	**11,898**	**111,667**	**25,285**	**5,308**	**3,940**	**-**	**190,961**
Inter–segment	**-**	**-**	**200**	**103**	-	**19,335**	**(19,638)**	**-**
Total revenue	**32,863**	**11,898**	**111,867**	**25,388**	**5,308**	**23,275**	**(19,638)**	**190,961**
Segment EBITDA[1]	**10,904**	**3,244**	**32,419**	**194**	**664**	**829**	**-**	**48,254**
Depreciation and amortisation								**(22,836)**
Financial expenses								**(19,253)**
Financial income								**2,496**
Net expenses for financial liability in respect of Income Units sold to private investors								**(5,654)**
Other income (expenses), net								**(4,124)**
Share in results of associate and joint ventures								**(225)**
Profit before tax								**(1,342)**

[1] See Appendix 1 for definitions and further information on Alternative Performance Measures ('APM') and other definitions.
[2] Includes Park Plaza Budapest in Hungary, 88 Rooms Hotel in Belgrade, Serbia, Londra & Cargill Hotel in Rome, Italy (art'otel Rome Piazza Sallustio), FRANZ Ferdinand Mountain Resort in Nassfeld, Austria.
[3] Consist of inter-company eliminations.

	Six months ended 30 June 2023 (unaudited)							
	The Netherlands £'000	Germany £'000	United Kingdom £'000	Croatia £'000	Other[2] £'000	Management and holding companies £'000	Adjustments[3] £'000	Consolidated £'000
REVENUE								
Third party	30,244	10,560	109,989	22,071	3,802	3,305	-	179,971
Inter–segment	-	-	200	71	-	18,146	(18,417)	-
Total revenue	30,244	10,560	110,189	22,142	3,802	21,451	(18,417)	179,971
Segment EBITDA[1]	9,438	2,303	31,820	(402)	(236)	2,313	-	45,236
Depreciation and amortisation								(20,071)
Financial expenses								(18,039)
Financial income								2,826
Net expenses for financial liability in respect of Income Units sold to private investors								(6,188)
Other income (expenses), net								(1,688)
Share in results of associate and joint ventures								(50)
Profit before tax								2,026

[1] See Appendix 1 for definitions and further information on Alternative Performance Measures ('APM') and other definitions.
[2] Includes Park Plaza Budapest in Hungary, 88 Rooms Hotel in Belgrade, Serbia, Londra & Cargill Hotel in Rome, Italy (art'otel Rome Piazza Sallustio), FRANZ Ferdinand Mountain Resort in Nassfeld, Austria.
[3] Consist of inter-company eliminations.

Note 5: Financial instruments

Fair value of financial instruments:

The Company[1] has entered into interest rate swap contracts with unrelated financial institutions in order to reduce the effect of interest rate fluctuations or risk of certain real estate investment's interest expense on its variable rate debt. The Company[1] is exposed to credit risk in the event of non-performance by the counterparty to these financial instruments. Management believes the risk of loss due to non-performance to be minimal and therefore decided not to hedge this.

The accounting treatment for the interest rate swaps and whether they qualify as accounting hedges under IFRS 9 is determined separately for each contract. If the contract qualifies as accounting hedge, then the unrealised gain or loss on the contract is recorded in the consolidated statement of comprehensive income. If the contract does not qualify as accounting hedge, then the gain or loss on the contract is recorded in the consolidated income statement. The fair value of the interest rate swaps is determined by taking into account the present interest rates compared to the contracted fixed rate over the life of the contract. The valuation models incorporate various market inputs such as interest rate curves and the fair value measurement is classified to Level 2 of the fair value hierarchy.

For the six months ended June 30, 2024, the Company[1] recorded a profit of £3.7 million in Other income (note 6c) in the consolidated income statement and an unrealised profit of £5.9 million in the consolidated statement of comprehensive income representing the change in the fair value of these interest rate swaps during the Period. The aggregate fair value of the interest rate swap contracts was £30.8 million as of June 30, 2024 and is included in Other financial assets in the consolidated statements of financial position.

During the Period ended 30 June 2024, there were no transfers between Level 1 and Level 2 fair value measurements, and no transfers into and out of Level 3 fair value measurements.

