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THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION

FOR IMMEDIATE RELEASE

Dalata Hotel Group plc

ISE: DHG LSE: DAL

Announcement of Strategic Review and Commencement of Formal Sale Process

The Board of Dalata Hotel Group plc ("Dalata" or the "Group") announces that it is undertaking a strategic review to explore options available to optimise capital opportunities for the Group and to enhance value for shareholders, including but not limited to a potential sale of the Group (the "Strategic Review").

Dalata has appointed Rothschild & Co as financial adviser in connection with the Strategic Review.

Dalata | Leading Independent Four-Star Hotel Platform

Established in 2007, Dalata has grown into the leading independent four-star hotel platform in the UK and Ireland with a growing presence in Continental Europe and with an ambitious growth strategy to expand its portfolio further in excellent locations in select large cities. The Group is listed on the Main Market of Euronext Dublin (DHG) and the London Stock Exchange (DAL).

Dalata operates a modern, well-invested portfolio of 55 high quality hotels in excellent central locations. Dalata's portfolio includes 30 owned hotels which are valued at €1.7 billion including assets under construction, 73% of which relates to hotels in Dublin and London. It also operates 22 leased hotels, the majority of which are on long term institutional lease agreements with a weighted average lease length of 29 years and rent cover of 1.7x. Dalata also operates three managed hotels.

As announced today, Dalata reported record revenue for 2024 of €652.2 million, Adjusted EBITDA of €234.5 million and Adjusted EBITDA (after rent) of €173.2 million. Further details of Dalata's portfolio, brands, team, financial performance and asset backing are set out below.

Background to the Strategic Review

The Board believes that Dalata offers a highly attractive investment proposition: a leading hotel platform and a dynamic experienced management team, a modern, well-invested portfolio of hotel properties in central locations, two well-established growing brands and strong cashflow generation, with a clear strategy as outlined in its 2030 Vision to grow the portfolio.

However, the Board also recognises that the Group faces certain structural challenges, including its relatively small scale in a public market context, its relatively concentrated shareholder register, a constrained capital base in the context of its growth ambition and a share price that continues to trade at levels which the Board does not believe reflects the asset base, fundamentals, performance, cash generation, and exciting growth prospects of Dalata.

Accordingly, the Board has appointed Rothschild & Co as its financial adviser to assist with a review of its strategic options to optimise capital opportunities for the Group and to enhance value for its shareholders. As a result of these deliberations the Board has determined that it would be in the best interests of the Group and shareholders as a whole that it formalise these assessments into the Strategic Review, which will take into account the views of shareholders.

As part of the Strategic Review, the Board will consider options available to optimise capital opportunities for the Group and to enhance value for shareholders, including, but not limited to, continuing the Group's existing strategy, further actions to improve shareholder value, returning further

capital to shareholders, selling the entire issued share capital of the Group (which would be conducted under the framework of a formal sale process ("The Formal Sale Process") in accordance with the Irish Takeover Rules) or undertaking some other form of merger or comparable corporate action.

The Group confirms it is not in discussions with, or in receipt of an approach from, any potential offeror at the time of this announcement.

John Hennessy, Chairman of Dalata, will continue to Chair the Group throughout the Strategic Review process.

John Hennessy, Dalata Chairman said:

"The Board is excited about the 2030 Vision that was outlined by our senior management team at our Capital Markets Day in October 2024. However, we are unanimous in the view that the key to achieving that vision is the availability of capital; and that the share price does not reflect the underlying value of the company. We believe that now is the right time to undertake a rigorous and formal strategic review, which will consider options to increase access to capital and also enhance shareholder value."

Dermot Crowley, Dalata Chief Executive Officer said:

"Our 2030 Vision strategy sets an exciting goal to have 21,000 rooms either operational or under construction by 2030. We have an excellent management platform in place to deliver this strategy but access to capital is essential to achieve our vision. A thorough strategic review will enable us to assess available options to increase our access to capital and enhance shareholder value. During the process we will remain focused on the underlying business – continuing to take care of our people and continuing to meet the expectations of our customers. We have exciting initiatives in place to enhance further our revenues and deliver further productivity – our teams will remain focused on delivering on the objectives that we have set ourselves for 2025."

Further Background on Dalata

Strong Brands

Dalata operates its hotels primarily through two strong and distinct own brands, Clayton and Maldron, both of which were repositioned in 2024 following reviews of in-depth customer data and insights, leading to more impactful customer interactions, more cohesive visual identities and a strengthening market position. Guest satisfaction scores have further improved over the last 12 months. Dalata is also rolling out new technology in the areas of revenue management, customer experience and customer relationship management, which will help drive the business forward.

