



HOSTELWORLD PLC  
ANNUAL REPORT AND  
FINANCIAL STATEMENTS  
2024



Help travellers find people to  
***hang out with***



Get  
the  
App.



## Contents

3 About Hostelworld Group

4 Hostelworld Timeline

## Strategic Report

10 2024 Highlights

12 At a Glance

14 Chairman's Statement

19 Chief Executive Officer's Review

23 Social Features

26 Chief Financial Officer's Review

30 Hostelworld Culture Code

32 People and Culture

42 Sustainability Report

62 Principal Risks and Uncertainties

73 Viability Statement

75 Section 172 – Statement of Compliance

## Governance

86 Directors' Biographies

90 Corporate Governance Report

107 Nomination Committee Report

117 Audit Committee Report

125 Remuneration Committee Report

146 Directors' Report and Directors' Responsibilities Statement

## Financial Statements

156 Independent Auditor's Report

165 Group Financial Statements

169 Notes to the Group Financial Statements

204 Company Financial Statements

206 Notes to the Company Financial Statements

## Additional Information

212 Glossary of Alternative Performance Measures

218 Contact and Shareholder Information

220 Definition of Hostelworld Terms

### Find us online

This copy of the statutory annual report of Hostelworld Group plc for the year ended 31 December 2024 is not presented in the European Single Electronic Format (ESEF) format as specified in the Regulatory Technical Standards on ESEF (Delegated Regulation (EU) 2019/815).

The ESEF annual report is available at:  
[www.hostelworldgroup.com/investors/reports-and-presentations/2025](http://www.hostelworldgroup.com/investors/reports-and-presentations/2025)

Website: [www.hostelworld.com](http://www.hostelworld.com)

LinkedIn: [www.linkedin.com/company/hostelworld-com](https://www.linkedin.com/company/hostelworld-com)





## OUR MISSION

To help travellers find people to hang out with



## OUR PURPOSE

To inspire adventurous minds through travel



## OUR VISION

To shape people's lives and attitudes through travel and build a better world



## About Hostelworld Group

Hostelworld Group plc is a ground-breaking social network powered Online Travel Agent ("OTA") focused on the hostelling category, with a clear mission to help travellers find people to hang out with. Our mission statement is founded on the insight that most travellers go hostelling to meet other people, which we facilitate through a series of social features on our platform that connect our travellers in hostels and cities based on their booking data. The strategy has been extraordinarily successful, generating significant word of mouth recommendations from our customers and strong endorsements from our hostel partners.

Founded in 1999 and headquartered in Ireland, Hostelworld is a well-known trusted brand with almost 230 employees, hostel partners in over 180 countries, and a long-standing commitment to building a better world. To that end, our focus over the last few years has been on improving the sustainability of the hostelling industry. In particular, over the last two years we have commissioned independent research to validate the category's sustainability credentials, and recently introduced a hostel specific sustainability framework which encourages our hostel partners to move to even more sustainable operations and also provides the data points for our customers to make more informed decisions about where they stay. In addition, our customers are now able to offset their trip's carbon emissions should they wish to do so, and we have maintained our 'Taking Climate Action' label awarded by South Pole.

# 25 years of meeting the world

1999

Launched our  
Hostelworld  
website



2004

Hosted our first  
conference in  
Dublin to bring  
hostel partners  
from around the  
world together to  
learn and grow

For a quarter of a century, Hostelworld has been at the forefront of the travel industry, **connecting millions of travellers on unforgettable trips across the world.** From our beginnings in Dublin, Ireland, we've grown into a **social-powered global platform, empowering adventure seekers to explore the world on their own terms.** This timeline showcases the key milestones, innovations, and initiatives that have shaped and grown Hostelworld into **the leading online hostel booking platform it is today.**

2002

Hosted our first  
'HOSCARS'  
to celebrate  
outstanding  
hostels



2006

Opened our  
Shanghai office



2014

Released  
new suite of  
Hostelworld  
iOS and  
Android apps







2017

Opened a technology development centre in Portugal

2021

Migrated to the Cloud

Launched **Roamies** – a partnership with G Adventures



2024

Launched '**Staircase to Sustainability**' hostel framework

Celebrated **25 years of Hostelworld**

Hosted **3 conferences** in Chiang Mai, Copenhagen, and Mexico City

Launched our '**Culture Code**' to define what makes us 'us'

Launched '**Hangout Status**' allowing users to easily identify like-minded travellers to hang out with



2015

Listed on the London and Dublin Stock Exchanges

Rebranded Hostelworld to '**Meet the World**'

2020

Business heavily impacted by COVID-19

Launched **PWA** – a website that feels just like our app



2022

Voted '**Best Tech Business of the Year 2022**' at the PLC awards

Launched **social features** on iOS and Android



2023

Launched hostel hosted **Linkups**

Accredited with **Investors in Diversity Silver Accreditation**

Published 'Understanding the carbon impact of hostels vs hotels' validating hostels as **more sustainable than hotels**





# Strategic Report

- 10 2024 Highlights
- 12 At a Glance
- 14 Chairman's Statement
- 19 Chief Executive Officer's Review
- 23 Social Features
- 26 Chief Financial Officer's Review
- 30 Hostelworld Culture Code
- 32 People and Culture
- 42 Sustainability Report
- 62 Principal Risks and Uncertainties
- 73 Viability Statement
- 75 Section 172 – Statement of Compliance



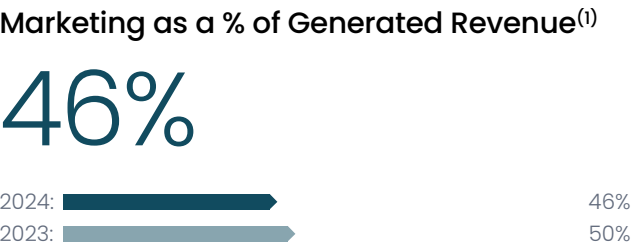
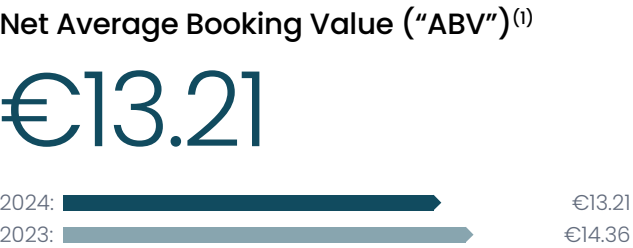
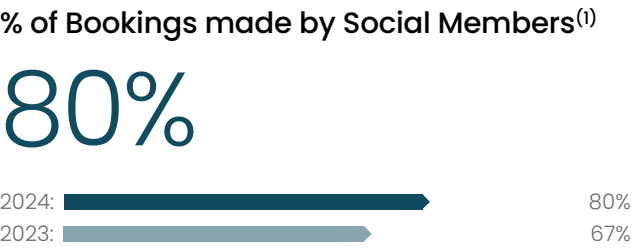
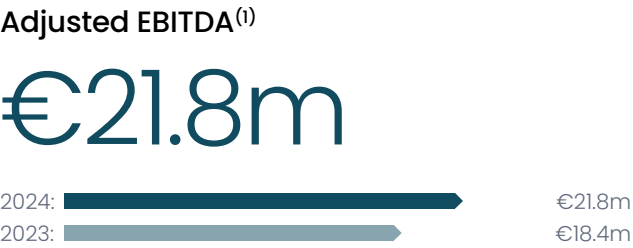
2024 Highlights

“In 2024 we achieved growth in net bookings, driven by record booking performances in Asia and Central America. There was a reduction in average booking values as a result of a shift in consumer demand towards lower cost destinations.

Our social strategy continued to drive engagement while enhancing efficiency, reducing marketing costs as a percentage of generated revenue and contributing to an overall growth in profitability.

Hostelworld also repaid its external bank borrowings in June 2024, two years ahead of schedule, and returned to a net cash position providing a solid foundation for our next phase of growth.”

**Gary Morrison**  
Chief Executive Officer



<sup>(1)</sup> The Group uses Alternative Performance Measures (APMs) which are non-IFRS measures to monitor the performance of its operations and of the Group as a whole. These APMs along with their definitions and reconciliations to IFRS measures are provided in Appendix 1 Glossary of APMs set out on pages 212 to 217, which form part of the Annual Report.



# At a Glance



## Our Unique Proposition

- Leverages the insight that hostellers stay in hostels to meet other people.
- Our social network uses our OTA booking data to connect travellers with overlapping stay dates in hostels and destinations within our iOS and Android apps.
- Social proposition naturally attracts hostellers with higher purchase frequencies, who use the app to make more of their bookings, and then become strong brand advocates.
- Collectively, our strategy drives new customer growth, increased customer retention, and a reduction in marketing costs as a percentage of generated revenue.
- Scalable asset-light platform drives operating leverage.



## Our Revenue Model

- We operate a two-sided marketplace focused on the hostelling category.
- Hostel partners load their bed inventory to our platform, which we market to customers via our website and mobile Android and iOS apps.
- We collect a deposit when customers make a booking on our platform, which is equivalent to our commission charged to our hostel partners on the total transaction value.
- Hostels connected to our platform account for c. 78% of all hostel beds sold in the market.



## Our Hostels

- 80%+ are independent owner operated businesses, 66% have 50 or fewer beds.
- Offer dormitory accommodation and private rooms with large communal areas.
- Typically offer a wide range of events and excursions to help travellers meet new people.
- Hostel hosted 'Linkups' on our social platform allow travellers to connect to other people.
- c. 75% cheaper than 2-star hotels.



## Focus on Sustainability

- Hostels are more sustainable than hotels, producing c. 18% of hotels' scope 1 and scope 2 tCO<sub>2</sub>e emissions on a per bed basis<sup>(1)</sup>.
- Our hostel series of 'sustainability stories' to showcase the hostels that build a better world.
- Awarded South Poles label of 'Taking Climate Action' for a fourth year.
- Low scope 1 and scope 2 carbon emissions naturally, emission reduction target set for scope 3 carbon emissions.
- Signatory of 'The Climate Pledge', with a mission to reach net-zero carbon by 2040.



## Our Travellers

- c. 80% are 18-35 years old.
- 55% female, 45% male.
- 65% solo traveller, 28% groups of two.
- Tend to be multi-destination trips, with c. 67% of bookings made within 7 days of stay date.
- Many customers make multiple trips per year, over a period of up to 10 years.



## Our Employees

- 227 employees across 28 nationalities.
- 55% male, 45% female, supporters of '30% Club Ireland' and the 'Balance for Better Business' group.
- Follow an agile, intentionally hybrid way of working.
- Progressive global people policies across areas such as working from abroad, paid fertility, and family leave policies.
- Accredited with Investors in Diversity Silver Accreditation.
- Celebrated our 25th anniversary with a Growing Together Employee Conference at which we launched our Culture Code to reflect our shared beliefs and values.



## Bespoke Staircase to Sustainability programme

- Partnering with the Global Sustainable Travel Council.
- Developed a bespoke hostel sustainability measurement/management system with Bureau Veritas.
- Encourages hostels to move to more sustainable operations.
- Sustainability badging on hostel pages on website.
- Over 2,100 hostels badged in the programme's first year.
- Strong demand for badged hostels validating that customers want to travel more sustainably.

<sup>(1)</sup> Hostelworld: Understanding The Carbon Impact of Hostels vs. Hotels 2nd Edition



## Chairman’s Statement: Ulrik Bengtsson



“ This year saw even more customers engage with our innovative social network, with a record two million social members and 80% of all 2024 bookings made by social members. To truly understand the impact, I engaged directly with our platform’s community, witnessing first-hand how our social strategy drives connection. As we move forward, the Board is confident that our unique social strategy will continue to be a central driver of our growth.”

I was privileged to join the Hostelworld Board as a Non-Executive Director, Chair Designate and member of the Nomination Committee and Remuneration Committee on 02 May 2024, and to subsequently succeed Michael Cawley as Chairman of the Board and Chair of the Nomination Committee on 10 October 2024. On behalf of the Board, I wish to pay tribute to Michael for his commitment and dedication to the success of the Group throughout his years of service.

### Overview

I must admit that prior to joining Hostelworld, I had never stayed at a hostel.

This summer, I embarked on a research trip to deepen my experience of hostelling, travelling by car from the UK to Sweden and staying exclusively in hostels. It was a valuable and insightful experience. I witnessed first-hand the power of our app’s social features to forge genuine connections among travellers. In every hostel, I saw and experienced the unique sense of community and togetherness that hostelling cultivates. These observations validated the strategic importance of our social features – features which truly connect travellers to enrich travel experiences in a way no other app does.

The insights gained this summer have reinforced my belief that these social features, with a strong roadmap of innovative enhancements provide a solid foundation that is the bedrock for future growth. Our social strategy will evolve but remains core to our long-term success. Consequently, the Board remains confident in the strength of our business model and the enduring appeal of the hostelling experience for our customers.

### Enhancing Social Connectivity and Engagement

Our social strategy, launched in 2022, has proven to be a key differentiator for Hostelworld, driving customer engagement and contributing to a lower cost of customer acquisition and increased customer lifetime value. During 2024 we remained focused on expanding our active customer base and enhancing engagement with our customers through our social network, developing and launching product features which improved their travel experiences.

We continued to enrich the social core of our platform by expanding profile information to enable customers to create more personalised experiences and introducing a hangout status and enhanced chat functionality to improve interaction quality and quantity. Building on this momentum, we continue to augment and refine our platform’s social features to offer more personalisation and opportunities for genuine community and connection.

As we look to the future, we are fully committed to growing the company. Our strategy is focused on connecting travellers, driving sustainable growth, and creating long-term value for our shareholders. Within this framework, the Board is confident there are many avenues for growth available to us; expanding our social features, monetising our traffic and expanding our inventory to meet our customer needs. We will provide a detailed update on our strategy as part of our Capital Markets Day being held on 29 April 2025.

### Our People

Since joining the Board, I have had the opportunity to engage with the executive team on multiple occasions throughout the year and I am extremely impressed with the quality and dedication that I saw. Central to Hostelworld’s continued success is the unwavering dedication, hard work, and commitment of our people. We are fortunate to attract and retain talented and committed employees from a diversity of backgrounds in all areas of the business.

In 2024, Hostelworld celebrated its 25th anniversary and this milestone occasion was marked by bringing the Company together in Dublin to celebrate 25 years of connecting travellers and launch a new Culture Code that supports the vibrant culture at Hostelworld. The Culture Code, developed collaboratively across the organisation, was created to define, and reflect the shared beliefs and values of the Hostelworld team that promotes equality and dignity at work and ensures everyone feels they belong.

### Cash Generation and Capital Allocation

Our principal objective is to deliver growth and long-term sustainable value for our shareholders while maintaining a strong balance sheet.

The cash generative nature of the business allowed for the repayment, in June 2024, of the remaining bank borrowings, in full and two-years ahead of schedule. At the end of 2024, the business had returned to a net cash position of €2.0m (2023: net debt €12.3m). We continue to hold an interest-free warehoused debt facility with the Irish Revenue Commissioners with whom we have agreed a repayment plan. We made an initial instalment in May 2024 of 15% of the outstanding facility and will make monthly payments of the remaining balance over a three-year period until April 2027.

We are now focused on ensuring our capital is efficiently spent to grow the company. Having said that the Board is aware of the importance of also returning capital to shareholders and assessing capital allocation was again a key issue considered by the Board during the second half of 2024. Following detailed consideration of the issue, which involved assessing the differing views of shareholders whom I met following my appointment as Chairman in October 2024, the Board decided that the

payment of dividends would not currently be in the best interests of the business. Accordingly, the Company will not be paying a dividend in respect to the 2024 financial year. A thorough overview of capital allocation plans will be provided at our Capital Markets Day on 29 April 2025.

### Sustainability

While our strategy obviously includes running a profitable growing business that our people enjoy working for, within that we recognise and prioritise the importance of minimising our environmental impact and promoting responsible travel.

Accompanying targets previously set for scope 1 and 2 emissions that we control, in 2024 we went further, by setting a target to reduce our scope 3 emissions arising through our value chain. We were awarded the ‘Taking Climate Action’ silver label by South Pole, a leading climate solutions partner, for the fourth consecutive year in recognition of our commitment to reducing and controlling our emissions.

Our bespoke ‘Staircase to Sustainability’ framework, which helps hostels assess and communicate their sustainability credentials to customers in a transparent way, has grown significantly in its first year with over 2,100 properties obtaining the GSTC accreditation. These accredited hostels have seen an increase in customer demand, with customers preferring to choose the more sustainable accommodation option. We also marketed and published a new series of hostel sustainability content stories in 2024 to highlight some of the incredible work being completed by our hostel partners in this vital area. We made sustainability a central theme at our annual ‘HOSCARS’ awards event for hostel partners, celebrating the best-in-class hostels who had made significant progress on their sustainability journeys.

Details regarding the Groups sustainability strategy and targets are outlined in the Sustainability Report on pages 42 to 61.



# Chairman’s Statement continued

## Board Changes

Paul Duffy joined the Board as Non-Executive Director and member of the Audit Committee, Nomination Committee and member and Chair of the Remuneration Committee on 02 May 2024. Paul is an experienced Chief Executive Officer with extensive knowledge of the consumer industry and brings significant strategic and brand experience, having served previously as Chairman and CEO of Pernod Ricard North America. Paul is currently a Non-Executive Director and Audit Committee Chair, Remuneration Committee member and Development Committee member of Glanbia, plc. Carl G. Shepherd (Senior Independent Director) stepped down as Chair of the Remuneration Committee on the same date and continues as a member of the Remuneration Committee. I look forward to Paul making a significant contribution to the Board in the years ahead.

## Conclusion

While the Board is proud of our achievements, we remain focused on the future, convinced of the important role played by Hostelworld in the online travel industry and the Group’s ability to grow and develop the business for the benefit of all our stakeholders. The business is well positioned with an innovative product offering that resonates with our customers and a business model underpinned by cost discipline and operational excellence.

On behalf of the Board, I would like to extend my sincere thanks to Gary and the Executive Management team for their leadership and the wider organisation for their contribution to the ongoing success of the Group. I also want to thank our customers, suppliers and other stakeholders for their continued confidence and partnership.

*Ulrik Bengtsson*

**Ulrik Bengtsson**  
Chairman  
19 March 2025



Equity Point Marrakech, Marrakech, Morocco



Auberge Saintlo Montréal, Montreal, Canada

## Chief Executive Officer’s Review: Gary Morrison



“In a year marked by lower-than-expected revenue growth, driven by our customers’ preference for lower-cost destinations, our social strategy continued to reduce marketing expenses driving net margin growth of 7% year-over-year. Combined with disciplined cost control, this resulted in a 19% increase in adjusted EBITDA to €21.8 million. The increase in adjusted EBITDA, coupled with robust cash conversion, enabled early debt repayment in June 2024 and a return to a net cash position in the third quarter.

Overall, I remain confident that our unique social strategy within the online travel industry will continue to provide a solid platform for future growth. A detailed growth strategy and capital allocation update will be provided on 29 April.”

We achieved 6% net booking growth, primarily driven by UK and European travellers opting for lower-cost destinations in Asia. This was particularly evident in the first half of the year, with a 43% year-on-year increase, and 31% overall. However, weaker demand for higher-cost European destinations partially offset this. Consequently, the average net booking value decreased by 8% year-on-year, impacting revenue growth. As the year ended, booking values returned to growth, primarily driven by increased bed prices in Asia.

Our app-based social strategy continued to drive growth in bookings from Social Members (80% in FY 2024 compared to 67% in FY 2023). App bookings increased by 16% year-on-year, contributing to a 7% rise in net margin. Coupled with strict cost control, this resulted in €21.8 million in adjusted EBITDA, a 19% year-on-year increase. Overall, these results and our strong cash conversion allowed us to repay our three-year debt facility two years ahead of schedule and return to a net cash position in Q3 2024.

Finally, we continue to advance our ESG agenda by reducing our carbon emissions, for which we received a “Taking Climate Action” silver label from South Pole. We are also collaborating with our hostel partners to highlight the inherent sustainability of hostel accommodation.

### Executing our Growth Strategy

Throughout 2024, we continued to implement our highly distinctive social network growth strategy, in line with our company mission to ‘help travellers find people to hang out with’.

Our innovative social network uses customer booking data to create chat rooms and private messaging channels, accessible through our iOS and Android apps, connecting customers with overlapping stay dates in hostels and cities. These chat rooms are divided into two types: hostel-based and city-based. Hostel-based chat rooms connect customers staying in the same hostel on the same dates, while city-based chat rooms connect customers staying in any hostel within the same city on the same dates. City-based chat rooms are further organised by themes, such as drinks and dancing, walking tours and food, allowing customers to easily find other travellers with similar interests visiting the same city at the same time. The chat rooms and private messaging channels are available to customers who opt into the social platform 14 days before check-in and close three days after check-out.

Since launching our social network in Q2 2022, we have seen continued growth in both membership and engagement. In Q4 2024 we passed the two million social member milestone, with 80% of all bookings in 2024 made by social members, up from 67% in 2023. This membership growth has been matched by even stronger growth in engagement, with message volume significantly outpacing booking growth among social members. These members are also highly valuable, making approximately twice as many bookings and being three times more likely to use the app within the first 91



## Chief Executive Officer’s Review continued

days of joining compared to non-members. This social strategy has not only driven growth in net bookings since its launch but has also fuelled a 16% year-on-year increase in app bookings compared to the global average of 6% in 2024. This shift towards app usage has reduced marketing expenses as a percentage of generated revenue, from 50% in 2023 to 46% in 2024.

In Q3 2024, we streamlined the social member onboarding process, making it easier for new members to complete their profiles. We also expanded profile options to include travel interests, lifestyle preferences and personal pronouns. We also launched our first recommendation engine, which orders profiles in a homepage carousel based on users’ past engagement on the platform. Since its launch, we have seen a twofold increase in direct messages sent to users featured in the carousel in Q4 2024 compared to the same period in 2023, along with a similar rise in response rates. We plan to use these interactions and profile data to refine the recommendation engine’s performance in 2025.

Finally, we enhanced the chat rooms with search and filtering tools for message content and streamlined the reply function. These changes have significantly improved response rates to open chat room messages in 2024, with replies to initial messages increasing by 1.5 times from the second to the fourth quarter.

Overall, our social network continues to significantly enhance the hostelling experience for our customers by helping them find people to hang out with. Looking back at 2024, we have seen a notable increase in our customers sharing stories on social media about how Hostelworld has helped them forge new friendships. These stories range from people joining potlucks with fellow travellers in Vietnam and finding companions for pub crawls and gondola rides, to solo concert-goers bonding over their shared love for Adele. Providing a platform where people can meet new friends, even far from home, and facilitating lasting connections is an incredibly rewarding part of our work. We are proud to continue enabling these experiences every day.

### Expanding our Inventory Coverage

Alongside our ongoing work on our social platform, we have continued to hire more staff in our regional offices to strengthen local acquisition efforts. We also streamlined the sign-up and onboarding processes for new hostels, broadened the range of channel managers we support, and improved the Linkups platform. These improvements have led to a 16% increase in new hostels entering our acquisition pipeline and a 31% reduction in the time required to onboard them. Collectively, these initiatives increased our market coverage from 74% in 2023 to 77% in 2024.

The Linkups platform is a unique product for the hostel category, enabling hostels to promote their events and activities to all Hostelworld customers on our social platform who have matching stay dates in the same location. Throughout 2024, we focused on simplifying the platform’s content loading and management functionality, adding features such as custom images, enhanced location functionality, and automatic extension of recurring events. Over 40,000 individual events were uploaded during the year, resulting in 80% of Hostelworld customers being able to see at least one Linkup during their trip. User participation with the Linkups platform increased by 50% compared to the previous year.

### Investing in our Platform

Over the past year, we have continued to migrate our core services to a flexible microservices-based architecture with application-level on-demand scaling; and integrated off-the-shelf services from our cloud service provider into our platform. These services include state-of-the-art artificial intelligence and machine learning optimisation engines, which now power some of our key services.

We expect this core services upgrade programme to be completed in H1 2025, providing a strong foundation for modernising other legacy areas of our platform as we deliver new features aligned with our growth strategy. Overall, this multi-year effort has delivered significant benefits, including improved monitoring, faster service speeds, reduced error rates and faster development velocity.

Leveraging our cloud-native architecture has allowed us to make good progress towards our goal of transitioning our infrastructure from periodic manual configurations to infrastructure as code. This helps eliminate single points of failure and dramatically improves the scalability and resilience of our systems, while also reducing our hosting costs.

### Progressing our ESG Agenda

The importance of sustainability across the travel industry has continued to grow in recent years. Within the hostel sector, the majority of young travellers say that a hostel’s sustainability credentials influence their accommodation choices, and they actively select hostels over other options because of their positive sustainability practices.

Our hostel partners are also investing in more sustainable operations and looking for simple sustainability management systems that align with travel industry standards, enabling them to showcase their efforts. More broadly, across the travel sector and other industries, there are increasing demands for companies like Hostelworld to take further action to address climate change risks and provide detailed disclosures about their work.

During 2024, we continued our collaboration with Bureau Veritas, updating the calculation of scope 1 and 2 emissions for a representative group of hostels (a 24% year-on-year increase) and comparing these with publicly available emissions data from major hotel chains.

The second edition of this report, published in February 2024, confirmed that hostelling produces significantly fewer (~82%) scope 1 and scope 2 emissions (tCO<sub>2</sub>e) per bed night compared to a one-night stay in a typical hotel. Furthermore, the analysis showed that the sustainability gap between hostels and hotels has widened, with hostels reporting a year-on-year reduction in average emissions, while hotel emissions increased.

Our work in 2024 also focused on increasing the use of our bespoke ‘*Staircase to Sustainability*’ platform within the hostelling category, which launched in Q1 2024. As previously reported, we invested in developing this platform throughout 2023 with three objectives: aligning the platform’s data to GSTC standards to ensure robust, traceable, and comparable sustainability

classifications; making the platform accessible to smaller hostel owners, who often find existing systems too costly or time-consuming; and enabling hostel partners to showcase their sustainability credentials to our customers and encourage further progress.

This framework includes a data collection process within our existing hostel extranet portal, a system to determine each hostel’s sustainability classification, and a “badge” to display this classification on our website and mobile apps. Since its launch, we have seen strong uptake by our hostel partners, with over 2,100 hostels completing the assessment and receiving a classification, and another 500 in the pipeline. We’ve also started to see increased engagement from customers with hostels who have published their sustainability credentials on our platform. We are proud to champion sustainability in the hostel industry and excited to see the impact of this framework.

For the past four years, we have focused on reducing our own scope 1 and scope 2 carbon emissions, setting reduction targets in line with the Corporate Net Zero Standard framework published by the Science Based Targets initiative, founded by the UN. In 2024, we expanded this work to include scope 3 emissions, with a target to reduce these by 90% by 2040. More details of these programmes are contained within the Sustainability Report. Finally, I am pleased to report that South Pole awarded Hostelworld silver status in 2024 for “Taking Climate Action” in recognition of our commitment to calculating our carbon footprint, reducing our emissions, and contributing to climate action projects to offset unavoidable emissions.

### Investing in our Employees, Hostel Partners and Communities

This year, we proudly celebrated a major milestone: Hostelworld’s 25th anniversary. In September, we marked the occasion by recognising the invaluable contributions of all our employees, with special recognition for those with longer tenures. This was a great opportunity to reflect on the strength of a culture that continues to drive our success. Across the globe, our teams have built a workplace defined by inclusivity, collaboration, and shared purpose. We were thrilled to see this commitment acknowledged externally with the Special Recognition Award at the Irish Diversity in Tech Awards.



## Chief Executive Officer’s Review continued

A highlight of the year was the introduction of our Culture Code, which captures the essence of what makes us “us”. This framework outlines our shared mission, values, and behaviours, focusing on growth, collaboration, adaptability, and inclusivity. It helps ensure we continue to nurture our vibrant culture as our people managers recruit outstanding talent, and it enhances the onboarding experience for new team members, particularly in our hybrid working model. We’re proud to share more with you elsewhere in this annual report.

In addition, we have expanded our B2B marketing programmes with Hostelworld-hosted conferences in Chiang Mai in April, Copenhagen in September, and Mexico City in November. These flagship events provide us with opportunities to promote our strategy, share industry trends, and gather feedback, and also to engage with local governments on the importance of the hostelling sector to local tourism growth. Alongside these conferences, we have presented at and hosted numerous events around the world over the past year, and delivered multiple webinars in all major languages and regions. Furthermore, we continue to expand our global markets team to meet our valued hostel partners in person and provide detailed guidance on how to use the breadth of our platform to maximise their business growth.

Finally, we are pleased to see continued company-wide engagement in our efforts to build a better world. Employees continue to actively participate in volunteering, making a difference in their local communities through both team and individual activities. This year, we expanded our focus to better support neurodiverse candidates and employees by partnering with expert organisations. These partnerships provide tailored resources and programmes to empower individuals and celebrate diverse talents, fostering a better understanding of diverse needs. Combined with our ongoing charity partnerships and financial support initiatives, these efforts demonstrate our employees’ passion for making a meaningful difference.

### Summary

In summary, 2024 presented challenges with lower-than-expected revenue growth due to a shift towards lower-cost destinations. However, our unique social strategy proved resilient, driving an increase in Social Member bookings and app usage, ultimately resulting in net margin growth of 7% year-over-year and adjusted EBITDA growth of 19% year-over-year. We successfully navigated these challenges, achieving net booking growth, early debt repayment, and a return to a net cash position. We also continued to advance our ESG agenda, receiving recognition for our commitment to reducing our carbon footprint and promoting sustainable travel options.

Looking ahead, we are confident that our distinctive social strategy will continue to be a key differentiator in the online travel market. We will continue to invest in our technology and expand our social features to enhance the customer experience and drive future growth. Finally, I would like to thank our employees for their dedication and commitment throughout the year, and our shareholders for their ongoing support as we execute our growth strategy.

*Gary Morrison*

**Gary Morrison**  
Chief Executive Officer  
19 March 2025

# Social Features

**This year, we enhanced our platform’s social features to encourage deeper connections and spontaneous interactions among our travellers. A core pillar of our value proposition is facilitating meaningful social travel experiences.**



Our social features are essential to our long-term success in attracting and retaining a loyal user base, they help deliver a unique and valuable social travel experience. To this end, we delivered several key initiatives:

## Hangout

We introduced a new ‘Hangout Status’ feature that allows users to explicitly signal their openness to meet fellow travellers, simplifying the process of finding like-minded travel companions.



**Arlo** They/Them  
23 years old, Australia 🇦🇺

**About me**  
Exploring one destination at a time, fuelled by curiosity and a love for diverse cultures. Whether it’s hiking scenic trails, surfing ocean waves, or taking in local cuisines, every...



The enhancements delivered this year lay the groundwork for future developments, including AI-powered recommendations that will connect users with highly compatible travel companions, further simplifying the process of finding your ideal travel crew.

# Profile

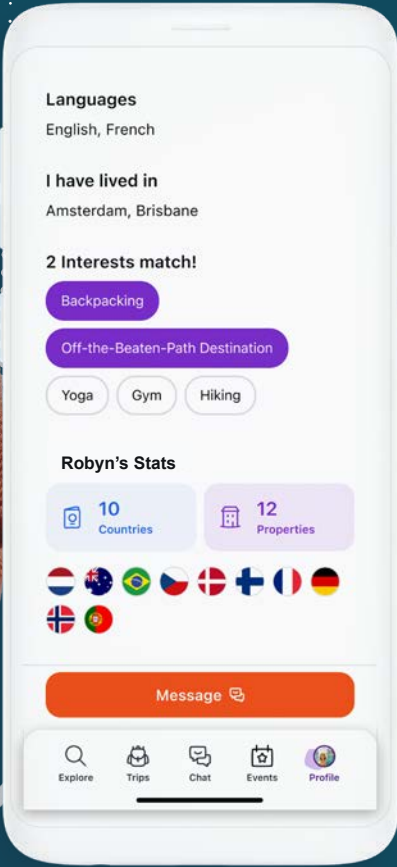
Based on customer feedback and data analysis, we expanded profile information to offer enriched user profiles that now include pronouns, interests and other key attributes. We actively encouraged users to complete their profiles to improve discoverability.

**Robyn**  
26 years old, Germany

**About me:**  
I'm travelling solo through Latin America for 6 months!

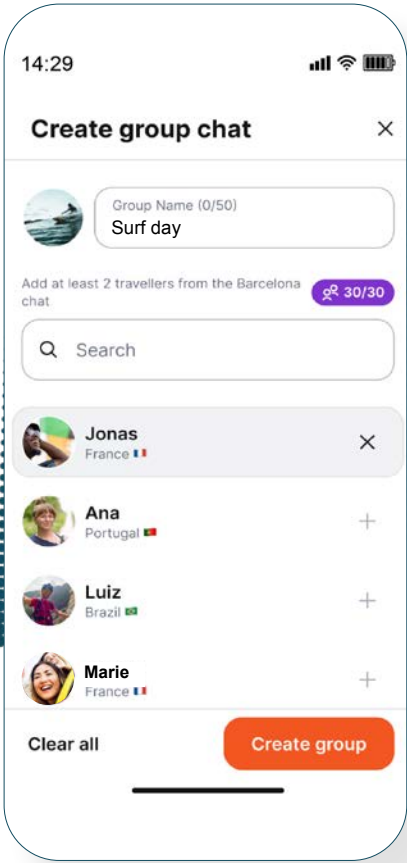
**Languages:**  
German, English, French

**Pronouns:**  
She/Her



# Chat

We redesigned our Chat rooms to enhance navigation and added features such as chat creation, encouraging smaller groups to connect and spend more time in-app. Our advanced search and filtering capabilities make it easier to form these smaller groups based on shared interests and travel plans.



# Linkups

We enhanced the 'Linkups' platform, which promotes hostel-organised events and activities.

Enhancements were made to simplify event creation, adding more functionalities for event media and information, making it easier for hostels to create appealing events. In tandem, we improved merchandising and discoverability for travellers, leading to a noticeable increase in event participation.






Financial Highlights

Net Bookings 6.9m 2023: 6.5m	Generated Revenue <sup>(1)</sup> €91.5m 2023: €93.7m	Net Revenue €92.0m 2023: €93.3m
Net Average Booking Value ("ABV") <sup>(1)</sup> €13.21 2023: €14.36	Direct Marketing as a % of Generated Revenue <sup>(1)</sup> 46% 2023: 50%	Administration Expenses €71.8m 2023: €76.6m
Profit for the Year €9.1m 2023: €5.1m	Basic EPS 7.28 cent 2023: 4.21 cent	
Adjusted EBITDA <sup>(1)</sup> €21.8m 2023: €18.4m	Adjusted EBITDA Margin <sup>(1)</sup> 24% 2023: 20%	
Adjusted Profit after Tax <sup>(1)</sup> €17.4m 2023: €12.0m	Adjusted EPS <sup>(1)</sup> 13.97 cent 2023: 9.91 cent	
Cash €8.2m 2023: €7.5m	Net Cash/(Debt) <sup>(1)</sup> €2.0m 2023: €(12.3)m	Cash Conversion <sup>(1)</sup> 66% 2023: 75%

<sup>(1)</sup> The Group uses Alternative Performance Measures (APMs) which are non-IFRS measures to monitor the performance of its operations and of the Group as a whole. These APMs along with their definitions and rationale are provided in Appendix 1 Glossary of APMs set out on pages 212 to 217, which form part of the Annual Report..

Chief Financial Officer’s Review: Caroline Sherry

“Hostelworld’s strategic focus on social features continues to distinguish us within the online travel sector. We achieved record booking volumes in key growth markets, while simultaneously demonstrating rigorous cost management and reducing marketing expenditure, culminating in a 19% increase in adjusted EBITDA year-on-year. The accelerated repayment of the Group’s debt with AIB, completed two years ahead of schedule and our return to a strong net cash position during 2024, provides a solid financial foundation, empowering us to pursue our next phase of strategic growth and deliver sustained value to our shareholders.”



Revenue

Net bookings of 6.9m, grew year-on-year by 6% (2023: 6.5m) with this growth driven primarily by growth in bookings from UK and European travellers to lower cost destinations. Both Asia and Central America recorded record booking volumes. This change in customer trends was the primary driver of an 8% decrease in net ABVs, with net ABV reducing to €13.21 (2023: €14.36).

Generated revenue, which comprises of gross revenue less cancellations, declined 2% year-on-year to €91.5m, (2023: €93.7m) because of lower ABV. Net revenue, after considering adjustments for deferred revenue, ancillary revenue streams (featured listings), vouchers, refunds and other accounting adjustments, declined 1% year-on-year to €92.0m (2023: €93.3m). Within these adjustments, the most notable is featured listings advertising revenue, revenue generated from hostels advertising on our platform, which grew to €2.0m (2023: €1.2m).

Costs and Profitability

Administrative expenses totalled €71.8m (2023: €76.6m), a decrease of €4.8m year-on-year.

The Group’s direct marketing costs decreased by €4.1m to €42.5m (2023: €46.6m). Marketing % of generated revenue amounted to 46%, a 4% reduction compared to prior year (2023: 50%). This reduction in marketing spend was aided by Hostelworld’s app-centric social strategy with App bookings growing 16% year-on-year and the proportion of bookings made by Social Members increasing to 80% (2023: 67%). This has further contributed to a 7% increase in net margin to €46.6m (2023: €43.7m).

Wage and salaries reduced €0.7m, year-on-year, to €19.0m (2023: €19.7m), with the combined impact of wage inflation and modest headcount increase (2024: 227, 2023: 223), offset by lower discretionary compensation.

With a continued focus on cost management, other operating costs’ key components remained largely in line year-on-year, most notably credit card fees of €2.9m (2023: €3.0m) and platform operating costs of €3.2m (2023: €3.2m), despite the increase in booking volumes.

The Group incurred a foreign exchange loss of €0.1m (2023: €0.2m). Current year loss arose with the strengthening of the US dollar against the Euro in the second half of the year.

Profitability metrics increased year-on-year with an adjusted EBITDA of €21.8m (2023: €18.4m) in line with our market guidance and represented growth of €3.4m, +19% compared to prior year. Operating profit amounted to €11.3m, +126% compared to PY, 2023: €5.0m.

Exceptional Items

Exceptional items warrant separate disclosure due to their nature or materiality.

The Group incurred no exceptional items in 2024. Prior period exceptional items relate to costs incurred on refinancing of a legacy COVID-19 debt facility with HPS totalling €3.6m, broken down as €0.7m of early repayment penalty interest, €0.1m of transaction costs relating to exiting the old facility and €2.8m accelerated interest costs which relate to transaction costs capitalised on drawdown of HPS facility in February 2021, which were expected to be amortised over a five-year period to 2026, but unwound in full on refinancing.



Chief Financial Officer’s Review continued

Impairment of Associate

In 2019 the Group made an investment in an associate called Goki Pty Limited (“Goki”), a start-up focused on the sale and supply of locks to hostels and other accommodation providers. Goki’s sales pipeline was heavily impacted by COVID-19 and it operates in a market that has experienced a sharp increase in competitors in recent times. The Group recognised an impairment of €1.2m as at 31 December 2024, reducing carrying value of its investment in Goki to nil, based on a deteriorating performance and 2025 projections.

Other Income

An amount of €1.3m has been recognised in other income relating to a revision in the probability of payment and subsequent unwind of a balance sheet provision for amounts owed to customers from bookings cancelled due to COVID-19 related travel restrictions. The Group determined that the possibility of an outflow of economic benefit is remote despite attempts to settle payment.

Share-Based Payment

The Group incurred a total share-based payment expense of €1.8m (2023: €1.7m) arising on the issuance of options in accordance with the Group’s Restricted Share Awards (“RSU”) and Long-Term Incentive Plans (“LTIP”).

On 22 April 2024, 5,245 shares were issued regarding the 2020 SAYE scheme at €0.01 cent per share, and on 29 April 2024, 1,345,870 shares were issued to satisfy long term incentive plan awards in relation to LTIP 2021. 100% of the related performance obligations were satisfied.

On 03 May 2024 a new LTIP plan of 1,909,075 awards was struck for executives and key members of the Hostelworld team. All LTIP and RSU awards are nil cost options.

Net Finance Costs

The Group incurred €0.3m of finance costs (2023: €2.5m), driven by interest costs arising on the Group’s AIB facility totalling €0.4m, offset by a credit recognised of €0.2m relating to the release of interest on debt warehoused no longer required. Prior period expense relates to AIB and HPS finance interest costs with decrease in costs year-on-year driven by the refinancing completed in May 2023 and repayment of AIB facility in June 2024.