Note 6: Other disclosures

a. Seasonality

The Group is in an industry with seasonal variations. Sales and profits vary by quarter and the second half of the year is generally the stronger trading Period.

b. Revenues

	Six months ended 30 June 2024 (Unaudited) £'000	Six months ended 30 June 2023 (Unaudited) £'000
Room revenue from owned hotels[2]	**134,405**	130,108
Room revenue from leased hotels[3]	**4,086**	3,462
Campsites and mobile homes	**5,030**	4,919
Food and beverage	**38,229**	33,808
Minor operating (including room cancellation)	**3,885**	3,347
Management fee	**1,426**	1,412
Franchise[1] and reservation fee	**1,284**	719
Marketing fee	**462**	399
Rent revenue	**877**	1,346
Other	**1,277**	451
Total	**190,961**	179,971

[1] See Appendix 1 for definitions and further information on Alternative Performance Measures ('APM') and other definitions.
[2] Room revenue from owned hotels also includes revenue from hotels that are under a <100-year long-term lease.
[3] Room revenue from leased hotels includes the revenue from Park Plaza Budapest and Park Plaza Wallstreet Berlin Mitte which are under 20-year lease contracts.

c. Other income

	Six months ended 30 June 2024 (Unaudited) £'000	Six months ended 30 June 2023 (Unaudited) £'000
Revaluation of interest rate swap	**3,740**	-
Net gain on disposal of property, plant and equipment	**295**	-
Revaluation of share appreciation rights	**-**	2,348
Total	**4,035**	2,348

d. Other expenses

	Six months ended 30 June 2024 (Unaudited) £'000	Six months ended 30 June 2023 (Unaudited) £'000
Revaluation of finance lease[1]	**(1,991)**	(1,914)
Capital loss on buyback of income units previously sold to private investors	**(759)**	(1,289)
Revaluation of share appreciation rights	**(2,309)**	-
Revaluation of interest rate swap	**-**	(569)
Other non-recurring expenses (including pre-opening expenses)	**(3,100)**	(264)
Total	**(8,159)**	(4,036)

[1] Non-cash revaluation of finance lease liability relating to minimum future CPI/RPI increases.

e. Earnings per share

The following reflects the income and share data used in the basic earnings per share computations:

Potentially dilutive instruments had an immaterial effect on the basic earnings per share.

	Six months ended 30 June 2024 (Unaudited)	Six months ended 30 June 2023 (Unaudited)
Reported profit attributable to Equity holders of the parent (£ '000)	**3,373**	3,858
Weighted average number of ordinary shares outstanding[1] (in thousands)	**42,187**	42,368

1 See Appendix 1 for definitions and further information on Alternative Performance Measures ('APM') and other definitions.

f. Related parties

In the first six months of 2024 there were no significant changes in the terms of the transactions with related parties. For more information on the substance of the related parties transactions, please refer to the Group's 2023 annual consolidated financial statements.

Balances with related parties

	30 June 2024 £'000 (Unaudited)	30 June 2023 £'000 (Unaudited)
Loans to joint ventures	**9,569**	6,464
Short-term receivables	**113**	78
Payable to Gear Construction UK Limited[1]	**(5,193)**	(13,523)

[1] Relates to the construction of art'otel London Hoxton

Transactions with related parties

	Six months ended 30 June 2024 (Unaudited) £'000	Six months ended 30 June 2023 (Unaudited) £'000
Cost of transactions with GC Project Management Limited	**(275)**	(270)
Cost of transaction with Gear Construction UK Limited[1]	**(23,233)**	(30,654)
Rent income from sub lease of office space	**28**	28
Management fee revenue from joint ventures	**307**	419
Interest income from joint ventures	**248**	169

[1] Relates to the construction of art'otel London Hoxton

g. Subsequent events

The Board[1] has approved the payment of an interim dividend of 17 pence per ordinary share, for the Period ended 30 June 2024, to all shareholders who are on the register at 20 September 2024. The interim dividend is to be paid on 15 October 2024.

Refer to note 3 regarding the share buyback.