Experienced Team; Excellent People

Dalata has a highly experienced senior leadership team who have a proven track record of delivering portfolio growth and operational excellence. Since 2021, the team has driven the growth in the portfolio by c. 35% to 11,990 rooms, with a further 1,624 rooms in the pipeline. In the same timeframe, the team has nearly doubled the number of rooms operated by Dalata in the UK and led the first successful steps into Continental Europe. Dalata grows its business by the acquisition or leasing of existing hotels, developing new freehold and leasehold hotels and by extending its existing hotels.

Dalata as a group is very focused on its culture and its people strategy which supports the operation of its existing hotels as well as providing the talent for future growth. Its proven decentralised model, featuring empowered management teams on the ground and a skilled central office team supporting both the existing portfolio and new openings, drives high performance.

Strong Operational and Financial Performance

As set out further in the Group's FY 2024 results announcement released today, Dalata delivered strong trading performance for the year ended 31 December 2024, with revenue of €652.2 million, Adjusted EBITDA of €234.5 million, and Adjusted EBITDA (after rent) of €173.2 million. The Group produced significant free cashflow of €123.7 million after refurbishment capex and finance costs.

Furthermore, trading has commenced strongly in 2025 with Group RevPARs expected to be c. 2.5% ahead for the first quarter of 2025. There is a particularly strong performance in Dublin relative to 2024 with an expected uplift of c. 5% in RevPARs for the same period. 2025 increases in statutory minimum wage rates in Ireland and the UK, and recent changes in UK National Insurance, will increase hotel payroll by c. 5% in 2025. However Dalata is confident in the Group's ability to recover these costs through the ongoing roll out of further efficiency and innovation initiatives, through RevPAR growth in the markets and by a reduction in contracted energy pricing.

Portfolio Overview and Clear Growth Strategy

Dalata's 2030 Vision sets out its ambition to be the leading hotel operator in the four-star segment in the UK and Ireland with a growing presence in Continental Europe, targeting a portfolio of 21,000 rooms by 2030 either open or in development. Growth will primarily be focussed on the UK and large European cities.

In Dublin, Dalata has a leading market share with 4,638 rooms and a c. 16% market share. The Dublin portfolio consists of ten owned hotels, seven leased hotels and two managed hotels. Within the owned and leased category, there are eight Maldron hotels, seven Clayton hotels, The Gibson Hotel and The Samuel Hotel. The outlook for Dublin's economy is very encouraging, supported by rising population numbers, significant employment growth, and strong international visitor numbers.

The Regional Ireland portfolio comprises six Maldron hotels and five Clayton hotels located in Cork (x4), Galway (x3), Limerick (x2), Portlaoise

and Sligo. Ten hotels are owned, and one is operated under a lease.

The Group has significantly grown its presence in London since mid-2023, adding three hotels and now owns five hotels in the city. Dalata's London portfolio is now 876 rooms, of which 74% were built within the last 10 years. Within London, Dalata has announced a pipeline which includes an 11 room extension at Clayton Hotel City of London and 154 rooms through the lease of a new Clayton Hotel to be built on Old Broad Street. Dalata sees significant opportunity for future growth, increasing its ability to cluster hotel functions.

Dalata's Regional UK portfolio is now 4,204 rooms, including three new Maldron Hotels opened in 2024. The Regional UK owned and leased hotel portfolio comprises nine Clayton hotels and eight Maldron hotels. Four hotels are situated in Manchester; two in Glasgow, three in Northern Ireland and eight in other attractive regional UK cities. The average age of its rooms in this portfolio is nine years.

The Group continues to see exciting opportunities to deploy capital organically, including extensions, conversions, acquisitions, development and leases that meet its return criteria, with significant headroom under its existing debt facilities to do so.

Dalata is targeting large regional cities in the UK, such as Edinburgh, Manchester and Birmingham, which offer very attractive scale opportunities. Dalata has appraised 11 UK cities and is targeting to grow the portfolio in these locations by a further 5,000 rooms.

Dalata's Continental Europe portfolio includes Clayton Hotel Düsseldorf (393 rooms) and Clayton Hotel Amsterdam American (173 rooms). Dalata sees an exciting opportunity to expand in large European cities that have strong RevPARs and a balanced mix of corporate and leisure demand. Dalata is currently in detailed discussions on two further hotels in Berlin and Madrid.

Asset Backing, Strong Balance Sheet

Dalata's owned hotels were externally valued at €1.64 billion as at 31 December 2024, in addition to which Dalata has €31 million of owned assets under construction. The owned hotels produced Hotel EBITDA (after rent) of €152.5 million over the 12 months ended 31 December 2024 (excluding Hotel EBITDA from disposed hotels). Dalata's freehold backing also provides optionality to recycle capital, either through the disposal of non-core hotels (for example the sale of Maldron Hotel Wexford in 2024 and sale of Clayton Whites Hotel in January 2025) or through sale-and-leaseback (for example the sale and leaseback of the Clayton Hotel Charlemont in 2020). Dalata's leased hotel portfolio produced Hotel EBITDA (after rent) of €40 million over the 12 months ended 31 December 2024. Net Debt to EBITDA after rent was 1.3x as at 31 December 2024.