Earnings per Share

Basic earnings per share for the Group amounted to 7.28 € cent (2023: 4.21 € cent), and adjusted earnings per share amounted to 13.97 € cent per share (2023 9.91 € cent per share) with the return to profitability, of both metrics, reflective of the business’s strong performance.

Current and Deferred Taxation

The Group corporation tax charge for 2024 is €0.3m (2023: €0.2m) and relates to our international operations where tax losses from our Irish operations cannot be utilised.

The Group deferred tax charge amounted to €1.7m (2023: credit of €6.4m). In 2023 the Group recognised an additional deferred tax asset of €6.4m arising from prior year trading losses and interest relief which had no expiry date and can be carried forward indefinitely. The asset recognised in the prior year is being unwound to the Income Statement to align to how the tax losses and interest relief is being utilised. Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which any unused tax losses and unused tax credits can be utilised. The Group has no unrecognised deferred tax assets.

Net Cash and Financing

At the balance sheet date, the Group had repaid in full its AIB debt facility, two years ahead of schedule, and had a closing net cash position of €2.0m (2023: net debt €12.3m).

The repaid facility comprised of a €10m term loan repaid in full in June 2024 (€1.7m in 2023, €8.3m in 2024), a €7.5m revolving credit facility repaid in full in Q1 (€5.5m in 2023, €2.0m in 2024) and an undrawn €2.5m overdraft. At the date of repayment all security and covenant requirements held by AIB were released. The Group continues to hold an undrawn €2.5m overdraft facility with AIB.

The AIB facility replaced a €30m debt facility drawn down in February 2021 with HPS Investment Partners, following a refinancing in May 2023.

Cash conversion reduced to 66%, (2023: 75%), driven by an increase in working capital. 2024 closing cash balance of €8.2m (2023: €7.5m) with €6.2m warehoused debt outstanding (2023: €9.6m).

Debt Warehoused

During COVID-19, the Group availed of the Irish Revenue Commissioners tax warehousing scheme and warehoused €9.4m by deferring payment of all Irish employer taxes from February 2020 to March 2022. The Group agreed a repayment plan with the Irish Revenue Commissioners of a 15% downpayment in May 2024, followed by regular monthly repayments thereafter over a three-year period. Monthly payments will continue over a three-year period to April 2027. Total amount warehoused at 31 December 2024 was €6.2m (2023: €9.6m).

In February 2024 the Irish Revenue Commissioners announced that 0% interest would apply to debt warehoused, with the reduction in rate applying to any interest amounts accrued to date. As a result, the Group wrote-off €0.2m of an interest charge. The Group continues to monitor and comply with the appropriate Revenue guidelines applicable to this scheme.

Deferred Revenue

The deferred revenue provision at year end totalled €3.5m (2024: €3.9m), of which €3.2m (2023: €3.4m) related to a provision for bookings made under the free cancellation policy, where a customer can cancel and receive a refund. The balance is comprised of deferred revenue for our featured listing and *Roamies* products. This provision balance will unwind in 2025.

Development Labour

As a technology company Hostelworld places a focus on fostering innovation and investing in its technology. In 2024 development labour intangible asset additions totalled €5.5m, (2023: €4.0m), with an increase year-on-year driven by the nature of work completed, wage inflation and increased external contractors engaged to assist on delivery of product features.

Work completed in 2024 related to delivering additional features on our social platform including ‘hang outs’, an evolution of Linkups, enriched profiles and chat functionality, modernising our platforms, and revamping our hostel activations process.

Development labour includes internal development labour of €3.7m (2023: €2.9m) relating to staff costs capitalised during the year, and external development labour of €1.8m (2023: €1.1m) relating to external contractors who have specialist skills.

Impact of New Accounting Standards

New accounting standards and amendments to existing standards implemented in 2024 did not have a material impact on the Group.

Related Parties

Related party transactions are disclosed in note 25 to the Group Financial Statements.

Investor Relations

The Group has a proactive approach to investor relations. The release of our annual and interim results, along with quarterly trading updates, provide regular information regarding our performance and are accompanied by presentations, webcasts and conference calls. In May 2024, an AGM was held providing engagement channels for our shareholders to send advance questions to the Board, with all details relating to the AGM published on the Company’s website.

We held a number of investor roadshows and attended industry conferences. These engagements provided us an opportunity for the management team to meet existing and/or potential investors and analysts in a concentrated set of meetings. This direct feedback and input on the investor community’s perspective of the Company is reflected upon to ensure that our investor relations communications remain meaningful and effective.

On 29 April 2025 we look forward to updating the market on the Group’s growth strategy with a Capital Markets Day.

Dividend

The Board does not expect to pay a cash dividend, under its current policy, in respect of the 2024 financial year. Any payment of cash dividends will be subject to the Group’s cash position, Group strategy, and subject to compliance with Companies Act 2006 requirements regarding ensuring sufficiency of distributable reserves at the time of paying the dividend. A detailed growth strategy and capital allocation update will be provided on 29 April 2025 as part of our Capital Markets Day.

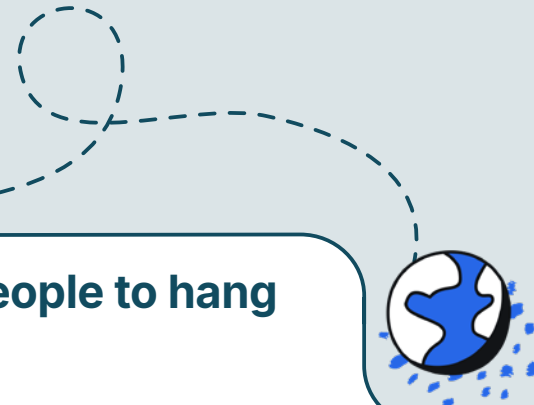


Caroline Sherry  
Chief Financial Officer  
19 March 2025



# Our Hostelworld Culture Code

In 2024, we defined what makes us who we are with the launch of our culture code.



## Our mission is to help travellers find people to hang out with

We understand the power of travel; the joy to be found in broadening our horizons through experiencing new places and meeting new people. We understand that for many travellers the journey and the people met along the way are often more important than the destination.

It's the same for our team. We deliver innovation while also enjoying how we deliver interesting things – our journey together matters!

When at work, we want our people to gain as much experience as possible, to learn and grow, to feel like they are part of something, and to make meaningful connections with others they meet along their way.

## What makes us 'us'

### We have a shared love of travel

Hostelworld was founded on a deep understanding of the opportunities that travel offers, and a passion to modernise the hostel category. That dedication is still with us to this day. 25 years in, we feel we're at the early days of what's possible in connecting travellers and inspiring adventurous minds through travel.

Central to this, at the heart of Hostelworld, are our people. Those who succeed here contribute to building and supporting an open, friendly, and fun culture.

### We combine a startup spirit with experience

We've learned through experience how to combine the best aspects of a startup culture, scrappiness and agility, with the discipline of maturity.

### We are scrappy

We thrive on a blend of startup energy and seasoned wisdom. Our agility allows us to embrace change, even when it feels a bit chaotic, and to respond quickly to the evolving needs of our travellers. We're always listening and ready to pivot.



### We love data

Data guides everything we do. While intuition might spark an idea, it's our dedication to data that drives our decisions and ensures our success. We believe in grounding every discussion and action in facts.

### We are resourceful

Resourcefulness is in our DNA. We are proud to be a relatively small company with big ambitions. We believe having smaller teams helps us to focus on what matters most, to build camaraderie, enable action and to keep us connected to our mission.

### We are intentional about where we invest

We invest strategically. Frugality isn't just a policy; it's a core value that allows us to focus our resources on what matters. We empower highly skilled, agile teams to deliver high-impact projects.

### We keep it simple

We like the simplicity that our size makes possible; we value knowing everyone's name; we don't want to feel like a small cog in a big machine.

### We do the right thing

Above all else we approach everything with decency.

### *We do the right thing by our people, customers, partners and planet*

We care – we care about our people, our customers, our partners, and our planet. This shows through our approach to our people strategy, our sustainability commitments, and the way we work with our hostel partners and for our customers.

### *We set the bar high and trust through transparency*

We share A LOT. The level of transparency here might feel rare to some. We gain trust by being open about our plans and our progress. We celebrate when things are on track, and we don't hide from the numbers when we need to course-correct.

Being agile doesn't mean we compromise on quality. Doing the right thing means being dogged in our pursuit of excellence. We set the bar high and are very delivery focused; which means we expect a lot from each other so we can deliver on our commitments.

## Lastly...the journey is never boring!

Our work is fast-paced and wide-ranging, offering both challenges and rewards. We thrive on adapting to change, and we recognise that the constant learning opportunities in this anything-but-routine environment are key to our engagement at work and our personal and professional growth.



“Whatever happens, I am always learning”



## Our People and Culture



“In 2024 we celebrated 25 years in business, a milestone made possible by the incredible passion and dedication of our team. Every time we come together, I’m reminded of the energy, creativity, and shared commitment that drive us forward. Our team’s enthusiasm for our mission **to help travellers find people to hang out with** continues to inspire everything we do. As we look ahead, we’re excited to keep growing, learning, and creating a workplace where everyone can thrive.”

### Total Group Employees in 2024

227



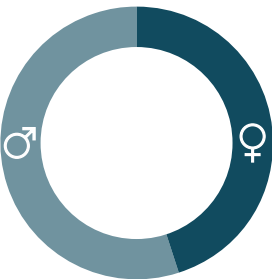
Ireland  
139



Portugal  
48



Others  
40



#### Gender Representation

45% Female

55% Male

#### No. of Nationalities

28

#### Average Age

38

#### Average Length of Service

5 years

#### Volunteering Hours

346

As the Group celebrated 25 years in business, we took the opportunity to reflect on how our culture has shaped our success, how we support our people, and how we can make an even bigger impact going forward. Capturing the essence of what makes us ‘us’ through our culture code was a key focus in 2024, the output of which will help us stay true to what makes us special as a Group while scaling our impact.

As a Group, we are proud to keep attracting great people. We have made hybrid working a way to welcome those from different backgrounds and empower them to bring their full selves to work. This commitment was recognised in September when we were honoured with the Diversity in Tech DE&I Special Initiative Recognition Award, celebrating our efforts in building an inclusive and equitable workplace.

### Culture and Engagement – Launching our Culture Code

Across 2024, we embarked on the journey to develop a Culture Code that truly reflects who we are as a company. This wasn’t about producing ‘just another corporate document.’ We wanted to create a genuine, living reflection of our shared beliefs and values and the unique culture we’ve built together. We didn’t want to build a Code to sit on a shelf. We wanted it to speak directly to the people who make up our company, capturing the essence of who we are and who we strive to be.

To create the Culture Code, we undertook a series of specific actions to ensure it genuinely reflected the collective input of the entire company, fostering a sense of ownership and alignment among all team members.

- 1. Culture Survey:** We conducted a company-wide survey to gather insights from team members about their perceptions of our shared values, work environment, and overall culture. This initiative established a broad understanding of how we experience the company culture and what is important to us, providing a solid foundation for the Culture Code.
- 2. Focus Groups:** Team Members from various departments participated in focus groups that facilitated open discussions and explored cultural strengths, challenges, and areas for improvement, enriching our understanding of the organisational culture.

- 3. Meetings with current and former employees:** We also met with individuals with varying service across the company, including some from the earliest days. Their insights were invaluable in capturing the essence of our culture and understanding its evolution over time.
- 4. Stakeholder Input:** Our Executive Leadership Team invested time to listen to emerging themes and provide input. This helped align the Culture Code with the company’s strategic objectives while incorporating team member perspectives. Their insights ensured the Culture Code resonated and supported the company’s vision.
- 5. Launch and embedding:** The Culture Code was launched at our Employee Conference in September and presented to the Company taking advantage of having everyone together. Further feedback was requested from all employees after the conference.

We are very proud of the ultimate output summarised on pages 30 and 31 which captures the values, principles, and practices that define our culture and put them into a clear, accessible document to share with everyone. Our Culture Code is a guide that current and future team members can turn to for insight and inspiration.

### Our Behaviours

Our employee mission is to create a workplace that enables employees to have a positive impact on our business and to grow personally and professionally.

Our behaviours empower each team member to thrive in their roles, contributing to our ongoing success as a business. These behaviours are embedded in our recruitment, performance development, and recognition processes. To support everyone in performing at their best, we all continue to engage in peer assessments, evaluating each of our five core behaviours during performance development discussions.



Villa Viva Cape Town, Cape Town, South Africa



## Our People and Culture continued



### Grow Others

We fundamentally believe that investing in growing others benefits everyone, whether it's helping them develop hard or soft skills. We want learning and growing to be part of our DNA to help make us a better team, together.



### Master It

We are obsessed with our area of expertise and enjoy developing our skills. We rarely take things at face value; we investigate, interrogate and always look for 'the why,' and wherever possible, we use data to find the best solution.



### Collaborate

We are in it together; for the tough stuff and the celebrations too. To achieve the best results, we need expertise from all areas of the organisation, and we wholeheartedly welcome diverse thinking.



### Adapt

We work fluidly, adapting to new information and the evolving environment while staying committed to our goals. Innovation and experimentation fuel our projects and we're never afraid to pivot.



### Deliver

Our focus is always on the end result; we value outcomes over activity. We collaborate to deliver work at speed without dropping any of our other behaviours.

### Grow Others

To Grow Others was a new behaviour introduced in 2023, and in 2024 we placed a special focus on fuelling continuous growth by empowering people to learn and evolve every day.

To empower managers, we developed a Leadership Development Programme with social learning at its core, equipping managers with essential skills and tools tailored to their needs and challenges. To kick off the programme, our senior people managers were able to come together in Dublin for a two day in-person training session, further giving them the opportunity to get to know and learn from their peers.

Manager feedback also shaped our Manager Standards Guide, a product launched in 2024 which gives managers the tools to effectively lead and build a high-performance culture by laying out the expectations of all people managers regardless of experience or level and expected practices, tailored to the reality of what working at Hostelworld is like.

We also established our Leadership Experience Team, comprising of 16 senior leaders who together, lead 87% of our workforce. The team plays a crucial role in connecting with the Executive Leadership Team, providing them with valuable insights and feedback to help shape the Groups strategic direction. Their work ensures that diverse perspectives are considered in the development of future strategic roadmaps.

In 2024 our internal mentoring programme had 64 participants. This programme pairs team members across different levels and departments, fostering knowledge sharing, skill development, and personal growth. Through one-on-one mentoring relationships, participants gained valuable insights, guidance, and support from experienced colleagues, helping them navigate their career paths, overcome challenges, and enhance their professional development. We also continued our partnership with the 30% Club to provide external mentorship opportunities for key leaders and high-potential individuals through the IMI programme.

We recognise that personal development isn't a one-size-fits-all endeavour. To cater to diverse learning styles and needs, we provide a range of formal development opportunities. These include in-house training sessions, workshops led by external partners, webinars offered in collaboration with external partners, and access to a variety of eLearning modules. To help navigate these options and make informed choices about development journeys, we launched a comprehensive guide aligned with the 70/20/10 model of learning. This guide supports our team members with identifying and selecting the right learning opportunities that best suit their individual needs and goals, encouraging them to grow through everyday experiences, collaborate with colleagues, and participate in structured development initiatives, empowering them to take ownership of their learning journey.



## Our People and Culture continued

### Our Values

We embrace five core values that inspire how we collaborate and connect, forming the heart of who we are as a team and a business. These values have been our steady compass, guiding us through every success and challenge, and have been instrumental in bringing us to this incredible milestone, our 25th anniversary in business.

**Think Customer:** We put the customer first and we are on their side in everything we do. We always aim to delight and surprise, aim to anticipate and fulfil their needs, and deepen our engagement at every opportunity.

**Building a Better World:** We use our collective energy every day to promote understanding in our world by enabling individual journeys of discovery, adventure and meaning. We have made sustainability a central pillar in our strategy. We value and promote equality, respect and diversity to help inspire a better world.

**Community Spirit:** We are the social network and the social app. We bring people together from all over the globe, inspiring energy, passion and curiosity. Our unique community spirit empowers us to help build collaboration, openness and honesty.

**Be Bold, be Brave, be Adventurous:** We allow our passion to drive our ambition. We encourage our people and our group strategic thinking to be fearless. We embrace change as a path to success.

**Keeping it Simple:** We use simplicity and smart thinking to be agile and improve everything we do.

### Engagement

We're committed to creating a vibrant, supportive environment that promotes a strong sense of community and where everyone feels included. Here in Hostelworld, everyone is encouraged to contribute, innovate and grow together. Knowing that engaged team members are key to a healthy culture, we continue to gather feedback from our team to ensure we're moving forward together.

In 2024, we implemented our Employee Listening Strategy that involved surveying and interviewing team members throughout their Hostelworld journey during onboarding, at probation completion, and during offboarding.

Our Annual Have Your Say Employee Engagement Survey was conducted in August 2024, and we're proud to say our participation rate was 90% and our overall engagement continues to increase. Gathering input from our team provides valuable insights into our strengths and areas for improvement, directly informing our plans for 2025 to make Hostelworld a workplace we're all proud to be part of. Survey insights were shared company-wide, with in-depth discussions at the team and departmental levels. Our focus is on maintaining employee engagement, providing recognition, and building a supportive culture where everyone has the resources to thrive and be at their best.

Evan Cohen, our dedicated workplace Non-Executive Director hosted two Employee Engagement Forums to enhance the Board's understanding of team member's perspectives, ensuring that employee views are considered in the Board's decision-making processes. This initiative was even more important in 2024, given the appointment of our new Chairman and a new Non-Executive Director, as it provided additional context around what matters most to team members and how they are currently feeling.

We continue to hold bi-weekly virtual townhalls to keep everyone updated on business performance, where teams and individuals can highlight key priorities and celebrate successes. These sessions are lead by Gary and ELT members, and offer our team members the chance to share their feedback and ask questions through an open forum, promoting a culture of transparency and engagement.

### Agile and Hybrid Working

We continued to work in an agile hybrid way in 2024. Recognising the importance of innovating on how we keep our teams connected and giving them the best work environments, we experimented with different ways of working, such as starting one-hour meetings at 10 minutes past the hour to allow a physical break and encouraging "No-Meeting Wednesdays" where possible to give people a chance to focus on work without any distractions from meetings. We continue to encourage people to take a flexible approach to how, where and when they work that best suit their needs and life circumstances.

## Supporting Our People

We have provided an overview of some of some of key our policies to support the needs of our people.

**Wellbeing Leave Policy** encourages employees to take up to three days leave to focus on their mental and physical health, in addition to our Annual Leave policies.

**Volunteering Leave Policy** allows employees 5 days volunteering leave per year to engage with and contribute to their communities to share their time and talents with recognised charities.

**Agile Working Policy** supports flexible work arrangements and enables employees to work in ways that suit their roles and personal circumstances while maintaining productivity.

**Individual policies for Fertility, Parental, Maternity, Paternity/Adoptive and Surrogacy Leave** offer competitive leave to those growing their families.

**Menopause at Work Policy** offers support and accommodations for employees directly or indirectly experiencing menopause, aiming to foster an understanding and inclusive workplace.

**Domestic Violence Leave Policy** offers up to 10 days leave to employees affected by domestic violence or supporting a dependent, for their safety and well-being.

**Compassionate Leave Policy** allows employees to take leave during difficult personal times, such as the loss of a loved one, as well as up to 15 days leave for those affected by pregnancy loss.

**Working from Abroad Policy** allows employees to work from other locations for up to 30 working days per year, giving them an opportunity to combine travel and work, under certain conditions.

**Career Break Policy** allows employees to take up to one year extended unpaid leave for personal development, travel, or other significant pursuits, with a path to return to their role.

In addition to the above we also have policies to support learning, working from home, wellbeing, wedding leave, equal opportunities, inclusion and diversity, dignity and respect. We also ensure supports when things aren't going well, such as sick leave, grievances and disciplinary issues.

### Inclusion, Engagement and Diversity ("IE&D")

In 2024 we reframed our Diversity, Equity and Inclusion ('DE&I') initiatives as "Inclusion, Engagement and Diversity", putting inclusion at the heart of all we do to engage and retain the best people. This helps nurture a culture where everyone feels a sense of belonging, respect, and recognition for their unique contributions.

We continued to deliver our commitment to IE&D across four key pillars:

**1. Internal Change:** ensuring that we are representative of the diverse society we live in and that our culture is inclusive and provides equal opportunities for all.

Each year, we continue to review and introduce policies that provide support through various life circumstances. This saw the introduction of our Global Domestic Violence Leave Policy in 2024, the purpose of which is to provide a period of paid time away from work for team members who have experienced, are experiencing or are at risk of experiencing domestic violence or abuse. This leave can also be availed of by a team member to support someone who is experiencing or has experienced

domestic violence in the past. 10 days paid leave can be availed of in any 12- month consecutive period and no minimum length of service is required to avail of the leave.

**2. Education:** creating a culture of learning about differences and understanding the issues that many groups face in society and the workplace.

In 2024 we focused our quarterly fireside chats to highlight neurodiversity. Throughout the year we invited various neurodiversity focused charities to join us to deepen our understanding and awareness. We were joined by the following charities who provided educational sessions - Dyslexia Ireland, The National Autistic Society, ADHD Ireland and Dyspraxia/DCD Ireland. Each session focused on addressing workplace accommodations and promoting a culture of acceptance, aiming to raise awareness, break down stigmas, equip our teams to better support neurodivergent colleagues and reinforce our dedication to valuing and understanding everyone. In addition, all of our team continued to complete mandatory annual IE&D training.



Our People and Culture continued

**3. Celebrating Differences:** we’re guided by our belief that differences should be celebrated, and that diversity is a strength. We celebrate diversity in all its forms and reaffirm our commitment to creating a workplace where everyone can live authentically and without fear of discrimination.

We celebrated International Women’s Day with two impactful educational events – the first explored ways we can all support all women to thrive, while the second focused on “befriending your inner critic,” encouraging self-compassion and resilience.

To celebrate Pride Month, we hosted two events in partnership with BeLonG To. We held a fireside chat focusing on LGBTQ+ terminology as markers of respect and support, gender identity and expression, sexual orientation, and biological sex. This was an open conversation where participants got involved with discussions centring on respecting identities and pronouns, and how to support someone coming out. We were also joined by Drag King Phil T. Gorgeous, host of Dublin Pride, for a Pride Bingo social event, which people joined in-person or virtually, bringing everyone together to enjoy an afternoon of laughs and a healthy dose of friendly competition.

We remain an official supporter of the UN Standards of Conduct for Business Tackling Discrimination against LGBTQIA+ People.

We were joined by Movember to mark International Men’s Day, highlighting the importance of eradicating the stigma and taking action when it comes to men’s mental health and suicide prevention, prostate cancer, and testicular cancer.

**4. External Change:** where possible, ensuring all Hostelworld’s externally focused activities reflect the diverse society we live and operate in.

Continuing our focus on a Science, Technology, Engineering and Maths (“STEM”) initiative, we once again partnered with Teen-Turn with several initiatives. Teen-Turn is a charity based in Ireland that helps teenage girls from underserved backgrounds gain experience working in STEM with the aim of leading more women into tech-focused qualifications and careers. We hosted five students for two-week Teen-Turnships (like internships) in summer 2024, offering them a chance to explore the wide range of career paths available in STEM before making crucial

decisions about their future studies. Their time at Hostelworld provided valuable insights that help to shape their career aspirations and potentially set them on a path toward exciting opportunities in the field.

Building further on this we also participated in the Teen-Turn “Learn to Earn” programme, hosting two female students as part of this scholarship pilot. The 8-week placements saw the students gain hands-on experience aligned with their third-level courses, working across our Global Markets, Finance, and Technology teams. This opportunity not only provided them with a solid foundation for their careers but also offered valuable insights to help shape their future academic and professional decisions. We also hosted a Career Development Workshop for their Alumnae network, composed of third-level students. The students participated in an in-person session where they learned about the recruitment process, how to highlight their skills and experience, build a standout CV, and prepare for interviews. They then practiced all they had learned by joining our team members for mock interviews, gaining practical experience and personalised feedback.

As part of our Volunteering Leave policy, we continue to offer team members up to 5 paid days per year to volunteer with recognised charities, causes, or non-profit organisations. This enables team members to engage with and contribute to their communities to share their time and talents with recognised charities and make a positive impact wherever they are. This year people used their volunteering days for impactful initiatives such as volunteering at the School for Life Home Stay Chiang Mai, and volunteering at ARC’s Cancer Support Centre in Dublin.

In early 2024, the winner of our 2023 World Tourism Day competition travelled to The Arklow Boys Home, an orphanage in Sri Lanka, to install solar panels, delivering a vital renewable energy source. We kicked off our 2024 World Tourism Day initiative at our 25th Anniversary Employee Conference, inviting team members to propose how they could make a positive impact through travel and volunteering. Submissions were reviewed by our ESG Steering Committee, who selected the next winner to continue building a better world, with the individual travelling to Colombia in 2025 to volunteer with a hostel partner who provides educational, sporting, environmental and wellbeing programmes to positively impact their post-conflict zone local community.

Gender Balance  
Board Dashboard

	Male	Female	Total	Male	Female
Chairman and Non-Executive Directors	4	1	5	80%	20%
Board (includes Executive Directors)	5	2	7	71%	29%

We are supporters of the 30% Club Ireland and the ‘Balance for Better Business’ group, demonstrating our commitment to achieving better gender balance, and making Hostelworld an even more diverse, equitable, and inclusive place to work. The ‘Balance for Better Business’ review group was established in 2018 to drive progress towards gender balance in business leadership in Ireland by setting targets to work towards over a 5-year period. The Group set a target to exceed 40% female representation on boards and leadership teams in 2024. We have not met that target at a Board or ELT level, but our Senior Leadership Team, who directly report to ELT, have exceeded that target where 52% of the leadership cohort are comprised of females.

Our People Dashboard

	Male	Female	Total	Male	Female
Executive Directors and Executive Leadership Team	6	2	8	80%	20%
Senior Leadership Team (Direct Reports of ELT)	16	17	33	48%	52%
Other Employees	103	83	186	55%	45%
<b>Total employees, excluding NEDs<sup>(1)</sup></b>	<b>125</b>	<b>102</b>	<b>227</b>	<b>55%</b>	<b>45%</b>

<sup>(1)</sup> Total employees set out above relate to FTEs and those on fixed term contracts at 31 December 2024.

We will continue to prioritise supporting females in tech continuing our STEM initiatives, particularly our partnership with Teen-Turn, helping teenage girls realise their full potential and inspire them to turn to tech-focused qualifications and careers.

Employee Wellbeing

We remain committed to fostering employee wellbeing. Empowering people to take charge of their wellbeing is a key focus, and we offer a range of resources to help them do just that.

Our Employee Assistance Programme offers 365 days of 24/7 free and confidential counselling and wellbeing support. Our Mental Health Champions act as a confidential and accessible first port of call for any individuals who may be suffering from mental health difficulties, and we continue to offer three Wellbeing Days per year, recognising that there are times when everyone needs some headspace to unwind and recharge themselves.

In addition to providing direct support, we encourage people to educate themselves on key wellbeing topics to help equip them with the knowledge and tools to better care for themselves and others. In recognition of

World Mental Health Day, we hosted a virtual masterclass on prioritising mental health and wellbeing. For World Menopause Day, we invited people to join an engaging virtual workshop titled Life in the Pause Lane. When we got together for our employee conference in September, we hosted a specific panel discussion with open Q&A on ‘Mental Health and Resilience’ with Olympians Jessie and Thomas Barr.

Conclusion

Looking back on 2024, it was a year of celebration and a reminder of the incredible journey we’ve undertaken. Fuelled by the passion and dedication of our team, we’re excited to build on the strong foundation we’ve created over the past 25 years. With our evolving culture, people-first approach, and deepening commitment to social responsibility, we are well-positioned to continue growing, innovating, and making a positive impact.

*Barry McCabe*

**Barry McCabe**  
Chief People Officer  
19 March 2025



# Staircase to Sustainability

## What is the Staircase to Sustainability Framework?

Our hostels have been doing extraordinary work for years to protect the environment, support local communities and champion local culture, while offering travellers authentic and meaningful experiences.

We've created a framework to inspire our hostel partners to further enhance their sustainability credentials, showcasing their positive impact on both the planet and on their local culture and communities.

Developed for hostels, the *Staircase to Sustainability* framework helps partners review, compare, and showcase their sustainability efforts. We want to connect guests with hostels that care for the planet - and with the Staircase, now we can.

### How it works

Built in line with the Global Sustainability Tourism Councils ("GSTC") criteria, the framework is divided into four pillars:



#### Sustainability Management

Providing the structure to track and report sustainability efforts



#### Socio-Economic Impact

Supporting people, ensuring fair opportunities, and strengthening local communities.



#### Cultural Impact

Protecting and maintaining cultural heritage while ensuring respectful cultural interactions



#### Environmental Impact

Reducing environmental impact through resource conservation and sustainable practices

Hostels measure their sustainability performance against each pillar. A hostel is assessed and can earn a badge dependent on their efforts. The framework is structured so that hostels learn from each other and the GSTC criteria on how to 'move' up the framework.



#### Level 1

##### Getting Started

Hostel introduces practices with positive social and environmental impacts.



#### Level 2

##### Strategy in Action

A defined sustainability strategy guides progress.



#### Level 3

##### Driving Change

Focus on continuous improvement, ready for GSTC certification.



#### Level 3+

##### Industry Leaders

Achieves all prior levels plus GSTC certification, leading with top sustainability practices.

## Results to date

- Over 2,100 hostels badged since first launching in Q1 2024.
- Hostels are implementing changes to their sustainability practices and progressing through the levels of the Staircase.
- Strong demand for those hostels who have attained badged status—our customers want to travel more sustainably.

Puri Garden Hotel & Hostel, Ubud, Indonesia



## Sustainability at Hostelworld



“A longstanding guiding principle at Hostelworld is ‘Building a Better World.’ We want to do the right thing because we care about our people, our customers, our partners, and our planet. We have placed ESG at the core of our culture and our category.”

Hostelworld is a social network powered online travel agent focused on the hostel market. We connect customers with hostel partners who make bookings via our website or our apps.

Our sustainability strategy is twofold. Firstly, we want to ensure we operate sustainably and conduct our business in the right way, choosing the right partners and managing our own emissions. We work continuously to reduce our scope 1 and 2 emissions down to nominal values, achieved through agile ways of working, favouring smaller, environmentally conscious co-working spaces and our tech infrastructure is fully cloud hosted.

Secondly, we promote the inherent sustainability characteristics of the hostelling industry and we drive meaningful change by working to assist our supply chain in optimising how they operate. In doing so, we can help our travellers find and book the most sustainable travel options.

Our engineers have worked on developing sustainable products each year. Our customers have the option to offset the emission cost of their hostel stay by making a climate contribution. We also offer sustainability focused Linkups on our platform, enabling customers to participate in hostel hosted sustainability events. Our most significant work centres on our hostel supply, with the launch of our *Staircase to Sustainability* framework.

### Staircase to Sustainability Framework

Progressing a sustainability agenda is a huge hurdle for any business and particularly so in the hostelling category where over 80% of our hostels are independently owned and operated businesses. Our goal is to provide hostels with access to straightforward sustainability criteria and so enable them to make informed choices in managing their properties.

In early 2024 we launched our ‘*Staircase to Sustainability*’ framework developed in partnership with the Global Sustainable Tourism Council (“GSTC”), to help hostels review, compare and communicate their sustainability efforts to customers. The bespoke framework captures a hostel’s compliance, in a standardised and low-cost way. The framework is designed to help hostels identify any gaps in their current sustainability practices and guide them on how to enhance their sustainability practices and in doing so, to move up the ‘staircase’ to secure a formal certification. A hostel receives a score across four pillars determined based on how they manage their sustainability targets, how they protect their employees, guests and local communities, how they respect local culture and the overall environment.

As a result of the framework, hostels have a clear mechanism for communicating their sustainability practices, can learn from each other and our customers can browse for the most sustainable hostels on our site and make informed choices. Since its introduction over 2,100 hostels have received a ‘*Staircase to Sustainability*’ badge and we’ve seen strong demand from customers for those hostels who have attained badged status.

### Promotion of Hostels

With a carbon footprint that is significantly less than traditional hotels, hostels represent one of the most environmentally conscious ways to travel. Hostels offer shared facilities, foster engagement at community level and interaction amongst travellers, promote local culture and generally operate sustainable practices such as recycling and conservation measures. In 2023, Bureau Veritas compared the average emissions of 30,697 hostel beds, across Europe, against a sample of representative European hotel chains. The report identified that hostels produce 82% less scope 1 and scope 2 carbon than hotels.

Through our ‘Sustainability Stories’ series, we spotlight hostels that are leading the way in terms of positive impact, giving back to their communities and helping guests explore more responsibly. Our annual HOSCARs event acknowledges the industry’s efforts with three responsible travel awards: the Eco Warrior, the Community Superhero and the Culture Champion.

### Our Products

As a result of the ‘*Staircase to Sustainability*’ Framework, customer can identify the most sustainable hostels. While hostelling is a sustainable travel choice, there are certain emissions that are hard to avoid. We allow our customers the option to take responsibility for the emissions associated with their hostel stay, in partnership with Cloverly. After they make a booking and checkout, our customers receive a follow-up email with details of the calculated theoretical emissions associated with their hostel accommodation and the option to offset these emissions by supporting a climate project that reduces an equivalent amount of carbon.

There are many sustainability focused hostel activities, which our customers can book via the Linkups product on our platform. These events, curated by the hostels, allow customers the opportunity to become involved in the local environment and community.

We share educational content on our website and our social media platforms, on important topics such as accessibility, inclusivity and diversity. Topics covered this year included a profile piece on a solo traveller who is hearing impaired, profiles of black travel content creators and travel content for those with additional needs, such as neurodiversity.

### Our People

Our unique and inclusive culture has been recognised with a silver accreditation by the Irish Centre for Diversity, an accolade which we are very proud of and one which speaks to Hostelworld’s culture. We continue to review our people policies to ensure they provide our employees with the supports they need. To this effect, we have further enhanced our people policies to include domestic abuse, fertility, surrogacy and menopause policies.

We support females in STEM and in addition to our partnerships with the 30% Club and IMI, we also partner with Teen-Turn, an Irish charity, which helps young women from underserved backgrounds gain experience through work placements. In summer 2024 we had the

### Some ESG Highlights:

- ▶ Winner of the ‘Diversity, Equity and Inclusion Special Initiative Recognition Award’, at the Diversity in Tech Awards.
- ▶ Awarded the silver ‘Taking Climate Action’ label for 2024 from South Pole, emission specialists, our 4th year of being awarded their sustainability badge.
- ▶ Working with our people, launched a new Culture Code ‘What makes us, us’.
- ▶ Badged over 2,100 hostels within our ‘*Staircase to Sustainability*’ Framework.
- ▶ At our ‘Growing Together’ employee conference in September held specific workshops on ESG and invited engagement and interaction from our people.
- ▶ Ran a World Tourism Day Competition where one lucky employee will travel to Colombia to volunteer at Rio Hostel Buritaca, a hostel focused on giving back to the community that they built their business on.
- ▶ Partnered with Teen-turn on their ‘Learn to Earn’ programme, with two eight-week internships for third level students and five two-week internships for secondary school students.
- ▶ ESG focused panel discussions at our Hostelworld conferences held in Mexico City, Chiang Mai and Copenhagen, where we made investments in climate projects to eliminate the climate emission cost of our employees and hostel delegates attending.
- ▶ ‘Lessons in Resilience and Mental Health’ – an in-person employee learning session held with Olympians Thomas and Jessie Barr.
- ▶ Celebrated International Women’s Day.
- ▶ Shortlisted for two awards at the ‘Business and Finance’ Irish Business Awards for ESG and DE&I.
- ▶ Worked with emissions specialists South Pole, to set targets for scope 3 emissions.
- ▶ Celebrated Pride with organisation ‘BeLonG To’.
- ▶ Ran three responsible travel award categories at our annual HOSCAR awards.
- ▶ New series of Sustainability Stories.



## Sustainability continued

privilege of hosting two third-level students for an 8-week work placement and five second-level students for a 2-week summer internship.

In addition to an annual leave entitlement of 27 days, we also offer our employees 3 wellbeing days and 5 volunteering days. Over the course of 2024, our employees volunteered for a total of 346 hours. In celebration of 'World Tourism Day', we ran a competition for our employees, asking them for their fresh ideas and perspective on responsible travel. The winner will travel to Colombia to volunteer at Rio Hostel Buritaca. This hostel is focused on the community and has employed of a full time English teacher to support locals obtain jobs in tourism. Our winner in 2023 travelled in February 2024 to Sri Lanka, to volunteer with a local orphanage where their fundraising initiatives allowed them to install solar panels and become self-sufficient in their energy use.

Further detail on our people is set out within 'Our People and Culture' on pages 32 to 39.

### Our Operations

In 2021 we set a target for our scope 1 and scope 2 emissions, in accordance with Science Based Targets Initiative ("SBTi") criteria. At that time, given our company size, we were not required to set a target for our scope 3 emissions. We surpassed the target set, and in 2022 we set an annual target to maintain scope 1 and 2 emissions, below 30 tCO<sub>2</sub>e.

As our business grows, scope 3 emissions will naturally increase. At this point >85% of our purchased consumables are with suppliers who have set targets to be Net Zero by 2030 or have other SBTi reduction targets in place, with a target of reaching 90% in 2026 validated through independent supplier reviews.

In 2024 we set a target for our scope 3 emissions, this target does not include emissions associated with hostel activities, excluded on the basis that we do not have a complete baseline for reporting on hostel emissions. We will set a future target for our hostel emissions when the dataset is further evolved. Over the near-term we have set a target to reduce our scope 3 emissions by 37.5% in 2035 in comparison with 2023, and in the long-term we have set a target to reduce our scope 3 emissions by 90% in 2040 in comparison with 2023. To reduce scope 3 emissions, we will continue to partner with third parties who also

have SBTi targets in place, we will review our existing lease arrangements to identify low carbon workspaces and refine our company travel policies.

Each year since 2021, Hostelworld has been awarded a sustainability badge by South Pole, in recognition of our efforts in carbon management. Hostelworld received a Silver 'Taking Climate Action' badge, in the current year, which certifies that our carbon footprint is measured, reduced and compensated, with appropriate targets in place for future emission reductions. We are delighted with the evolution of the South Pole label which is approved by CO2Logic and validated by Vinçotte (Member of Group Kiwa), an independent third-party auditor and partner (with whom Hostelworld do not have any engagement). The addition of scope 3 emissions associated with hostel activities and setting a target for their reduction, will earn Hostelworld gold 'Taking Climate Action' badge. This is a future target of the Group, as we work towards an ambitious target of net zero by 2040.

### Net Zero by 2040

In 2023, Hostelworld became a signatory to the Climate Pledge and made a commitment to operating as a Net Zero company by 2040. Since then, we have deployed resources to a transition plan to assess how we can complete our journey. The journey to net zero involves reducing greenhouse gas emissions from our own global operations, choosing the right partners who themselves are also committed to sustainability and have also put in place plans to be net zero by 2030 to 2040, assisting our hostels in their sustainability initiatives and investing in climate action projects to offset remaining emissions.

In 2024 we took another step on this journey by setting a target for our scope 3 emissions, excluding emissions associated with hostel activities, excluded on the basis that we do not have an accurate and complete baseline for reporting. The inclusion of these emissions and setting a target for their reduction is the next challenge on our journey to net zero.

### Task Force on Climate-Related Financial Disclosures ("TCFD")

Climate change has played a large role in influencing our business strategy. Combatting the damage of climate change is dependent on the collective efforts of all industries, companies and people as the globe transitions to a low carbon economy, with physical risks accelerating where global temperatures continue to increase.

Bi-annually we assess the potential climate related risks and opportunities for our business, ensuring that we maintain a focus on reducing our emissions while adapting to these changing external conditions. We continually reassess against the metrics and targets we have set that addresses each climate related risk and opportunity.

### Corporate Sustainability Reporting Directive ("CSRD")

CSRD was a key focus area for the ESG Steerco across 2024 as we proactively prepared for CSRD compliance, ahead of the expected 01 January 2025 compliance date. We had focused on completing a double materiality assessment as required under the standards, a gap analysis between current reporting and future reporting,

and we had put in place a roadmap to ensure we had gathered the necessary data in readiness against the Directive in the 2025 annual report. The EU's subsequent simplification in February 2025 has placed us outside the current CSRD scope, due to Hostelworld having less than 1,000 employees. We will continue to monitor any future developments and report as required against the applicable sustainability reporting standards.