Appendix 1 - Glossary and Alternative Performance Measures

Glossary

Arena Campsites®	Located in eight beachfront sites across the Southern coast of Istria, Croatia. They operate under the Arena Hospitality Group umbrella, of which PPHE Hotel Group is a controlling shareholder. www.arenacampsites.com
Arena Hospitality Group	Also referred to as 'Arena' or 'AHG'. One of the most dynamic hospitality groups in Central and Eastern Europe, currently offering a portfolio of 30 owned, co-owned, leased and managed properties with more than 10,000 rooms and accommodation units in Croatia, Germany, Hungary, Serbia and Austria. PPHE Hotel Group has a controlling ownership interest in Arena Hospitality Group. www.arenahospitalitygroup.com
Arena Hotels & Apartments®	A collection of hotels and self-catering apartment complexes offering relaxed and comfortable accommodation within beachfront locations across the historical settings of Pula and Medulin in Istria, Croatia. They operate under the Arena Hospitality Group umbrella, of which PPHE Hotel Group is a controlling shareholder.
art'otel®	A lifestyle collection of hotels that fuse exceptional architectural style with art-inspired interiors, located in cosmopolitan centres across Europe. PPHE Hotel Group is owner of the art'otel® brand worldwide. www.artotel.com
Board	Eli Papouchado (Non-Executive Chairman), Yoav Papouchado (Alternate Director), Boris Ivesha (President & Chief Executive Officer), Greg Hegarty (Co-Chief Executive Officer), Daniel Kos (Chief Financial Officer & Executive Director), Nigel Keen (Non-Executive Director & Senior Independent Director), Ken Bradley (Non-Executive Deputy Chairman), Stephanie Coxon (Non-Executive Director), Marcia Bakker (Non-Executive Director).
BREEAM	Building Research Establishment Environmental Assessment Method.
Capital expenditure, capex	Purchases of property, plant and equipment, intangible assets, associate and joint venture investments, and other financial assets.
Company	PPHE Hotel Group Limited, a Guernsey incorporated company listed on the Main Market of the London Stock Exchange plc.
CSRD	Corporate Sustainability Reporting Directive.
Derivatives	Financial instruments used to reduce risk, the price of which is derived from an underlying asset, index or rate.
EPRA (European Public Real Estate Association)	The EPRA reporting metrics analyse performance (value, profit and cash flow) given that we have full ownership of the majority of our properties. See Alternative Performance Measures for further information.
EU	The European Union.
Euro, EUR, €	The currency of the European Economic and Monetary Union.

Exceptional items	Items which are not reflective of the normal trading activities of the Group.
Exchange rates	The exchange rates used were obtained from the local national banks' website.
Franchise	A form of business organisation in which a company with a successful product or service (the franchisor) enters into a continuing contractual relationship with other businesses (franchisees) operating under the franchisor's trade name and usually with the franchisor's guidance, in exchange for a fee.
FX	Foreign exchange, see also exchange rates.
Guernsey	The Island of Guernsey.
Market share	The share of the total sales of an item or group of products by a company in a particular market. It is often shown as a percentage and can be used as a performance indicator to compare with competitors in the same market (sector).
NCI	Non-controlling interest
Park Plaza®	Upper upscale hotel brand. PPHE Hotel Group is master franchisee of the Park Plaza® Hotels & Resorts brand owned by Radisson Hotel Group. PPHE Hotel Group has the exclusive right to develop the brand across 56 countries in Europe, the Middle East and Africa. www.parkplaza.com.
Pipeline	Hotels/rooms that will enter the PPHE Hotel Group system at a future date.
Pound Sterling, GBP, £	The currency of the United Kingdom.
Radisson Hotel Group	Created in early 2018, one of the largest hotel companies in the world. Hotel brands owned by Radisson Hotel Group are Radisson Collection™, Radisson Blu®, Radisson®, Radisson RED®, Radisson Individuals, Park Plaza®, Park Inn® by Radisson, Country Inn & Suites® by Radisson, and Prizeotel. Their portfolio includes more than 1,250 hotels in operation and under development, located in more than 95 countries and territories, operating under global hotel brands. Jin Jiang International Holdings is the majority shareholder of Radisson Hotel Group. www.radissonhotelgroup.com.
Subsidiary	A company over which the Group exercises control.
Weighted average number of ordinary shares outstanding	The weighted average number of outstanding shares taking into account changes in the number of shares outstanding during the period.

