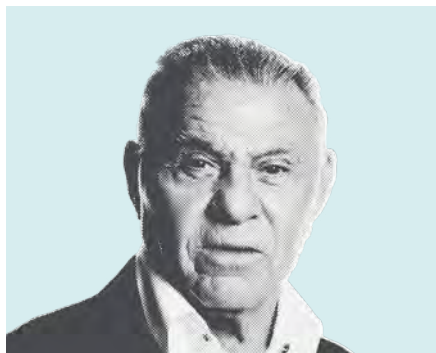


Chairman's Statement



Eli Papouchado
Chairman



“The highlight of 2024 will be the opening of our much anticipated and highly impressive London Hoxton development, following three years of construction.”

Introduction

2023 was an important year of financial and strategic progress for the Group. We delivered a full recovery to pre-pandemic levels, driven by continued strong room rates and improving occupancy rates across our portfolio of well-invested hotels, resorts and campsites. We also entered a very exciting phase, as we near completion of our extensive development pipeline. Together, these provide extremely strong foundations for our performance and future growth going into 2024 and beyond.

Throughout the year, we acted where possible to manage the impact of ongoing macro-economic, geo-political and wider cost pressures on our business. The 2023 performance is a testament to this and our team members, who remain at the heart of everything we do. Their dedication to delivering memorable guest experiences is steadfast.

▾ Park Plaza Westminster Bridge London



PPHE's unique 'Buy, Build, Operate' business model is also central to our success, positioning the Group strongly across its key markets and segments, and supporting our growth strategy, our strong financial performance and our outlook upgrade at the half-year point of 2023. Furthermore, our long-standing relationship with Radisson Hotel Group, and the recent extension of our partnership, support our multi-brand approach and our future growth and opportunities.

Extensive pipeline nears completion

Many years of hard work on construction and refurbishment projects in our £300+ million development pipeline are coming to fruition. In 2023, we opened two contemporary upper upscale lifestyle hotels – art'otel London Battersea Power Station and art'otel Zagreb, Croatia.

In February 2024, we opened our first Radisson RED in Belgrade, representing our second hotel under our extended partnership with Radisson Hotel Group. A further repositioning and rebranding programme is underway in Berlin, and we plan to launch Radisson RED Berlin Kudamm in Q2 2024.

The highlight of 2024 will be the opening of our much anticipated and highly impressive art'otel London Hoxton development, following three years of construction. This will increase our presence in the attractive London market, bringing the total number of rooms we operate in the capital to over 3,700. In addition, our new art'otel in Rome, marking our entry in Italy, will open in H1 2024. These recent and upcoming openings in Belgrade, Zagreb, London Hoxton and Rome are targeted to generate at least £25 million of EBITDA for the Group upon stabilisation of trading.

Sustainability in focus

During the year, our sustainability-dedicated teams expanded further, and we worked with retained external specialist consultancies to advise on carbon footprint and reporting to stakeholders, to ramp up our efforts in this important area. This included measures to increase transparency and stakeholder accountability for our Sustainability Strategy, including informing the Science-Based Targets initiative of our work to set robust net zero targets, and be held accountable to them. We are pushing to gather more data in various areas including water consumption, waste and creation of social value by monetary, work-hour and in-kind donations. This will allow us to set baselines, and set targets with the kind of robust metrics that allow stakeholder accountability.

Further details around our new strategy, targets and KPIs are set out on pages 66 to 83 of our Annual Report.

▾ art'otel London Hoxton



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The Board

We were delighted to welcome Greg Hegarty to the Board in May. His appointment provides important operational expertise given his tenure with the Group to date. It is also in line with the Board's commitment to refreshing its expertise while developing and preserving internal talent. Further enhancing our succession planning, Greg was promoted to a Co-CEO role in February 2024, being responsible for creating and implementing the Group's operational strategies, including Operations, People & Culture and Commercial, while driving PPHE's corporate vision and growth strategy. In December 2023, the Board appointed Ken Bradley, as a Deputy Chairman, providing an independent view and support on the governance duties of the Board. The Board remains focused on engaging with shareholders and implementing best-practice Corporate Governance to secure the best possible future for the Group.