Next Steps

The Board will update shareholders on the progress of the Strategic Review and will make further announcements in due course. There is currently no certainty as to the outcome of the Strategic Review.

The Board will engage with shareholders to solicit their views and input into the Strategic Review.

Parties interested in submitting an expression of interest or proposal relating to the Strategic Review and Formal Sale Process should contact the Group's financial adviser, Rothschild & Co, using the contact details below.

Formal Sale Process and Irish Takeover Rules Considerations

This announcement commences a Formal Sale Process pursuant to the Irish Takeover Rules. The Irish Takeover Panel has agreed that any discussions in relation to an offer for the Group may be conducted within the context of a Formal Sale Process under the Irish Takeover Rules (as referred to in Note 2 on Rule 2.6 of the Irish Takeover Rules), which will enable conversations with parties interested in making a proposal to take place on a confidential basis.

Any party interested in submitting a proposal for consideration in connection with the Strategic Review (including within the Formal Sale Process) may, depending on the nature of the proposal, at the appropriate time, enter into a non-disclosure agreement and standstill arrangement with the Group on terms satisfactory to the Board before being permitted to participate in the process. The Group then intends to provide such interested parties with certain information on its business, following which interested parties shall be invited to submit their proposals to Rothschild & Co.

The Group will update the market regarding the Strategic Review and Formal Sale Process in due course.

The Board reserves the right to alter any aspect of the process as outlined above or to terminate the process at any time and, in such cases, will make an announcement as appropriate. The Board also reserves the right to reject any approach from or terminate discussions with any interested party at any time.

The Irish Takeover Panel has granted a dispensation from the requirements of Rules 2.4(b), 2.4(c) and 2.6(a) of the Irish Takeover Rules such that any interested party participating in the Formal Sale Process will not be required to be publicly identified as a result of this announcement and will not be subject to the 42 day deadline referred to in Rule 2.6(a) of the Irish Takeover Rules for so long as it is participating in the Formal Sale Process. Such parties should nonetheless be mindful of their obligations under the Irish Takeover Rules, including in particular with respect to confidentiality under Rule 2.1 and the circumstances in which an announcement may be required under Rule 2.2. If an interested party has any doubts about its obligations pursuant to the Irish Takeover Rules, it should contact its financial adviser(s) to discuss this and where applicable, it should also consult with the Irish Takeover Panel.

The Irish Takeover Panel has confirmed that following this announcement the Group is now considered to be in an "offer period" as defined in the

Irish Takeover Rules, and the dealing disclosure requirements of Rule 8 of the Irish Takeover Rules as summarised below will apply.

Shareholders are advised that this announcement does not represent a firm intention by any party to make an offer under Rule 2.7 of the Irish Takeover Rules and there can be no certainty that any offers will be made as a result of the Formal Sale Process, that any sale or other transaction will be concluded, nor as to the terms on which any offer or other transaction may be made.

This announcement is not intended to, and does not, constitute or form part of (1) an offer or invitation to purchase or otherwise acquire, subscribe for, tender, exchange, sell or otherwise dispose of any securities, (2) the solicitation of an offer or invitation to purchase or otherwise acquire, subscribe for, tender, exchange, sell or otherwise dispose of any securities, or (3) the solicitation of any vote or approval in any jurisdiction, pursuant to this announcement or otherwise.

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Disclosure requirements of the Irish Takeover Rules

Under Rule 8.3(a) of the Irish Takeover Rules, any person who is 'interested' (directly or indirectly) in 1% or more of any class of 'relevant securities' of Dalata must make an 'opening position disclosure' by no later than 3.30pm (Irish/UK time) on the tenth 'business day' following the commencement of the 'offer period'. An 'opening position disclosure' must contain the details specified in Rule 8.6(a) of the Irish Takeover Rules, including details of the person's interests and short positions in any 'relevant securities' of Dalata. Relevant persons who deal in any 'relevant securities' of Dalata prior to the deadline for making an 'opening position disclosure' must instead make a dealing disclosure as described below.

Under Rule 8.3(b) of the Irish Takeover Rules, any person 'interested' (directly or indirectly) in 1% or more of any class of 'relevant securities' of Dalata must disclose all 'dealings' in such 'relevant securities' during the 'offer period'. The disclosure of a 'dealing' in 'relevant securities' by a person to whom Rule 8.3(b) applies must be made by no later than 3.30 pm (Irish/UK time) on the business day following the date of the transaction. A dealing disclosure must contain the details specified in Rule 8.6(b) of the Irish Takeover Rules, including details of the dealing concerned and of the person's interests and short positions in any 'relevant securities' of Dalata.