Alternative Performance Measures

In order to aid stakeholders and investors in analysing the Group's performance and understanding the value of its assets and earnings from a property perspective, the Group has disclosed the following Alternative Performance Measures (APM) which are commonly used in the real estate and the hospitality sectors.

Adjusted EPRA earnings	EPRA earnings with the Company's specific adjustments. The main adjustments include the removal of exceptional items or onetime influences which are not part of the Group's regular operations and adding back the reported depreciation charge, which is based on assets at historical cost, and replacing it with a charge calculated as 4% of the Group's total revenues, representing the Group's expected average cost to upkeep the real estate in good quality.
Adjusted EPRA earnings per share	Adjusted EPRA earnings divided by the weighted average number of ordinary shares outstanding during the period.
Average room rate	Total room revenue divided by the number of rooms sold.
EBIT	Earnings before interest (financial income and expenses), tax, share in results of joint ventures and exceptional items presented as other income and expense.
EBITDA	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.
EBITDA margin	EBITDA divided by total revenue.
EBITDAR	Earnings before interest (financial income and expenses), tax, depreciation and amortisation, impairment loss, rental expenses, share in results of joint ventures and exceptional items presented as other income and expense.
EPRA earnings	Shareholders' earnings from operational activities adjusted to remove changes in fair value of financial instruments and reported depreciation.
EPRA earnings per share	EPRA earnings divided by the weighted average number of ordinary shares outstanding during the period.
EPRA LTV (Loan-to-value)	Net debt based on proportionate consolidation divided by the sum of the market value of the properties and the net working capital and excluding certain items not expected to crystallise in a long-term investment property business model (deferred tax on timing differences and financial instruments) based on proportionate consolidation.
EPRA NAV (Net Asset Value)	Recognised equity, attributable to the parent company's shareholders, including reversal of derivatives, deferred tax asset for derivatives, deferred tax liabilities related to the properties and revaluation of operating properties.
EPRA NDV (Net Disposal Value)	Recognised equity, attributable to the parent company's shareholders on a fully diluted basis adjusted to include properties, other investment interests, deferred tax, financial instruments and fixed interest rate debt at disposal value. Adjustments to the recognised equity are calculated on the

	share allocated to the parent Company's shareholders (net of non-controlling interest).
EPRA NDV per share	EPRA NDV divided by the fully diluted number of shares at the end of the period.
EPRA NRV (Net Reinstatement Value)	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). Adjustments to the recognised equity are calculated on the share allocated to the parent Company's shareholders (net of non-controlling interest).
EPRA NRV per share	EPRA NRV divided by the fully diluted number of shares at the end of the period.
EPRA NTA (Net Tangible Assets)	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 intangible assets and certain items not expected to crystallise based on the Company's expectations for investment property disposals in the future. Adjustments to the recognised equity are calculated on the share allocated to the parent Company's shareholders (net of non-controlling interest).
EPRA NTA per share	EPRA NTA divided by the fully diluted number of shares at the end of the period.
Like-for-like	Results achieved through operations that are comparable with the operations of the previous period. Current period's reported results are adjusted to have an equivalent comparison with previous periods' results, with similar seasonality and the same set of hotels.
Loan-to-value ratio (LTV)	Interest-bearing liabilities after deducting cash and cash equivalents as a percentage of the properties' market value at the end of the period.
LTM	Last twelve months.
Maintenance capex	Calculated as 4% of revenues, which represents the expected average maintenance capital expenditure required in the operating properties.
Net debt	Borrowings less cash and cash equivalents long-term and short-term restricted cash, including the exchange element of the fair value of currency swaps hedging the borrowings.
Normalised PBT, normalised profit before tax	Profit before tax adjusted to remove exceptional items or onetime influences which are not part of the Group's regular operations.
Occupancy	Total rooms occupied divided by the available rooms.
RevPAR	Revenue per available room; total room revenue divided by the number of available rooms.