Enhanced shareholder value

The Board has a long-standing commitment to shareholder value. We completed our £3.7 million share buy-back programme in March 2023, which enhanced capital returns to shareholders. Our strong financial performance and the business momentum during H1 enabled the Board to announce a return to its historic capital return policy of distributing approximately 30% of adjusted EPRA earnings. This resulted in a total dividend for the year of 36 pence per share.

The Board continues to prioritise its progressive dividend policy, and we look forward to continuing to deliver consistent shareholder returns.

A future of great promise

We started 2024 with positive trading momentum and a significant amount of confidence for the future. Leisure and business travel continue to be in demand across our key markets, and while headwinds persist globally, we do not see this demand changing materially going forward.

The Group will continue to focus on pulling the strategic levers it can and build on the successes it achieved over the last year. We look forward to updating all stakeholders further on our progress in the coming months and years.



Eli Papouchado
Chairman

art'otel Zagreb



Governance highlights from the Non-Executive Deputy Chairman



Ken Bradley
Non-Executive Deputy Chairman
to the Board of Directors

Corporate Governance highlights 2023

For ease of reference, here is an 'at a glance' summary of Corporate Governance in 2023. The full Corporate Governance section is available for your reference at page 95.

Shareholder engagement

Board and executive management are keen to maximise shareholder engagement activities. A full report is available on page 96. We have conducted investor roadshows, and ensured as much time is available for senior executive leadership to be available to shareholders to discuss their priorities.

Remuneration

We have reviewed our disclosures made in our Remuneration Report in the light of stakeholder feedback. Transparency, and a clear alignment to the values, culture and purpose set by the Board, and an appropriate reward for the creation of shareholder value, are our ongoing priorities in disclosures. Please see the full report on page 131 for more information.

Board composition

- Succession of the outgoing Non-Executive Deputy Chairman following his departure effective from the Annual General Meeting 2023.
- Completion of onboarding of the Non-Executive Director, whose appointment was completed in December 2022.
- Appointment of the Deputy Chief Executive Officer to the Board.¹

▶ Please see the Nomination Committee Report on page 115

Workforce engagement

As with shareholders, workforce engagement is a key priority for both Board and executive management. A full report is available on page 96.

Our 'Let's Connect' sessions, Team Member Forums and network of ESG Ambassadors are ensuring we are doing as much as possible to engage in dialogue, as reflected in engagement scores in pulse surveys.

Leadership role

The Board has collectively, and in each Director's individual area of expertise, sought to implement stakeholder feedback. We ensure that these are translated into the business's strategy through:

- maintaining an ESG Committee of the Board composed of the Non-Executive Directors to oversee publication of the ESG Strategy and performance against targets
- strategy meetings with executive management scheduled monthly

▶ For more information, please see the Corporate Governance Report on page 95

Board evaluation

We conduct an annual evaluation of the Board's effectiveness. Once every three years, this is conducted externally, most recently by Independent Audit Limited in 2021. We report annually on our evaluation, as well as performance against the recommendations made in the previous year. Please see the Corporate Governance Report on page 95.

Sustainability and ESG

We have a duty to create value for society as a whole.

Following the publication of our ESG Strategy in 2022, we have a full report on progress towards our strategic objectives and the detailed targets we have set to achieve them. The ESG Report is on page 66.

Mandatory TCFD reporting in 2021 and 2022 continues in 2023. We are anticipating CSRD and IFRS S1 and IFRS S2 updates to future reporting on climate change related disclosures. A summary report is published on page 80, and a full report is published on pphe.com.



Ken Bradley
Non-Executive Deputy Chairman
to the Board of Directors

¹ The Deputy CEO was subsequently appointed as Co-CEO on 8 February 2024.