*Caroline Sherry*

**Caroline Sherry**  
**Chief Financial Officer and**  
**ESG Steering Committee Chair**  
**19 March 2025**

### SUSTAINABILITY STORY

## Community Impact at Mad Monkey, Southeast Asia

Mad Monkey was founded in 2011 by three backpackers who fell in love with Cambodia and its people and wanted to take action to address the immense poverty in the country, growing to have other presences in Thailand, Laos, Vietnam, Indonesia, the Philippines and Australia. Every hostel aims to provide the best customer experience in the most sustainable way for the benefit of its guests, team members, and the local community.

In September 2024, Mad Monkey launched a new sub-brand, Mad Love, to **deepen their commitment to socially responsible travel**. From educational programmes to environmental conservation, Mad Love aims to make a difference to local communities, and they allow their guests to get involved in Mad Love events, by volunteering or by donating. Some highlights in recent months include:

- In the Philippines, Mad Love worked closely with some schools to organise meal programmes to combat student hunger, supply classrooms with critical learning materials, and help create supportive environments that foster growth.



- For World Oceans Day, beach clean-ups were organised as part of a long-term dedication to protecting and preserving the natural beauty of the places they call home.
- In Vang Vieng, Mad Love partnered with Abundant Water to install water filters at a local school, giving students access to clean, drinkable water every day. Across Cambodia, Mad Love fund water wells in rural communities to ensure families have a consistent and reliable source of clean water

As well as giving back to local communities, Mad Monkey have set sustainability targets for all hostels by reducing waste, conserving water, and encouraging guests to travel more sustainably.



Sustainability continued

TCFD Report

We have identified and assessed our climate-related risks and opportunities and continue to monitor and embed the identified impacts within our governance, operations, strategic model and risk management system.

Listing Rule 9.8.6R Compliance Statement

Hostelworld Group plc has complied under the ‘comply or explain’ requirements of LR 9.8.6R by including climate related financial disclosures in this section (and in the information available at the locations referenced therein) consistent with the TCFD recommendations, relating to the parts of the business over which Hostelworld Group PLC has operational control.

Overview of compliance with recommendations

The below table summarises where we have addressed the four areas of TCFD focus, with the 11 associated recommended disclosures. Further detail is included within this Sustainability Report.

Governance	
Disclose the organisation’s governance around climate related risks and opportunities	
Recommended Disclosure	Disclosure Overview
Board’s oversight of climate-related risk and opportunities.	<ul style="list-style-type: none"><li>Sustainability governance structure is set out on pages 48 and 49, including the information that is utilised at each level of the governance structure.</li><li>Board receives a sustainability update at every scheduled Board meeting within the CFO presentation and provide direction.</li><li>Bi-annually the Board and Audit Committee review and approve the climate-related risks and opportunities, together with the main risk register.</li><li>Audit Committee review TCFD content in the Annual Report and recommend to the Board their approval of the content.</li><li>As well as this section, additional detail is provided within the Chairman’s Statement, Principal Risks and Uncertainties and the Corporate Governance Report, with particular focus within the Audit Committee Report.</li></ul>
Management’s role in assessing and managing climate related risks and opportunities.	<ul style="list-style-type: none"><li>An ESG Steering Committee, led by the CFO, meets monthly and provides routine updates to the Board.</li><li>The ESG Steering Committee manage the risks and opportunities, and sustainability strategy day to day.</li><li>As well as this section, additional detail is provided within the Chief Executive’s review and Principal Risks and Uncertainties.</li></ul>

Strategy	
Disclose the actual and potential impacts of climate-related risks and opportunities on the organisation’s businesses, strategy, and financial planning where material	
Recommended Disclosure	Disclosure Overview
Risks and opportunities over the short, medium, and long-term	<ul style="list-style-type: none"><li>A summary of the Risk and Opportunity Register is set out within this Sustainability Report.</li></ul>
Impact on business, strategy and financial planning	<ul style="list-style-type: none"><li>The output of the Register has been integrated into our Hostelworld strategy, where the Group is committed to promoting hostels as a sustainable accommodation option, and to assist customers and hostels on their sustainability journeys.</li><li>Climate-related risks and opportunities are assessed and managed as a fundamental part of our governance, strategy setting and management of the business. Central to Ulriks Chairman’s Statement and Garys Chief Executive’s Review is sustainability. Identified climate related risks and opportunities have been embedded into our strategy including the promotion of hostels as a sustainable travel option, the <i>Staircase to Sustainability</i> framework and managing our own emissions and target setting.</li><li>Please see references to sustainability and our strategy set out within the Strategic Report from pages 10 to 83.</li><li>Further, all costs associated with our sustainability strategy, including the cost of any climate investments we make and compliance with new reporting standards are considered within our budgeting. Further detail is set out on page 170.</li></ul>
Resilience of strategy considering different climate-related scenarios	<ul style="list-style-type: none"><li>Detail is set out within this Sustainability Report on page 58, where we have concluded that our product offering, and strategy is resilient under a number of different climate-related scenarios.</li><li>Further we included a climate related scenario in our assessment of the viability of the Group, with detail included on page 73.</li></ul>

Risk Management	
Disclose how the organisation identifies, assesses, and manages climate-related risks and opportunities	
Recommended Disclosure	Disclosure Overview
Climate-related risks and opportunities identification and assessment	<ul style="list-style-type: none"><li>An assessment of climate-related risks and opportunities over short, medium and long term was performed. See detail on pages 49 to 55.</li></ul>
Climate-related risk and opportunities management	<ul style="list-style-type: none"><li>Climate-related risks and opportunities were reviewed in the same manner as our main Risk Register. Each risk or opportunity is assigned an owner who is responsible for managing the impact of that risk or opportunity to the Group. Opportunities have been presented to the Board and have been embedded within our overall sustainability strategy including the management of our own emissions and assisting hostels on their sustainability journeys.</li></ul>
Integration of processes into overall risk management	<ul style="list-style-type: none"><li>Climate-related risks and opportunities were reviewed in the same manner as our main Risk Register, and the Group continue to look at ways of aligning internal processes with the recommendations of the TCFD.</li></ul>



## Sustainability continued

## Metrics and Targets

### Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities

Recommended Disclosure	Disclosure Overview
Metrics used to assess risks and opportunities in line with strategy and risk management process	<ul style="list-style-type: none"> <li>• The most relevant metrics, on which we report annually, are our GHG emissions and carbon intensity ratios. These are set out on page 59.</li> <li>• Other metrics are set out within this Sustainability Report on pages 51 to 56.</li> </ul>
Scope 1, scope 2, and, if appropriate, scope 3 greenhouse gas ("GHG") emissions and the related risks	<ul style="list-style-type: none"> <li>• South Pole are engaged to calculate Hostelworld's emissions. GHG accounting is set out within this Sustainability Report on page 59.</li> <li>• Central to our response has been the setting of scope 1, scope 2 and scope 3 carbon emission reduction targets and building robust roadmaps for their delivery. Refer to pages 60 and 61 for further detail.</li> </ul>
Targets to manage risks, opportunities, and performance against targets	<ul style="list-style-type: none"> <li>• Targets are set out within this Sustainability Report on on pages 56 and 57.</li> </ul>

### Risk Governance:

## BOARD OF DIRECTORS

In line with the principal risks, the Board takes overall responsibility for identifying the nature and extent of climate-related risks and opportunities to be managed by the Group to ensure the successful delivery of its sustainability agenda, and sets the sustainability strategy of the Group

## GROUP MANAGEMENT

Responsible for  
the day-to-day  
delivery of the  
Group sustainability  
strategy

## AUDIT COMMITTEE

Monitors climate related risks and opportunities and the internal control system, and approves all sustainability disclosures, metrics and targets

## REMUNERATION COMMITTEE

Assesses whether any climate-related metrics should be incorporated into remuneration policies

## NOMINATION COMMITTEE

Considers candidates with sustainability and ESG experience for Board succession planning purposes

**ESG  
STEERCO**

Receive specific training and focus on ESG initiatives. Represents senior management from each business area to ensure that sustainability is embedded across the Group

## GLOBAL MARKET

Handles day-to-day communications with hostels and assist with hostel sustainability journeys

## FINANCE & LEGAL

Provides support where required and verifies all calculations and emissions; complete the annual sustainability disclosures

## PR & MARKETING

Reviews and verifies all sustainability related information made at employee townhalls, through our website, blogs and social media

## PRODUCT & GROWTH TEAMS

Manages all product releases for new functionality linked to sustainability

## EMPLOYEES

Receives regular sustainability updates at townhalls and through newsletters. Travels responsibly and manages emissions day-to-day

**The Board of Directors:** There has been a high level of focus on climate-related matters at Board level as the landscape continues to evolve with further regulatory developments and changes in stakeholder expectations.

The expertise of the Board on climate-related risks and ESG-related matters continues to be enhanced through regular interactions with management and through membership of Board members on boards of other large companies with significant internal ESG-related subject matter expertise. The Board takes overall responsibility for identifying the nature and extent of the climate-related risks and opportunities to be managed by the Group to ensure the successful delivery of its strategic and business priorities.

**The Audit Committee** is responsible for reviewing and approving the content against the TCFD requirements and for reviewing the Group's climate-related Risks and Opportunities Register twice yearly. The Audit Committee is also responsible for monitoring the development of climate-related risk metrics and targets and performance against these targets. Further detail is included in the Audit Committee Report on pages 117 to 123.

**The Remuneration Committee** reviews annually any impact to its incentive structure for sustainability related metrics. The Group does not have any ESG or climate-related metrics that are incorporated into its remuneration policies currently.

**Management** is responsible for managing on a day-to-day basis the climate-related risks and opportunities faced by the Group and for delivering the roadmap to achieve the climate-related risk and opportunity management strategy set by the Board.

**The ESG and TCFD Steering Committee**, chaired by the CFO, is comprised of representatives from group finance and legal, global markets, people, product and marketing teams; oversees our sustainability strategy, progress against the TCFD recommendations and the publication of our annual disclosures. The ESG and TCFD Steering Committee received specific training on sustainability and CSRD regulations from a leading consultancy firm in H2 2023 and keeps up-to-date on regulatory requirements through access to external advisors and attendance at external briefings hosted by ESG and TCFD subject matter experts.

Our functions support the business in achieving their climate-related risks and sustainability targets. Marketing and public relations communicate our climate-related risks and sustainability strategy to external stakeholders. Group finance educates the business on how to understand the financial impacts of climate-related risks and opportunities, produces external ESG metric reporting and prepares annual report disclosures that align to the recommendations of TCFD. Product teams are responsible for any products on the roadmap, namely any products that impact customers and the 'Staircase to Sustainability' framework. Global markets are responsible for all hostel interactions and the delivery of our 'Staircase to Sustainability' framework.

## Identifying and Managing Climate-Related Risks and Opportunities

Each half year a robust assessment is performed of the climate-related risks and opportunities affecting the Group.

Climate-related risks and opportunities are monitored and reported on using a bottom-up approach. Workshops are conducted and external experts such as South Pole, climate emission specialists, are engaged as required to give guidance on enhancements in regulations year-on-year. Each risk or opportunity is assigned an owner on the ESG and TCFD Steering Committee who have the expert subject knowledge for that risk or opportunity. Each risk and opportunity identified is subject to an assessment incorporating likelihood of occurrence, time horizon it could impact the Group, any mitigations in place to evaluate the residual risk and the potential financial impact it could have on the Group. In this assessment, other subject matter experts in Hostelworld are engaged as required in the review such as the group finance and group legal teams, and the Chief Supply Officer who oversees hostel relationships and the impact that climate change can have on hostel supply. The completed risk and opportunity register is reviewed by the ESG and TCFD Steering Committee and presented to the Audit Committee biannually, together with the Group's main Risk Register. In turn, the Audit Committee present the Risk and Opportunity Register to the Board for final approval. The most material risks and opportunities facing the Group are set out in the following table, together with comments on how they are managed to minimise their potential impact.



Sustainability continued

SUSTAINABILITY STORY

Inclusivity at INOUT Hostel, Barcelona



This hostel, who recently celebrated 20 years in business, have made it their mission to promote the social and professional inclusion of people with disabilities.

Out of their 60 staff members, 55 have a disability. INOUT hostel is the first of its kind, built from a non-profit social initiative. Surrounded by the peace of Parc Natural de Collserola, INOUT provides a refreshing respite from the hustle of Barcelona city, with an equally refreshing outlook on the capabilities of those with extra needs.

INOUT’s team members work in roles across the hostel and restaurant, to ensure the smooth running of daily activities and to help travellers enjoy their stay, and excelling in social work environments.

INOUT doesn’t just provide an inclusive workplace, they’ve created an inclusive and accessible space for travellers too. The hostel is tailored to meet the physical, visual and auditory needs of anyone who enters the building with features such as braille signs, podotactile flooring, ramps and elevators, adapted parking, accessible beds and adapted bathrooms. In their local community, the hostel has done what it set out to; change misconceptions about what disabled people can and cannot do and generate respect for those with extra needs.

Principal Risks and Opportunities Register

Time Horizon:

- **Short:** Up to three years. Aligned with our Group Viability Statement and the Board approved Budget and two-year outlook.
- **Medium:** From three to ten years. Nearer term to primarily capture transition risks and opportunities, embedded with our sustainability strategy and aligns to the longest contracts in place at Hostelworld.
- **Long:** Beyond ten years. Greatest level of uncertainty associated with these climate-related risks and opportunities, primarily linked to the physical risks identified, ten+ long term in line with the visions and commitments of the Climate Pledge and the Governments with which we serve.

Impact categorisation:

- **Low** – limited damage or upside to the Group if the risk or opportunity materialised, taking account of mitigation in place. Low is defined at 0-€0.5m financial impact.
- **Medium** – some damage or upside to the Group if the risk or opportunity materialised, taking account of mitigation in place. Medium is defined at 0.5m-€2m financial impact.
- **High** – significant financial impact to the Group through damage or upside if the risk or opportunity materialised, taking account of mitigation in place. Significant is defined at > €2m financial impact.

Transitional Risks

Regulatory, Public Scrutiny and Reputational Risk	
Time Horizon:	Medium and long term. While we are no longer in scope under CSRD in 2025, we do anticipate other future reporting standards and continuing focus from our stakeholders as we work towards net zero by 2040.
Likelihood:	Likely
Geography:	Primary risk in the countries in which Hostelworld are listed, on London Stock Exchange in the UK and on Euronext, in Ireland, and where Hostelworld has its headquarters in Dublin.
Impact Categorisation:	Medium.
Risk Description:	<p>The risks of damage to brand value and loss of customer base from shifting public sentiment about climate change driven by increasing shareholder expectations and a potential shift in consumer preferences.</p> <p>A risk of greenwashing claims, if Hostelworld is identified as an organisation that makes false claims about its sustainability activities, the reputational damage could be devastating and could impact revenue, supplier and employee relationships and investor relations. We may also be subject to climate-related litigation claims.</p> <p>In addition, the Group has risks from existing and emerging regulation aimed at addressing climate change which include enhanced reporting obligations, exposure to litigation, increased pricing of GHG emissions and related climate investments to offset and any limits on tourism activities and travel transport.</p>
Potential Financial Impact and Mitigations:	<p>The Group engage with its stakeholders regularly to assess their expectations in terms of business resilience and climate policies. Through our Sustainability Report, our website and interaction with our investors through our market updates and roadshows we communicate our efforts and sustainability strategy with our stakeholders.</p> <p>We invest in responding to stakeholder expectations, and have targets set in line with SBTi criteria. Hostelworld avail of credible third parties to support work undertaken where possible. We partnered with South Pole to calculate our emissions. Our sustainability framework is based on the principles set out by the GSTC. We closely monitor for any bad press.</p> <p>The Group monitor upcoming regulations and prepare for compliance. We focus on improving reporting practices and increasing the reliability of our data.</p> <p>To monitor the risk day to day there is an increased regulatory and PR cost to Hostelworld. If the risk did materialise it is difficult to quantify the impact without a specific scenario arising but from initial assessment brand damage in the area would easily exceed €1m. We have categorised the risk as high. To date no legal actions have been taken against corporates who operate the same model as we do. We have not assessed the financial impact of a litigation claim as we consider it unlikely.</p>
Metrics	<ul style="list-style-type: none"><li>• Any datapoints received through stakeholder engagement</li><li>• Any negative press announcements or regulator comments concerning sustainability, which may impact how we view of the materiality of this risk if legal or regulatory action is taken against corporates</li></ul>
Targets	<ul style="list-style-type: none"><li>• Zero negative press news stories regarding Hostelworld or negative regulator comments on our disclosures</li></ul>



Sustainability continued

Market Change/Customer Sentiment Risk	
Time Horizon:	Short, medium and long term.
Likelihood:	Unlikely
Geography:	This is a global risk with Hostelworld having supply in >180 countries.
Impact Categorisation:	High
Risk Description:	<p>The risks from shifting supply and demand as economies react to climate change.</p> <p>There is a risk of an increase in supply prices including the cost of flights for our travellers. Increased supply prices may arise from carbon taxation or increased taxation across the aviation sector, which may impact our customers willingness to travel.</p> <p>There is also a risk of changing customer behaviour and a potential decline of sales of travel services as customers look for more sustainability options.</p>
Potential Financial Impact and Mitigations:	<p>Hostelworld have a product that addresses the need of customers who want to travel but are looking for more sustainable travel options.</p> <p>Our target 18-34-year-old population tend to view their trips to be a ‘rite of passage’ rather than a more discretionary or optional vacation resulting in less aversion to small increments in pricing.</p> <p>Difficult to currently quantify financial as a broad range of outcomes are possible based on customer sentiment. We have classified the impact as high as a general shift in customer sentiment away from travel would have a material impact.</p>
Metrics	<ul style="list-style-type: none"><li>Bookings and conversion by customers, monitored in each destination may flag any changes in demand driven by changing customer sentiment</li><li>Bookings and conversions by customers with our sustainability badged hostels would provide insight into customer sentiment and support towards hostels who invest in sustainability</li></ul>
Targets	<ul style="list-style-type: none"><li>A specific product and experiment launched by our Product and Growth team focused on sustainability, which operates as a mitigation to shifting customer sentiment shifting to more sustainable options</li></ul>



• 2025 WINNER •  
The Eco Warrior Winner:  
**Jo&Joe, Rio de Janeiro**

Jo&Joe is at the foot of the Corcovado Mountain in a colourful jungle setting complete with pools, terraces, DJ areas, hammocks, restaurants and bars with the best Caipirinhas in town. This backpacker haven is 100% plastic free, uses clean energy and runs regular beach clean-ups.



Physical Risks

Physical Chronic Risk: Longer-Term Shifts in Climate Patterns	
Time Horizon:	Long term assuming this reoccurs for hostels in specific locations each year or hostels are permanently shut.
Likelihood:	We consider this a likely event with an increasing risk as evidenced by recent weather events, and general outlooks provided.
Geography:	This is a global risk with Hostelworld having supply in >180 countries.
Impact Categorisation:	Low
Risk Description:	<p>The risk of longer-term changes in weather patterns which can include disruptions to regional or global travel and changes in destinations, change in hostel supply and rising operational costs for our hostels. Sustained higher temperatures that may cause sea levels to rise and/or chronic heat impacting travel in the impacted areas.</p>
Potential Financial Impact and Mitigations:	<p>Hostelworld has a diverse customer base and operates across a wide number of geographical locations. Our target 18-34-year-old population tend to be flexible as to travel destination. Should a shift in climate patterns occur we will experience an impact to revenue in the specific location as demand falls for the location impacted.</p> <p>We also know that our customers are flexible and want to travel – if they are unable to travel to a particular country or place, we have evidence from studying historic booking behaviours (e.g. during the Icelandic volcano ash cloud of 2010) that demand moves elsewhere.</p> <p>Where there is a severe weather event and demand does move to a new location, hostels have a relatively low set up cost from a physical structure and regulatory perspective compared to other accommodation solutions.</p> <p>Difficult to currently quantify financial as a broad range of outcomes are possible based on potential countries impacted, but the overall risk would be considered low driven by the disaggregation of our revenue and the high volume of bookings/customers. Several locations would need to be impacted at the same time with 100% hostel closure for the financial impact to be considered as medium or high.</p>
Metrics	<ul style="list-style-type: none"><li>Bookings and conversion by customers, monitored in each destination may flag any changes in demand as a result of physical chronic risk</li></ul>
Targets	<ul style="list-style-type: none"><li>None</li></ul>



Sustainability continued

Physical Acute Risk: Extreme Weather Events (Hurricanes, Flooding) Impacted Travel in the Impacted Areas	
Time Horizon:	Short to medium term (if hostels would have the ability to reopen).
Likelihood:	We consider this a likely event with an increasing risk as evidenced by recent weather events.
Geography:	This is a global risk with Hostelworld having supply in >180 countries.
Impact Categorisation:	Low
Risk Description:	<p>The risk of increasing extreme weather events which would include interruption and damage to business operations and performance, or disruptions to regional or global travel, or damage to the physical assets of our hostel partners.</p> <p>Extreme weather events (hurricanes, flooding) can impact travel in the area where the physical risk has occurred.</p>
Potential Impact and Mitigations:	<p>The Group work on engaging with the hostels in our supply chain. Should an event occur, Hostelworld would experience a short-term impact to revenue in the specific location as customers change their travel plans. Our target 18-34-year-old population tend to be flexible as to travel destination. We have evidence from studying historic booking behaviours (e.g. during the Icelandic volcano ash cloud of 2010) that demand moves elsewhere.</p> <p>Difficult to currently quantify financial as a broad range of outcomes are possible based on potential countries impacted. Several locations would need to be impacted at the same time with 100% hostel closure for the financial impact to be considered as medium or high.</p>
Metrics	<ul style="list-style-type: none"><li>Bookings and conversion by customers, monitored in each destination may flag any changes in demand as a result of physical acute risks</li></ul>
Targets	<ul style="list-style-type: none"><li>Nil</li></ul>



• 2025 WINNER •

The Community Superhero Winner:  
Wonderland Jungle Hostel, Thailand

Wonderland is a hostel, charitable organisation and education hub which tackle educational and economic challenges facing communities in Thailand, Myanmar and Malaysia. From educational outreach to environmental stewardship, they offer opportunities are available for those eager to make a difference. To date, they’ve equipped 300 students with essential skills including two who started with no English and have since returned as teachers!



Opportunities

Opportunity to Support Hostels and Customers Through Delivery of Sustainable Products	
Time Horizon:	Short to medium term.
Likelihood:	Likely
Geography:	This is a global risk with Hostelworld having supply in >180 countries.
Impact Categorisation:	Low
Opportunity Description:	<p>Opportunity to support hostels on their sustainability initiatives regardless of what stage they are at on their journey through our ‘<i>Staircase to Sustainability</i>’ framework. By investing in hostels, their sustainability initiatives and education we can increase the reliability of supply chain and their resilience, leading to competitive advantage, as well as alignment with stakeholder and regulator expectations, and work towards a net zero target by 2040.</p> <p>There is also an opportunity to develop sustainable products and low emission services to accommodate shift in consumer preference. Development and/or expansion of new and existing products and services addressing the climate-related changes in customer or partner demands.</p> <p>We have committed internal resources from revenue development projects to sustainability as we genuinely believe it is the right thing to do. We have and will continue to undertake experiments to understand the popularity of additional feature offerings. Examples include our partnership with Cloverly, leveraging our new Linkups feature within our social platform for hostel ESG events, allowing eco chats and Hostelworld focused social media campaigns.</p>
Potential Impact and Materiality	<p>Cost of this opportunity relates to a commitment of wages and salaries costs of our technology, development, and global market teams to develop the products. Wages and salaries have a negligible financial impact given existing squads are already in place with allocated time on roadmaps.</p> <p>From a product success point of view, we believe this opportunity to have a high impact. For example, Hostelworld is uniquely positioned to assist hostels with the measurement of their emissions, assist them on their journeys to be audit ready and can apply to obtain formal certification through our ‘<i>Staircase to Sustainability</i>’ framework.</p>
Metrics	<ul style="list-style-type: none"><li>Volume of product offerings and experiments to further enhance the sustainable nature of hostelling</li></ul>
Targets	<ul style="list-style-type: none"><li>1 sustainable focused product to be delivered annually</li><li>Overall ambition to work towards net zero by 2040</li></ul>



Sustainability continued

Opportunity to Reduce and Manage Hostelworld's Emissions	
Time Horizon:	Short to long term to align with the scope 3 emission targets we have recently set.
Likelihood:	Likely
Geography:	Impacts the locations where our people are based with office spaces in Dublin, London, Portugal, Australia and China.
Impact Categorisation:	Low
Opportunity Description:	<p>Use resources efficiently and manage ways of working of employees to limit Hostelworld's impact on environment. Steps already taken to reduce our impact on the environment include items such as paperless office environment, recycling promotion across our locations, energy and natural resource conservation e.g., our offices have stop taps for water consumption and controlled lighting and air conditioning, and HR policies in place to support flexible methods of working to allow people to work from home and avoid emissions of commuting.</p> <p>We will continue to make changes as we work towards our scope 3 emission reduction target.</p>
Potential Impact and Materiality	<p>For the emissions we directly control, we operate a low emissions environment and as such the opportunity has low impact on direct operations of the Group. We utilise shared office locations across our office presence in Dublin, London, Portugal and Australia which means we have low scope 1 and scope 2 emissions, which drives an impact categorisation of low.</p> <p>Our scope 3 emissions, which we do not directly control, are our largest category. We are working towards reduction targets in 2035 and 2040.</p>
Metrics	<ul style="list-style-type: none"><li>• Scope 1, scope 2 and scope 3 emissions</li><li>• Volume of investments in climate action projects</li></ul>
Targets	<ul style="list-style-type: none"><li>• To maintain scope 1 and scope 2 emissions below 30 tCO<sub>2</sub>e</li><li>• Reduce scope 3 emissions by 37.5% by 2035, when compared to 2023, excluding hostel emissions</li><li>• Reduce scope 3 emissions by 90% in 2040, when compared to 2023, excluding hostel emissions</li><li>• Overall ambition to work towards net zero by 2040</li><li>• Obtain a 'taking climate action' label, or similar, from a reputable third party annually and set a future target of a gold 'Taking Climate Action' label with South Pole, or equivalent with another party</li><li>• By 2026 ensure over 90% of our purchased consumables will be with suppliers who are either climate neutral or who have established their own SBTi targets to be climate neutral by 2030</li></ul>

Reporting Against Prior Year Targets Set in the 2023 Sustainability Report:

In 2023 we set out several targets and metrics that we wanted to achieve set out as follows:

- ✓ Obtain a 'taking climate action' label, or similar, awarded by a reputable third party annually. We have obtained South Pole's label for the fourth consecutive year. Further detail is set out on page 61.
- ✓ Maintain total scope 1 and scope 2 emissions below 30 tCO<sub>2</sub>e annually. Our emissions are set out on page 59.
- ✓ In 2024 set a target for scope 3 emissions that is suitable for our business, the detail of which is set out on page 60.

- ✓ By 2026 ensure over 90% of our purchased consumables will be with suppliers who are either climate neutral or who have established their own SBTi targets to be climate neutral by 2030. In 2024 over 85% of our purchased consumables were with suppliers who have established their own SBTi targets, and we are on track to deliver by 2026. We have engaged with suppliers through our procurement function, and we are aware of plans in place with vendors that will allow us to reach this target.
- To not contribute any emissions from our operations by investment in climate action projects to take responsibility for our emissions which cannot be eliminated annually, and to take responsibility for the carbon emissions of any hostel conferences or other large Hostelworld events.

- ✓ Ensure any investments are made with a reputable third party and maintain this standard annually. Investments have been made with South Pole.
- ✓ For employee engagement ensure there is an annual specific employee engagement initiative, which in 2024 focused on a ESG workshop with our employees at our 25-year celebration in Dublin. We provided our people with an update on ESG initiatives, we invited them to share their ideas, and we launched a competition where the winner was ultimately selected to travel to one of our hostels in Colombia to volunteer in Summer 2025.
- ✓ Within our product and growth teams ensure a specific product and experiment roadmap focused on sustainability annually. 2024 work focused on the launch of the 'Staircase to Sustainability' framework, badging for hostels and the rollout and signup of hostels to the framework.

Current Year Target Setting:

We will continue to monitor against previous targets set with some new additions made.

Committed targets set:

- Obtain a sustainability label, or similar, awarded by a reputable third party annually which verifies that we have appropriately quantified our emissions, have an emission reduction roadmap and targets in place, and have made climate investments to offset the emissions that we cannot reduce.
- Maintain total scope 1 and scope 2 emissions below 30 tCO<sub>2</sub>e annually.
- Reduce scope 3 emissions by 37.5% by 2035, when compared to 2023, excluding hostel emissions.
- Reduce scope 3 emissions by 90% in 2040, when compared to 2023, excluding hostel emissions.
- By 2026 ensure over 90% of purchased consumables are with suppliers who have established SBTi targets, or similar, to work towards net zero in 2040.
- To not contribute any emissions from operations by investment in climate action projects to take responsibility for our emissions which cannot be eliminated annually. Ensure any investments are made with a reputable third party and maintain this standard annually.
- For employee engagement ensure there is an annual specific sustainability employee engagement initiative annually.
- Within our product and growth teams ensure a specific product and experiment roadmap focused on sustainability annually.

HOSCAR Awards

• 2025 WINNER •

The Culture Champion Winner:  
**Lagarto na Banana, Northern Brazil**



Surrounded by jungle, monkeys and good vibes Lagarto na Banana has a strong focus on connection, community and fun. The hostel is open to everyone, regardless of origin, gender, age or history, for all types of travellers, also offering a coworking space for digital nomads.

Every day of the week they operate cultural activities organised by employees, guests or residents of the local community ranging from surf lessons with partners, dance classes, theatre, capoeira, poetry, philosophical circles, reiki, game nights, language exchanges, sports activities, cinelagarto and much more.

57



Sustainability continued

Other metrics and targets under review:

- The ability to measure scope 3 emissions for hostels in an accurate and complete manner and set a target for reduction of these scope 3 emissions, in line with SBTi criteria. Hostel emissions are currently under review, and we do not have a timeline that we are able to commit to at present.
- The ambition to be net zero by 2040, is largely dependent on our work with hostels and the ability to measure and reduce hostel emissions.
- If we continue to partner with South Pole, the ability to measure and set a target for our scope 3 hostel emissions will allow us to work towards a target of their gold ‘Taking Climate Action’ label.

The Impact of Climate Change on our Financial Statements

We considered the potential impacts of climate change risks when preparing our Consolidated Financial Statements and given the nature of our activities we have determined that there is no material impact on the financial reporting judgements and estimates and as a result there is no impact on the valuations of the Group's assets and liabilities from these risks as at 31 December 2024. Further, following an assessment completed by management in 2024, the Group have not identified any cause for any other liability, provision or impairment of any assets because of its review of climate related matters. Operating costs in 2024, and the 2025 budget and two-year outlook, and further two years of management projections, incorporate any operating costs relating to our sustainability roadmap, namely the personnel required to support on commitments and targets in place, as well as the cost of any current and future emission reductions and investments in climate action projects. Refer to page 170 within the financial statements for further details. We continue to monitor the resilience of the organisation with due regard for the climate-related risks and opportunities that the business faces. Under its current strategy and assessment of climate related scenarios, the Group is sufficiently protected against climate-related risks that may impact the value chain, due to its global presence, the partners the Group chooses to work with, as well as existing and planned mitigation actions such as the output of work on our *Staircase to Sustainability* framework and our target setting under the SBTi criteria.

Scenario Analysis

We have examined our business under a range of scenarios, to assess the resilience of the Group's strategy under different climate scenarios. An assessment was made which applied two climate scenarios:

- Low: The first assumes that global efforts to curb emissions is enough to limit global average temperature increases to no more than 1.5°C above pre-industrial levels (as set out in the Paris Agreement) by 2100 (the 1.5°C scenario). Within this scenario we assumed increasing policy, regulation and high costs for decarbonisation, with the primary impact to the Group being increased operational costs as set out in our risk analysis above.
- High: This represents a scenario where few or no steps are taken to limit emissions, with potential warming of 4°C by 2100. We have assumed in this scenario that changes are less rapid, and emissions remain high, so that the physical ramifications of climate change are more apparent by 2030. The primary impact within this scenario was extreme weather events of escalating severity and frequency, which could increase disruption to our hostels and our customers as set out in our risk analysis above.

The analysis completed has limitations with it being difficult to quantify the timing and impact of climate-related risks and opportunities on our business. As a result of the scenario analysis completed there were no changes made to the strategy for the Group, with each scenario confirming that while there are risks to us, our existing strategy to manage our own emmissions and assist hostels on their own sustainability journeys is the most appropriate. We do have additional reporting within our Viability Statement on page 73 and within going concern on page 169 that consider other climate related scenarios.

GHG Accounting and Target Setting

1. Monitoring our Emissions

South Pole are a third party specialist who have calculated Hostelworlds scope 1, scope 2 and scope 3 emissions.

	2024	2023	2022	2021	2020 <sup>(1)</sup>	2019 <sup>(1)</sup>
Scope 1 – Direct emissions from sources owned/controlled by Hostelworld (tCO <sub>2</sub> e)	–	–	–	1	–	–
Scope 2 – Indirect emissions from energy usage (tCO <sub>2</sub> e)	7	7	15	72	127	134
Scope 3 – Indirect emissions from activities of the Company, but not under company control (tCO <sub>2</sub> e)	1,520	2,412	1,576	542	62	782
<b>Total emissions (tCO<sub>2</sub>e)</b>	<b>1,527</b>	<b>2,419</b>	<b>1,591</b>	<b>615</b>	<b>189</b>	<b>916</b>
Net Revenue (€'m)	92.0	93.3	69.7	16.9	15.4	80.7
Intensity Ratio (tCO <sub>2</sub> e/€'m)	16.6	25.9	22.8	36.4	12.3	11.4
FTE, number of people employed 31 December (including Executive Directors)	227	223	241	215	244	325
Intensity Ratio (tCO <sub>2</sub> e/FTE)	6.7	10.9	6.6	2.9	0.8	2.8
Investments in climate action projects made – tCO <sub>2</sub> e	1,527	2,419	1,591	615	n/a	n/a

<sup>(1)</sup> This represents an element of, not total, scope 3 emissions. South Pole measured GHG emissions from 2021 through to 2023. Prior to 2021, purchased consumables did not include paid marketing costs incurred.

Scope 1 emissions, driven by refrigerants and scope 2 emissions, from purchased energy and heating contribute less than 1% of total emissions. The majority of Hostelworld's emissions are scope 3 emissions, which are caused by our supply chain. Key categories relate to purchased goods and materials, business travel and employee commuting. Reduction year-on-year primarily driven by the benefit of emission reduction strategies implemented by Google, who reported that their scope 1 and scope 2 emissions have reduced by 50% in the last year.

Hostelworld have not disclosed any hostel emissions in their disclosures. Under SBTi criteria scope 3 emissions from use of sold products include the scope 1 and scope 2 emissions of end users (both consumers and business customers). The Group have not disclosed this detail due to limitations in the accuracy and completeness of the underlying catalogue of emissions comprising hostel stays. Over the coming years, the Group will focus on continuing their investment to calculate an accurate inventory of hostel emissions.

There has been no change in approach applied in 2024 v 2023. GHG emissions have been measured as required under the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018. We have used the GHG Protocol Corporate Accounting and Reporting standards (revised edition), data gathered to fulfil the requirements under the CRC Energy Efficiency scheme, emission factors from Defra and UK Government conversion factors for Company Reporting (2018) to calculate the disclosures, where they are not separately disclosed by a supplier.

The below table demonstrates the overall energy consumed in Kilowatt-hours (kWh) by the business and shows the portion of this consumption that the UK corporate office has consumed on the overall total. This table is based on the energy consumed in the purchase of electricity and gas for the corporate offices and does not include the consumption of energy used for employee travel.

	2024	2023	2022	2021	2020	2019
Energy usage – UK	2,171	1,700	6,423	36,296	192,434	177,365
Energy usage – Other Locations	42,783	66,200	110,324	189,412	247,721	323,587
Total Energy Usage	44,954	67,900	116,747	225,708	440,155	500,952
Proportion Consumed in UK	5%	0.03%	5%	16%	44%	35%



Sustainability continued

2. Emission Reduction Targets

South Pole and Hostelworld reference from the GHG Protocol for accounting, SBTi criteria for target setting and emission reductions, and SBTi BVCN to fund global climate action. The SBTi is a partnership between Carbon Disclosure Project (“CDP”), the United Nations Global Compact, World Resources Institute and the Worldwide Fund for Nature.

Near-term science-based targets were set in 2021 as a base year with absolute scope 1 and scope 2 GHG emissions reduction targets that should be achieved by 2030. A target was set to reduce our scope 1 and 2 emissions by 42%, which we already achieved in 2022 in comparison with 2021. In 2022 we set an annual target to maintain scope 1 and scope 2 emissions, below 30 tCO<sub>2</sub>e.

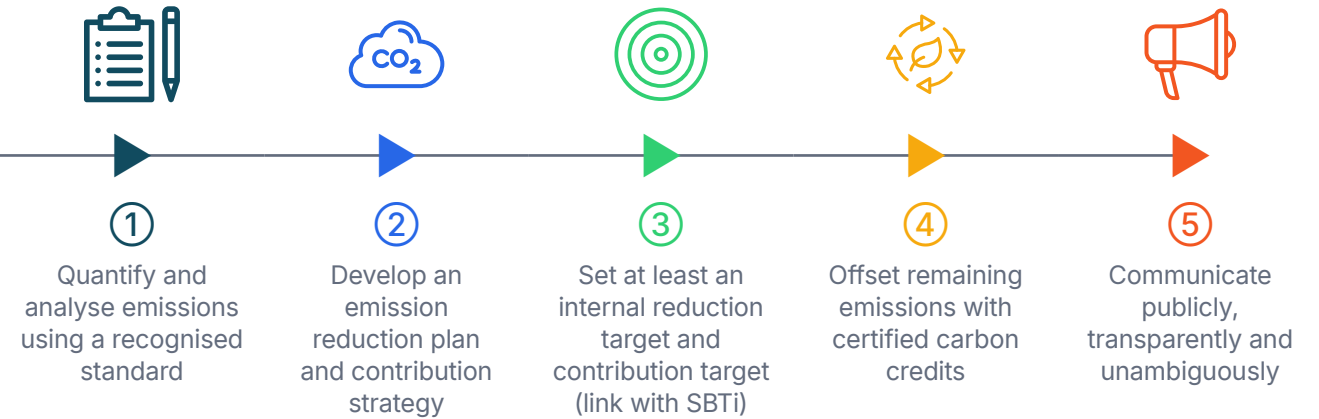
In 2024 the group set a target for scope 3 emissions, excluding the impact of hostel stays, to reduce our scope 3 emissions by 90% in 2040 in comparison with base year 2023. Our targets set for all our emissions consider future growth projections. Details of emissions to support each base year are set out in the table above.

In partnership with South Pole, Hostelworld have also made an investment in carbon projects to take responsibility of 100% of our reported scope 1, scope 2 and scope 3 emissions, including emissions relating to employee and hostel delegate attendance at our flagship conference events. We have also obtained a certificate of verified carbon unit reduction for all investments made in climate action projects, which is fully auditable.

3. Taking Climate Action Label

Each year Hostelworld apply for and have been awarded South Pole’s climate action label which has evolved over time as regulations have evolved. In 2023 Hostelworld received South Pole’s ‘Taking Climate Action’ label which has evolved in the current year to ‘Taking Climate Action.’

The Taking Climate Action certifies that a company’s carbon footprint is measured, reduced, and compensated annually. The Taking Climate Action label is approved by CO2Logic and validated by Vinçotte (Member of Group Kiwa), an independent third-party auditor and partner (who Hostelworld do not have engagement with). Each label is validated the first year then at least every 3 years. This adds an extra layer of credibility to the label which is key in light of the increasingly demanding European Directives with regards to Green Claims. The label is awarded following completion of the following 5 steps:



The label has different levels ranging from bronze to gold, with level awarded dependent upon the scope of calculation and the ambitiousness of the reduction targets. Hostelworld have been awarded a silver entity accreditation. A silver entity means that all direct and indirect emissions from scope 1 and scope 2, as well as the indirect emissions linked to fuel and energy-related emissions, waste from operations, business travel and employee home-work commuting have been calculated and targets set.