All 'dealings' in 'relevant securities' of Dalata by a bidder, or by any party acting in concert with a bidder, must also be disclosed by no later than 12 noon (Irish/UK time) on the 'business' day following the date of the relevant transaction. If two or more persons co-operate on the basis of an agreement, either express or tacit, either oral or written, to acquire for one or more of them an interest in relevant securities, they will be deemed to be a single person for these purposes.

Disclosure tables, giving details of the companies in whose 'relevant securities' 'opening positions' and 'dealings' should be disclosed, can be found on the Irish Takeover Panel's website at www.irishtakeoverpanel.ie.

'Interests' in securities arise, in summary, when a person has long economic exposure, whether conditional or absolute, to changes in the price of securities. In particular, a person will be treated as having an 'interest' by virtue of the ownership or control of securities, or by virtue of any option in respect of, or derivative referenced to, securities.

Terms in quotation marks in this section are defined in the Irish Takeover Rules, which can also be found on the Irish Takeover Panel's website. If you are in any doubt as to whether or not you are required to disclose a dealing or an opening position under Rule 8, please consult the Irish Takeover Panel's website at www.irishtakeoverpanel.ie or contact the Irish Takeover Panel on telephone number +353 1 678 9020.

Responsibility Statement

The Directors of Dalata accept responsibility for the information contained in this announcement. To the best of their knowledge and belief (having

taken all reasonable care to ensure such is the case), the information contained in this announcement is in accordance with the facts and does not omit anything likely to affect the import of such information.

Rule 2.12 disclosure

In accordance with Rule 2.12 of the Irish Takeover Rules, Dalata confirms that, as at the date of this announcement, the Group's issued share capital comprises 211,483,988 ordinary shares with a nominal value of €0.01 each ("Ordinary Shares"). Dalata does not have any Ordinary Shares which are held as treasury shares. The Ordinary Shares are admitted to trading on the main markets of the Euronext Dublin and the London Stock Exchange. The International Securities Identification Number for the Ordinary Shares is IE00BJMZDW83.

Market Abuse Regulations

The information contained within this announcement would have, prior to its release, constituted inside information for the purposes of Article 7 of the Market Abuse Regulation (EU) 596/2014 and for the purposes of Article 7 of the Market Abuse Regulation (EU) 596/2014 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018. Upon the publication of this announcement via a regulatory information service, this inside information will be considered to be in the public domain. The person responsible for arranging for the release of this information on behalf of Dalata is Sean McKeon.

Publication on Website

In accordance with Rule 26.1 of the Irish Takeover Rules, a copy of this announcement will be available on the Group's website at <https://dalatahotelgroup.com/investor-relations/> by no later than 12.00 (noon) (Irish/UK time) on the business day following publication of this announcement. The content of the website referred to in this announcement is not incorporated into, and does not form part of, this announcement.

Other notices

N.M. Rothschild & Sons Limited ("Rothschild & Co"), which is authorised and regulated by the Financial Conduct Authority in the United Kingdom, is acting exclusively for Dalata and for no one else in connection with the subject matter of this announcement and will not be responsible to anyone other than Dalata for providing the protections afforded to its clients or for providing advice in connection with the subject matter of this announcement.

Joh. Berenberg, Gossler & Co. KG ("Berenberg"), which is authorised and regulated by the German Federal Financial Supervisory Authority and is authorised and regulated in the United Kingdom by the FCA, is acting exclusively for Dalata and no one else in connection with the matters set out in this announcement and will not be responsible to anyone other than Dalata for providing the protections afforded to clients of Berenberg for providing advice in connection with any matter referred to herein. Neither Berenberg nor any of its affiliates (nor their respective directors, officers, employees or agents) owes or accepts any duty, liability or responsibility whatsoever (whether direct or indirect, whether in contract, in tort, under statute or otherwise) to any person who is not a client of Berenberg in connection with this announcement, any statement contained herein or otherwise.

J&E Davy, which is authorised and regulated in Ireland by the Central Bank of Ireland, is acting exclusively for Dalata and no one else in connection with the matters referred to in this Announcement and will not be responsible to anyone other than Dalata for providing the protections afforded to clients of Davy or for providing advice in connection with the matters referred to in this Announcement.

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No statement in this announcement is intended to constitute a profit forecast for any period, nor should any statements be interpreted to mean that earnings or earnings per share will necessarily be greater or lesser than those for the relevant preceding financial periods for the Group. Save for any references above to the value of the Group's owned hotels as at 31 December 2024, no statement in this announcement constitutes an asset valuation. No statement in this announcement constitutes an estimate of the anticipated financial effects of an acquisition of the Group, whether for the Group or any other person.

Dissemination of a Regulatory Announcement that contains inside information in accordance with the Market Abuse Regulation (MAR), transmitted by EQS Group.

The issuer is solely responsible for the content of this announcement.

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