Hostelworld have set a future target of the gold accreditation, which will be driven by Hostelworld measuring accurately its scope 3 emissions from Hostels and setting a target for the reduction of those emissions. Future target setting to achieve a gold accreditation must cover two-thirds of Hostelworlds emissions.

SUSTAINABILITY STORY

Eco-ethnotourism at Casa en el Agua, Colombia

Casa en el Agua, House in the Water, is a one-of-a-kind island eco-hostel is in the San Bernardo Islands in the Colombian Caribbean. The park protects the largest, most diverse, and most developed coral reef along the Caribbean coast of Colombia, and have made ethnotourism their mission, a type of travel that relies on respectful intercultural exchange, for example, immersion in local communities to better understand their cultural heritage.



Casa en el Agua work hard to **limit their environmental impact**. They are powered by solar energy, rainwater is collected and stored in two large tanks on a nearby island, they have a state-of-the-art desalination system to provide high quality drinking water during dry spells, and to conserve water, showers are limited to three minutes and there are dry toilets, and a composting system. They use local ingredients and seafood for communal dinners each night, and organic waste generated in the kitchen and bar is transformed into compost, glass bottles are turned into bricks and decorations, and aluminium cans are being transformed into a football field!

Casa en el Agua have kickstarted a project in collaboration with locals and other hostels to collect as many cans as possible and send them to the mainland for recycling. The

funds from the sale of recycled aluminium go towards a community project: building a new soccer field for a local team.

The hostel teams are made up of locals, and employees get access to quality healthcare and are offered training in customer service, conservation, mangrove preservation, sustainable practices and a variety of professional skills, opening doors to new opportunities.

The hostel runs a project called Islote School where, with the help of a teacher from Canada, they bring volunteer teachers to Santa Cruz del Islote to provide English lessons for local children. They also donate school supplies



## Principal Risks and Uncertainties



Clink i Lár, Dublin, Ireland

### Risk Identification

Our business model and results are subject to risks and uncertainties which could adversely affect our business, financial stability, and cash flows. Risk is an inherent factor. While demand for hostelling has remained strong, changing travel patterns including increased travel to lower cost regions, ongoing inflationary and cost of living pressures, and continuing geopolitical tensions remain as risk factors which can impact demand. The Hostelworld Group strategy can contribute additional risk such as the impact of social features, and external factors such as the growth of artificial intelligence and the impact on Hostelworld also contribute. Additionally, climate change poses a number of physical and transition-related risks for our business. The Group has a detailed climate related risk and opportunities register which is included on pages 49 to 56.

The Group's risk register process is based upon a standardised approach applied to identify, assess and mitigate against risks in the business. Within these processes, there is input across all levels of the business to ensure that risk identification processes capture all evolving risk areas and mitigating strategies.

From the bottom-up, risk is identified and mitigated at a business unit level by the executive leadership team, senior management team, their teams, and subject matter experts including the Data Protection Officer and Head of IT Security.

### The Board

The Board holds overall responsibility for risk and sets the Group risk appetite including determining the extent of risk that is tolerable in pursuit of its strategic objectives. The Board, together with the Audit Committee conduct a detailed formal half-year and full-year review of the risk register, including emerging risks and the mitigating actions that are in place. The Board is satisfied that its risk identification and management systems are effective, its mitigations and internal control processes are effective, and that the risks described within this report describe effectively the principal risks of the Group at present.

The Board also considered its obligations in relation to providing both the annual viability and going concern statements, and its conclusions can be found on page 73 and note 1 to the Consolidated Financial Statements set out on page 169 respectively.

### The Audit Committee

The Audit Committee supports the Board in carrying out its risk oversight and management responsibilities

The Audit Committee has delegated responsibility for risk identification and assessment, in addition to reviewing the effectiveness of the Group's risk management and internal control systems and making recommendations to the Board thereon.

### The Executive Leadership Team ("ELT")

The ELT are responsible for ensuring appropriate risk management is incorporated into the business. They support the Board and Audit Committee through oversight of risk management processes and monitoring the risk environment and effectiveness of controls in place. The ELT compete a detailed review of the Group Risk Register prior to reporting to the Audit Committee and the Board.

**Senior management team** members (primarily functional team leads, who report directly to ELT) are assigned responsibility for the daily management of risks, reviewing and reporting on the effectiveness of controls in place, and consolidating the principal risks, and changes year-on-year, for each update made to the Principal Risk Register. Each risk is assigned an owner on the senior management team, and additional contributors dependent on the risk.

**Subject matter experts** including the Head of Tax, Data Protection Officer ("DPO") and Head of IT Security offer input on risks relevant to their areas of expertise. We have also engaged third parties to supplement knowledge base where applicable including climate consultants South Pole and third-party cyber security specialists.

**The ESG Steerco** support the ELT in identifying climate-related risks and opportunities under the TCFD framework and supports the Group's ongoing commitment to ESG matters including monitoring current and emerging ESG trends, changes in sustainability regulations, and the impacts on the Group. The ESG Steerco feed directly into the Group Risk Register, and the Climate Related Risks and Opportunity Register, which are reviewed concurrently.



Principal Risks and Uncertainties continued

Overview Principal Risk Register

The most material risks and uncertainties impacting the business are listed on pages 65 to 72, together with comments on how they are managed to minimise their potential impact. The table is not prioritised in a particular order, nor an exhaustive list of all risks that may impact the Group. Individually or together, these risks could affect our ability to operate as planned and could have a significant impact on revenue and shareholder returns. Additional risks and uncertainties, including those that have not been identified to date or are currently deemed immaterial, may also, individually, or together, have a negative impact on our revenue, returns, or financial condition. Each risk identified is subject to an assessment incorporating the likelihood of occurrence and potential impact on the Group. This assessment considers that risks do not exist in isolation, and the relationships between risks can increase the likelihood of occurrence of a risk and influences the level of control and mitigations needed to be put in place.

The Group's Risk Register also includes any emerging risks. Emerging risks are identified from areas of uncertainty, which may not have a significant impact on the business currently but may have the potential to adversely affect the Group in the future. There is one emerging risk in the current year relating to artificial

intelligence. Artificial intelligence is an emerging technology with wide-ranging impacts for cyber and data security, competition and third-party management amongst other areas. Although it includes significant crossover with existing risks the pervasiveness and rapid pace of change warrants assessment on a standalone basis.

The risk associated with the Group's successful execution of strategy is a new risk in the current year, as we have moved forward from COVID-19, formally repaid our debt facilities, and are focused on delivering against the ambitious targets set in our 2022 Capital Markets Day and sharing our targets at our 2025 Capital Market Day.

Financial risk has been removed as a principal risk. We repaid our term loan facility in full during 2024 and while there remains a certain level of foreign exchange movement risk this is not material to the Group and no longer represents a primary risk.

Following an assessment of the residual risk attached after internal management and mitigation, each principal risk outlined below has been assigned a direction of change based on 2024 factors and forward expectations.

Risk Trend	Strategic & External Risk	Technological, Cyber & Data Risk	Financial Risk	Operational & Regulatory Risk
	Any external risks outside of the Group's control impacting our business.	The systems we use to power our business, and the data we hold.	Integrity of reporting and viability of the Group.	The processes and people we use to power the Hostelworld model.
◆	• Execution of strategy			
↗	• Artificial Intelligence			
▲	• Data Security • Cyber Security			
▶	• Macroeconomic Conditions • Competition • Impact of Uncontrollable Events	• Platform Evolution and Innovation • Marketing Optimisation	• Taxation	• People • Brand and Reputation • Third-party Reliance • Climate Change and Sustainability • Regulation • Business Continuity
■	• Financial			

RISK TREND

◆ New

↗ Emerging

▲ Increasing

▶ Stable

▣ Decreasing

■ Removed (due to reduced level of risk)

1 Macroeconomic Conditions		Direction of Change ▶
Description and Impact	The Group's financial performance is largely dependent on the wider availability of, and demand for, travel services.  Travel services are enabled by the freedom of movement of people nationally and internationally without prohibitive restrictions. Moreover, it is supported by affordable air, ferry and train fares at significant scale, and similarly good access to affordable accommodation.  The demand for travel services is influenced by a range of macroeconomic circumstances and their impact on consumers discretionary spending levels. Economic activity, employment levels, inflation, interest rates, currency movements and access to credit are among the factors that can impact travel demand and patterns.  The Group has seen shifts in travel demand towards lower cost destinations resulting in lower ABVs and a headwind for revenue growth.	
Management and Mitigation	Management and the Board regularly monitor a range of trading, market, and economic indicators to determine any risk to financial performance due to macroeconomic uncertainties, and any potential mitigating actions required.  The Group's revenue and customer base is global, with a dispersed population of users, and a geographically dispersed set of destinations. While market conditions may decline in certain regions, the globally diversified nature of the business helps to mitigate this with circa 50% to 60% of destination markets in Europe versus the rest of the world.  Inflation rates can impact consumer discretionary spending and reduce their ability to travel. However, this is potentially offset by continued preference of consumers to prioritise discretionary spending on travel and leisure in their budgeting.  In circumstances where events cause a material decline in consumer travel behaviours and patterns on a global scale, management will take necessary actions to reduce operating costs and conserve cash.	

2 Data Security		Direction of Change ▲
Description and Impact	We're an innovative technology group relying on advanced software and infrastructure, which means we can be exposed to cyber security threats. Protecting our e-commerce data and customer information is crucial.  Our hybrid model, global contractors, and evolving social strategy heighten data security challenges. Cloud migration finished in 2022, but cloud security risks persist. Technological speed and legislation gaps can complicate compliance with guidelines and laws. GDPR adherence and secure, scalable IT platforms are vital.	
Management and Mitigation	Data protection is a priority for the Group. We comply with laws, regularly train employees, address threats and support business innovation and growth.  We have a robust and comprehensive data privacy, security, and compliance programme. A supplier is not onboarded until a rigorous review of their data protection compliance and IT security controls has been carried out and deemed satisfactory.  We adhere to leading industry standards and are PCI compliant. A data protection framework aligned with GDPR is maintained, with a Data Protection Officer, supported by employee champions. Hybrid work risks are assessed, and security measures include single sign-on and multi-factor authentication. Expert providers support us with cloud services and security. Our evolving social strategy and broader product developments are implemented in line with privacy by design, following guidelines and emerging innovations with a risk-based approach.	
Direction of change	The sophistication of bad actors continues to grow at rapid pace including their incorporation of new methods based off advances in artificial intelligence. This poses an increased level of threat to data security.	



Principal Risks and Uncertainties continued

3 Cyber Security		Direction of Change ►
Description and Impact	<p>The Group is susceptible to cyberattacks, which can impact system integrity and data security. Hackers’ sophistication is constantly evolving, complicating risk management.</p> <p>Cloud migration adds further cybersecurity challenges, potentially compromising customer and proprietary data. Third-party vendors or contractors can also be entry points.</p> <p>Inadequate skills internally might risk cloud data exposure and insurers could limit coverage for cybersecurity incidents.</p>	
Management and Mitigation	<p>The Group dedicates significant resources to enhancing cyber security and regularly increases expenditure.</p> <p>A comprehensive risk programme manages vendor and third-party risks. Our procurement process is robust, proactively ensuring new suppliers are security compliant.</p> <p>Additional cyber security measures taken:</p> <ul style="list-style-type: none"><li>• Monitoring tools enable real-time threat detection and response.</li><li>• Policies and initiatives adapt to regulations and cyber threats.</li><li>• Mandatory security awareness training is consistently updated.</li><li>• Cloud-related training ensures skills are developed.</li><li>• Multi-factor authentication is implemented for better access control and attack resilience.</li></ul>	
Direction of change	<p>The continuous upward momentum in the cost of cybercrime shows that this risk is increasing. The emergence of AI is a real threat to all organisations and will become commonplace in cyberattacks.</p>	

4 Competition		Direction of Change ►
Description and Impact	<p>Competition risks could harm market share and growth. Competitors willing to operate at a loss pose challenges. Price influences consumer decisions, requiring competitive pricing, discounts, and flexible cancellation policies.</p> <p>Competition might lead to losing key suppliers. Large market players and disruptive new entrants pose risks. They may absorb revenue losses and/or additional costs to compete on price or bidding strategy, their ability to grow core inventory base (both in terms of property count and destination coverage), and their ability to enhance product features faster through depth of resources.</p> <p>Changes in technology, such as AI or other, can impact the Group both positively and negatively.</p> <p>Changing customer behaviour, such as preferring private rooms (as was seen during COVID-19), could reduce demand or raise acquisition costs.</p> <p>Exclusive supply to competitors, new Digital Markets Act regulations, and evolving market dynamics may influence the competitive landscape and affect the Group’s positioning in the market.</p>	
Management and Mitigation	<p>Continuous monitoring of hostel coverage and market share guides the Group’s proactive acquisition and retention strategy.</p> <p>The Group’s strategy focuses on leveraging its unique market position through targeted customer acquisition and optimising the profitability of existing customer cohorts, emphasising customer lifetime value/customer acquisition cost.</p> <p>There is a continued focus on improving platform flexibility, enhancing customer experience, and global expansion.</p> <p>Partnerships deliver advanced technology solutions, aiming to diversify from exclusive OTA reliance with a broader experiential travel offering. Commercial agreements secure competitive rates and inventory, utilising the “Solo System” and “social cues” to deter competition. The Group explores AI and new distribution channels for customer acquisition and remains adaptable to market changes.</p>	

5 Artificial Intelligence (‘AI’)		Emerging ◀
Description and Impact	<p>AI technology is rapidly evolving. The potential for AI-enabled attacks, such as social engineering (e.g. voice simulation of senior executives) or algorithmic exploitation, heightens cybersecurity challenges.</p> <p>The adoption of AI-enabled tools by third-party vendors introduces risks of compromised integrity, security vulnerabilities, or non-compliance with data privacy regulations. Compliance risks include failure to meet obligations under the AI Act or GDPR, exposing the Group to regulatory penalties or reputational harm.</p> <p>Operational risks arise from potential biases, misuse, or over-reliance on AI tools, which could lead to unsafe or unsuitable product features, competitive disadvantage, or erosion of customer trust. AI also poses data risks regarding the improper use of proprietary data in AI models, risking breaches of confidentiality, integrity, and availability of critical business information.</p>	
Management and Mitigation	<p>Hostelworld prioritises cyber and data security in mitigating AI risks. AI tools are confined to secure environments to ensure its integrity, as well as encryption and monitoring controls.</p> <p>Tailored employee training on ethical and regulatory considerations of AI has been rolled out, and the procurement process ensures supplier features meet requisite confidentiality, integrity, and availability standards.</p> <p>AI features are deployed using a phased rollout approach, controlled safe to fail experiments, and manual oversight to ensure responsible use. Human intervention remains central.</p>	

6 Execution of Strategy		New ◆
Description and Impact	<p>The Group continues to pursue an ambitious growth strategy to deliver attractive sustainable returns for shareholders. Delivering this strategy requires strong leadership, employee engagement, investment and governance.</p> <p>The Group operates in an intensely competitive global environment and there is a risk of loss in market share to competitors or markets generally not performing in line with expected growth.</p>	
Management and Mitigation	<p>The Group’s Executive Leadership Team have clear ownership of the key activities driving our growth strategy. Regular tracking of operational and financial performance takes place to ensure progress is in line with targets.</p> <p>Direct and indirect competitor activity and market performance is closely monitored which allows the Group to respond quickly if required.</p> <p>The Group’s focus on investment in its social network and strengthening relationships with hostel partners ensures that it is well positioned in the marketplace.</p>	

7 Marketing Optimisation		Direction of Change ►
Description and Impact	<p>A significant portion of our website traffic comes from search engines, both through organic and paid searches. We rely on search engine optimisation and search engine marketing for visibility. Search engine algorithms, like Google’s, constantly change, affecting our placement and costs. AI-powered platforms are further influencing search results, making algorithm management and optimisation crucial for our marketing strategy and efficiency.</p>	
Management and Mitigation	<p>The Group invests in skilled personnel for paid and non-paid searches. In-house expertise and technology adapt to algorithm changes.</p> <p>The search marketing team collaborates with Google, gaining search traffic efficiency insights. Participation in alpha and beta tests give the Group first mover advantage with new functionality that can help drive efficiency.</p> <p>Skill enhancement through third-party vendors complements in-house capabilities for search engine optimisation.</p>	



Principal Risks and Uncertainties continued

8 Platform Evolution and Innovation

Direction of Change ▶

Description and Impact	<p>Over recent years the ever-increasing pace of change of new technology, new infrastructure, and new software offerings have changed how customers research, purchase, and experience travel. Notable shift changes include AI, mobile networks, mobile applications, meta-search providers, display advertising, and social communities.</p> <p>Unless we continue to stay abreast of technology innovation and change, we risk becoming irrelevant to the modern customer. Technology evolves rapidly, and updates can become quickly obsolete.</p> <p>As new products and features are offered the relevant cybersecurity controls must keep pace or risk new exposures.</p>
Management and Mitigation	<p>We focus on staying current with new trends in technology development and customer behaviour. We invest a significant amount of our product and user experience functions on research and development and interacting with similar companies both within and external to travel.</p> <p>We leverage the capabilities of partnerships to ensure we are delivering best in class and the most advanced tech-based solutions for our customers and hostel partners.</p> <p>The Group has largely completed the modernisation of our underlying platform and now focuses on continuously enhancing and optimising it to ensure it remains up to date and supports efficient execution across our core platform.</p>

9 People

Direction of Change ▶

Description and Impact	<p>The Group relies on attracting and retaining skilled, committed, and motivated employees for strategic success.</p> <p>The Group is dependent on key roles throughout all functions of the business to drive innovation, ensure efficiency and deliver on the Group’s strategy. These tend to be specialist roles where competition for talent is high.</p> <p>The Group recognises the importance of meeting industry standards in our reward offering, to keep attrition low and attract new talent.</p>
Management and Mitigation	<p>The Group completes external salary benchmarking to ensure our reward offering is competitive and focuses on constantly evolving people policies to ensure they meet the needs of our people.</p> <p>To access larger talent pools, the Group continues to operate from three global offices and is flexible on workforce locations that provide us with access to talent.</p> <p>A Non-Executive Director fulfils a workforce engagement role as set out in the 2018 UK Corporate Governance Code.</p>

10 Brand and Reputation

Direction of Change ▶

Description and Impact	<p>Reduced brand marketing spending is likely to have impacted brand recognition and trust. Attributing a clear return on investment to brand spend is challenging due to the intangible nature of brand value, the difficulty of isolating brand spend and the complexity of customer journeys. Cyberattacks and poor customer experiences (with our hostel partners and our services) pose reputational risks.</p> <p>False claims about diversity, equity and inclusion or sustainability could damage reputation.</p> <p>Response to geopolitical developments and improper user actions could also affect brand integrity and the business.</p> <p>Artificial Intelligence offers opportunities and tools for Hostelworld but carries new and emerging risks to brand and reputation.</p>
Management and Mitigation	<p>The paid marketing teams focus on promoting the app and emphasising new social features. Brand marketing sustains active owned channels, with added investment in social media content creators, yielding increased engagement on TikTok and Instagram.</p> <p>An ongoing CRM strategy integrates social features into the customer journey, while proactive communication addresses emotive issues like the Ukraine war.</p> <p>External PR advisors handle corporate incidents, and the crisis communications plan is updated with their involvement.</p> <p>Cybersecurity measures are robust, with a crisis plan adjusted to address potential attacks.</p> <p>An ESG Steerco oversees sustainability, mitigating risks through third parties.</p> <p>Customer service ensures positive experiences, backed by a crisis management policy. In-app social features include terms, a code of conduct, and automated moderation for user-reported inappropriate behaviour.</p> <p>Our IT and procurement policies as well as our legal frameworks are reviewed and updated regularly.</p>

11 Third-party Reliance

Direction of Change ▶

Description and Impact	<p>We rely on hostel accommodation providers to supply us with our inventory. Any constraints upon the supply of hostel inventory may stem growth ambitions.</p> <p>Revenue depends on connected hostels and third-party channels; lack of updates or outages may cause competitiveness loss.</p> <p>Financial pressures on partners risk business closure or category shift.</p> <p>Relying on third parties for systems poses revenue and functionality risks, affecting customer service and brand.</p> <p>Maintaining relationships with payment processors is crucial, as fee changes or unfavourable terms could impact transactions.</p>
Management and Mitigation	<p>Nurturing hostel and vendor relationships is a priority. This close cooperation enables us to monitor market development.</p> <p>Rigorous assessment and due diligence are applied to third-party providers. All vendor contracts and purchasing requests must be processed through the Group’s purchasing and contract review process.</p> <p>Service providers are contractually obliged to provide timely resolutions to issues. Alerts are in place to immediately capture any downtime and replicate as much functionality as possible in-house.</p> <p>Annual business reviews and contractual obligations ensure risk mitigation. Readiness for partner/ service provider failure includes financial health monitoring and risk reduction measures.</p>



Principal Risks and Uncertainties continued

12 Climate Change and Sustainability

Direction of Change ▶

Description and Impact	<p>Internal and external stakeholders are focused on the accountability of the Group to climate change. There is a risk of brand damage if we do not meet these expectations regarding our sustainability strategy, target setting and actions taken. Meeting our targets introduces a financial cost for increasing pricing for climate investments.</p> <p>There is an onus on the Group for enhancing reporting obligations and a risk that the Group is perceived as not being transparent in its external reporting.</p> <p>Changing customer attitudes to travel, any limits placed on travel (e.g. flight carbon pricing) or physical climate change risks such as extreme weather events can impact revenue and profitability.</p>
Management and Mitigation	<p>The ESG Steercos govern the actions taken by the Group in relation to climate change. The Steerco receives specific training from a third-party provider, engage with third parties’ specialists for additional support where required and monitor areas of compliance. The Steerco engage with stakeholders to assess their expectations and publish targets annually.</p> <p>We have committed resources internally to assisting hostels and consumers on their own sustainability journeys.</p> <p>Climate change issues may impact travel decisions and travel patterns by customers but is mitigated to the extent that our business is a global one. We have a dispersed population of users, and a geographically dispersed set of destinations.</p>

13 Impact of Uncontrollable Events

Direction of Change ▶

Description and Impact	<p>The Group is exposed to uncontrollable events which may have negative impacts, which by their nature are unpredictable and outside of its control.</p> <p>Economic and political factors including instability and changes to laws on travel and trade could adversely impact the demand for travel and in turn impact our operational results and profitability.</p> <p>Deterioration in the financial condition, restructuring of operations or limited resource availability of one or more key stakeholder in our supply chain eco-system could impact our growth.</p> <p>The threat of terrorist attacks in key cities and on aircraft in flight may reduce the appetite of the leisure traveller to undertake trips, particularly to certain geographies, resulting in declining revenues. Geopolitical conflicts, climate change, natural disasters, or other adverse events outside of the control of the Group may also reduce demand for or prevent the ability to travel to affected regions.</p>
Management and Mitigation	<p>Our target 18-34-year-old population tend to be flexible as to destination and are less risk adverse. Their trips tend to be a ‘rite of passage’ rather than a more discretionary or optional vacation resulting in less aversion to these risks and more flexibility in configuring trips around restrictions.</p> <p>We maintain a close working relationship with our hostel partners to ensure we monitor key developments in the market and can take timely mitigating actions if necessary.</p> <p>Risk assessment and due diligence controls are carried out by our dedicated procurement function and relevant business owner in respect of each third-party provider.</p>

14 Regulation

Direction of Change ▶

Description and Impact	<p>The Group faces regulatory and legal challenges in its global operations. We are exposed to issues regarding competition, licensing of local accommodation and experiences, language usage, web-based trading, consumer compliance, tax, intellectual property, trademarks, data protection and information security and commercial disputes in multiple jurisdictions.</p> <p>Sustainability related legislation place an onus on the Group to disclose its compliance. The Group needs to stay aware of all future regulation and policy changes within sustainability.</p> <p>The Group is subject to various regulations, including payment card association rules, the EU Package Travel Directive, and rules on cookies usage (impacted by GDPR and ePrivacy Directive). The Digital Services Act also imposes content moderation and transparency obligations.</p> <p>Increased scrutiny of the mechanisms to transfer personal data to third countries in relation to the EU-US Privacy Shield and Standard Contractual Clauses create uncertainty in relation to international transfers of personal data.</p> <p>The California Privacy Rights Act introduces new privacy requirements. Sign-up regulations, like DAC 7 EU Tax directive, may slow operations, impact property categorisations, and result in closures due to changing local laws. Ongoing legal developments pose potential constraints, compliance costs, and business harm for the Group.</p>
Management and Mitigation	<p>The legal team keeps abreast of current and anticipated legal requirements and consult with external legal advisors on territory specific legal and regulatory issues.</p> <p>Qualified and experienced in-house lawyers ensure consumer compliance, listing rules, governance code, and Market Abuse Regulations adherence.</p> <p>TCFD governance structure and third-party monitoring ensure compliance with climate changes.</p> <p>External insurance brokers are appointed to optimise insurance terms reflecting industry standards.</p> <p>Payment options are expanded for customer efficiency.</p> <p>The Digital Services Act is carefully reviewed, and processes are updated for social functionality and customer reviews.</p> <p>Continuous reviews address online safety, media regulations, and evolving data protection legislation in the wider legal framework.</p>

15 Business Continuity

Direction of Change ▶

Description and Impact	<p>IT system failures, including third-party services, could disrupt bookings, payments, and administrative services.</p> <p>Weakness in business continuity planning (“BCP”) may lead to major service disruption. Technology may quickly become outdated posing reliability, security, and feature delivery challenges.</p> <p>Sole reliance on one cloud provider region risks business impact from data centre outages.</p>
Management and Mitigation	<p>The Group’s BCP prioritises e-commerce operations, backed by external advisors’ disaster recovery plans.</p> <p>Modernisation and cloud transition enhance resilience.</p> <p>Robust supplier terms cover force majeure and BCP. Successful COVID-19 response validates BCP and backup systems, which are reviewed periodically for relevance and effectiveness.</p>



Principal Risks and Uncertainties continued

16 Taxation	Direction of Change ►
<p><b>Description and Impact</b></p> <p>Indirect taxes are an ongoing area of focus with complexity on different regimes and rules in place in countries where the Group does business. Measures introduced include digital services taxes to address multinational businesses operating without a physical presence in Europe, and platform reporting which requires digital platform operators to collect and report information on sellers, with penalties and potential lost revenue for non-compliance. There is a risk that the Group does not stay ahead of compliance in all jurisdictions in which it operates. In addition, changes in tax legislation such as the European Commission's proposals in relation to VAT in the Digital Age, interpretations, or OECD recommendations may expose the Group to additional tax liabilities. Due to the global workforce footprint of the Group, a tax authority may consider a permanent establishment to exist in a country by virtue of some activity being carried on there. Key functions, assets or risks undertaken/managed outside of Ireland may cause tax leakage. If tax authorities take a different view than the Group as to the basis on which the Group is subject to tax, it could result in the Group having to account for tax that it currently does not pay. This may increase the Group's effective tax rate, increase tax cash outflows, and increase the costs associated with tax compliance.</p>	
<p><b>Management and Mitigation</b></p> <p>Tax risk management involves qualified personnel and collaboration with reputable external tax advisors. Regular assessments, briefings to the Board, and biannual reviews with advisors, address tax impacts and legislative changes. Monitoring the global footprint includes implementing the relevant tax structures and enforcing a strict work-from-abroad policy. Key function locations are approved, and transfer pricing policies align accordingly, demonstrating proactive tax risk mitigation strategies.</p>	



The Yard Hostel, Bangkok, Thailand

Viability Statement

In accordance with the provisions of the Code, the Directors have assessed the viability of the Group and its prospects in meeting its liabilities.

The assessment is based on the Group's current financial position, the Group's strategy and the potential impact that principal risks and uncertainties outlined on pages 62 to 72 may have, and includes emerging risks. The financial position of the Group, its cash flows, liquidity position and debt facilities are outlined in the CFO report on pages 26 to 29. The Group's strategy is set out throughout the Strategic Report.

**Assessment of Viability Period:**  
We have based our assessment on a three-year period to 31 December 2027. The Directors concluded that three years was an appropriate period, balancing the ability to assess future prospects with the uncertainties inherent in making longer-term predictions.

**Approach to assessment – Scenario Modelling:**  
In our assessment of viability we have based a number of scenarios upon the Group's principal risks and uncertainties, and we applied these to the Board approved 2025 budget and two-year outlook.

Those risks, that represent severe but plausible scenarios, have been modelled as follows:

Risk Area	Scenario
<p><b>Macroeconomic Conditions</b></p> <p><b>Impact of Uncontrollable Events</b></p>	An extended travel disruption from events outside of the Group's control including geopolitical conflicts, natural disasters, macroeconomic impacts, or other adverse events.
<p><b>Data Security</b></p> <p><b>Cyber Security</b></p> <p><b>Artificial Intelligence</b></p> <p><b>Brand and Reputation</b></p> <p><b>Regulation</b></p>	The impact of the most severe repercussion from any of these risk areas – a data security related GDPR fine and the resultant impact on our reputation.
<p><b>Climate Change and Sustainability</b></p>	The impact that climate change may have on bookings and revenue modelled as the closure of European hostels through peak summer trading, an extreme and unrealistic scenario in reality.

The scenarios are designed to allow the Group to review the maximum impact that a risk may have, and how the Group's viability may be impacted. There are controls and monitoring processes in place to allow us to observe the likelihood of these scenarios occurring and take action to mitigate their impact as required.

Mitigating measures that can be taken include availing of debt facilities or reducing capital expenditure. The Group also maintain full flexibility over our largest cost base, marketing costs, to match these to demand. Under each scenario the Directors are satisfied that sufficient financial headroom exists to address the potential negative impacts arising.

**Conclusion**  
Having considered these stressed scenarios the Directors assessed the prospects and viability of the Group in accordance with the UK Corporate Governance Code requirements.

The Directors confirm that they have a reasonable expectation that the Group will be able to continue in operation and meet its liabilities as they fall due over the three-year period to 31 December 2027. By using available resources, managing spend, and utilising the Group's experience of managing trading through COVID-19, the Directors have concluded that in all scenarios applied the Group would be capable of managing the potential impact on the business and remain a viable going concern.





Free Cerveza, Santa Cruz La Laguna, Guatemala

## Section 172 – Statement of Compliance – s172 (1) of the Companies Act 2006

### Maintaining Strong Relationships with our Stakeholders

The Directors are required to act in accordance with a set of general duties which include a duty under Section 172(1) of the UK Companies Act 2006 to promote the success of the Company. In so doing, the Directors are required to have regard to certain stakeholders and to:

- The likely consequences of any decisions in the long term.
- The interests of the Group's employees.
- The need to foster the Group's business relationships with suppliers, customers, and others.
- The impact of the Group's operations on the community and environment.
- The desirability of the Group maintaining a reputation for high standards of business conduct.
- The need to act fairly between shareholders.

This statement is intended to explain how the Board has met this requirement in its decision-making process over the course of the reporting term.

#### Transparent Engagement

The Company aims to have transparent two-way relationships with the following six key stakeholder groups.



Our People



Customers



Hostel Partners



Shareholders



Lender



Communities and Society

By considering their perspectives and views in the ways we explain below, the Company seeks to ensure that business decisions are balanced and informed.



Adra Hostel, Antigua, Guatemala



Section 172 – Statement of Compliance –

s172 (1) of the Companies Act 2006 continued



Our People

Why we engage

People are at the core of our business and critical to delivering against our strategy. Regular and meaningful engagement with our people increases motivation and drives high performance across the business. Risks to delivering on our strategic objectives materially increase if our people are not engaged or if we cannot attract and retain key talent to deliver on our strategy. With significant involvement from our people, we aim to create an inclusive culture where diversity is valued and different perspectives contribute to informed decision making.

How the Company engages

- Workforce engagement surveys to understand the employees experience in Hostelworld
- Bi-weekly virtual townhalls for all our people where the CEO updates on trading, the Chief People Officer updates on workforce welfare initiatives, and the Executive Leadership Team facilitate an open forum Q&A
- Workforce engagement forums hosted by Evan Cohen in his capacity as the Non-Executive Director with responsibility for workforce engagement

How the Board considers our people’s interests

- Evan Cohen, in his capacity as the Non-Executive Director with responsibility for workforce engagement, regularly shares and discusses at Board meetings the details of the discussions from the workforce engagement forums
- Sessions on different aspects of Company culture, values and behaviours at Board meetings with specific oversight on progress on employee wellbeing programmes and culture related initiatives
- Virtual fireside chat between the CEO and the new Chairman in October 2024, followed by a Q&A session for attendees
- A ‘People and Organisation/Culture’ update provided by the Chief People Officer (or by the Chief Executive Officer in his absence) at the majority of scheduled Board meetings
- Attendance of different members of the Executive Leadership Team members at the majority of scheduled Board meetings

What our people told us was important to them

- Learning and development programmes
- Compensation and benefits
- Delivery of strategy and developing new business growth initiatives
- Progressing ESG and IE&D initiatives
- A positive and empowering Company culture
- Transparent communication

Measurement

- Employee survey results and response rates
- New hire surveys, employee turnover data and exit interviews
- Feedback from the Non-Executive Director responsible for workforce engagement
- Complaints made by our people under the Group’s Disciplinary and Grievance Policy
- Issues reported through the Group’s anonymous Whistleblowing service

Outcome of engagement

- The Board supported an average salary increase for 2024 of 6.3% for people below Executive Director and Executive Leadership Team level
- Board support for investment proposals to enhance learning and development programmes
- Monthly people update emails sent to keep employees updated on what is happening in Hostelworld (including IE&D and ESG updates)
- Ongoing Board oversight of the Group’s culture at Board meetings throughout 2024
- Board oversight and approval of the Group’s ‘Culture Code’
- Employee celebrations for Pride Month, International Men’s Day, International Women’s Day and participation in annual IE&D training
- Employees took part in a STEM focused charity initiative with Teen-Turn and availed of 346 volunteering hours in total across the year
- Focus on implementation of our ESG strategy, including implementation of the ‘Staircase to Sustainability’ framework for our hostel partners



Customers

Why we engage

Engaging with and acting in the interests of our traveller customers is essential to the long-term growth and success of the business. Without traveller customers our business would not exist, and understanding their motivations and behaviours forms the foundation of our strategy. Accordingly, it is vital that we continuously engage with our customers to make sure we are providing them with competitively priced products and services which are relevant to them in a way that establishes and maintains ongoing loyalty to the Hostelworld brand.

How the Company engages

- Emails and in-product surveys are sent to customers at critical stages of their booking journey to gather feedback and understand any problems they may be experiencing
- Use of social media platforms (TikTok and Instagram) for engagement with our online communities
- A dedicated customer support team. All significant customer support tickets and feedback submissions are reviewed by senior managers to ensure issues are actioned effectively
- Remote user interviews and surveys are sent to customers to evaluate new product concepts
- Research studies are conducted for feedback on newly developed features and enhancements made to the Group’s booking platform

How the Board considers customer interests

- Significant focus on customers at Board meetings, with updates at each scheduled Board meeting on planned product enhancements and alignment between the Group’s product and technology strategy and customer requirements and trends
- Review of the results of surveys and engagements with customers and customer complaint resolution KPI results
- Weekly updates provided by the CFO on booking trends and patterns, which allows the Board to react to customer behaviours and informs future initiatives
- Updates provided by the CFO in her capacity as Chair of the ESG Steering Committee at each scheduled Board meeting ensure customer insights on sustainability are clearly understood
- Audit Committee review of reports from the Group’s DPO on the Group’s customer privacy compliance programmes and activities

What our customers told us was important to them

- Continuous improvement of the Group’s booking platform and social features
- Social features (of particular relevance for solo travellers)
- Enhanced profiles of users who have opted in to use the Group’s social features to enable connections with like-minded people when they are travelling
- Advice and tips on activities, dining, and travel itineraries for their trips
- Respect for their data privacy rights and reactive and responsive customer support when it’s needed

Measurement

- Customer questionnaires and surveys
- Quantitative and qualitative research into various customer segments (including demographics, purchasing behaviour, product use, attitudes, and interests)
- Bookings completed and bookings initiated but not completed by the customer
- Hostelworld market share and engagement rate of Hostelworld social media channels with customers
- Implementation of personal data deletion requests received from customers in accordance with GDPR obligations and resolution of customer complaints within specified timeframes

Outcome of engagement

- Incorporation in technology roadmap of product and social feature enhancements
- Launch of additional profile fields to help travellers using the Group’s social features connect with like-minded people
- Enhancement of platform security measures to protect privacy rights and 100% of personal data deletion requests from customers implemented in accordance with GDPR obligations
- Customer service that meets the needs of customers with increased Trust Pilot scores in 2024 through investment in the Group’s customer support offering
- Continued partnership with Cloverly to allow customers to take responsibility for their accommodation-based emissions
- Continued Board support for investment in innovative product and technology projects designed to make it easier for customers to use the Group’s social features



Section 172 – Statement of Compliance –

s172 (1) of the Companies Act 2006 continued



Hostel Partners

Why we engage

Hostel partners are the cornerstone of the Group's business. Without them, the Group would not exist. Fostering and maintaining strong, trusted relationship with our hostel partners is fundamental to delivering the Group's strategic goals and the long-term success of Hostelworld. Only through working collaboratively with our hostel partners can we provide access to thousands of unique hostels across the globe and deliver on our mission and purpose.

How the Company engages

- Regular performance improvement meetings with key hostel partners
- Increased in-country presence of hostel focused market managers in Brazil and Colombia
- Hostel conferences held in Chiang Mai in May 2024, Copenhagen in September 2024 and Mexico City in November 2024 attended by the CEO, Chief Supply Officer and other key senior executives from across the business
- Detailed surveys sent to hostel conference attendees before and following each conference event to ensure hostel partner views are shared with the Group
- Regional hostel partner events, in-market visits and attendance at third party events globally. 20 webinars for hostel partners hosted in 2024 (approximately 850 hostels represented) with interactive Q&A sessions and follow up surveys

How the Board considers hostel partners' interests

- The Chief Supply Officer (or, in his absence, the Chief Executive Officer) provides the Board with a detailed update on hostel inventory supply matters and projects related to hostel partners as a standing agenda item at each scheduled Board meeting
- The Board received regular updates on the key strategic initiative of increasing in-country presence and market visits by members of the Group's Global Markets Team
- The Board received updates from the CEO and Chief Supply Officer from hostel conferences in Chiang Mai, Copenhagen and Mexico City
- The CEO conducts weekly operational meetings with the Chief Supply Officer and his leadership team to assess performance against key hostel partner operational KPIs
- The Board provide oversight of the Group's ESG roadmap, focused primarily on the implementation of the 'Staircase to Sustainability' framework for hostel partners
- The Audit Committee review procedures in place to safeguard both the Group and hostel partners from fraud

What our hostel partners told us was important to them

- Growth opportunities and product strategy alignment
- Continued support from Hostelworld on their sustainability journeys and promotion of hostelling as a sustainable solution for the environmentally conscious customer
- Investment in the Groups technology modernisation programme to deliver improved features and tools for hostel partners
- A secure and stable booking platform with minimal technical disruption
- Booking management improvements to digitise and automate manual tasks for hostels
- Streamlining of hostel partner sign up and onboarding process for new hostel partners

Measurement

- Hostel partner inventory growth and new activations
- Net competitiveness score and questionnaires and surveys
- Hostelworld support satisfaction scores and customer support net promoter score
- Contractual disputes

Outcome of engagement

- Deployed a new streamlined onboarding process for new hostel partner (reducing activation time and increasing efficiency)
- Redesign of the user interface for hostel partners and customers to enhance the booking experience
- Implementation of automated features to remove manual tasks for hostel partner staff
- Ongoing assessment and alignment of the Group's technology roadmap with key hostel partner product enhancement requests
- Global release of the Group's 'Staircase to Sustainability' framework for hostel partners
- Three Responsible Travel Award categories within our HOSCAR programme, and continued work on promoting hostel 'sustainability stories' on the Group's social media channels
- Enhancement of platform security measures to protect privacy rights
- No contractual disputes with hostel partners during the reporting period



Shareholders

Why we engage

Our shareholders are the owners of the business. Having a clear understanding of our strategy and financial and operational performance helps ensure they can fully assess the value of their investment and the risks and opportunities of investing in the Company.

How the Company engages

- Regular engagement between key investors and the CEO and CFO through investor relations programme of events
- Participation in investor conferences such as the Canaccord Genuity Annual Growth Conference in August 2024 and the Goodbody Equity Conference in November 2024
- Annual and interim results presentations
- Regular trading updates announced on regulatory platforms

How the Board considers shareholders' interests

- The Board's primary contact with shareholders is through the CEO and CFO, who maintain regular contact with shareholders with the support of the Group's Head of Investor Relations (the Chairman and other members of the Board are available to meet with shareholders as requested)
- Direct engagement with major shareholders conducted by the new Chairman following his appointment in October 2024 to understand their views on performance against strategy, capital allocation and other matters
- The Board is provided with investor relations report by the CFO at each scheduled Board meeting
- In-depth investor feedback is collated after each roadshow and trading update and provided to the Board
- Carl G. Shepherd, the Senior Independent Director and then Chair of the Remuneration Committee, engaged directly with major shareholders in early 2024 regarding executive remuneration and the new remuneration policy put before shareholders at the Company's AGM in May 2024 and updated the Board on their views
- Attendance at the AGM in May 2024, including responding to questions from shareholders
- Views and perspectives of the Company's major shareholders on capital allocation were assessed by Deutsche Numis and presented to the Board by the CFO

What shareholders told us was important

- Execution of the Group's strategy and delivery against financial targets
- The Group's capital allocation policy following voluntary early repayment of the Group's bank debt facility with AIB, plc
- Share price performance
- Executive and workforce remuneration
- ESG and sustainability reporting
- Talent management and succession planning
- Clear and transparent communications

Measurement

- Financial performance
- Changes in investor shareholdings
- The Company's share price performance
- AGM voting outcomes

Outcome of engagement

- Strong shareholder support and approval of 2024 AGM resolutions (no shareholder votes with less than 80% support)
- 98% votes in favour of the new Remuneration Policy put before shareholders at the 2024 AGM (following consultation with shareholders)
- Voluntary and early repayment of AIB debt
- Engagement with shareholders throughout 2024 on performance against the Group's financial and strategic KPIs
- Continued development of the Group's sustainability and ESG strategy as set out on pages 42 to 61
- Implementation of succession plans for the new Chairman, new Remuneration Committee Chair, ongoing succession planning for Board roles and Executive Leadership Team, and identifying future senior leaders of the business



Section 172 – Statement of Compliance –  
s172 (1) of the Companies Act 2006 continued



Lender (Allied Irish Banks, plc)

Why we engage
In June 2024 we voluntarily repaid our debt facilities with AIB without incurring early repayment penalties. We believe that active involvement and interaction with AIB enhances and builds trust and promotes an effective long-term relationship between AIB and the Group. Having a collaborative relationship with AIB ensures that the Group is in a position to more effectively consider longer term strategic objectives which may involve the Group incurring debt.
How the Company engages
<ul style="list-style-type: none"><li>Regular financial reporting and covenant compliance reporting documents (to the date of the final repayment in June 2024)</li><li>Regular contact and quarterly meetings regarding the ongoing performance of the Group</li><li>Discussions regarding the use of the debt facilities and utilisation (to the date of the June 2024 repayment)</li><li>Discussions regarding the ongoing synergies between sustainability objectives of both AIB and Hostelworld</li></ul>
How the Board considers AIB’s interests
<ul style="list-style-type: none"><li>Covenant compliance ratios and AIB debt balances were reported to the Board through updates from the CFO (to the date of the June 2024 repayment)</li><li>The CFO maintains an executive relationship with the senior AIB account manager and oversaw covenant compliance to the date of the June 2024 repayment</li></ul>
What AIB told us was important
<ul style="list-style-type: none"><li>Financial performance of the Group and transparent compliance reporting</li><li>Trust and confidence between AIB and the Group to ensure a mutually beneficial long-term relationship</li><li>The Group’s approach to sustainability</li></ul>
Measurement
<ul style="list-style-type: none"><li>Covenant compliance ratios</li><li>Financial performance data</li><li>Sustainability performance data</li></ul>
Outcome of engagement
<ul style="list-style-type: none"><li>Effective and transparent processes to demonstrate the Group’s covenant compliance</li><li>AIB understand the Group’s financial performance</li><li>AIB understand the Group’s strategy and possible future capital requirements</li><li>Common sustainability goals understood and ongoing discussions to leverage these aligned goals</li></ul>



Communities and Society

Why we engage
We can play our part in building a more inclusive society through supporting IE&D in our business, implementing our sustainability objectives, and operating our business in a conscientious and compliant manner that respects the views of our staff, stakeholders and the communities we operate in.
How the Company engages
<ul style="list-style-type: none"><li>Our ESG strategy captures the Company’s environmental and social impact</li><li>Paid volunteering days are provided to employees to allow our people support their local communities and charity initiatives</li><li>Ensuring our surveys with stakeholders include questions on ESG, sustainability and our role in the community</li></ul>
How the Board considers these interests
<ul style="list-style-type: none"><li>Board oversight of the Group’s ongoing implementation of its sustainability and ESG programmes, and review of compliance of the Group’s sustainability reporting requirements</li><li>The CFO is Chairperson of the ESG Steering Committee and updates the Board at each scheduled Board meeting on progress against ESG KPIs</li><li>Board oversight of the ongoing programme to ensure IE&amp;D are integral parts of the Group’s culture</li><li>The Board review benchmarking of employee salaries to ensure fair compensation</li><li>Remuneration Committee consideration of executive compensation and how it aligns with pay practices for other staff</li></ul>
What community stakeholders told us was important
<ul style="list-style-type: none"><li>IE&amp;D</li><li>Continuing to play our part in promoting fairness in society by providing employment opportunities in areas where we have our operations and paying people fairly</li><li>The environmental impact of our business</li></ul>
Measurement
<ul style="list-style-type: none"><li>Carbon emissions</li><li>Progress against sustainability targets</li><li>Charitable contributions that the Company and our people make, number of volunteering hours availed of by colleagues, and number of wellbeing days taken by staff</li><li>Alignment between executive compensation and pay practices for all other staff</li></ul>
Outcome of engagement
<ul style="list-style-type: none"><li>346 volunteering hours availed of in 2024 with a focus on charitable initiatives</li><li>Partnered with Irish STEM charity Teen-turn on their ‘Learn to Earn’ programme, with two eight-week internships for third level students and five two-week internships for secondary school students</li><li>Provided employment and work experience opportunities</li><li>Implementation of our ‘Staircase to Sustainability’ framework</li><li>Offered three wellbeing days a year to all employees</li><li>Commitment to reach net-zero carbon by 2040 (became a signatory to the Climate Pledge in 2023)</li><li>Investment in training in IE&amp;D</li></ul>



Section 172 – Statement of Compliance –  
s172 (1) of the Companies Act 2006 continued

Board Decision Making In Practice from a Section 172(1) Perspective

The Board considers principal decisions to be those decisions which involve significant long-term implications and consequences for the Company and/or its stakeholders. Below are some examples of principal Board decisions taken during 2024 and how the Directors took stakeholder views into account in accordance with their duties under Section 172(1) of the Companies Act 2006.

Appointment of Future Board Chair and Non-Executive Director and Remuneration Committee Chair

Principal Stakeholders: Shareholders and workforce

s. 172 considerations: Long-term consequences and interest of employees

During 2024 the Board approved recommendations from the Nomination Committee in respect of the appointment of Ulrik Bengtsson as Non-Executive Director and Chair Designate of the Board and Paul Duffy as Non-Executive Director and Chair of the Remuneration Committee. Given the accomplished records of both Ulrik and Paul in delivering strategic goals in growth focused businesses where they served in executive capacities, the appointments support the ability of the Group to increase shareholder value over the coming years by delivering on its objectives and demonstrated the Board's commitment to developing, attracting and retaining key talent for the long-term. In addition, Hostelworld colleagues will benefit from having a strong Board in place focused on long-term value creation for all stakeholders.

Early Debt Repayment

Principal Stakeholders: AIB, shareholders and workforce

s. 172 considerations: Long-term consequences and interest of employees

The Board approved the voluntary early repayment of the outstanding debt owed to AIB under a three-year term loan facility agreed with AIB in May 2023. The Board considered the likely long-term consequences of the decision to complete the early debt repayment and agreed that deleveraging the balance sheet and increasing the liquidity profile of the Group would support the Group's ability to execute against its key longer term strategic objectives. As part of its considerations, the Board agreed that the early repayment of the debt would demonstrate to all stakeholders and to other potential future lenders that the Group had established a firm growth foundation enabling it to successfully execute its strategic objectives.

Review of Opportunities to Accelerate the Group's Growth Strategy

Principal Stakeholders: Shareholders, workforce, hostel partners and traveller customers

s. 172 considerations: Long-term consequences, interests of employees and fostering relationships with suppliers, customers and others

With support from the Executive Leadership Team, the Chief Executive Officer reviewed and assessed the Group's strategy resulting in the identification of strategic priorities to accelerate and deliver the next phase of business growth for Hostelworld (see further details set out within the Chief Executive Officer's Review on pages 19 to 22). This review is ongoing with the initial assessment reviewed by the Board at a number of Board meetings in the latter part of 2024.

The finalisation and future execution of our strategy was assessed by the Board as positively benefiting a number of stakeholders; the strategy has at its core the interests and requirements of our traveller customers and hostel partners, our people will benefit from enhanced career opportunities and compensation rewards in a growth business, and our shareholders are anticipated to benefit from an increased return on their investments.

Dividend Payment/ Capital Allocation Policy

Principal Stakeholders: Shareholders

s. 172 considerations: Acting fairly between shareholders, long-term consequences

The Board is aware of the importance of returning value to shareholders and the importance to shareholders of communicating its capital allocation plans into the future. The issue of returning value to shareholders and assessing the appropriate time to make dividend payments was again a key issue considered by the Board during 2024. Feedback received from shareholders following the early repayment of the Group's AIB debt commitment in June 2024 indicated differing shareholder views on the timing and appropriateness of the Company paying dividends. The Board is, accordingly, aware that there are various competing factors which need to be considered in the context of capital allocation decisions. Following its assessment of this issue, the Board, acting fairly between members who had expressed different views, confirmed that the payment of dividends would not currently be in the best interests of the business which would be better served by a continued focus on its liquidity position to enable the execution of the Group's strategic growth plans. Noting the feedback received from shareholders on their expectations for further clarity on the Board's views on capital allocation, the Board agreed to provide a capital allocation update to shareholders in the early part of 2025.







# Governance

- 86 Directors' Biographies
- 90 Corporate Governance Report
- 107 Nomination Committee Report
- 117 Audit Committee Report
- 125 Remuneration Committee Report
- 146 Directors' Report and Directors' Responsibilities Statement



Directors’ Biographies



Ulrik Bengtsson <span>N</span> <sup>c</sup> <span>R</span>			
INDEPENDENT	Yes	APPOINTED 02 May 2024 <sup>(1)</sup>	BOARD TENURE 10 months
SKILLS & EXPERTISE	Experienced Non-Executive Director with extensive online platform and digital consumer services experience.		
EXPERIENCE	Former Chief Commercial Officer and Chief Operating Officer of Virgin Media O2, CEO and Executive Director of William Hill plc, former CEO of Betsson Group, and CEO with Emerging Markets and Swedish divisions of Viasat Broadcasting.		
KEY EXTERNAL APPOINTMENTS	Chair of the Board and Remuneration Committee of Rakotech Group Holding plc and Chair of the Board of City Gaming Holdings Group (Game Nation).		



Gary Morrison <span>D</span> <sup>c</sup>			
INDEPENDENT	No	APPOINTED 11 June 2018	BOARD TENURE 6 years 9 months
SKILLS & EXPERTISE	Extensive knowledge of the online travel industry and significant experience in technology and telecommunications.		
EXPERIENCE	Former Senior Vice President and Head of Retail for Expedia, former Director of Despegar (NYSE DESP), AirAsiaExpedia and Voyages SNCF. Former Head of Global Sales Operations for Google's Online Sales Channel and Motorola as VP and Head of Product Management for Motorola's Smartphone, consulting and engineering roles at General Electric, Booz Allen and Hamilton and Schlumberger France.		
KEY EXTERNAL APPOINTMENTS	None		



Caroline Sherry <span>D</span>			
INDEPENDENT	No	APPOINTED 01 December 2020	BOARD TENURE 4 years 3 months
SKILLS & EXPERTISE	Significant finance, sustainability, management and strategic experience.		
EXPERIENCE	Former Financial Controller at Hostelworld Group plc, Director of Financial Planning and Analysis for Glanbia plc's Performance Nutrition division and held numerous strategic and commercial finance roles held at Ulster Bank Group. Chair of ESG Steerco at Hostelworld.		
KEY EXTERNAL APPOINTMENTS	None		

<sup>(1)</sup> Ulrik Bengtsson was appointed Chairman of the Company and Chairman of the Nomination Committee on 10 October 2024, having joined the Board as a Non-Executive Director and Chair Designate in May 2024.



Éimear Moloney <span>A</span> <sup>c</sup> <span>N</span> <span>R</span>			
INDEPENDENT	Yes	APPOINTED 27 November 2017	BOARD TENURE 7 years 3 months
SKILLS & EXPERTISE	Detailed knowledge and experience of capital markets and asset management, extensive financial and board governance experience and valued compliance experience.		
EXPERIENCE	Former senior investment manager roles in Zurich Life Assurance (Irl) plc, senior positions with Bankers Trust Funds Management Ltd in Australia and with Crowe Horwath Chartered Accountants. Former Non-Executive Director at Yew Grove Reit plc.		
KEY EXTERNAL APPOINTMENTS	Non-Executive Director, Remuneration Committee member and Audit Committee member of Kingspan Group plc, Non-Executive Director, Audit Committee Chair, Remuneration Committee member, and Nomination Committee member of Irish Continental Group plc, Non-Executive Director of Chanelle Pharmaceuticals Group <sup>(2)</sup> , and Non-Executive Director of the Mater Misericordiae And The Children’s University Hospitals CLG <sup>(3)</sup> .		



Evan Cohen <span>A</span> <span>N</span> <span>R</span>			
INDEPENDENT	Yes	APPOINTED 14 August 2019	BOARD TENURE 5 years 7 months
SKILLS & EXPERTISE	Extensive knowledge of technology and media business.		
EXPERIENCE	Former Regional Director for Lyft's US East Coast business, Chief Operating Officer at Foursquare and senior strategic consulting and operational roles at Bebo, Jupiter and MTM.		
KEY EXTERNAL APPOINTMENTS	None.		

<sup>(2)</sup> Directorship ended 03 April 2024  
<sup>(3)</sup> Appointed 06 June 2024

Key

- A member of the Audit Committee
- D member of the Disclosure Committee
- N member of the Nomination Committee
- R member of the Remuneration Committee
- C indicates Chair of Committee



Directors’ Biographies continued



Paul Duffy A N R<sup>C(4)</sup>

INDEPENDENT	Yes	APPOINTED 02 May 2024	BOARD TENURE 10 months
SKILLS & EXPERTISE	Experienced Chairman and Chief Executive Officer with extensive knowledge of the consumer and leisure industry and significant strategic and brand experience.		
EXPERIENCE	Former Chairman and CEO of Pernod Ricard North America and Director of Corby Spirit and Wine Limited listed on the Toronto Stock Exchange.		
KEY EXTERNAL APPOINTMENTS	Non-Executive Director, Audit Committee Chair, Remuneration Committee member, Development Committee member and Nomination and Governance Committee member at Glanbia plc, Non-Executive Director of W.A. Baxter & Sons and Chairman of the Irish Children’s Museum CLG.		



Carl G. Shepherd A N R<sup>(5)</sup>

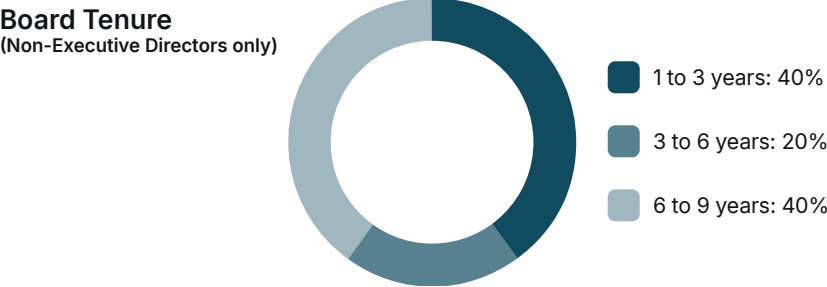
INDEPENDENT	Yes	APPOINTED 01 October 2017	BOARD TENURE 7 years 5 months
SKILLS & EXPERTISE	In-depth experience in the online travel industry.		
EXPERIENCE	Co-founder, founding Chief Operating Officer and Chief Strategic and Development Officer of HomeAway Inc, previous Chief Operating Officer and Chief Development Officer of Hoover’s Online, former board member of Turnkey Vacation Rentals, Inc., and Edge Retreats.		
KEY EXTERNAL APPOINTMENTS	None		

<sup>(4)</sup> Chair of the Remuneration Committee on appointment on 02 May 2024  
<sup>(5)</sup> Chair of the Remuneration Committee until 02 May 2024, Carl G. Shepherd remains a member of the Remuneration Committee

Key

- A member of the Audit Committee
- D member of the Disclosure Committee
- N member of the Nomination Committee
- R member of the Remuneration Committee
- C indicates Chair of committee

Board Composition Dashboard  
as of 19 March 2025





Corporate Governance Report

Chairman’s Introduction

On behalf of the Board, I am pleased to introduce our Corporate Governance Report for the year ended 31 December 2024. In doing so I must give particular thanks to Michael Cawley, as Chairman of the Board until 10 October 2024, for the support and guidance he gave me before I became Chairman in October last, and for the legacy of strong corporate governance at Hostelworld that he passes on to me. The firmly embedded culture of strong governance within Hostelworld is a strength that the Board will strive to maintain.

The report explains the structures, processes, and procedures used by the Board and its Committees to ensure that Hostelworld’s high standards of corporate governance are maintained and provides a summary of how the leadership role played by the Board in promoting the long-term sustainable success of Hostelworld is implemented. Details on how our effective governance arrangements supported our strategy execution in 2024 are set out on page 93. The Board is committed, on an enduring basis, to promoting high standards of corporate governance in Hostelworld Group plc (the “Company”) and its subsidiaries (together the “Group”).

The Company currently reports against the UK Corporate Governance Code as published in 2018 (the “Code”). The January 2024 version of the UK Corporate Governance Code will apply to the Company with effect from the start of the 2025 financial year (with the exception of the new Provision 29), and we will report against this new version (other than in respect of Provision 29) in next year’s report.

Details of our governance practices are available in this Corporate Governance Report and the Committee Reports which follow. Below is a brief guide to where the most relevant explanations are given for how the Company applies each of the Code principles:

	Principles	Pages
Board leadership and Company purpose	A, B, C, D and E	Pages 94 to 99
Division of responsibilities	F, G, H and I	Pages 100 to 105
Composition, succession and evaluation	J, K and L	Pages 107 to 115
Audit, risk and internal control	M, N and O	Pages 117 to 123
Remuneration	P, Q and R	Pages 125 to 145

Compliance with the UK Corporate Governance Code

The Company has applied the principles and, other than the three exceptions described below, has complied with the provisions of the Code throughout the reporting period.

- (1) The Remuneration Committee has not developed a formal policy on post-employment shareholding requirements in accordance with Provision 36 of the Code. This matter was considered again by the Remuneration Committee during 2024, consulted on with major shareholders and the main proxy advisers in connection with the new Remuneration Policy put before shareholders at the Company’s AGM in May 2024, and the conclusion reached was that the new Remuneration Policy and the framework for LTIP awards already provides sufficient alignment between management and the long-term interests of shareholders. There is a shareholding requirement which must be met during employment and, additionally, a requirement for LTIP awards to be held for a two-year post-vesting holding period. The Remuneration Committee does not believe that further post-employment requirements are necessary to ensure that the Executive Directors are at all times operating in the best long-term interests of shareholders.

(2) The 10% of salary pension contribution rate for the CEO is above the 6% rate applicable to the wider workforce and represents non-compliance with Provision 38 of the Code. This issue was reviewed in detail during 2023 and the early part of 2024 and consulted on with major shareholders and the main proxy advisers as part of the process for considering the new Remuneration Policy put before shareholders at the 2024 AGM. In circumstances where no major shareholder responded to the Remuneration Policy proposals expressing any concerns or opposition to

the explicit proposal to maintain the CEO ‘s pension contribution rate at 10% of salary, the Remuneration Committee determined that the CEO’s rate of pension contribution, as contractually agreed at the time of his recruitment in 2018, was not excessive, and agreed to present this proposed approach to shareholders at the 2024 AGM. In the context of the related AGM vote, the Remuneration Policy proposals (which included proposals to maintain the CEO’s pension contribution rate at 10% of salary) were supported by 97.71% of shareholders who cast their vote.

The Board and the Remuneration Committee recognise that some shareholders take different views on these remuneration matters, and they will remain under review on a regular basis. Accordingly, it is not currently possible to provide a definite timeline for compliance with the related Code provisions.

- (3) Alongside a number of other potential candidates, both Paul Duffy and I were invited to participate in the Board recruitment process which took place during the year, resulting in my appointment as Non-Executive Director and Chair designate and Paul’s appointment as Non-Executive Director and Remuneration Committee Chair, on the basis of recommendations made to the Nomination Committee through Board contacts and the Company’s capital markets advisers. Egon Zehnder, an executive search consultancy, were engaged to lead the Board recruitment process in the earlier stages of the exercise but were not involved in the subsequent appointments of Paul and myself. While the Committee was aware, at the time of the appointments, of the Code expectation set out in Provision 20 that an external search consultancy or open advertising should generally be used for the sourcing of chair and non-executive director candidates, the Committee was of the view, given the availability of myself and Paul and the Committee assessment as to our suitability during the interview process, as well as the material cost savings involved, that a departure from this Code expectation was in the best interests of the Company and its shareholders. Egon Zehnder did not have any other connection with the Company or individual directors during the reporting term.

Evolving Board Leadership and Board Effectiveness

Implementation of succession plans for the Board Chair, Remuneration Committee Chair and for Non-Executive Directors was a key area of focus for the Nomination Committee and the Board during the reporting period. The leadership of the Board evolved with Michael Cawley stepping down as Chairman in October 2024, Paul Duffy being appointed as a Non-Executive Director, member of the Audit and Nomination Committee and member and Chair of the Remuneration Committee in May 2024, and my own appointment, also in May 2024, as a Non-Executive Director, Chair designate and member of the Nomination Committee and Remuneration Committee. In circumstances where Paul has served on the Remuneration Committee of Glanbia, plc since June 2021, Paul was qualified, in accordance with the requirements of Provision 32 of the Code, to be appointed as the Chair of the Remuneration Committee. Details of the Chair, Non-Executive Director and Committee changes that occurred during the year are set out in the Nomination Committee Report on page 109.

Of the seven Board members, two are female, five are resident in Europe and two are resident in the United States of America. Four Board members have travel/online executive experience, and the remaining members come from other industry sectors. We have, in my view, a diverse Board and an excellent mix of skills and perspectives which ensures debate at boardroom level is challenging and well informed.

The biographies of the Directors on pages 86 to 89 set out the key skills and experience that each Director brings to the Board. I have reviewed the performance of each Director and am satisfied that each brings commitment and expertise to their role and dedicates sufficient time to contribute effectively to the performance of the Board.

Arranged by the Company Secretary under my direction as Chairman, the Board undertook an in-depth internal review of its effectiveness during the latter part of 2024 and concluded that the Board and its Committees continue to function effectively. Details of the performance review process and its findings are included on pages 114 and 115.



Corporate Governance Report continued

Engaging with Shareholders and our other Stakeholders

As Chairman, a core part of my role is shareholder engagement. Therefore, following my taking over as Chairman in October last, I met with Hostelworld’s largest shareholders, representing almost 50% of the Company’s issued share capital. In addition to an initial introduction, the purpose of these engagements was to set out my thinking in relation to the main areas of focus for the Board and, as importantly, to gain an understanding of the perspectives of the Company’s major shareholders on the business. The feedback I received was consistent in a number of respects, with firm support for the effective management team led by our CEO, Gary Morrison, alongside a recognition of the importance of developing and communicating plans for the next growth phase of the business. Shareholders also expressed a range of views on issues such as the preferred approach to capital allocation, and the need to ensure effective succession plans are in place. The detailed and helpful feedback from the meetings has been considered by the Board and relevant Committees.

As a Board we are focused on how we engage with our stakeholders (which include our people, customers, hostel partners, Allied Irish Banks, plc, as our lender, and the communities where we maintain operations) and ensuring that the Board has regard to their interests when considering matters and making decisions. A key part of the Board process is to balance and consider what are, on occasion, conflicting interests and expectations of our stakeholders to ensure each stakeholder’s interests are taken into account in a considered manner. The ways in which the business and Board have considered stakeholders interests and engaged with them during the year, the outcome of that engagement and how it has influenced the Board’s decision-making, and the measurements and metrics used to assess engagement with each stakeholder can be found in our Section 172 Statement on pages 75 to 83.

Culture

Effective operational and financial performance is dependent on an appropriate Company culture which is aligned with the Company’s purpose, values and strategy. Please see pages 96 and 97 for the key means by which the Board considered and monitored the Group’s culture over the reporting period.

Annual General Meeting

The upcoming AGM is an important forum for shareholders to hear more about the general development of the business. The 2025 Annual General Meeting will be held on 07 May 2025 and will be hosted at WeWork, Charlemont Exchange, Dublin 2, where I will be available to answer any questions that shareholders may have. Full information is contained in the Notice of Annual General Meeting, which will be sent to shareholders with this Annual Report at least 20 working days prior to the date of the meeting and is available on the Company’s website at [www.hostelworldgroup.com](http://www.hostelworldgroup.com). If you have any questions on governance arrangements at Hostelworld, please don’t hesitate to contact me via the Company Secretary (email: [corporate@hostelworld.com](mailto:corporate@hostelworld.com)).



Ulrik Bengtsson  
Chairman  
19 March 2025

How Governance Supported our Strategy during 2024

Strategic Objective	Board’s Governance Role	Link to Principal Risk	2024 Board Activity
Strategy Execution	Review and assessment of proposals for delivering and accelerating the Group’s growth strategy.	Competition risks (page 66)	<p>During the year, the Board approved strategy proposals and investments in the following key areas: (1) growing social network customers by launching new product features; (2) expansion of inventory coverage to ensure the Group meets its customers’ requirements that it has competitively priced hostel accommodation available in the right places at the right times; (3) investments in the Group’s platform to improve the scalability and resilience of its technology systems; and (4) progressing the Group’s ESG strategy to ensure the Group meets its stakeholders expectations and enhances the long-term sustainability of Hostelworld.</p> <p>The Board also considered opportunities identified to accelerate and deliver the next phase of business growth for Hostelworld. The review remains ongoing, with the initial assessment conducted by the Board at a number of Board meetings in H2 2024.</p>
Investing in our People	Oversight of remuneration planning and implementation to ensure our people were paid fairly.	People risks (page 68)	To ensure broader retention risks were managed and that our people were rewarded fairly and competitively, the Remuneration Committee agreed that salary proposals for the 2024 salary review provided for average salary increases for colleagues in excess of salary increases for the Executive Directors.
Maintaining an Effective Board	Governance to ensure the implementation of Board succession plans in a way that maintains an effective and entrepreneurial Board.	People risks (page 68)	Board assessment of the skills, experience and abilities of candidates required to deliver the Group’s strategic objectives, and approval of Nomination Committee recommendations in respect of the appointments of Ulrik Bengtsson and Paul Duffy.
Managing our Financial and Liquidity Position	Governance to ensure proposals to make early and voluntary repayment of the outstanding debt owed to AIB, plc was considered in the context of the Group’s financial and liquidity position.	Macro-economic conditions (page 65) and financial risks (not individually disclosed as not considered a primary risk following repayment of outstanding debt)	Assessment of key financial and liquidity considerations and approval of the proposal to complete the early debt repayment.
Capital Allocation	Assessment of benefits and financial stability risks of making a dividend payment to shareholders.	Macro-economic conditions (page 65), Execution of strategy (page 67) and financial risks (not individually disclosed as considered a primary risk following repayment of outstanding debt)	Assessed and confirmed that the payment of dividends would not be in the best interests of the business at the present time.



We set out below how the Code has been applied and complied with during the reporting period. We have provided cross references in certain sections to relevant parts of the Annual Report where we explain how we have applied the principles and complied with the provisions of the Code. Our aim is to reduce repetition, ensure transparency and demonstrate the integrated application of the Code. The Code is publicly available at [www.frc.org.uk/document-library/corporate-governance/2018/uk-corporate-governance-code-2018](http://www.frc.org.uk/document-library/corporate-governance/2018/uk-corporate-governance-code-2018)

1. Board Leadership and Company Purpose – Principles A–E of the 2018 Code

Approach to Governance

The Board’s main responsibility is to lead the Company in delivering long-term sustainable value for shareholders and other stakeholders and contributing positively to wider society. We set out on page 93 how governance has supported the delivery of our strategy during 2024 and how this is linked to our principal risks.

Long Term Sustainable Success

In accordance with the Code, the Board is responsible for the long-term success of the Group, is focused on long-term strategic plans, and reviews and assesses performance against strategic goals at each scheduled Board meeting. The Board has a detailed programme that ensures financial performance, strategy, risk, stakeholder engagement, culture, and governance matters are discussed and assessed frequently. As part of the Board’s role in promoting the long-term sustainable success of the Company, generating value for shareholders and contributing positively to society, during 2024 the Board focused on the matters identified in the CEO’s review (please see the CEO’s review (pages 19 to 22) and the Chairman’s Statement (pages 14 to 16).

The Board also assesses the sustainability of the business model over the longer term through:

- Assessing the Group’s addressable customer market and the suitability of its marketing programmes and product features for specific categories of different customers.
- Assessing industry trends and anticipated developments and attending industry conferences.
- Regularly assessing the status of the Group’s debt commitments, capital requirements and capital allocation policy.
- Assessing feedback from our stakeholders.
- Overseeing the risk management and controls in place to address risk (including IT and cyber security risks).
- Maintaining oversight over the Group’s system of internal controls.
- Considering key factors likely to affect future performance for the purposes of the Viability Statement set out on page 73.

Effective and Entrepreneurial Board

The Board reviews strategy and execution against applicable KPIs at each scheduled Board meeting and receives updates from the CFO on execution against shorter term trading KPIs every two weeks. Key strategic issues discussed by the Board over the reporting period included:

- The ongoing development of our social strategy and social network products and the most effective means to achieve booking and revenue growth in this area.
- Enhancing our portfolio of hostel partners and how we ensure we have the right type of accommodation inventory to meet our traveller customers’ requirements.
- Implementation of our sustainability strategy and growing our sustainability improvement framework for the hostelling industry.
- The expansion of the Group’s marketing programmes.
- Artificial intelligence and how it could be best used by Hostelworld.
- The Group’s technology strategy and its alignment with the requirements of our hostel partners and traveller customers.
- ESG oversight, including TCFD risks and opportunities, and review of roadmap to ensure compliance with new regulations.
- Assessing changes to corporate reporting requirements and legal and regulatory developments that impact the Group.
- The use of office space in our principal locations and assessing future ways of working in Dublin, Porto and elsewhere that are cost-effective and, of equal importance, appropriate for our people.
- Our culture and our purpose and whether our culture, purpose, values and strategy are aligned.
- Review of the 2025 budget and two-year outlook and the potential impact of external risk factors.

We set out on pages 114 and 115 details of the Board’s effectiveness and how our performance review process assists in ensuring that the strengths of the Board are recognised and understood and areas that require improvement are identified and actioned. The Nomination Committee Report (pages 107 to 115) describes how we ensure we have the right skills and experience on our Board. Biographies of the Directors are provided on pages 86 and 89.

(a) Directors’ Induction and On-going Training

On appointment to the Board, each Director takes part in a comprehensive induction programme. This induction is supplemented with ongoing training which is updated throughout the year to ensure the Board is kept informed of legal and regulatory requirements and industry updates. How induction for new Board members is structured and implemented is set out in the Nomination Committee Report on page 110. A case study on the induction programme provided for Paul Duffy following his Board appointment in May 2024 is also set out in the Nomination Committee Report on page 110. Further details of training undertaken by Board members are provided in the Nomination Committee Report on page 111.

(b) Conflicts of Interest

Our Board has a Conflicts of Interest Policy and has put in place procedures for the disclosure and review of any potential or actual conflicts. Prior to the Board appointments of Ulrik Bengtsson and Paul Duffy in May 2024, a rigorous review was undertaken by the Company Secretary to ensure no conflicts of interest arose with respect to their appointments. During 2024, no conflicts of interest arose in respect of Board matters.

(c) Chairman and Non-Executive Directors

The Board considers Paul Duffy, Carl G. Shepherd, Éimear Moloney and Evan Cohen to be independent. Accordingly, the Company meets the requirement of the Code that at least half of the Board (excluding the Chair) is comprised of independent Non-Executive Directors. Ulrik Bengtsson, Chairman of the Board, was considered independent on his appointment to that role. Details of succession planning as it relates to Non-Executive Directors is set out in the Nomination Committee report on page 109.

The Chairman and the Non-Executive Directors constructively challenge and help develop proposals on strategy and bring independent judgement, knowledge, and experience to the Board’s deliberations. During the year, the Non-Executive Directors are expected, in accordance with related contractual terms set out in applicable non-executive director appointment letters, to commit approximately 15 to 20 days to the business of the Group.

The terms and conditions of appointment of the Non-Executive Directors are available for inspection at the Company’s registered office and are also available for inspection at the AGM.

Company Values and Purpose – New Culture Code

Periodic reflection by the Board on whether the Group’s culture is effective in a constantly changing environment is vital to ensure appropriate changes and refinements are made to align with the evolution of the Group’s strategy. During the year, the Board reviewed and affirmed the Group’s purpose, considered the Group’s values and behaviours, and provided oversight in the creation of a new Culture Code that was developed to properly reflect the shared beliefs and values of all Hostelworld colleagues. Details of the Group’s mission, purpose and vision are set out on page 2, details on the Group’s behaviours and values are set on pages 33 to 36 of the Strategic Report and details of the Group’s new Culture Code are summarised on pages 30 and 31 with further detail set out on page 33 of the Strategic Report. Our values, behaviours and Culture Code demonstrate how we behave individually and collectively as a Board and how we expect our colleagues to conduct themselves on an on-going day-to-day basis. They are embedded in our practices through the establishment and implementation of individual and business conduct policies, with any breach which may impact on our culture or values reported to the Board or relevant Committee, as appropriate. Hostelworld’s purpose, values and behaviours, and the new Culture Code were discussed by the Board during the reporting year, notably at its meeting in December 2024. Our values, behaviours and new Culture Code underpin a culture that promotes inclusion and dignity in the workplace for our people and of conducting business in a commercially sound but ethical manner.



Corporate Governance Report continued

Our purpose, values and behaviours and our new Culture Code will be reviewed and refreshed as necessary to ensure they reflect the ongoing and future needs of Hostelworld. The Board is strongly of the view that these must be communicated effectively, reinforced, and continuously embedded in our policies and procedures so that the right values and behaviours drive what we do and how we do them.

The Executive Directors have been delegated responsibility for ensuring that established values and behaviours set at Board level are effectively communicated and implemented across the business. If the Board is concerned with any behaviours or actions, it will seek assurance that corrective action is being taken. No such action was required during 2024.

Assessing and Monitoring Culture (and how Culture is embedded)

Our culture is based on our values, behaviours and our new Culture Code and is underpinned by appropriate policies and codes of conduct.

**Workforce Engagement Sessions** – Evan Cohen, in his capacity as designated Non-Executive Director with responsibility for workforce engagement, hosted engagement forums with colleagues in order to provide the Board with a clear understanding of the views of colleagues on Hostelworld’s strategy, performance, culture and working environment and the priorities and concerns of colleagues and project teams. In addition, Ulrik Bengtsson participated in a virtual Q&A with colleagues from across the business.

**Employee Surveys** – updates from survey results provided to the Board by the Chief People Officer assists the Board in monitoring culture through understanding the concerns and challenges of colleagues, and initiatives that are working well or could be improved.

**Remuneration Engagement** – a member of the Remuneration Committee meets with the Group’s employee forum to discuss the Company’s approach to executive pay to enhance colleagues understanding of how executive compensation decisions are made and received feedback in the context of the broader pay and reward policy in the Group.

**Town Halls** – the CEO, CFO and Executive Leadership Team host twice monthly virtual townhalls (including a Q&A session) for all colleagues and use these forums to promote our culture and understand the views and concerns of staff.

**Leadership Behaviours** – the Group’s leadership development programmes specify the key attributes and behaviours for our leaders with details of the design and implementation of the programmes updated to the Board by the Chief People Officer.

**Board Performance Review** – the annual Board effectiveness review allows the Board to reflect on Board performance during the review period and assess the extent to which it has effectively promoted the Hostelworld culture and set the ‘tone from the top’.

**Informal Engagement** – Non-Executive Board members are encouraged to meet informally with employees and, through these engagements, observe if the appropriate cultural traits and behaviours are being displayed by colleagues.

Management use a set of specific, Board approved metrics which provide a detailed overview to support the Board in fulfilling its role in monitoring and assessing culture. These include metrics and KPIs taken from employee engagement surveys, employee exit surveys, HR policies in respect of disciplinary and compensation and promotion practices, inclusion, equity and diversity and compliance training data, levels of participation in learning and development programmes, whistleblowing reporting, well-being policies and programmes for our people, compliance with our GDPR obligations in respect of our customers personal information, satisfaction scores from our hostel partners, resolution rates for customer services issues, compliance with payment terms with our vendor partners, and whether any contractual disputes have arisen with our hostel partners. Independent assurance is sought from PwC in certain areas via the outsourced internal audit function and from other advisers.

Metrics used to monitor culture and the extent to which it is embedded include:

- Allowing our people raise any concerns they have anonymously via our Whistleblowing Hotline service is essential to ensure staff have the means to highlight suspected wrongdoing, and monitoring the volume of incidents reported provides an important insight into the health of our culture – no issues were reported to the service during 2024 (no change from 2023).
- Complying with our customers privacy rights is essential to maintaining their trust and confidence, and the participation rate in data protection compliance training allows us to establish how embedded this vital compliance requirement is in the business – 99% of invited participants completed the training in 2024 (no change from 2023).
- Resolving any issues our traveller customers may have in a timely manner is important to make sure Hostelworld’s reputation as a trusted hostel booking provider is maintained, and assessing improvements in the time it takes to resolve any customer issues allows us to verify that doing the right thing for our customers is at the heart of how we operate as a business – the customer support resolution rate improved over 2024 with 87% of tickets resolved within 36 hours (2023: 85% of tickets resolved within 36 hours).
- Paying our suppliers on time in accordance with agreed contract terms is important to maintain a collaborative partnership-based relationship and avoid needless and costly disputes, and how we score against this performance metric provides a transparent measure of the health of our culture – 100% of our suppliers were paid in accordance with agreed payment terms during 2024 (no change from 2023).
- Complying with contractual terms agreed with our hostel partners (and avoiding legal disputes) demonstrates the business is being run with appropriate regard for our contract obligations and commitments, and how we score against this metric provides a firm sense as to whether the business is being run in an ethical and responsible manner – no legal disputes arose with a hostel partner during 2024 (no change from 2023).

- Retaining our employees is a key element of our strategy, and retention rates are a strong indicator of an engaged workforce. The employee attrition rate for 2024 of 10.4% represented an improvement on the equivalent rate for 2023 (19.4%) and confirms that we continue to make progress in this important area.

How our Culture Supports Strategy:

Our key strategic objectives are to execute our social network growth strategy, expand our inventory coverage, improve our technology platform, progress our ESG initiatives, and deliver on our commitments to our people, hostel partners and communities. Further details of our strategy objectives are set out on pages 19 to 22. We are enabled and empowered to deliver on our strategic objectives by a vibrant culture underpinned by our values:

**Think Customer** - we attract and retain customers by focusing on their needs and putting them at the centre of our product roadmap.

**Building a Better World** – we engage our people by being inclusive and welcoming as an employer with a firm focus on inclusion, equity and diversity (“IE&D”).

**Community Spirit** – we bring people together from all over the world through our product offering and in our office locations across the globe. Our community spirit with our customers, our hostel partners, and our people enhances these relationships and drives performance and strategy execution.

**Be Bold, be Brave, be Adventurous** – we embrace change and encourage and incentivise our people to learn continuously so that we are able to respond quickly to our stakeholders’ evolving perspectives.

**Keep it Simple** – the simpler things are for our people, customers, and hostel partners, the faster we can move and execute on our strategy.

For more information on our culture and how we invest and reward our people, see our ‘People and Culture’ section set out on pages 32 to 39.



Corporate Governance Report continued

Risk Management

The Group invests appropriate resources to manage and monitor IT security, data protection and regulatory risks with the assistance of its internal auditors and senior members of each division/function within the Group. The Board and its Committees receive regular updates on risks and risk management, and periodically assess the key risks and emerging risks in the business. The Board is committed to ensuring the privacy rights of our customers and partners are always respected and is provided with updates from the Audit Committee on the results of privacy audits undertaken by the Group's Data Protection Officer and ongoing cyber security reviews of the Group's booking platform and IT systems undertaken by the Group's Head of Information Technology Security. Independent assurance is sought on IT controls and IT security risks from PwC, our outsourced internal audit partner. The Board is also committed to ensuring the Company's market abuse compliance obligations are strictly observed and is provided with updates from the Disclosure Committee on the results of each Disclosure Committee meeting held and the appropriate implementation of the compliance processes and procedures specified in the Company's Market Abuse Regulation Compliance Manual.

Whistleblowing and Anti-Bribery

The Board is committed to promoting a culture that ensures employees can report concerns of wrongdoing in confidence through both internal and external mechanisms. The Group previously adopted an Anti-Bribery Policy and a Whistleblowing Policy and maintains a confidential helpline for reporting such matters. As reported above, no incidents were reported to the helpline during 2024. The Board has also considered whether the absence of reports could indicate a lack of awareness of the availability of the Whistleblowing Hotline or other cultural issues leading to the service not being utilised. However, based on reports from the Chief People Officer, the Board concluded that the service has been well communicated to colleagues and that employees would feel comfortable using this communication channel. The Anti-Bribery Policy and Whistleblowing Policy are reviewed annually to ensure they remain relevant and fit for purpose.

Remuneration and Culture

We set out on page 128 how we have addressed the issue of ensuring remuneration is aligned with culture. We explain on pages 127 and 128 the Group's approach to investing in and rewarding our workforce and on page 128 how remuneration is aligned to the Company's purpose and values.

Using Stakeholder Views to Shape Board Decision Making

Details of how engagement with stakeholders was conducted during 2024, what metrics and performance indicators were used in connection with stakeholder engagement, how the outcomes of the engagement with stakeholders was reflected in Board decisions, and how the Directors consider they have promoted the success of the Group in accordance with the requirements of section 172(1) of the Companies Act 2006 are set out in the Section 172 Statement (pages 75 to 83).

Workforce Engagement Statement

People are critical to our success and maintaining a safe and respectful working environment is central to maintaining high levels of engagement. The Board is committed to ensuring that it is aware of the views and concerns of the Group's workforce and that it has regard to their interests and perspectives as part of the Board's decision-making process. The feedback we get from our people helps to improve our understanding of the culture and values and behaviours that are appropriate for the business and how we continue to ensure that Hostelworld is an enriching and rewarding place to work for our people.

As part of the programme of employee engagement activities conducted during 2024, Evan Cohen hosted engagement forums with colleagues from different parts of the business with a focus on those who had commenced work with the Group more recently, provided updates on Board activities and sought the views of the forum members on a number of topics, and Ulrik Bengtsson participated in a virtual Q&A with colleagues from across the business.

Key themes emerging from engagements with the workforce during 2024:

- Strong appreciation from colleagues for employee engagement, people policies and the Group's focus on learning and development programmes, and the Board and employee's shared view of the importance of employee engagement generally and people related initiatives.
- Positive acknowledgement from our people of the access to the Executive Directors and the transparency of communications, particularly the twice monthly townhalls which include open Q&A sessions with the CEO.

- Colleagues highlighted that remote work was challenging for effective team building and on-boarding new staff members with consideration appropriate for more in-person meetings and enhancements to new employee on-boarding activities.
- Our people were very positive about our culture but highlighted that reinforcing the Hostelworld values and behaviours and ensuring the new Culture Code was firmly embedded was essential.
- Confidence in the Group's business model was evident from the discussions with colleagues proud of the success of the social features suite of products and having a keen interest in understanding the strategy plans to deliver the next phase of business growth.
- Colleagues spoke positively about the investments made in the Group's Learning and Development capabilities.
- The Group's ongoing work in the IE&D space was a positive highlight in the discussions.
- Colleagues highlighted the on-going success of the Group-wide 'fireside chats' involving Non-Executive Directors, welcomed the participation of the new Chairman in the programme during 2024, and recommended that this programme of Non-Executive Directors participating in virtual engagement events on a cross-company basis be maintained on an on-going basis.

Feedback from the various engagement channels was shared and discussed by the Board and the perspectives of employees supported more informed Board and management decisions and helped identify areas to improve the employee experience, in particular the onboarding experience for new colleagues, and improve employee engagement with the Board. How the Board engaged with the workforce and how the views of our people have been used to shape Board decisions during the year are set out in the Section 172 Statement (pages 75 to 83).

Directors' Concerns

During the year, no Director had concerns about the operation of the Board or the management of the Group that could not be resolved.

YellowSquare, Florence, Italy



Corporate Governance Report continued

2. Division of Responsibilities – Principles F – I of the 2018 Code

The Chairman Responsibility

Ulrik Bengtsson was appointed as Chair designate on 02 May 2024, assumed the role of Chairman on 10 October 2024, and was considered independent on appointment. The Chairman is responsible for the overall effectiveness of the Board and maintaining a culture of openness and transparency at Board meetings. The Chairman is also responsible for ensuring all Directors contribute effectively to Board discussions and provide constructive challenge on key issues under consideration. The Chairman, Committee Chairs and Company Secretary hold regular meetings to discuss agenda items and Board and Committee materials. The Board confirms that Ulrik Bengtsson promotes a culture of open and honest debate in the boardroom. The Chairman’s responsibilities are outlined in the table on page 102.

A Balanced Board

As required by the Code, at least half the Board (excluding the Chairman) are independent Non-Executive Directors. The Nomination Committee regularly reviews Board composition, including the balance of skills and experience on the Board, the tenure of each Non-Executive Director, and conducts succession planning for Non-Executive Directors and Executive Directors.

Director and Board Performance

Following a performance review exercise conducted during the latter part of 2024 under the direction of the new Chairman, each Director’s performance was considered as continuing to be effective, and each Director was considered to demonstrate commitment to the role. The internal Board performance review concluded that the skills and experience of the Executive Directors and independent Non-Executive Directors were appropriate with the Board working effectively together. Details of the results and recommendations of the Board performance review exercise are set out on page 114 and 115.

Non-Executive Directors and Independence

In accordance with the Code, our Non-Executive Directors have responsibility for constructively challenging the strategies proposed by the Executive Directors and holding management to account in respect of the achievement of Company goals and objectives. The Non-Executive Directors also play a primary role in the effective functioning of the Board’s Committees (other than the Disclosure Committee which is comprised of the CEO and CFO).

The Board has identified on pages 86 to 89 which Directors it considers to be independent. The Board confirms that it assessed the independence of the Non-Executive Directors as part of the annual Board performance review process and has determined that each of the Non-Executive Directors continued to demonstrate independent judgement during the reporting period and remained free from any business or other relationships which could have materially affected the exercise of their judgement.

The Non-Executive Directors play an important role in ensuring that no individual director or group of directors dominates the Board’s decision making. It is therefore of significant importance that their independence is maintained. To properly preserve their independence, Non-Executive Directors are not permitted to serve more than three three-year terms (other than in exceptional circumstances).

Other External Appointments

The Board takes into account a Director’s other significant external commitments (including, where applicable, their commitments as committee members of other listed companies where they serve as directors) when considering them for appointment to satisfy itself that the individual can allocate sufficient time to their Board duties and assess any potential conflicts of interest. Each Director is required to notify the Chair of any changes to any significant external commitments that arise during the year with an indication of the time commitment involved.

Directors may only take on additional external appointments with the prior approval of the Board. If required to assess additional directorships, the Board will consider the number of directorships held by the individual already and their expected time commitment for those roles. The Board considers the most recent guidance published by institutional investors and proxy advisers as to the maximum number of appointments which can be managed efficiently. As part of the Board performance review exercise, each Non-Executive Director has confirmed (as they are required to do on an annual basis) that they have been able to allocate sufficient time to discharge their responsibilities effectively (see table on page 105 for Board meeting attendance).

For the table below, we have used the methodology contained in the ISS UK and Ireland Proxy Voting Guidelines in respect of ‘overboarding’ to calculate our Non-Executive Directors’ mandates in respect of their appointments with publicly listed companies. The Board confirms that none of our Directors are overcommitted and all Directors have adequate time to discharge their duties as Directors of the Company. At the date of publication of this Annual Report, no external appointments are held by our Executive Directors.

	Independent	Non-Executive Director		Board Chairman		Executive Director		Total Mandates <sup>(1)</sup>
		Appointments	Mandates	Appointments	Mandates	Appointments	Mandates	
Ulrik Bengtsson	Yes	–	–	Hostelworld Group plc Raketech Group Holding plc	4	–	–	4
Carl G. Shepherd	Yes	Hostelworld Group plc	1	–	–	–	–	1
Eimear Moloney	Yes	Hostelworld Group plc Kingspan Group plc Irish Continental Group plc.	3	–	–	–	–	3
Evan Cohen	Yes	Hostelworld Group plc	1	–	–	–	–	1
Paul Duffy	Yes	Hostelworld Group plc Glanbia plc	2	–	–	–	–	2

<sup>(1)</sup> Inclusive of their appointment at Hostelworld Group plc. For the purposes of calculating the total number of mandates, a non-executive membership counts as one mandate, a non-executive chairmanship counts as two mandates and a position as executive director (or a comparable role) is counted as three mandates.



Corporate Governance Report continued

Division of Responsibilities

There is a clear division between executive and non-executive responsibilities which ensures effective oversight and responsibility. The roles of the Board, Board Committees, Chairman and CEO are documented, as are those matters reserved to the Board. An overview of the division of responsibilities between the Board and the executive leadership of the Group is provided in the table below.

Company Secretary

The Company Secretary is responsible for ensuring the Board and Board Committees have the time and necessary information required to discharge their duties, function effectively, and provides the Board and Board Committees with briefings and guidance on governance and relevant legal and regulatory matters. Both the appointment and removal of the Company Secretary is a matter for the Board. In accordance with the Code, the remuneration of the Company Secretary is determined by the Remuneration Committee.

Division of Responsibilities		
<b>Chairman</b> <b>Ulrik Bengtsson</b>	<ul style="list-style-type: none"><li>Leadership of the Board</li><li>Responsible for overall effectiveness in directing the Group</li><li>Constructive relationships between the Executive and Non-Executive Directors</li><li>Effective contribution of all Non-Executive Directors</li></ul>	<ul style="list-style-type: none"><li>Directors receive accurate and timely information</li><li>Meetings with Non-Executive Directors, without Executive Directors present</li><li>Ensures Board is aware of the views of major shareholders</li></ul>
<b>Board (key matters)</b>	<ul style="list-style-type: none"><li>Group's purpose and values</li><li>Group's strategic aims and business plans</li><li>Annual and interim results</li><li>Annual Report and Financial Statements</li><li>Dividend policy</li><li>Internal control and risk management</li><li>Major changes to the Group's corporate structure (including but not limited to major acquisitions/disposals)</li></ul>	<ul style="list-style-type: none"><li>Capital purchases &gt; €250k outside budget</li><li>Communication with shareholders</li><li>Changes in structure, size and composition of the Board</li><li>Material litigation</li><li>Remuneration Policy for Directors and senior executives</li><li>Governance structure</li><li>Oversees culture (including IE&amp;D programmes) and climate-related risks and controls</li></ul>
<b>Senior Independent Director</b> <b>Carl G. Shepherd</b>	<ul style="list-style-type: none"><li>Sounding board for the Chairman</li><li>Intermediary for the other Directors and shareholders</li></ul>	<ul style="list-style-type: none"><li>Annual appraisal of Chairman's performance</li></ul>
<b>Non-Executive Directors</b>	<ul style="list-style-type: none"><li>Constructive challenge, strategic guidance and specialist advice</li></ul>	<ul style="list-style-type: none"><li>Scrutinise and hold to account the performance of management and individual Executive Directors against performance and strategy objectives</li></ul>
<b>Chief Executive Officer</b> <b>Gary Morrison</b>	<ul style="list-style-type: none"><li>Execute the Group's strategy and commercial objectives together with implementing the decisions of the Board and its Committees</li><li>To keep the Chairman and Board appraised of important issues and competitive challenges facing the Group</li><li>To ensure that the Group's business is conducted with the highest standards of integrity, in keeping with our culture</li></ul>	<ul style="list-style-type: none"><li>Manage the Group's risk profile and ensure actions are compliant with the Board's risk appetite</li><li>Investor relations activities, including effective and ongoing communication with shareholders</li></ul>

Division of Responsibilities		
<b>Chief Financial Officer</b> <b>Caroline Sherry</b>	<ul style="list-style-type: none"><li>Support the CEO in developing and implementing strategy</li><li>Provide financial leadership to the Group and align the Group's business and financial strategy</li><li>Responsible for financial planning and control, treasury and tax functions</li></ul>	<ul style="list-style-type: none"><li>Responsible for presenting and reporting accurate and timely historical financial information</li><li>Manage the capital structure of the Group</li><li>Investor relations activities, including communications with investors, alongside the CEO</li><li>Chairs Steering Committee on ESG and oversees sustainability and other reporting compliance</li></ul>
<b>Designated Non-Executive Director for Workforce Engagement</b> <b>Evan Cohen</b>	<ul style="list-style-type: none"><li>Attendance at employee engagement forums</li><li>Provide regular updates to the Board on issues discussed at employee engagement forum meetings</li></ul>	<ul style="list-style-type: none"><li>Review any messages received through the whistleblowing system from the Group's employees</li><li>Monitor the effectiveness of engagement programmes established for employees</li></ul>
<b>Company Secretary</b> <b>John Duggan</b>	<ul style="list-style-type: none"><li>Compliance with all corporate governance matters, monitors the Group's disclosure requirements under the Code and LSE (UK) and Euronext (Ireland) Listing Rules</li></ul>	<ul style="list-style-type: none"><li>Ensure Board procedures are followed</li><li>Compliance by the Company with its legal and regulatory responsibilities</li></ul>

The Board of Directors

The schedule of matters reserved for the Board's decision is available on the Group's website, [www.hostelworldgroup.com](http://www.hostelworldgroup.com). The schedule of matters reserved for the Board and the Terms of Reference for each of its Committees are subject to annual review. The Board also has a Delegation of Authority Policy that sets out the primary responsibilities, controls and authorisation limits on matters affecting the Group's business. This policy was reviewed and updated by the Board on two occasions during 2024.

Board Meetings

There were 9 Board meetings held during the year, with additional Board conference calls held between Board meetings as and when circumstances required. As applicable, certain Board decisions are addressed through written resolutions signed by each member of the Board. Key issues assessed, and material decisions taken by the Board and its Committees during the year included the following:

Strategy

- On-going updates and presentations from the Executive Directors and members of the Executive Leadership Team on the implementation of strategy throughout the year and development of new strategic objectives
- Approval of the Board and Committee appointments of Ulrik Bengtsson and Paul Duffy
- Reviewing the Group's 2025 budget and two-year outlook
- Overseeing and approving the Group's ESG roadmap and undertaking an assessment of achievement of ESG strategy milestones, including the implementation of the 'Staircase to Sustainability' framework
- Reviewing the Group's long-term strategic objectives with a particular focus on the growth and iteration of the Group's social network product features, technology strategy, hostel inventory strategy and paid marketing strategy
- Undertaking an in-depth review of the Company's investor relations plans and shareholder engagement activities
- Assessing and confirming that the payment of a dividend in respect of 2024 would not be in the best interests of the business
- Assessing and considering culture, adopting a new Culture Code and engaging with major shareholders and key stakeholders

Corporate Governance Report continued

Commercial

- On-going updates and presentations from the Executive Directors on trading and financial performance (twice monthly trading emails sent to the Non-Executive Directors by the CFO)
- Approval of early and voluntary repayment of AIB debt (completed in June 2024)
- Reviewing a draft budget for 2025
- Approving the full year results, half year results and Annual Report

Risk Management and Internal Controls

- Reviewing the Group's principal and emerging risks
- Reviewing and confirming the Group's viability statement and going concern status
- Receiving an update on cyber risk and IT security
- Receiving an update on data protection compliance
- Receiving an update on CSRD reporting and related compliance programme
- Receiving an update on market abuse regulation compliance and key changes to legal and regulatory matters
- Receiving an update on compliance training completion rates
- Reviewing the effectiveness of the Group's system of internal controls and risk management

People and Culture

- Approving proposals for a new Directors' Remuneration Policy which were put before shareholders at the May 2024 AGM
- Approving initiatives in the areas of employee well-being and employee assistance
- Receiving updates from Evan Cohen in his capacity as Non-Executive Director responsible for employee engagement (Evan Cohen replaced Éimear Moloney in the role in December 2023)
- Receiving updates on key people and culture issues from the Chief People Officer (or the CEO in his absence) at the majority of scheduled Board meeting
- Considering and implementing succession plans for Chair, Remuneration Committee Chair and non-executive Board positions

- Considering succession plans for the Board, Executive Directors, Executive Leadership Team and talent management programmes for key high performers
- Reviewing the Board Diversity Policy

Standing Agenda Items

In addition to the above, at each scheduled Board meeting there are standing items, which include:

- Review and approval of the previous meeting minutes
- Committee updates to the Board
- Status update on any matters outstanding from previous meetings
- Report from the CEO (including an update on strategy development, growth initiatives and execution)
- Report from the CFO (including an update on trading, financial performance outlook, investor relations and progress on ESG strategy initiatives)
- Reports from the Chief Product Officer, Chief People Officer, Chief Supply Officer and Chief Technology Officer on departmental developments and initiatives and progress against strategic objectives

The Directors' attendance records at the Board meetings held during the year are shown in the table below. Attendance records at Committee meetings are detailed in the respective Committee Reports. Directors are provided with appropriate documentation approximately one week in advance of each Board or Committee meeting. For each scheduled Board meeting the papers include a trading update, financial performance and strategy execution update, a people and culture update, and progress on the Group's ESG strategy. In addition, all Board and Committee members receive the minutes of meetings as a matter of course.

Non-Executive Directors are encouraged to communicate directly with senior management between Board meetings and are provided with a twice-monthly trading update by the CFO. Different members of the Executive Leadership Team attend scheduled Board meetings to present updates on the performance of their specific areas of responsibility.

Should any Director judge it necessary to seek independent legal advice in respect of Company matters, they are entitled to do so at the Company's expense.

Meetings between the Non-Executive Directors, without the presence of the Executive Directors, are scheduled in the Board's annual programme. These meetings were conducted at the end of the majority of scheduled 2024 Board meetings and provided the Non-Executive Directors with a private forum to discuss matters presented by the Executive Directors at the particular meeting and wider business topics. These meetings are helpful in preserving the independence of Non-Executive Directors by providing them with the means to discuss Executive Director performance and Company issues in the absence of the Executive Directors.

Board Meeting Attendance

Membership	No. of scheduled meetings/total no. of scheduled meetings held when the Director was a member <sup>(1)</sup>	Attendance %
Ulrik Bengtsson <sup>(2)</sup> (Chairman from 10 October 2024)	4/4	100%
Paul Duffy <sup>(2)</sup>	4/4	100%
Carl G. Shepherd	9/9	100%
Éimear Moloney	9/9	100%
Evan Cohen	9/9	100%
Gary Morrison	9/9	100%
Caroline Sherry	9/9	100%
Michael Cawley <sup>(2)</sup> (Chairman until 10 October 2024)	8/8	100%

<sup>(1)</sup> Certain Board matters relating to the operation of an Employee Benefit Trust for the purposes of facilitating the holding of shares in the capital of the Company for the benefit of the Group's employees and certain former employees were conducted by a specifically constituted Board sub-committee comprised of the CEO and CFO. Board approval of the appointment of Éimear Moloney as a Non-Executive Director of a non-listed company during the reporting period was conducted separately via written resolution.

<sup>(2)</sup> Ulrik Bengtsson was appointed as Non-Executive Director, Chair Designate and a member of the Nomination Committee and Remuneration Committee on 02 May 2024, and was appointed as Chairman of the Board and Chair of the Nomination Committee on 10 October 2024. Paul Duffy was appointed as Non-Executive Director and member of the Audit Committee, Nomination Committee and member and Chair of the Remuneration Committee on 02 May 2024. Michael Cawley resigned from the Board and all Committee roles on 10 October 2024.

Disclosure Committee

The Board has also established a Disclosure Committee which is responsible for overseeing the Company's compliance with the Market Abuse Regulation and making decisions (with the advice and support of the Group's equity capital markets advisers – Deutsche Numis, Goodbody Stockbrokers, and Travers Smith LLP,) on when information must be disclosed to the market. Membership of the Disclosure Committee is comprised of the CEO and CFO. The Company Secretary acts as secretary to the Disclosure Committee.





# Promoting a culture of inclusion, equity and diversity

## 3. Composition, Succession and Evaluation – Principles J – L of the 2018 Code

### Nomination Committee Report



**Ulrik Bengtsson**  
Nomination Committee Chair

#### Committee members and meeting attendance:

Membership	No. of scheduled meetings/ total no. of scheduled meetings held when the Director was a member	Attendance %
<b>Ulrik Bengtsson<sup>(1)</sup></b> (Chair from 10 October 2024)	2/2	100%
<b>Paul Duffy<sup>(1)</sup></b>	2/2	100%
<b>Carl G. Shepherd</b>	4/4	100%
<b>Éimear Moloney</b>	4/4	100%
<b>Evan Cohen</b>	4/4	100%
<b>Michael Cawley<sup>(1)</sup></b> (Chair until 10 October 2024)	3/3	100%

<sup>(1)</sup> Ulrik Bengtsson was appointed as a member of Nomination Committee on 02 May 2024, and was appointed as Chair of the Committee on 10 October 2024. Paul Duffy was appointed as a member of the Nomination Committee on 02 May 2024. Michael Cawley resigned from the Board and the Nomination Committee on 10 October 2024.

See pages 86 to 89 for further information on current Nomination Committee members.

#### Committee Composition

Appointments to the Committee are for a period of up to three years, which may be extended for two further periods of up to three years, provided the majority of the Nomination Committee members remain independent. The Nomination Committee's composition complies with the requirements of the Code. The Company Secretary acts as secretary to the Committee. The Chief People Officer regularly attends meetings and is responsible for supporting on succession planning, talent management, and IE&D.

**Terms of Reference**  
The Terms of Reference of the Nomination Committee, which were reviewed during 2024, are available on the Company's website at [www.hostelworldgroup.com](http://www.hostelworldgroup.com).

**Key Responsibilities**  
Assessing the composition, structure and size (including skills, knowledge, experience and diversity) of the Board and its Committees and making recommendations on appointments and reappointments to the Board.

Planning for the orderly succession of new Directors to the Board and of senior management, taking into account the tenure of Non-Executive Directors and the challenges and opportunities facing the Group.

Keeping under review the leadership needs of the Group, both executive and non-executive, with a view to ensuring the continued ability of the Group to compete effectively.

Reviewing the talent capability across the Group and the progress of talent development programmes.

Keeping the extent of Directors' other interests under review to ensure that the effectiveness of the Board is not compromised.

Overseeing the performance review of the Board, its Committees and individual Directors.

Reviewing the results of the Board performance review.

Following each meeting, the Nomination Committee communicates its main discussion points and findings to the Board. A review of the performance of the Nomination Committee is conducted each year.



## Nomination Committee Report continued

### Chair’s Review of 2024

Dear Shareholder,

On behalf of the Board and the Nomination Committee (the “Committee”), it is my pleasure to present the Nomination Committee Report for the year ended 31 December 2024.

The principal activities of the Committee during 2024 were as follows:

**Chair Succession, Remuneration Committee Chair Succession, and Non-Executive Director Appointment:** The Committee considered and recommended to the Board my appointment as Non-Executive Director and Chair designate and the appointment of Paul Duffy as Non-Executive Director and Remuneration Committee Chair.

**Committee Refreshment:** On appointment as Non-Executive Director and Chair designate to the Board, I was also appointed as member of the Committee and Remuneration Committee on 02 May 2024, and was appointed as Chair of the Committee on 10 October 2024 following the retirement from the Board of Michael Cawley on the same date. Paul Duffy was appointed as a member of the Audit Committee, Nomination Committee and member and Chair of the Remuneration Committee on 02 May 2024, with Carl G. Shepherd (Senior Independent Director) stepping down as Chair of the Remuneration Committee (but continuing as a member of the Remuneration Committee) on the same date. There were no other changes to the composition of the Board Committees during 2024.

**IE&D:** Supported by the Chief People Officer, the Committee considered the Group’s policies and objectives in respect of IE&D, its linkage to strategy, how it was implemented and progress to-date on achieving its objectives.

**Succession Planning:** Reviewed succession planning for the Board (including future Board refreshment) and the Executive Leadership Team, with a particular emphasis on CEO and CFO succession plans.

**Talent Management:** Conducted a review of the Group’s talent management programmes for key high performers and provided oversight on related training and development programmes being implemented.

**Board Tenure:** In circumstances where Non-Executive Directors are not permitted to serve more than three terms of three years duration as a Director from their appointment date unless exceptional circumstances apply, the Committee continuously kept under review the tenure of Non-Executive Directors’ and reviewed potential departure dates. Details of the tenure of each Non-Executive Director is set out in the Directors Biographies section on pages 86 to 89.

**Terms of Reference and Board Policy:** Reviewed its Terms of Reference and the Company’s Board Diversity Policy.

**Corporate Reporting:** Consideration and approval of the report of the Committee in the Company’s Annual Report and Financial Statements for the year ended 31 December 2023 in Q1 2024.

I look forward to receiving your support at our 2025 AGM, where I will be available to answer any questions that shareholders may have on this report or in relation to any of the Committee’s activities. Alternatively, if you have any questions on this report, please feel free to contact me via the Company Secretary (email: [corporate@hostelworld.com](mailto:corporate@hostelworld.com)).



**Ulrik Bengtsson**  
Chairman, Nomination Committee  
19 March 2025

### Succession Planning – Non-Executive Board Appointments

A Board succession review process commenced in mid-2023 and a search began for new Non-Executive Directors with the potential to take over as Chair following the retirement of Michael Cawley from the Board at the end of his nine-year term in late 2024. The exercise was the focus of the Committee’s activities over the remainder of 2023 and into 2024, with a number of Committee meetings and calls over this period considering the composition of the Board, Board tenure and succession, and the Committee’s aspiration of complying with the Parker and FTSE Women Leaders Reviews and the Listing Rule targets and the Board’s intention to comply with those targets. Based on a list compiled by an executive search agency, several candidates were interviewed during this period and their skills and suitability discussed in various Committee meetings.

The Committee conducted an in-depth process in connection with the appointment of Ulrik Bengtsson as Non-Executive Director, Chair designate, and member of the Remuneration Committee and Nomination Committee, and the appointment of Paul Duffy as Non-Executive Director, member and Chair of the Remuneration Committee and member of the Audit Committee and Nomination Committee. The process culminated in the Committee recommending (and the Board approving) these respective appointments which took effect on 02 May 2024. The process for Ulrik’s appointment involved an assessment by the Committee (with input from the Executive Directors) of Ulrik’s skills, experience, cultural fit, other time commitments and potential conflicts of interest. Extensive consideration was also given to the provisions of the Code of the attributes required of a Board chair and a non-executive director, and to the FRC’s ‘*Guidance on Board Effectiveness*’ as it relates to the required skills of a Board chair and a non-executive director. The process for Paul Duffy’s appointment also involved an assessment by the Committee (with input from the Executive Directors) of Paul’s skills, experience, cultural fit, other time commitments and potential conflicts of interest. Similar to the process for Ulrik’s appointment, consideration was also given to the provisions of the Code of the particular attributes required of a non-executive director, and to the FRC’s ‘*Guidance on Board Effectiveness*’ as it relates to the required skills of a non-executive director. The part of the Committee meeting which resulted in the appointment of Ulrik as Chair designate being recommended to the Board was chaired by Carl G. Shepherd, Senior Independent Director.

Details of the exception to the expectation set out in Provision 20 of the Code that open advertising and/or an external search consultancy should generally be used for the appointment of the chair and non-executive directors in the context of the Board appointment process described above are set out on page 91.

The Committee considers that by applying the principles of the Board Diversity Policy (with its requirement for the Committee to have specific regard to Parker and FTSE Women Leaders Reviews and the Listing Rules’ targets and the Board’s intention to meet these targets), it ensures that a diverse pipeline of board candidates will be available to the Company. See page 111 for further details on the Board Diversity Policy and how it was applied in connection with Board appointments in 2024.

### Appointment Process

- Committee discussion of candidate specification and required skill set
- Consider recommendations through Board contacts and advisers and/or search agency
- Review a shortlist of potential candidates for initial interviews with Committee members and Executive Directors
- Final proposal circulated
- Committee recommends candidate to the Board
- Induction programme organised by the Company Secretary
- Proposed election by shareholders at the first AGM following appointment



## Nomination Committee Report continued

### CASE STUDY

## Inducting a new Non-Executive Director

On his formal appointment to the Board on 02 May 2024, Paul Duffy completed a comprehensive induction programme designed to ensure he developed a clear understanding of the Hostelworld business, its stakeholders and its culture. Over a number of months, Paul participated in the following series of induction engagements:

- Introductory meeting with other non-executive Board members.
- Meetings with the CEO with particular emphasis on strategy, operational KPIs and growth opportunities.
- Meetings with the CFO with particular emphasis on financial performance, financial accounting processes and risk identification and management.
- Meetings with each member of the Executive Leadership Team.
- Meetings with the statutory auditors and brokers.
- Scheduled series of meetings with the Chief People Officer with particular emphasis on remuneration practices and compliance requirements affecting the Company and understanding the internal values and culture of Hostelworld.
- Compliance training provided by the Company Secretary on the Company's governance structures and responsibilities as a listed company, with particular emphasis on directors' duties and obligations in respect of market abuse regulation compliance and the requirements of s. 172(1) of the Companies Act 2006.

### Board Induction Programme

On joining the business, all newly appointed Board members are provided with a tailored induction programme organised by the Company Secretary and approved by the Chair. The induction programme is intentionally managed over a number of months and is designed to bring a new Director up to speed on the Company's business, strategy, governance structures and culture. Programmes are tailored to the requirements of the individual and to ensure alignment with the activities of the Committees the new Board member has been appointed to. New Board members are asked to present their observations from the induction and on-boarding process to the Board after an initial settling in period. New Board members also have access to the support and service of the Company Secretary who arranges access to the digital platform used by the Board for Board papers, materials and regulatory updates.

### Succession Planning – Executive Directors and Executive Leadership Team

#### Executive Directors

During the year, the Committee reviewed succession plans for the CEO and CFO to ensure that changes to the Executive Director positions are proactively planned and co-ordinated. As part of this process, detailed role profiling assessments were completed for both positions to ensure the required capabilities of potential future

candidates were aligned to the requirements of the roles and to both the strategy and culture of Hostelworld and its status as a listed business.

### Executive Leadership Team

During the reporting period, the Committee reviewed succession plans for each member of the Group's Executive Leadership Team to ensure there is a diverse supply of senior executives and potential future Board members with the necessary skills and experience to deliver the Group's strategy. In addition, the Committee welcomed the strengthening of the Group's talent pipeline with the appointment of Lissa Rao as Chief Product Officer in 2024.

### Key High Performers

The Committee receives periodic updates on talent management programmes for senior executives and key high performers to ensure there is a diverse supply of senior executives and potential future Board members with the necessary skills and experience to deliver the Group's strategy.

### Training

It is essential to the effective functioning of the Company's Board and Committees that the Company's Executive and Non-Executive Directors are aware of recent and upcoming developments. All Directors are required to keep their knowledge and skills up to date and, as required, professional advisers are invited to provide in-depth updates. Updates and training are not reserved for legal and regulatory developments but aim to cover a range of issues including online travel and market trends, ESG developments, and developments and innovation in technology. The Group's Company Secretary provides regular updates to the Board and its Committees on legal and regulatory matters.

- Each Director receives training on their duties under section 172(1) of the Companies Act 2006 as part of their induction process.
- The Audit Committee received training on the programme of activities implemented to ensure the Company complied with CSRD obligations (expected to apply to the Group from 01 January 2025) and Market Abuse Regulation compliance.
- The Audit Committee received an update on legal developments in the areas of online regulation, cyber-risk and security, employment law, and capital markets compliance and the programme of activities implemented by the Group to ensure related compliance.
- All Directors attended regular external briefing sessions on topics relevant to their role as Directors.

### Board and Committee Performance Review and Re-Election of Directors

The results of the Board performance review and Director appraisal process are set out on pages 114 and 115. The Committee recommended to the Board, after evaluating the balance of skills, knowledge, independence and experience of each Director, that all Directors seek election or re-election (as applicable) at the Company's forthcoming AGM. The Committee's effectiveness was reviewed as part of the Board performance review exercise. The Nomination Committee and the Board considered the outcome of the evaluation and are satisfied that the Nomination Committee is performing effectively.

### The Board's Policy on Diversity

#### UK Listing Rule (UKLR) 6.6.6R(9)

The Board's objective to drive the benefits of a diverse executive leadership team and wider workforce is underpinned by the Board's Diversity Policy. Diversity in terms of Board composition is considered in a broad sense and includes age, gender, cultural background, geographical diversity and business background in line with the Company's Board Diversity Policy. The Board is particularly conscious of the recommendations of both the Parker and FTSE Women Leaders Reviews and the revised targets and 'comply or explain' reporting requirements set out in the Listing Rules, and it is the Board's intention to strive to meet these targets on an on-going basis. UKLR 6.6.6R(9) requires that listed companies state in their annual reports whether they have met the targets set out in that rule and, where they have not met one or more of those targets, they should identify them and explain their reasons for not doing so. The Company did not meet the stipulated 40% target for female representation on the Board at year end. As at 31 December 2024 and at the date of publication, 29% of the Company's Board members were female. The Board also did not meet the stipulated target of having at least one Board member from an ethnic minority background. However, the Committee is pleased that our Board remains compliant with the target for one of the 'key Board roles' to be occupied by a female Board member, with Caroline Sherry as CFO, and that the Audit Committee continues to be chaired by another female Board member, Éimear Moloney.

### Explanation Against UKLR 6.6.6R(9)

The principal reason that we have not met all of the targets is that the overriding priority across all Board appointments remains, in accordance with our Board Diversity Policy, appointment of the most suitable and skilled candidates for the role on merit against objective criteria while having specific regard to the benefits of diversity. While a number of female candidates were considered (and particular and careful regard was had to the benefits of diversity) in connection with the process resulting in the Board appointments in 2024 described earlier in this report, ultimately the appointments were recommended by the Committee and endorsed by the Board on the basis that the successful candidates were the most suitable and skilled candidates for the respective roles based on objective criteria.

Nomination Committee Report continued

Details of our performance against these targets as at 31 December 2024 is as follows:

	Number of Board Members	Percentage of the Board	Number of senior positions on the Board (CEO, CFO, SID and Chair)	Number in Executive Management <sup>(1)</sup>	Percentage of Executive Management <sup>(1)</sup>
Men	5	71.4%	3	6	75%
Women	2	28.6%	1	2	25%
Other categories	–	–	–	–	–
Not specified/prefer not to say	–	–	–	–	–

	Number of Board Members	Percentage of the Board	Number of senior positions on the Board (CEO, CFO, SID and Chair)	Number in Executive Management <sup>(1)</sup>	Percentage of Executive Management <sup>(1)</sup>
White British or other White (including minority-white groups)	7	100%	4	8	100%
Mixed/Multiple Ethnic Groups	–	–	–	–	–
Asian/Asian British	–	–	–	–	–
Black/African/Caribbean/Black British	–	–	–	–	–
Other ethnic group, including Arab	–	–	–	–	–
Not specified/ prefer not to say	–	–	–	–	–

<sup>(1)</sup> Executive management comprises the members of the Executive Leadership Team (including Company Secretary).

The Company Secretary collects data on gender identity and ethnicity directly from our Board using an IE&D Form while gender identity and ethnicity data is self-reported by members of Executive Management on the Group's online HR platform. All data is held securely in compliance with data protection requirements.

The Board Diversity Policy sets out the approach to diversity on the Board with the stated aim of having a balanced Board that has the appropriate skills, knowledge, experience and diversity for the needs of the business. Diversity is considered in its broadest sense and includes age, gender, education and background. The explicit objectives of the Board Diversity Policy are to (1) provide the basis for improving the quality of decision-making on the Board by reducing the risk of group think; and (2) ensure that the possibilities for maximising the Company's success and achieving its strategic goals are optimised by having the right skillsets and a breadth of perspectives on the Board.

As part of the annual review of the effectiveness of the Board, Committees and individual Directors, the Diversity Policy requires the Nomination Committee to specifically consider and assess the adequacy of the diversity representation on the Board. This assessment was made by the Committee during the reporting period who confirmed that the Board was considered sufficiently diverse in terms of its balance of skills and experience.

The policy statement included in the Diversity Policy provides that Board appointments are made on merit in the context of the skills, experience, independence and knowledge which the Board (as a whole) requires to be effective, with the Board also recognising the benefits of Board diversity and inclusion and being required to have particular regard to the Parker and FTSE Women Leaders Reviews and the Listing Rules' targets on diversity and inclusion. In this regard, it is the Boards intention, as reflected in the Board Diversity Policy, to endeavour to meet the Listing Rule targets in respect of composition of both the Board and its Committees. The Committee confirms that this policy was followed during the year in the decisions to recommend the future Chair, Remuneration Committee Chair and Board appointments of Ulrik Bengtson and Paul Duffy.

The Committee is fully supportive of having a diverse Board and will continue to have particular and careful regard to the benefits of diversity in the context of succession planning and Board refreshment and renewal going forward. In this regard, the Committee will ensure that the recommended targets relating to gender and ethnic diversity on the Board are central to its considerations. The Committee also confirms that it will ensure that future Board recruitment processes are conducted in a manner that encourages candidate diversity by requiring any external search consultancy it uses to have published policies or adhere to codes of practice that promote diversity, inclusion and equal opportunity in its selection and sourcing of potential Board candidates.

All Committee members are drawn from the Board. Accordingly, the above policy considerations are automatically taken into account when considering Committee membership.

Diversity in the Group

In terms of diversity at a broader level, the Group maintains an Inclusion, Equity and Diversity policy (the "IE&D Policy") which is overseen by the Committee and applies to all staff. The IE&D Policy includes the following key objectives:

- Ensure that Hostelworld is representative of the diverse society we live in and that our culture is inclusive and provides equal opportunities for all.
- A culture of learning about differences and understanding the issues that minority groups face in society and the workplace is created.
- Ensure Hostelworld is a workplace where our differences are celebrated, and our people feel comfortable sharing their unique perspectives.
- Where possible, ensure our external focused activities reflect the diverse society we live in.

The Committee views the Group's IE&D policies and practices as being an essential means to ensure the correct values and behaviours are implemented and embedded in the business. The Committee conducted an extensive review of the progress made by the Group over 2024 on its IE&D strategy and was pleased to see

the Group's efforts in this vital area recognised with the awarding, in September 2024, of the Diversity in Tech DE&I Special Initiative Recognition award. Details on how the Group's objectives on IE&D, as overseen by the Committee, were progressed over the reporting period are set out on pages 37 to 39 of the Strategic Report. Details on the gender diversity of our wider leadership team (and their direct reports) and other employees are set out on page 39.

The Group continues to make progress on its commitments to IE&D, although we recognise that it is a continuous journey to ensure that we embed a culture that promotes equality and dignity in our working environment where all our people feel they belong. The previous adoption of clear principles of IE&D in respect of the Group's hiring and recruitment practices and their more recent inclusion into our leadership development programmes is particularly important as it sets the correct benchmark in terms of the Group's expected behaviours from both new employees and future leaders of the business. The Nomination Committee considers that the use of different employee engagement channels to establish employees' views on the issue of IE&D remains vital, as insights from different sources ensure that the adoption of diversity and inclusion practices is based on complete information and data and aligns with best practice (see pages 98 and 99 for further information on the different channels used to engage with colleagues).

How our Policies on IE&D Links to Strategy

The most valuable asset the Group has is (and will remain) its people, without whom the Company cannot deliver on its strategy. By embracing and promoting IE&D and ensuring we have a diverse workforce we enhance the ability to execute on our strategic objectives by achieving the following:

- Ensure continuous innovation by avoiding 'group think'
- Increase productivity by attracting and retaining the best people
- Better serve our global hostel partners and traveller customers by ensuring diversity in our workforce reflects the diversity of these key stakeholders



Nomination Committee Report continued

Board, Committee and Director Effectiveness

The effectiveness of the Board and its Committees is essential to the success of the Group. On an annual basis, a questionnaire-based review process is undertaken which considers the effectiveness of the Board, its Committees and individual Directors. The Company Secretary, in consultation with the Chair of the Board and Chairs of the Committees, analyses the results of the performance review by reference to the scores given and the specific observations made and improvements suggested, following which such results are presented to and discussed by the Board and its Committees. The review identifies areas for improvement and highlights areas of expertise and knowledge which are then considered in the context of training requirements and succession planning.

Progress Against 2023 Board Performance Review Actions

Set out below is the progress made in 2024 against actions identified as part of the 2023 Board effectiveness review:

Action	Progress
Continue the qualitative research and assessment of the opinions of Hostelworld’s core customer groups (young travellers and hostel owners) to further inform trading and strategy discussions at Board level	Insights on the preferences and perspectives of these core customer groups were used to inform Board assessments of related strategic proposals
An enhanced focus to be applied on potential longer-term strategy dynamics and trends impacting the Company and resulting opportunities that may arise	An enhanced focus on long term strategy over the reporting period with a specific Board meeting in September 2024 dedicated to strategy development
Succession planning over 2024 should continue to be a key focus area given the tenure of the majority of the Company’s non-executive directors	Implementation of succession plans for non-executive Board roles culminating in the appointments of Ulrik Bengtsson and Paul Duffy
Continued focus to be applied on agreeing topics for interactive and team-based discussion with the Executive Directors and broader management team	The CEO and Chairman have scheduled meetings between Board meeting dates to agree on topics for team-based discussions at Board meetings

Board Performance Review 2024

Key Board Strengths	Areas to focus on in 2025
Board and Committees are effective, and the quality of reports published by the Committees are of an appropriate standard	Further Board time spent on potential longer-term strategy dynamics and trends impacting the company and resulting opportunities that may arise (AI, social media shaping travel demand, new business opportunities, and emerging consumer travel patterns)
External Board relationships with investors, auditors and advisers are working effectively	Succession planning for Board and more generally in the business over 2025 to be a key focus area (with due regard to the benefits of diversity)
Board meets with a sufficiently wide cross section of the ELT on a regular basis	Ensure the internal Board relationships are working effectively following the appointment of a new Chair, Remuneration Committee Chair and Non-Executive Director in 2024
Sufficient and timely updates are provided to the Board on governance and regulatory matters	Consider opportunities for more engagement between Board members and the workforce
Company identifies and manages risks (including climate change related risks) effectively and there are good processes for identifying and reviewing principal risks	Continue to promote the Company’s culture and values and ensure the culture is embedded

The Chairman also conducted an appraisal of the performance of each Director (considering the views of the other Directors) and reported that each Director continues to perform effectively and demonstrates commitment to the role. As part of the appraisal exercise, the Chairman assessed the individual and collective depth and breadth of skills, experience and knowledge of the Non-Executive Directors and concluded that these were adequate to enable the Board and its Committees to discharge their respective duties and responsibilities effectively. Led by the Senior Independent Director, an assessment of the new Chairman’s performance in the short period following his October 2024 appointment was carried out which confirmed that the Chairman was performing effectively in his role.

External Performance Review Assessment

Consistent with prior years, the Board considered the benefits of having a Board performance review exercise performed by an external third-party consultant but elected not to do so in circumstances where the performance review process proposed by the Company Secretary and approved by the Chairman was comprehensive, confirmed by an external governance lawyer as being appropriate and consistent with the requirements of the Code, being for the Chairman to consider having an externally facilitated review, and was fully aligned with the published guidelines of the Financial Reporting Council during the year under review.





Responsible Oversight, Delivering Confidence

4. Audit, Risk and Internal Control – Principles M-O of the 2018 Code  
Audit Committee Report



Éimear Moloney  
Audit Committee Chair

Committee members and meeting attendance:

Membership	No. of scheduled meetings/ total no. of scheduled meetings held when the Director was a member	Attendance %
Éimear Moloney	4/4	100%
Paul Duffy <sup>(1)</sup>	3/3	100%
Carl G. Shepherd	4/4	100%
Evan Cohen	4/4	100%

<sup>(1)</sup> Paul Duffy was appointed as a member of the Audit Committee on 02 May 2024.

See pages 86 to 89 for further information on current Audit Committee members.

Committee Composition

Appointments to the Committee are for a period of up to three years, which may be extended for two further periods of up to three years. The Audit Committee’s composition complies with the requirements of the Code. The Company Secretary acts as secretary to the Committee. The CFO attends each meeting, and other representatives from the Group as required including the CTO, the Head of Security and the DPO.

The Board is also satisfied that all Committee members are independent, have the competence and broad experience relevant to the online travel sector in addition to a diverse range of skills, experience and expertise to ensure meaningful and effective contribution to the Audit Committee and that the committee chair Éimear Moloney, B.A. Accounting and Finance, FCA, has appropriate recent and relevant financial experience.

**Terms of Reference**  
The Terms of Reference of the Audit Committee, which were reviewed during 2024, are available on the Company’s website at [www.hostelworldgroup.com](http://www.hostelworldgroup.com).

**Key Responsibilities**  
Monitor the integrity of the financial statements of the Group and Company in its yearly and half-yearly reports, including critical judgements in applying the Group’s accounting policies, key sources of estimation uncertainty, and the information supporting the financial statements being prepared on a going concern basis.

Assess whether the Annual Report, taken as a whole, is fair, balanced and understandable, facilitating shareholders assessment of the Group’s position and performance, business model and strategy.

Review the adequacy and effectiveness of the Group’s internal control framework.

Monitor the effectiveness of the Group’s risk management systems and procedures, the identification of principal and emerging risks and complete an assessment of the Group’s Risk Register and the climate related risks and opportunities impacting the Group. Complete focused reviews on particular areas of risk.

Perform an annual review of compliance with the UK Corporate Governance Code.

Assess the Group’s compliance with sustainability reporting frameworks and disclosures.

Monitor and review the effectiveness of the internal audit function, with PwC.

Monitor and review the effectiveness of Group external auditors, KPMG, review their independence and approve their remuneration, including any non-audit fees.



Audit Committee Report continued

Dear Shareholder

As Chair of the Audit Committee, I am pleased to present this report setting out the work of the Audit Committee for the year ended 31 December 2024 including primary activities of the Committee and detail on how the Committee discharged its responsibilities across 2024. The Committee plays an important role in ensuring the Group's financial integrity through oversight of the financial reporting process, including the risk and control systems, including general IT controls, which underlie that process. Throughout the year the Committee focused on the issues most relevant for the financial statements including business performance, assessing key judgments and ensuring the overall quality of the related disclosures.

As Audit Chair, I regularly meet with the CFO on matters including business performance, strategy and areas of risk and mitigation of same. A key focus across 2024 was compliance with the TCFD sustainability regulations and a focus on the Group's readiness to comply with the CSRD regulations. In 2024 we proactively prepared for CSRD compliance, completing double materiality assessments and gap analysis, ahead of the expected 01 January 2025 compliance date. The EU's subsequent simplification in February 2025 has placed us outside the current CSRD scope, due to Hostelworld having less than 1,000 employees. We will continue to track regulatory changes and adapt our reporting as necessary.

During the year I also requested specific updates to the Committee from subject matter experts including the DPO on data security, the CTO on the emerging risk for artificial intelligence and the Head of Security on cyber risk. The purpose of these updates was to ensure the Committee had a comprehensive overview of the risks associated with these topics and to assess the mitigating controls management have put in place.

I regularly engage with PwC, the Group Internal Auditors, and KPMG, the external statutory auditors. The details of these engagements are set out within the Committee report including the Committees assessment of the independence of these functions.

Following each Audit Committee meeting, I ensure the Committee communicates the main discussion points and findings to the Board.

I look forward to receiving your support at our 2025 AGM, where I will be available to answer any questions that shareholders may have on this report or in relation to any of the Audit Committee's activities. Alternatively, if you have any questions, please feel free to contact me via the Company Secretary (email: [corporate@hostelworld.com](mailto:corporate@hostelworld.com)).



**Éimear Moloney**  
Chair, Audit Committee  
19 March 2025

Principal Activities Completed during 2024:

Audit Committee Activities:	March 2024	August 2024	October 2024	December 2024
<b>Financial Control</b>				
Review and approve preliminary results	✓	✓	–	–
Consider key audit accounting issues and judgements	✓	✓	✓	✓
Review correspondence with the Irish Auditing and Accounting Supervisory Authority ("IASSA")	✓	✓	–	–
Approve the liquidity position of the Group and the appropriateness of the going concern assumption in preparing financial statements	✓	✓	–	✓
Approve the viability statement prepared relating to the Group	✓	–	–	–
Consider accounting policies and the impact of new accounting standards on the Group	✓	✓	–	✓
Review the Annual Report and Interim Statement and confirm if the reports are fair, balanced and understandable	✓	✓	–	–
Approve the Annual Report and the Interim Statement for signing by the Group's Executive Directors	✓	✓	–	–

Audit Committee Activities:	March 2024	August 2024	October 2024	December 2024
<b>Risk Management</b>				
Review the principal and emerging risk register assessment prepared by the Hostelworld team, including processes to complete	✓	✓	–	✓
Review sustainability reporting for the group including: <ul style="list-style-type: none"><li>TCFD workplans and assessments completed by management</li><li>Group risk and opportunity register</li><li>Climate scenario analysis</li><li>CSRD compliance roadmap and processes underpinning the double materiality assessment prepared by management</li></ul>	✓	–	✓	✓
Review security updates from the Group's Head of IT Security, and related risk dashboards to monitor threats to the Group's IT environment	–	✓	–	✓
Review a report on the impact of artificial intelligence on the Group, policies being constructed and the management of the emerging risk area	–	–	–	✓
Review business continuity plans in place	–	✓	–	–
Review the effectiveness of the Group's antibribery and fraud procedures	–	–	–	✓
Receive and review reports from the DPO	–	✓	–	–
Complete a review of financial, compliance, operational and IT control framework	✓	–	–	–
Monitor Group whistleblowing procedures and reports	–	–	–	✓
<b>Internal Audit</b>				
Review and approve internal audit plan, taking account of the Group Principal Risk Register and related risk management processes.	–	✓	–	✓
Review results of internal audits completed during the year and monitor progress on open actions and findings	–	✓	–	✓
Committee meeting with internal audit, without attendance of the senior management of the Group	–	✓	–	✓
Complete evaluation of internal audit function and effectiveness of internal control systems	–	–	–	✓
<b>External Audit</b>				
Consider external audit plan presented by KPMG and discuss the critical accounting policies and judgements that had been applied	–	–	✓	–
Confirm auditor independence and objectivity	–	–	–	✓
Complete evaluation of external statutory audit function	–	–	–	✓
Approve auditor engagement fees for audit services provided, and if relevant any non-audit services engaged (none provided)	–	–	–	✓
Committee meeting with external audit, without attendance of the senior management of the Group	✓	–	–	–
Receive a report from the external auditors on the results of the financial statement and IT audit and consider any errors or internal control recommendations arising	✓	–	–	–
Review management representation letter requested from the external auditors for any non-standard issues and monitor action taken by management as a result of any recommendations	✓	–	–	–



Audit Committee Report continued

Critical Judgements in applying the Group’s Accounting Policies, and Key Sources of Estimation Uncertainty

In respect of the year ended 31 December 2024, the Audit Committee considered key areas in which estimates or judgements had been applied in the preparation of the financial statements including, but not limited to, the significant issues below. At each meeting during the year the Audit Committee received a paper from management assessing each critical judgement and key sources of estimation uncertainty impacting the Group.

Significant Issue	Assessment
Development Labour	The Group incurs significant internal costs in respect of the ongoing development and modernisation of its IT systems and enabling its social orientated growth strategy. The accounting for these costs as either development costs, which are capitalised as intangibles, or expenses as they are incurred, involves judgement. The Audit Committee has reviewed management’s application of the accounting policy adopted and the assessment as to whether current projects meet the criteria required for costs to be capitalised (including feasibility of completion, intention to complete, probable economic benefits, availability of resources to complete, and ability to measure expenditure). The Audit Committee considers the approach taken and the application of the policy to be appropriate.
Carrying Value of Goodwill and Intangible Assets	The estimated recoverable value of the Group’s goodwill and intangible assets is subjective due to inherent uncertainty involved in forecasting and discounting future cash flows. The Audit Committee reviewed valuations prepared on the Group’s goodwill and intangible assets carrying value. The Audit Committee reviewed the methodology applied including ensuring that the discount rates used were appropriate, that the assessment of a singular CGU was appropriate and reviewed the sensitivity analysis performed on key assumptions including the Group’s growth and discount rates. The Audit Committee are satisfied with the headroom included in the valuation models and disclosures set out in the Annual Report.
Deferred Tax Recoverability	The Audit Committee has reviewed the Group’s ability to recover deferred tax assets recognised, the headroom included within the modelling and sensitivity analysis. The losses and timing differences which relate to the deferred tax assets recognised do not expire. As a result of their review, the Audit Committee are satisfied with the carrying value at 31 December 2024 and the disclosures made in the Annual Report.
Going Concern	<p>The Audit Committee reviewed the Going Concern and Viability Statement prior to recommending them for approval by the Board. The Group’s assessment of viability is set out on page 73 and the Directors’ assessment of going concern is set out within note 1 to the Consolidated Financial Statements on page 169. This review included assessing the effectiveness of the process undertaken by the Directors to evaluate going concern, including any scenario analysis performed on budgeting assumptions and considered the impact of climate change and geopolitical unrest. The Audit Committee also considered in their assessment the principal risks and uncertainties facing the Group and the impact on the Group’s financials should they realise.</p> <p>The Audit Committee and the Board consider it appropriate to adopt the going concern basis of accounting with no material uncertainties as to the Group’s ability to continue to do so.</p>

Assessment of Annual Report and Financial Statements: Fair Balanced and Understandable

The Audit Committee received copies of the Annual Report during the drafting stage and provided feedback to the Hostelworld team. The Annual Report process is designed to give the Audit Committee and Board appropriate time to review including assessing whether it is fair, balanced and understandable, as required by the Code. In their review, the Audit Committee also considered whether the Annual Report contained the necessary information for shareholders to assess the Group’s results and performance, business model and strategy. In particular, the Audit Committee considered

if the Annual Report fairly reflected the challenging economic backdrop of 2024 driving a reduction in average booking values and revenue, the future strategic direction of the Group and whether the TCFD sustainability disclosures included were accurate and complete.

In their assessment the Audit Committee also took into account weekly reporting from management on trading performances and KPIs, discussions with and audit summary documents obtained from external auditors KPMG and reports prepared by the CFO and Company Secretary on compliance with key regulations and on key areas of judgement and areas of estimation uncertainty.

The Audit Committee is satisfied that on balance, the Annual Report represents an accurate and fair narrative of the key events of 2024, both positive and negative, and the strategy as approved by the Board. The Audit Committee is also satisfied that the narrative in the strategic report and governance sections of the Annual Report is also consistent with the financial reporting contained in the financial statements.

External Auditors

The Group’s external auditor is KPMG, Brian MacSweeney is the signing audit partner and 2024 was the second year of the KPMG engagement.

Across 2024 the Committee continued to review the quality of the KPMG external audit and provided oversight in relation to the external auditor’s relationship with the Group including agreeing the external auditor’s terms of engagement and level of remuneration, monitoring their independence, objectivity and approach to quality, assessing the quality of the external audit plan and reviewing the content of the audit summary papers. The audit summary papers comprise the key findings from KPMG and was presented in March 2025 prior to the finalisation of the Annual Report. Their presentation included a schedule of unadjusted errors and misstatements (none noted), any control deficiencies (none noted) and their work completed on significant judgements and estimations and key areas of risk. The Audit Committee also reviewed and agreed the Letter of Representation. Ultimately the Committee concluded that the work completed by KPMG was of high standard and were satisfied with the expertise and resources available.

During the year the Audit Committee met with the external auditor without management being present to provide the opportunity for direct dialogue between the Audit Committee and KPMG.

Non-Audit Fees

To ensure no impact to audit independence and objectivity, the Group and Company has in place a policy on the provision of non-audit services. Under the policy, except in exceptional circumstances, non-audit fees to the audit firm should not exceed 70% of the total amount of the audit fee for the current financial year. Non-audit work with an expected cost in excess of €30,000 must be subject to competitive tender and approved by the Audit Committee. During 2024 and 2023, KPMG provided no non-audit services to the Group.

Internal Audit

The role of the internal audit function is to provide independent and objective assurance, advice and insight on governance, risk management and internal controls to the Board, Audit Committee and the Group. The primary reporting of the internal audit function is outsourced to PwC. The Audit Committee considers that PwC continue to be independent and effective, and is satisfied with the quality, experience and expertise of PwC as its internal auditor.

In 2024, the Audit Committee received one report from PwC covering the readiness of the Group to comply with CSRD regulations, and the controls and framework in place underpinning the double materiality assessment completed by the Group in 2024. In addition, the Committee obtained a report from industry leading security specialist, who was familiar with Hostelworld technology systems and structures, detailing a simulation exercise they completed to assess the Group’s incident management processes. The simulation was focused on cyber security and business continuity and the Group’s readiness to respond to an incident.

In their review the Audit Committee consider the results of the audits undertaken and the adequacy of management’s response to matters raised, including the time taken to resolve such matters. There were no open findings at year end relating to prior internal audit reviews performed.

In March 2024 the Audit Committee reviewed and agreed the internal audit plan for 2025 with PwC following consultation between PwC and the Group’s senior management, which the Audit Committee believes is appropriate to the scope and nature of the Group’s activities.

Risk Management

Overall responsibility for risk management is with the Board. The Audit Committee assists the Board by taking delegated responsibility for risk identification and assessment, in addition to reviewing the effectiveness of the Group’s risk management and internal control frameworks and making recommendations to the Board thereon. Effective risk management underpins the Group’s operating, financial and governance activities. The Group’s approach to risk is to manage, rather than eliminate, the risk of failure to achieve business objectives and provide reasonable, but not absolute, assurance against material misstatement or loss.



Audit Committee Report continued

In 2024 the Audit Committee performed two detailed assessments of the principal and emerging risks faced by the Group within the Group Risk Register. The Audit Committee received presentations from the CFO and from Group functional leads across cyber security and technology, legal and data protection, financial reporting and taxation. Proactive attention is given to key risks where the probability of occurrence and extent of impact are elevated by the consequences of geopolitical conflicts, climate change and a deteriorating global economic outlook. The Group Risk Register are those that could have a material adverse impact on the Group's prospects, business model, its financial condition, reputation, and the results of its operations. The assessment included a description of the impact of the risk materialising for the Group, how the Group manages and mitigates against the risk and the direction of change in the risk profile during 2024. Further detail on the risk identification process and the principal and emerging risks impacting the Group is set out within Principal Risks and Uncertainties on pages 62 to 72.

The Audit Committee also received two presentations in 2024 from the ESG Steerco led by the CFO, on current and anticipated future ESG reporting obligations related to TCFD and CSRD. These presentations provided the Committee with the opportunity to assess the principal climate related risks and opportunities impacting the Group, to review the control and reporting frameworks being put in place to comply with CSRD and to validate the sustainability related disclosures within the Annual Report. Further detail is set out within the Sustainability Report on pages 42 to 61.

The Audit Committee also received reports of reviews undertaken by the Group internal auditors, PwC, and the external auditors, KPMG, which include details of outcomes of tests performed on the effectiveness of the controls of the Group over significant risk areas and key financial reporting cycles.

The Committee continue to be satisfied that the Group's risk management framework remains appropriate and effective and has reported this opinion to the Board.

Internal Control

The focus and design of the Group's internal control environment is to identify, evaluate, mitigate and monitor the principal and emerging risks faced by the business, and to report such risks to the Board in a timely manner acknowledging that elimination of all risk is not feasible. Key elements of the Group's ongoing controls include:

- An organisational structure with clearly defined lines of responsibility, delegation of authority amongst the Group management, and a formal schedule of matters specifically reserved for decisions by the Board is maintained.
- A comprehensive annual strategy and budgeting process, which are reviewed and approved by the Board, together with a list of key risks and opportunities.
- Monitoring of performance against budgets and forecasts, and reporting of variance analysis and key performance indicators to the Board.
- Internal control systems and procedures to implement and monitor the use of these delegated authorities and capital expenditure controlled by budgetary processes in line with authorisation levels.
- Robust systems by which the Group's financial statements are prepared, which included assessment of key financial reporting risks arising through complexity of transactions, changes to the business, and changes in accounting standards.
- A culture of continuous learning and development, with 2024 focus areas related to testing of business continuity plans with individual teams, e-learning on fraudulent payments specifically designed for the finance function, anti-money laundering and cyber security, and phishing reviews to assess fraud awareness levels in the business units.
- An experienced and suitably qualified finance function that is fully conversant with the operations of the business.
- A Code of Conduct setting out behavioural and ethical standards, supported by clear anti-bribery and corruption guidelines, and a whistleblowing policy with an external independent hotline is well documented and understood.
- An Internal Audit function which independently reviews key business processes and controls and their effectiveness.
- The Audit Committee, which approves audit plans, monitors performance against plans and deals with significant control issues raised by internal or external audit.

In March 2025 the Audit Committee completed a detailed review of the operation of each key control impacting financial statement disclosures. The Committee continue to be satisfied that the Group's internal controls environment remains appropriate and effective and has reported this opinion to the Board.

Annual Evaluation of Performance

The performance of the Audit Committee was assessed as part of the broader Board evaluation process in relation to its Terms of Reference, composition, procedures, contribution and effectiveness. The results concluded that the Audit Committee continues to operate effectively in line with the requirements of its Terms of Reference and that the role and remit of the Audit Committee remains appropriate in the current economic and risk climate and with regards to the needs of the Group.



Che Zipolite Hostel & Naked Beach Club, Zipolite, Mexico



Setting policy aligned to strategic objectives

5. Remuneration – Principles P–R of the 2018 Code  
Remuneration Committee Report



Paul Duffy  
Remuneration Committee Chair

Committee members and meeting attendance:

Membership	No. of scheduled meetings/ total no. of scheduled meetings held when the Director was a member	Attendance %
Paul Duffy <sup>(1)</sup> (Committee Chair from 02 May 2024)	2/2	100%
Carl G. Shepherd <sup>(2)</sup> (Committee Chair until 02 May 2024)	6/6	100%
Éimear Moloney	6/6	100%
Evan Cohen	6/6	100%
Ulrik Bengtsson <sup>(1)</sup>	2/2	100%
Michael Cawley <sup>(1)</sup>	5/5	100%

<sup>(1)</sup> Paul Duffy was appointed as a member and Chair of the Remuneration Committee on 02 May 2024. Ulrik Bengtsson was appointed as a member of the Remuneration Committee on 02 May 2024. Michael Cawley resigned from the Board and the Remuneration Committee on 10 October 2024.  
<sup>(2)</sup> Carl G. Shepherd stepped down as Chair of the Remuneration Committee on 02 May 2024 (but continues to be a member of the Committee).

See pages 86 to 89 for further information on current Remuneration Committee members.

Committee Composition

The Remuneration Committee is comprised of Paul Duffy (Chair of the Remuneration Committee since 02 May 2024), Éimear Moloney, Carl G. Shepherd and Evan Cohen (all of whom are independent Non-Executive Directors) and Ulrik Bengtsson (who was independent upon his appointment as Chairman of the Board on 10 October 2024).

Appointments to the Committee are for a period of up to three years, which may be extended for two further periods of up to three years. The Remuneration Committee's composition complies with the requirements of the Code. The Company Secretary acts as secretary to the Committee. The Remuneration Committee receives assistance from the CEO, CFO, Chief People Officer and Company Secretary, who attend meetings by invitation, except when issues relating to their own remuneration are being discussed.

Terms of Reference

The terms of reference for the Remuneration Committee, which were reviewed during 2024, are available on the Company's website at [www.hostelworldgroup.com](http://www.hostelworldgroup.com).

Key Responsibilities

Determine and agree with the Board the framework and policy for remuneration of the Executive Directors and the Executive Leadership Team (including the Company Secretary).

Determine, within the agreed policy, individual total compensation packages for the Executive Directors and the Executive Leadership Team (including the Company Secretary) annually, and consider, where necessary, internal and external measures.

Determine the compensation for the Chairman of the Board.

Ensure that remuneration policies and practices support strategy, promote long-term sustainable success, and that executive remuneration is aligned to the Company's purpose and values.

Review the ongoing appropriateness and relevance of the remuneration policy.

Engage with the workforce to explain how executive remuneration aligns with wider company pay policy, and review workforce remuneration and related policies and the alignment of incentives and rewards with culture.

Determine, within the agreed policy, any employee share-based incentive awards and any performance conditions to be used for such awards.

Approve targets and assess the achievement of performance conditions required for the payment of annual bonuses and benefits under any performance-related pay schemes.

Determine the achievement of performance conditions for the vesting of Long-Term Incentive Plans.

Review the design of all share incentive plans for approval by the Board and shareholders.

Prepare the Directors' Remuneration Report annually.



Remuneration Committee Report continued

Dear Shareholder,

As the new Chair of the Remuneration Committee, I am pleased to present the Company's Remuneration Report for the year ended 31 December 2024. I was privileged to take on the role of leading the Committee following my appointment to the Board in May 2024, and I am delighted that we continue to benefit from the knowledge and experience of my predecessor, Carl G. Shepherd, as a member of the Committee. I would also like to thank the other current Committee members for their contributions during the year and express my particular gratitude to Michael Cawley, who served as a valued member of the Committee during his time leading the Hostelworld Board.

Key Activities of the Remuneration Committee in 2024

The Remuneration Committee held 6 meetings during 2024 and, among other things, undertook the following activities:

- Finalised the 2023 Directors' Remuneration Report.
- Determined the 2024 salary increases for the CEO and other members of the Executive Leadership Team, as reported last year (the CFO's salary increase having been agreed in 2023).
- Considered and recommended to the Board the remuneration for the Chair designate to take effect from the date of his succession to the role of Board Chairman on 10 October 2024.
- Confirmed the extent of performance achievement and the payments under the annual cash bonus scheme for 2023.
- Confirmed the 100% vesting outcome for the Long-Term Incentive Plan ("LTIP") award made in 2021.
- Finalised the terms of the Directors' Remuneration Policy, for which shareholder approval was sought (and received) at the AGM held in May 2024.
- Agreed the performance conditions to apply to the cash bonus scheme to operate in 2024, and those to apply to the LTIP grant made in May 2024.
- Considered the remuneration issues raised in Provisions 32-41 of the UK Corporate Governance Code and assessed the Company's compliance with these Provisions.
- Reviewed overall workforce remuneration and related policies and considered the alignment of Executive Director pay with wider Company practices.

- Engaged with the wider workforce on relevant matters, including those relating to executive remuneration.
- Prior to the financial year end, determined the 2025 salary increases for the CEO and CFO.

Subsequent to the financial year end, the Remuneration Committee met to agree the 2025 salaries for the remaining members of the Executive Leadership Team, review and determine the final outturn of the 2024 annual bonus scheme, agree the provisional vesting level of the 2022 Restricted Share Award, agree the performance conditions to apply to the cash bonus scheme to operate in 2025, agree the targets for the LTIP award to be granted in 2025, and approve the contents of this Directors' Remuneration Report.

Executive Remuneration in 2024

The Committee was pleased to receive 98% support from shareholders for the new Directors' Remuneration Policy at the AGM in May 2024. As explained in last year's report, a key feature of the new Policy was the reintroduction of annual LTIP awards with three-year performance targets in light of the greater degree of stability in the business and better forward-looking visibility over future performance levels. Following shareholder approval of the new Policy, LTIP awards were granted to the Executive Directors and other key employees, with performance targets based on absolute TSR (70% weighting) and adjusted EPS (30% weighting). These awards will vest in 2027 based on performance achieved up to the end of 2026.

The cash bonus scheme for 2024 was based on the same performance measures and weightings as applied in 2023, namely adjusted EBITDA (70% weighting) and net revenue (30% weighting). Based on the performance achieved against the targets set in the earlier part of the year, there was a partial payout under the bonus scheme. The Remuneration Committee decided that this was a fair reflection of overall business performance and did not exercise any discretion to adjust the outcome. Payments to the Executive Directors were equivalent to 42% of basic salary for the CEO and 38% of basic salary for the CFO. The Remuneration Committee has agreed that the bonus payments for the CEO and CFO will be paid into their respective pensions, at no extra cost to the Company. Full details of the 2024 bonus scheme, including the specific performance targets which applied for the year, can be found on page 144.

The Remuneration Committee has also considered the vesting level of the 2022 Restricted Share Award. This award was granted in May 2022, following shareholder approval of a new Directors' Remuneration Policy to replace standard LTIP awards for 2022 and 2023. The award vests in May 2025 subject to continued employment and the Committee being satisfied with individual and Company performance over the three-year vesting period. Although the vesting period has not yet ended, the Committee has determined to recognise the value of the 2022 Restricted Share Award in the single total figure table of Directors' remuneration for 2024. This is consistent with the approach taken for awards of restricted shares by many other UK-listed companies which operate similar models and reflects the completion by December 2024 of a substantial portion of the overall vesting period (with the Committee being satisfied that the performance underpin had been met). The Company's overall performance has been positive since the grant of the award in May 2022, as reflected in share price growth since that time, and both Executive Directors have demonstrated a strong level of individual performance over the relevant period. As a result, the Committee has made a provisional assessment that the 2022 Restricted Share Award will vest in full in May 2025. Should the situation be different as at the actual date of vesting, the vesting level will be adjusted accordingly, with full details provided in next year's report. The vested awards will be subject to a two-year post-vesting holding period.

There are no other long-term incentive awards due to vest during 2025.

Implementation of the Remuneration Policy in 2025

The Directors' Remuneration Policy as approved in 2024 will continue to operate for 2025. The Remuneration Committee has agreed basic salary increases of 3% for the Executive Directors for 2025. This is lower than the average increase across the wider workforce of 6.3% for the year, which includes merit, promotion related, and market adjustment increases. Pension and benefits provision will remain unchanged for the Directors.

The CEO and the CFO will be eligible for cash bonuses up to a maximum value of 125% of basic salary and 100% of basic salary, respectively, the same levels as applied in 2024. Payment will again depend on the achievement of challenging targets linked to adjusted EBITDA and net revenue, which remain key financial

indicators for the Group. The targets have been set considering the budget for 2025 and expected performance levels over the year and are considered appropriately stretching. The specific targets are currently considered commercially confidential but will be disclosed in full in next year's report.

LTIP awards will be granted in 2025 at levels of 125% of basic salary for the CEO and 100% of basic salary for the CFO, the same grant sizes as 2024. The headline performance measures will remain unchanged, with an ongoing focus on absolute TSR (70% weighting) and adjusted EPS (30% weighting). The specific targets for the 2025 LTIP awards are set out on pages 144 and 145. The awards will include a two-year post-vesting holding period and the Directors will remain subject to the shareholding guidelines set out in the Remuneration Policy.

The Committee has again considered whether either the cash bonus scheme and/or the LTIP should include an element linked to the achievement of non-financial performance measures, including ESG metrics. The Committee has concluded that the exclusive focus on financial measures in both short and long-term incentive schemes remains appropriate for 2025. The measures chosen – adjusted EBITDA and net revenue for the annual bonus scheme, and absolute TSR and adjusted EPS for the LTIP – are all key indicators of financial performance which are closely monitored by the Board, by management, by shareholders and by other market participants. At the current time, no compelling case has been made for reducing the focus on these key measures by introducing non-financial performance conditions. The Committee will continue to keep this matter under close review.

Remuneration for the wider Hostelworld Group

The Remuneration Committee regularly reviews remuneration practices across the wider Group and considers the alignment between the pay policy for the Executive Directors and that for others in the organisation. After a number of years without bonuses, the payment of a bonus in early 2024 in respect of 2023 was a testament to the success of the entire organisation in driving improved levels of performance across the business and was positively received by colleagues within the business. Senior colleagues also received grants under the LTIP in 2024, with vesting subject to the same performance conditions as apply to the Executive Directors. This aligns a broad group of



## Remuneration Committee Report continued

employees with financial performance targets which are closely tied to enhanced shareholder returns and business success.

Further details of wider workforce remuneration during the year are set out on pages 142 and 143.

### UK Corporate Governance Code

The Company currently reports against the provisions of the UK Corporate Governance Code as published in 2018 (the “Code”). The 2024 version of the UK Corporate Governance Code will apply to the Company with effect from the start of the 2025 financial year (with the exception of the new Provision 29), and we will report against this new version (other than in respect of Provision 29) in next year’s report.

The Committee is of the view that the Directors’ Remuneration Policy and its implementation is fully consistent with the Remuneration Principles in the Code, with the growth strategy of the business encouraged by the use of incentive schemes which are focused on financial outperformance. The business’s purpose is based around inspiring people through travel. Hostelworld is a key player in the growing travel market and executive remuneration rewards our ability to expand the hostelling category and capture further growth for the benefit of shareholders and other stakeholders. The business has a number of core values, central to which are a focus on putting the customer first (critical for our ability to enhance our reputation and grow the business), prioritising simplicity over complexity and working well together as a team. These values are reflected in executive remuneration by, among other things, the growth which will result from focusing on the customer, a simple approach to pay design and the performance focus across the entire company.

Hostelworld continues to comply with the Code’s remuneration provisions, with two exceptions. Details of these Code exceptions and explanations for non-compliance are set out on pages 90 and 91.

The Policy and its implementation is also aligned with the factors set out in Provision 40 of the Code:

**Clarity:** The Directors’ Remuneration Policy and the way it is implemented is clearly disclosed in this Annual Statement and the supporting reports provide full transparency of all elements of Directors’ remuneration for the year under review.

**Simplicity:** The Policy is relatively straightforward and aligned to conventional market practice. Fixed remuneration is complemented with an annual cash bonus scheme and a three-year performance-based long-term equity award.

**Risk:** The Policy involves performance-based incentives which are agreed by the Remuneration Committee following extensive discussion. Targets are designed to be stretching but are not intended to encourage the taking of risks. There are suitable governance protections within the Policy, such as malus and clawback provisions and the Committee’s ability to operate a discretionary override.

**Predictability:** The Policy includes full details of the individual limits in place for the pay schemes. Any discretion exercised by the Committee in implementing the Policy will be fully disclosed. The Committee did not exercise any discretion in respect of Directors’ remuneration in 2024.

**Proportionality:** The link between the delivery of strategy and long-term performance and the remuneration of the Executive Directors is set out in this Annual Statement, the Directors’ Remuneration Policy and the Annual Report on Remuneration. This has been enhanced with the reversion to long-term performance-based awards under the LTIP with effect from 2024.

**Alignment to culture:** The approach to Directors’ remuneration is consistent with key Group cultural tenets of transparency, inclusion and performance. We have closely aligned the pay structures for Directors with those in place elsewhere in the Company as we seek to retain and motivate key talent at all levels. This is reflected, for example, in the structure of the cash bonus scheme which restarted in 2023 and the inclusion of a number of senior leaders within the LTIP.

The Remuneration Committee engaged with the wider workforce during the financial year through Evan Cohen, the designated Non-Executive Director responsible for employee engagement. This engagement covered a wide number of issues relating to pay practices across the Company and also included a discussion of the way in which executive remuneration aligns with wider Group policies.

Following each meeting, the Remuneration Committee communicates its main discussion points and findings to the Board.

### Structure of this Report

This report has been prepared in accordance with the relevant UK reporting regulations, the Listing Rules and the UK Corporate Governance Code. The report is divided into three parts:

- This Annual Statement
- A summary of the Directors’ Remuneration Policy which was approved by shareholders at the AGM in May 2024
- The Annual Report on Remuneration, which sets out payments made to the Directors and details the link between Company performance and remuneration for the 2024 financial year. The Annual Report on Remuneration together with this Annual Statement is subject to the standard advisory shareholder vote at the forthcoming AGM.

In addition, at the AGM we will be seeking separate shareholder approval for our LTIP rules. The existing rules were approved in 2015 and have reached the end of their ten-year life. The new rules substantively replicate the 2015 rules, although we have reviewed the detail and made some minor wording changes and amendments to bring the rules into line with current market practice. The individual limits in the rules are unchanged and all awards to be made to the Executive Directors under the LTIP will remain consistent with the terms of the Directors’ Remuneration Policy. A summary of the new rules is included in the explanatory notes to the Notice of AGM.

I look forward to receiving your support at our 2025 AGM, where I will be available to answer any questions that shareholders may have on this report or in relation to any of the Remuneration Committee’s activities. Alternatively, if you have any questions on this report or more generally in relation to remuneration at Hostelworld, please feel free to contact me via the Company Secretary (email: [corporate@hostelworld.com](mailto:corporate@hostelworld.com)).



Paul Duffy

Chair of the Remuneration Committee  
19 March 2025



Remuneration Committee Report continued

Directors’ Remuneration Policy (Summary)

Introduction

The Directors’ Remuneration Policy was approved by shareholders at the Annual General Meeting held on 02 May 2024 and will apply for the period of three years from the date of approval.

Any payments to the Directors and any payments for loss of office can only be made if they are consistent with the terms of the approved Policy. If the Committee wishes to make a payment to Directors which is not consistent with the Policy, it will be required to seek shareholder approval for an amendment to the Policy at a General Meeting. No changes are proposed to the Policy at the AGM in 2025.

The Policy was prepared in line with the relevant UK regulations. Decisions around operating the Policy will be made by the Committee each year and explained in the relevant Directors’ Remuneration Report.

A summary of the key features of the Policy is included below. The full Policy is included in the 2023 Annual Report, available on the Hostelworld Group website at [www.hostelworldgroup.com](http://www.hostelworldgroup.com). In the event of any discrepancy between the summary and the full Policy, the full Policy will prevail.

Policy Table

The following table sets out each element of remuneration and how it supports the Company’s short and long-term strategic objectives.

Base Salary	
Link to strategic objectives:	Provides a base level of remuneration to support recruitment and retention of Executive Directors with the necessary experience and expertise to deliver the Company’s strategy.
Operation	Salaries are reviewed annually, and any changes are normally effective from 1 January in the financial year.  When determining an appropriate level of salary, the Remuneration Committee considers: <ul style="list-style-type: none"><li>remuneration practices within the Company;</li><li>the performance of the individual Executive Director;</li><li>the individual Executive Director’s experience and responsibilities;</li><li>the general performance of the Company</li><li>salaries within the ranges paid by companies in the comparator group used for remuneration benchmarking; and</li><li>the economic environment.</li></ul>
Opportunity	Base salaries will be set at an appropriate level within a comparator group of comparably sized listed companies and will normally increase in line with increases made to the wider employee workforce.  Individuals who are recruited or promoted to the Board may, on occasion, have their salaries set below the targeted policy level until they become established in their role. In such cases subsequent increases in salary may be higher than the average until the target positioning is achieved.
Performance metrics, weighting and assessment	None

Benefits	
Link to strategic objectives:	Provides a market competitive level of benefits to support recruitment and retention of Executive Directors with the necessary experience and expertise to deliver the Company’s strategy.
Operation	The Executive Directors receive benefits which include, but are not limited to, private medical insurance (family cover), income protection and life assurance cover (including tax, if any).  The Remuneration Committee recognises the need to maintain suitable flexibility in the determination of benefits that ensure it is able to support the objective of attracting and retaining personnel. Accordingly, the Remuneration Committee would expect to be able to adopt other benefits including (but not limited to) relocation expenses, tax equalisation and support in meeting specific costs incurred by Directors.
Opportunity	The maximum will be set at the cost of providing the benefits described.
Performance metrics, weighting and assessment	None

Pensions	
Link to strategic objectives:	Provide retirement benefits to support recruitment and retention of Executive Directors with the necessary experience and expertise to deliver the Company’s strategy.
Operation	The Remuneration Committee maintains the ability to provide pension funding in the form of a salary supplement, which would not form part of the salary for the purposes of determining the extent of participation in the Company’s incentive arrangements.
Opportunity	For the current CEO, the maximum pension contribution as a percentage of basic salary is 10%.  For the current CFO and for any new Executive Director, the maximum pension contribution will be in line with the contribution level provided to the majority of the workforce.
Performance metrics, weighting and assessment	None

All-Employee Share Plan	
Link to strategic objectives:	To encourage share ownership among Hostelworld employees and increase the alignment with shareholders.
Operation	The Company does not currently have an operational all-employee share plan but may seek to offer one again in the future. Executive Directors would be entitled to participate on the same terms as other employees.
Opportunity	The maximum participation limit will be as set out in the relevant legislation.
Performance metrics, weighting and assessment	None (as is the norm for approved all-employee plans).



Remuneration Committee Report continued

Annual Bonus Plan	
Link to strategic objectives:	<p>The Annual Bonus Plan provides an incentive to the Executive Directors linked to achievement in delivering goals that are closely aligned with the Company's strategy and the creation of value for shareholders.</p> <p>In particular, the Plan supports the Company's objectives allowing the setting of annual targets based on the business' strategic objectives at that time, meaning that a wide range of performance metrics can be used.</p>
Operation	<p>The Remuneration Committee will determine the bonus payable after the year-end based on performance against targets.</p> <p>Annual bonuses are normally paid in cash after the end of the financial year to which they relate although the Remuneration Committee will have the flexibility to settle any bonus in shares.</p> <p>On a change of control, the Remuneration Committee may pay bonuses on a pro rata basis measured on performance up to the date of change of control.</p> <p>Malus will apply up to the date of the bonus determination and clawback will apply for two years from the date of bonus determination.</p>
Opportunity	<p>The maximum bonus opportunity as a % of base salary is 125% for the CEO role and 100% for the CFO role and any new Executive Director role appointed during the Policy period.</p>
Performance metrics, weighting and assessment	<p>Bonus payouts are determined on the satisfaction of a range of key financial and/or non-financial objectives set by the Remuneration Committee.</p> <p>In addition, the payment of any bonus will require the Remuneration Committee to determine that the Company has delivered an acceptable level of performance during the year.</p> <p>The Remuneration Committee retains discretion in exceptional circumstances to change performance measures and targets and the weightings attached to performance measures part-way through a performance year if there is a significant and material event which causes the Remuneration Committee to believe the original measures, weightings and targets are no longer appropriate. Discretion may also be exercised in cases where the Remuneration Committee believes that the bonus outcome is not a fair and accurate reflection of business performance.</p>

Long Term Incentive Plan ("LTIP")	
Link to strategic objectives:	<p>Awards are designed to incentivise the Executive Directors to maximise returns to shareholders by successfully delivering the Company's objectives over the long term.</p>
Operation	<p>Awards are granted annually to Executive Directors under the LTIP. The vesting period is normally three years, with vesting normally subject to:</p> <ul style="list-style-type: none"><li>the Executive Director's continued employment at the date of vesting; and</li><li>satisfaction of the performance conditions.</li></ul> <p>The Remuneration Committee may award dividend equivalents on awards to the extent that they vest.</p> <p>Awards which vest after the end of the vesting period will be subject to an additional two-year holding period. During this period the shares cannot be sold (other than as required for tax purposes).</p> <p>The LTIP rules contain standard provisions to satisfy awards/dividend equivalents in shares.</p> <p>Malus will apply for the period from grant to vesting with clawback applying for the two-year period post vesting.</p>
Opportunity	<p>Awards may be made up to 150% of base salary.</p> <p>If exceptional circumstances arise, including (but not limited to) the recruitment of an individual, the Remuneration Committee may grant awards outside this limit up to a maximum of 200% of a participant's annual basic salary.</p> <p>No more than 25% of the award will vest for threshold performance. 100% of the award will vest for maximum performance.</p>
Performance metrics, weighting and assessment	<p>LTIP awards will vest subject to the achievement of challenging performance conditions set by the Remuneration Committee prior to each grant. These will be determined by the Committee each year taking into account the specific strategic priorities of the business at the time. The Committee may change the balance of the measures or use different measures for subsequent awards during the Policy period, as appropriate.</p> <p>The Remuneration Committee retains discretion in exceptional circumstances to change performance measures and targets and the weightings attached to performance measures part way through a performance period if an event occurs which causes the Remuneration Committee to believe the original measures, weightings and targets are no longer appropriate.</p> <p>Discretion may also be exercised in cases where the Remuneration Committee believes that the vesting outcome is not a fair and accurate reflection of business performance.</p>

Shareholding Requirement	
Link to strategic objectives:	<p>To support long term commitment to the Company and the alignment of Executive Director interests with those of shareholders.</p>
Operation	<p>The Remuneration Committee has adopted formal shareholding guidelines that will encourage the Executive Directors to build up and then subsequently hold a shareholding equivalent of 200% of their base salary.</p> <p>Adherence to these guidelines is a condition of continued participation in the equity incentive arrangements.</p>
Opportunity	<p>200% of salary</p>
Performance metrics, weighting and assessment	<p>None.</p>



Remuneration Committee Report continued

Non-Executive Director Fees	
Link to strategic objectives:	The Company provides a level of fees to support recruitment and retention of Non-Executive Directors with the necessary experience to advise and assist with establishing and monitoring the Company's strategic objectives.
Operation	<p>The Board as a whole is responsible for setting the remuneration of the Non-Executive Directors, other than the Chairman whose remuneration is considered by the Remuneration Committee and recommended to the Board.</p> <p>Non-Executive Directors are paid a base fee and additional fees for acting as Senior Independent Director and as Chair of Board committees (or to reflect other additional responsibilities and/or additional/unforeseen time commitments).</p> <p>Non-Executive Directors do not participate in any of the Company's incentive arrangements.</p>
Opportunity	<p>The base fees for Non-Executive Directors are set at an appropriate rate.</p> <p>In general, the level of fee increase for the Non-Executive Directors will be set taking account of any change in responsibility and will consider the general rise in salaries across the workforce.</p> <p>The Company will pay reasonable vouched expenses incurred by the Chairman and Non-Executive Directors, together with other benefits where considered necessary (and any related tax that may be payable).</p>
Performance metrics, weighting and assessment	None.

Malus and Clawback

Malus and clawback provisions within the annual bonus scheme and the LTIP apply in the following circumstances:

- Material misstatement of results
- Gross misconduct
- Error in calculating the number of shares subject to an award or the amount of cash paid
- Corporate failure or
- Serious reputational damage.

As stated in the Policy table above for the annual bonus plan, malus applies up to the date of bonus determination and clawback applies for a period of two years from the date of bonus determination. For the LTIP, malus will apply for the three-year period from grant to vesting, with clawback applying for the two-year period post vesting.

Discretion

The Remuneration Committee has discretion in several areas of policy as set out in this report. The Remuneration Committee may also exercise operational and administrative discretions under relevant plan rules approved by shareholders as set out in those rules. These include (but are not limited to) the choice of participants, the size of awards in any year (subject to the limits set out in the Policy table above), the determination of good and bad leavers and the treatment of outstanding awards in the event of a change of control.

In addition, the Remuneration Committee has the discretion to amend the Policy with regard to minor or administrative matters where it would be, in the opinion of the Remuneration Committee, disproportionate to seek or await shareholder approval.

Service Agreements and Letters of Appointment

Executive Directors

Each of the Executive Directors has entered into a service contract with the Group. Each Executive Director is subject to re-election at the AGM.

Name	Position	Date of service agreement	Notice period by Company (months)	Notice period by Director (months)
Gary Morrison	CEO	11 June 2018	12	12
Caroline Sherry	CFO	01 December 2020	6	6

Non-Executive Directors

The Non-Executive Directors have each entered into letters of appointment with the Company. Each independent Non-Executive Director's term of office runs for an initial period of three years unless terminated earlier upon written notice or upon their resignations. Non-Executive Directors are also subject to re-election at each AGM.

The date of appointment of each Non-Executive Director is set out below:

Name	Effective date of appointment	Notice period by Company (months)	Notice period by Director (months)
Carl G. Shepherd	01 October 2017	1	1
Éimear Moloney	27 November 2017	1	1
Evan Cohen	14 August 2019	1	1
Ulrik Bengtsson	02 May 2024	1	1
Paul Duffy	02 May 2024	1	1

Payment for Loss of Office

Remuneration element	Treatment on exit
Salary, Benefits and Pension	Salary, benefits and pension will be paid over the notice period. The Company has discretion to make a lump sum payment on termination equal to the salary, value of benefits and value of company pension contributions payable during the notice period. In all cases the Company will seek to mitigate any payments due.
Annual Bonus Plan	<p>Good leaver reason – pro-rated to time and performance for year of cessation.</p> <p>Other reason – no bonus payable for year of cessation.</p>
LTIP	<p>Good leaver reason – Pro-rated to time and performance (where applicable) in respect of each subsisting LTIP award.</p> <p>Other reason – Lapse of any unvested LTIP award.</p> <p>The Remuneration Committee has the following elements of discretion:</p> <ul style="list-style-type: none"><li>• to determine that an executive is a good leaver (see below);</li><li>• to measure performance (where applicable) over the original performance period or at the date of cessation. The Committee will make this determination depending on the type of good leaver reason resulting in the cessation;</li><li>• the Remuneration Committee's policy is generally to pro-rate to time from the date of grant to the date of cessation. It is the Remuneration Committee's intention to only use its discretion to adopt a different approach to pro-rating in circumstances where there is an appropriate business case which will be explained in full to shareholders; and</li><li>• to determine the extent to which the post-vesting holding period will apply for a good leaver. The Committee has agreed that the holding period will not apply in the event of death.</li></ul>



Remuneration Committee Report continued

A good leaver reason may include cessation in the following circumstances:

- Death
- Ill-health
- Injury or disability
- Redundancy
- Retirement with agreement of employer
- Employing company ceasing to be a Group company
- Employing company transferred to a person who is not a Group Member or
- At the discretion of the Remuneration Committee (as described above).

Cessation of employment in circumstances other than those set out above is cessation for other reasons.

Change of Control

The Remuneration Committee’s policy on the vesting of incentives on a change of control is summarised below:

Name of Incentive Plan	Change of control	Discretion
Annual Bonus Plan	Pro-rated for time and performance to the date of the change of control.	The Remuneration Committee has discretion to continue the operation of the Plan to the end of the bonus year.
LTIP	<p>The number of shares subject to subsisting LTIP awards vesting on a change of control will be pro-rated for time and performance (where applicable).</p> <p>Options to the extent vested may be exercised at any time during the period of six months following the change of control and if not so vested will lapse at the end of such period unless the Remuneration Committee determines that a longer period shall apply.</p>	<p>The Remuneration Committee retains absolute discretion regarding the proportion vesting, taking into account time and performance (where applicable).</p> <p>There is a presumption that the Remuneration Committee will pro-rate to time. The Remuneration Committee may take a different approach where it views the change of control as an event which has provided a material enhanced value to shareholders which will be fully explained to shareholders. In all cases the performance conditions (where applicable) must be satisfied, subject to the Committee’s discretion (as noted above).</p>

Consideration of Shareholder Views

The Remuneration Committee takes the views of shareholders seriously and these views are considered in shaping the Remuneration Policy and its operation. During 2023 and early 2024, the Committee conducted a consultation exercise with major shareholders and the main proxy advisors on the details of the Remuneration Policy. The general response from major shareholders was positive and, accordingly, the Committee proceeded with recommending that shareholders formally approve the Policy at the AGM in May 2024. The Committee will continue to consider shareholder views carefully when implementing the Policy.

Annual Report on Remuneration

Single Total Figure of Remuneration (Audited)

Executive Directors

The table below sets out the single total figure of remuneration and breakdown for each Executive Director in respect of the 2024 financial year. Comparative figures for the 2023 financial year have also been provided. Amounts disclosed for LTIP for 2023 relate to two separate grants, the 2020 grant made on 02 May 2020 and the 2021 grant made on 27 April 2021. The performance periods for both grants concluded in 2023 and so were disclosed within the 2023 single total figure of remuneration. All figures provided in the table have been calculated in accordance with the relevant UK reporting regulations.

		Fixed pay			Annual Incentive	Long-Term Incentive Plans					Total Fixed salary, benefits and pension (€'000)	Total Variable bonus and LTIP only (€'000)
		Salary (€'000)	Taxable Benefits (€'000) <sup>(1)</sup>	Pension (€'000) <sup>(2)</sup>	Bonus (€'000) <sup>(3)</sup>	LTIP 2020 (€'000) <sup>(4)</sup>	LTIP 2021 (€'000) <sup>(5)</sup>	2022 Restricted Share Award (€'000) <sup>(6)</sup>	Total LTIP (€'000)	Total (€'000)		
Director												
Gary Morrison	2024	494.2	13.1	49.4	209.0	–	–	1,160.5	1,160.5	1,926.2	556.7	1,369.5
	2023	479.8	12.3	48.0	458.5	912.2	909.7	–	1,821.9	2,820.5	540.1	2,280.4
Caroline Sherry	2024	328.8	5.4	19.7	124.1	–	–	631.2	631.2	1,109.2	353.9	755.3
	2023	313.1	4.7	18.8	299.2	99.3	451.2	–	550.5	1,186.3	336.6	849.7

<sup>(1)</sup> Taxable benefits represent payments for health insurance and life assurance policies.

<sup>(2)</sup> Pension contributions were made at a level of 10% of basic salary for Gary Morrison and 6% of basic salary for Caroline Sherry.

<sup>(3)</sup> The Remuneration Committee agreed that the 2024 bonus for Gary Morrison and Caroline Sherry would be paid as a contribution into their pension, at no extra cost to the Company. In 2023, the bonus for Gary Morrison was also paid as a contribution into his pension, at no extra cost to the Company.

<sup>(4)</sup> The amounts in this column relate to the TSR element of the 2020 LTIP award which vested in May 2023. Full details of this award can be found in the 2023 Annual Report.

<sup>(5)</sup> The amounts in this column relate to the LTIP award granted in April 2021, which was subject to performance conditions measured up to 31 December 2023. The amount disclosed has been restated from that included in last year’s report to reflect the share price at vesting on 02 May 2024 of £1.62. This has been translated to € using the Central Bank FX rate that applied on that date. Of the amount stated, €355k for Gary Morrison and €176k for Caroline Sherry was attributable to share price appreciation since the date of grant. The Remuneration Committee did not exercise any discretion in relation to this matter.

<sup>(6)</sup> The amounts in this column relate to the 2022 Restricted Share Award granted in May 2022, which will vest in May 2025 subject to continued employment and satisfaction of a performance underpin over the vesting period. The vesting share price for the 2022 Restricted Share Award has been estimated at £1.34, based on the average share price over the three months ended 31 December 2024, and translated to € using the Central Bank FX rate that applied on 31 December 2024. Of the amount stated, €462k for Gary Morrison and €251k for Caroline Sherry was attributable to share price appreciation since the date of grant. The Remuneration Committee has not exercised any discretion in relation to this matter.

Non-Executive Directors

The table below sets out the single total figure of remuneration and breakdown for each Non-Executive Director.

Director	Fees (€'000)		Taxable Benefits (€'000)		Other (€'000)		Total (€'000)		Total Fixed (€'000)		Total Variable (€'000)	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Michael Cawley <sup>(1)</sup>	113.2	145.0	–	–	–	–	113.2	145.0	113.2	145.0	–	–
Ulrik Bengtsson <sup>(2)</sup>	59.7	–	–	–	–	–	59.7	–	59.7	–	–	–
Carl G. Shepherd <sup>(3)</sup>	69.3	74.0	–	–	–	–	69.3	74.0	69.3	74.0	–	–
Éimear Moloney <sup>(4)</sup>	67.0	67.0	–	–	–	–	67.0	67.0	67.0	67.0	–	–
Evan Cohen <sup>(5)</sup>	60.0	60.0	–	–	–	–	60.0	60.0	60.0	60.0	–	–
Paul Duffy <sup>(6)</sup>	44.7	–	–	–	–	–	44.7	–	44.7	–	–	–

<sup>(1)</sup> Stepped down as Chairman of the Board and Chair of the Nominations Committee on 10 October 2024.

<sup>(2)</sup> Chairman of the Board and Chair of the Nominations Committee since 10 October 2024. Appointed to the Board as a Non-Executive Director and Chair Designate on 02 May 2024.

<sup>(3)</sup> Senior Independent Director. Chair of the Remuneration Committee until 02 May 2024.

<sup>(4)</sup> Chair of the Audit Committee.

<sup>(5)</sup> Designated Workforce Engagement Director.

<sup>(6)</sup> Chair of the Remuneration Committee. Appointed to the Board on 02 May 2024.



Remuneration Committee Report continued

Additional Information regarding Single Total Figure Table (Audited)

Basic Salary

As explained in last year’s Directors’ Remuneration Report, the basic salary for the CEO was increased by 3% with effect from 1 January 2024. The salary of the CFO was increased by 5%, also from 1 January 2024, reflecting her significant contribution to the business, her ongoing development in her role since her appointment to the Board in 2020 and taking account of typical salary levels for CFOs of comparable listed companies.

Annual Bonus

The Executive Directors were entitled to consideration for an annual cash bonus for 2024 of up to a maximum of 125% of basic salary for the CEO and 100% of basic salary for the CFO, subject to the satisfaction of performance targets based on adjusted EBITDA (for 70% of the award) and net revenue (for 30% of the award). The targets were set at the start of 2024 taking into account the business environment at the time and internal expectations of Hostelworld’s performance over the year. No bonus was payable in the event that the threshold adjusted EBITDA target was not met.

The table below sets out the details of the performance targets that were used to determine the annual bonus outcome:

Performance metric	Weighting	Threshold			Target			Maximum					
		Required performance level	Required achievement outcome (as a % of max payout)	Bonus opportunity (as a % of salary)	Required performance level	Required achievement outcome (as a % of max payout)	Bonus opportunity (as a % of salary)	Required performance level	Required achievement outcome (as a % of max payout)	Bonus opportunity (as a % of salary)	Actual performance	Achievement outcome (as a % of max payout)	Resulting performance (as a % of max payout)
Adjusted EBITDA	70%	€19.4m	25%	31.25% (CEO) 25% (CFO)	€21.6m	50%	62.5% (CEO) 56% (CFO)	€23.8m	100%	125% (CEO) 100% (CFO)	€21.8m <sup>(1)</sup>	48.6%	34%
Net revenue	30%	€94.1m	25%	31.25% (CEO) 25% (CFO)	€104.6m	50%	62.5% (CEO) 56% (CFO)	€115.1m	100%	125% (CEO) 100% (CFO)	€92.0m	0%	0%
Outcome													34%

<sup>(1)</sup> Actual performance reflects reported adjusted EBITDA of €21.8m. The resulting bonus payout calculation has been subject to a minor downward adjustment to reflect the funding of the annual bonus scheme.

The table below summarises the overall outcome of the annual bonus awarded in respect of 2024:

Director	Bonus awarded (% of salary)	Bonus awarded (€'000)
Gary Morrison	42%	€209.0
Caroline Sherry	38%	€124.1

The Committee believes that the bonuses achieved as set out above were a fair and accurate reflection of business performance over the year and as a result has not exercised any discretion in respect of the outcome.

Long Term Incentives

2022 Restricted Share Award

As previously disclosed, a grant of restricted shares was made to the Executive Directors in May 2022 under the terms of the 2022 Restricted Share Award.

The Executive Directors were granted a 2022 Restricted Share Award over shares equivalent at grant to 150% of basic salary for the CEO and 125% of basic salary for the CFO. The shares vest after three years subject to continued employment. An additional underpin mechanism requires the Remuneration Committee to be satisfied with individual and Company performance over the vesting period. Based on performance up to the end of December 2024, the Committee is satisfied that this underpin has been met and, accordingly, has recognised a value for the 2022 Restricted Share Award in the 2024 single total figure of remuneration, as set out above. This will be confirmed at the point of vesting in May 2025 and final details will be disclosed in next year’s report. The 2022 Restricted Share Award is subject to a two-year post-vesting holding period.

Details of the 2022 Restricted Share Award are set out in the table below.

Director	Date of grant	Value of award	Face value of award (€'000)	Number of shares awarded <sup>(1)</sup>	Exercise price (€) <sup>(2)</sup>	Vesting date	Number of shares vesting <sup>(3)</sup>	Total Value of vested awards (€) <sup>(4)</sup>
Gary Morrison	12 May 2022	150% of salary	698.7	719,770	n/a	12 May 2025	719,770	1,160.5
Caroline Sherry	12 May 2022	125% of salary	380.0	391,459	n/a	12 May 2025	391,459	631.2

<sup>(1)</sup> The number of shares awarded was calculated using the closing share price on 12 May 2022, which was 82.9p.  
<sup>(2)</sup> The awards were granted as conditional share awards and do not have an exercise price.  
<sup>(3)</sup> Represents the number of shares expected to vest following the Remuneration Committee’s confirmation that both individual and Company performance over the vesting period has been satisfactory.  
<sup>(4)</sup> Represents the value calculated by reference to the average share price over the three months ended 31 December 2024, being £1.34, and translated to € using the Central Bank FX rate that applied on 31 December 2024.

Scheme Interests Awarded During the Financial Year (Audited)

The table below sets out the details of the LTIP awards granted to the Executive Directors in the 2024 financial year. All awards were granted as nil cost options.

Director	Date of grant	Value of award	Face value of award (€'000)	Number of shares awarded <sup>(1)</sup>	Exercise price (€)	Percentage of award vesting at threshold performance	Performance period end date	Weighting <sup>(2)</sup>
Gary Morrison	03 May 2024	125% of salary	€617.7k	328,202	Nil <sup>(3)</sup>	25%	31 December 2026	Absolute TSR (70%) Adjusted EPS (30%)
Caroline Sherry	03 May 2024	100% of salary	€328.8k	174,665	Nil <sup>(3)</sup>	25%	31 December 2026	Absolute TSR (70%) Adjusted EPS (30%)

<sup>(1)</sup> The number of shares awarded was calculated using the average closing share price over a three-day period from 30 April 2024 to 02 May 2024, which was £1.61.  
<sup>(2)</sup> Information on the specific performance targets for these awards is set out below.  
<sup>(3)</sup> These awards are nil cost options and therefore have a nil exercise price. The share value used to determine the face value of the awards is explained in the footnotes above.



Remuneration Committee Report continued

The vesting of the LTIP awards granted in 2024 is subject to performance conditions based 70% on absolute TSR measured over a three-year performance period commencing 01 January 2024, and 30% on adjusted EPS measured in the final year of the three-year performance period to 31 December 2026. Full details are set out below.

Absolute TSR (70%) - CAGR	Vesting
Less than 10% p.a.	0%
10% p.a.	25%
16% p.a. or above	100%
Between 10% p.a. and 16% p.a.	Straight line vesting between 25% and 100%

Adjusted EPS (30%)	Vesting
Less than €0.15	0%
€0.15	25%
€0.21 or above	100%
Between €0.15 and €0.21	Straight line vesting between 25% and 100%

Any awards which vest will be subject to a two-year post-vesting holding period.

Payments for Loss of Office/Payments to Past Directors (Audited)

There were no payments for loss of office or payments to past Directors made during the 2024 financial year.

Statement of Directors’ Shareholdings and Share Interests (Audited)

The number of shares of the Company in which the Executive Directors had a beneficial interest and details of long-term incentive interests as at 31 December 2024 are set out in the table below. Under the Directors’ Remuneration Policy, the Remuneration Committee has adopted formal shareholding guidelines that encourage the Executive Directors to build up and hold a shareholding equivalent to 200% of basic salary.

Director	Beneficially owned shares	Shareholding requirement (% of salary)	Shareholding (% of salary)	Shareholding requirement met?	Unvested LTIP interests subject to performance conditions	Unvested restricted share award interests
Gary Morrison	688,430	200%	227%	Yes	328,202	719,770
Caroline Sherry	264,471	200%	131%	No	174,665	391,459

Details of the interests held in shares by Non-Executive Directors as at 31 December 2024 are set out below. Non-Executive Directors are not subject to a shareholding requirement.

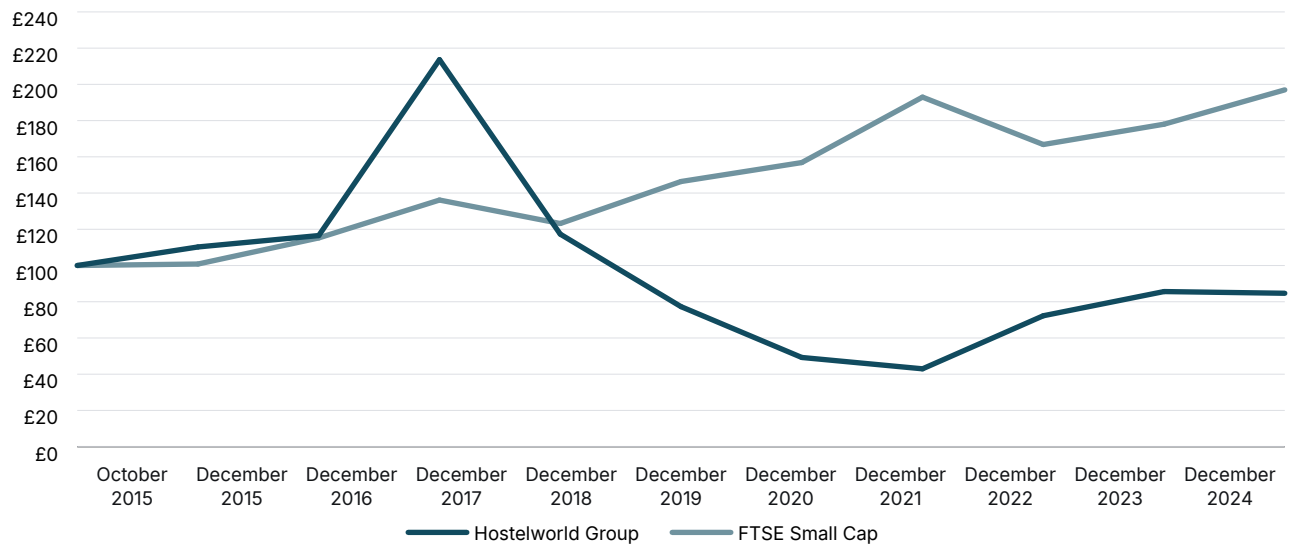
Director	Beneficially owned shares
Ulrik Bengtsson	50,000
Carl G. Shepherd	35,285
Éimear Moloney	122,376
Evan Cohen	15,214
Paul Duffy	30,000
Michael Cawley <sup>(1)</sup>	302,797

<sup>(1)</sup> Shareholding as at 10 October 2024, the date Michael Cawley stepped down from the Board.

Comparison of Overall Performance and Pay (TSR graph)

The graph below shows the value of £100 invested in the Company’s shares since listing compared to the FTSE SmallCap index. The graph shows the Total Shareholder Return (TSR) generated by both the movement in share value and the reinvestment of dividend income over the same period. The Remuneration Committee considers that the FTSE SmallCap index is an appropriate index for comparison as Hostelworld is a member of this index and it includes other companies with a similar market capitalisation and scope of operations. The graph has been calculated in accordance with the Regulations. The Company listed on 28 October 2015 (with grey market trading until 02 November 2015) and therefore only has a listed share price for the period from 28 October 2015 to 31 December 2024.

Total shareholder return (£)



Source: LSEG Workspace

CEO Historical Remuneration

The table below sets out the total remuneration delivered to the CEO over the last ten years valued using the methodology applied to the single total figure of remuneration, as required by the UK regulations:

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Chief Executive Officer	Feargal Mooney	Feargal Mooney	Feargal Mooney	Feargal Mooney	Gary Morrison	Gary Morrison	Gary Morrison	Gary Morrison	Gary Morrison	Gary Morrison
Total single figure (€'000)	395.0	1,298.7	768.8	209.5	307.2	485.8	498.4	995.7	522.0	2,820.5 <b>1,926.2</b>
Annual bonus payment level achieved (% of maximum opportunity)	0%	0%	73.4%	0%	19.3%	0%	n/a	n/a	n/a	96% <b>34%</b>
LTIP vesting level achieved (% of maximum opportunity)	n/a	n/a	n/a	0%	n/a	n/a	0%	0%	75% <sup>(1)</sup>	100% <b>100%</b> <sup>(2)</sup>

<sup>(1)</sup> Represents the total vesting level for the 2020 LTIP award. The adjusted EPS portion of this award (which accounted for 25% of the overall award) vested at nil. The absolute TSR portion (which accounted for 75% of the overall award) vested at 100%. The value for the TSR portion of this award is included in the 2023 single total figure.

<sup>(2)</sup> Represents the expected vesting level for the 2022 Restricted Share Award, which will vest in May 2025.

Remuneration Committee Report continued

Change in Directors’ Remuneration Compared with Employees

The following table sets out the change in the remuneration paid to each of the Directors since 2019, compared with the average percentage change for employees, as required by the reporting regulations. For the Directors, the percentage change in remuneration reflects the disclosures in the Single Total Figure table of remuneration.

2024 vs 2023				2023 vs 2022			2022 vs 2021			2021 vs 2020			2020 vs 2019		
Salary/ Fees	Taxable benefits	Bonus		Salary/ Fees	Taxable benefits	Bonus	Salary/ Fees	Taxable benefits	Bonus	Salary/ Fees	Taxable benefits	Bonus	Salary/ Fees	Taxable benefits	Bonus
<b>Executive Directors</b>															
Gary Morrison	3%	7%	(54)%	3%	28%	100%	5%	(12)%	–	0%	4.8%	–	3.0%	(13.3)%	–
Caroline Sherry <sup>(1)</sup>	5%	15%	(59)%	3%	2%	100%	12%	14%	–	–	–	–	–	–	–
<b>Non-Executive Directors</b>															
Ulrik Bengtsson <sup>(2)</sup>	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Michael Cawley <sup>(3)</sup>	(22)%	–	–	0%	–	–	0%	–	–	0%	–	–	0%	–	–
Carl G. Shepherd	(6)%	–	–	0%	–	–	0%	–	–	0%	–	–	8.5%	–	–
Éimear Moloney	0%	–	–	0%	–	–	0%	–	–	0%	–	–	0%	–	–
Evan Cohen <sup>(4)</sup>	0%	–	–	0%	–	–	0%	–	–	0%	–	–	–	–	–
Paul Duffy <sup>(5)</sup>	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
<b>Employee pay</b>															
Average per employee – parent company <sup>(6)</sup>	–	–	–	(33)%	(26)%	100%	–	–	–	–	–	–	–	–	–
Average per employee – group	7%	6%	(41)%	6%	5%	100%	15%	19%	–	3.3%	(2.3) %	–	5.5%	93%	–

<sup>(1)</sup> Appointed to the Board on 01 December 2020. Comparatives prior to 2022 vs 2021 not shown given part-year service.  
<sup>(2)</sup> Appointed to the Board on 02 May 2024. Comparatives to prior year not shown given part-year service.  
<sup>(3)</sup> Stepped down from the Board on 10 October 2024.  
<sup>(4)</sup> Appointed to the Board on 14 August 2019. Comparatives prior to 2021 vs 2020 not shown given part-year service.  
<sup>(5)</sup> Appointed to the Board on 02 May 2024. Comparatives to prior year not shown given part-year service.  
<sup>(6)</sup> From 01 April 2024 and prior to 2022 the only employees of the parent company were the Directors of the Company. During H2 2022 four additional employees were employed until 31 March 2024, which explains the large variance between 2023 and 2022. No comparatives are provided between 2024 and 2023, given 2024 service period was only 3 months, and no comparatives vs 2021 are shown given no prior year service for these employees.

Remuneration Practices across the Company

Hostelworld does not have more than 250 UK employees (at 31 December 2024 the current number of UK employees was 13) and as a result is not required to publish the ratio of the CEO's remuneration to the pay of UK employees. Nevertheless, in line with the expectations set out in the UK Corporate Governance Code, each year the Remuneration Committee reviews workforce remuneration and related policies. This includes a detailed assessment of pay levels and structures throughout the organisation, including fixed pay elements, and the extent to which participation in incentive schemes (including equity incentives) extends below Board level. The remuneration of the Executive Directors is considered in this context.

Each year, the basic salary levels of all employees undergo a thorough review in comparison to relevant external benchmarks, taking into consideration the broader employment landscape, levels of inflation and the requirements of the business. As disclosed last year, for 2024 the CEO received a salary increase of 3%, the CFO received an increase of 5% and the Executive Leadership Team received an average salary increase of 3%, all of which were below the average workforce increase of 6% (7% inclusive of market adjustments and promotions). For 2025, the Remuneration Committee has approved increases of 3% for the CEO and CFO, as explained on page 127. Other members of the Executive Leadership Team received an average salary increase of 4.3%, with the average salary

increase for other employees in the organisation (excluding those not receiving any increment due to inadequate individual performance) being 4.9% for the 2025 annual review cycle. Including market adjustments and promotions, the total average salary increase for 2025 across the workforce (excluding those in the organisation not receiving any salary increase on grounds of inadequate individual performance) is 6.3%.

The Group makes pension contributions on behalf of eligible employees. For the majority of the workforce, the Group contribution rate is 6% of salary. This is the same rate which applies to the CFO, and which will apply to any new Executive Director appointed in the future. The CEO's contribution rate of 10% was determined at the time of his appointment in 2018. Other benefits are broadly aligned across the Company although there is some variation in each country of operation.

The annual bonus structure for the Executive Leadership Team for 2024 was the same as for Executive Directors, being based on a mix of targets linked to adjusted EBITDA and net revenue. For others, bonuses were based 50% on adjusted EBITDA performance and 50% on personal performance. Separate incentive arrangements operate for key roles within the organisation (e.g. sales and customer support staff). These structures will remain in place for 2025.

Long-term equity awards have historically been extended to a number of employees beyond the Executive Directors and other members of the Executive Leadership Team. A significant number of employees participated in the 2021 and 2022 Restricted Share Awards in addition to the Executive Directors, demonstrating our desire to ensure that appropriate retention mechanisms were put in place for the wider team during a period of considerable uncertainty for the business. The vesting of the 2022 Restricted Share Award is subject to the same conditions as for the Directors, namely continued employment and individual and Company performance being satisfactory over the vesting period. A two-year post-vesting holding period applies to the Executive Directors only, in line with common practice. An additional Restricted Share Award was granted to a number of employees in 2023, subject to a three-year vesting period. The Executive Directors did not receive an award in 2023.

As previously disclosed, for 2024, annual grants of performance-based LTIP awards were re-introduced with participation including members of the Executive Leadership Team and other managers within the organisation. The same performance conditions applied to all participants in the LTIP although, as is the norm, the award levels are higher for Executive Directors than for other participants, reflecting their seniority and responsibilities within the organisation. The most appropriate approach to equity compensation for employees across the organisation is kept under regular review.

In line with Hostelworld's culture of transparency and involvement, the Remuneration Committee engaged with the wider workforce during the financial year. This was undertaken by Evan Cohen, a member of the Committee and, since December 2023, the designated Non-Executive Director responsible for employee engagement. This engagement covered a wide number of issues relating to pay practices across the Company, and also included a discussion of the way in which executive remuneration aligns with wider Group policies.

Relative Importance of the Spend on Pay

The table below sets out the relative importance of spend on pay in the 2024 and 2023 financial years compared with other distributions to shareholders. All figures provided are taken from the relevant Company Accounts, and exclude share option charges.

Director	2024 financial year (€m)	2023 financial year (€m)	% change
Distributions by way of dividends/share buybacks	–	–	0%
Overall spend on pay including Executive Directors	20.9	20.9	0%



Remuneration Committee Report continued

Shareholder Voting

The table below sets out the results of voting on the resolutions to (1) approve the Directors’ Remuneration Report and (2) approve the Directors’ Remuneration Policy at the AGM held on 02 May 2024.

Resolution	For	Against	Withheld
Approve the Directors’ Remuneration Report for the Year Ended 31 December 2023	100,272,075 (97.98%)	2,068,066 (2.02%)	5,859
Approve the Directors’ Remuneration Policy	97,628,882 (97.71%)	2,290,093 (2.29%)	2,427,025

Implementation of Remuneration Policy in Financial Year 2025

Basic Salary

The Committee has reviewed the salaries of the Executive Directors and agreed to award a salary increase of 3% to the CEO and CFO with effect from 01 January 2025. This salary increase is compared with the average salary increase of 6.3% awarded to the rest of the organisation, which includes market adjustments and promotions.

The salary levels for 2025 are as follows:

Director	Salary		Percentage change
	2025 (€)	2024 (€)	
Gary Morrison (CEO)	509,020	494,194	3%
Caroline Sherry (CFO)	338,618	328,755	3%

Pension

Pension contributions for the Executive Directors will continue at the rate of 10% of basic salary for the CEO and 6% of basic salary for the CFO.

Annual Bonus

The Executive Directors will be eligible for a bonus subject to the achievement of targets linked to adjusted EBITDA and net revenue. A 60% (adjusted EBITDA)/40% (net revenue) split will apply. The precise targets are currently considered commercially sensitive but will be disclosed retrospectively in next year’s Directors’ Remuneration Report, along with an assessment of performance and the resulting payout.

In line with the Remuneration Policy, the maximum annual bonus opportunity for the CEO will be 125% of salary and the maximum for the CFO will be 100% of salary. It is the Committee’s intention that bonuses will be paid in cash, although it has the flexibility to settle any bonus in shares.

Long-Term Incentives

Awards will again be granted below the Policy maximum with the CEO receiving an award of 125% of salary and the CFO receiving 100% of salary.

The performance conditions will be based 70% on absolute TSR measured over a three-year period commencing 01 January 2025 and 30% on adjusted EPS measured in the final year of the three-year performance period to 31 December 2027, as follows:

Absolute TSR (70%) – CAGR	Vesting
Less than 8% p.a.	0%
8% p.a.	25%
15% p.a. or above	100%
Between 8% p.a. and 15% p.a.	Straight line vesting between 25% and 100%

Adjusted EPS (30%)	Vesting
Less than 5%	0%
5%	25%
20% or above	100%
Between 5% and 20%	Straight line vesting between 25% and 100%

Careful consideration has been applied by the Committee in setting the targets for the 2025 LTIP to ensure that they are challenging, yet realistic, in the context of the Company’s strategic plans for the next three years.

Non-Executive Directors’ Fees

No changes are proposed to the current fee components at the current time. Fees will therefore continue to be paid as set out below:

Role	Fees (€)
Chairman	145,000
Non-Executive Director (base fee)	60,000
Senior Independent Director	7,000
Chair of Audit Committee	7,000
Chair of Remuneration Committee	7,000

Advisors to the Remuneration Committee

The Remuneration Committee’s independent advisors are Korn Ferry, who were appointed by the Committee in 2017. Korn Ferry has advised the Remuneration Committee on the Directors’ Remuneration Policy and its implementation in respect of the Executive Directors and other members of the Executive team. The Remuneration Committee exercises appropriate judgement and challenge when considering the work of its external advisers and is satisfied that the advice received during the year under review was objective and independent. Korn Ferry is a member of the Remuneration Consultants Group and the voluntary code of conduct of that body is designed to ensure objective and independent advice is given to remuneration committees. Korn Ferry received fees of €41,859 for their advice during the year (2023: €32,111). Fees were charged on a cost incurred basis. No other services were provided by Korn Ferry to the Company during the year and Korn Ferry have no other connection with the Company or the individual Directors of the Company.

Directors’ Report and Directors’ Responsibilities Statement

The Directors have pleasure in submitting their Annual Report and the audited Financial Statements of Hostelworld Group plc and its subsidiaries for the financial year to 31 December 2024.

Statutory Information

This section of the Annual Report includes additional information required to be disclosed under the Companies Act 2006 (the “Companies Act”), the UK Corporate Governance Code, the Disclosure Guidance and Transparency Rules (“DTRs”), the UK Listing Rules (“Listing Rules”) of the Financial Conduct Authority and the Transparency Directive.

Certain information required to be included in the Directors’ Report can be found elsewhere in this Annual Report, as highlighted throughout this report including:

- The Strategic Report, which can be found on pages 10 to 83, which sets out the development and performance of the Group’s business during the financial year, the position of the Group at the end of the year, a description of the principal risks and uncertainties (including the financial risk management position) and a summary of the Group’s ESG strategy and TCFD.
- The Corporate Governance Statement on pages 86 to 145, which sets out the Company’s statement with regard to its adoption of the UK Corporate Governance Code.
- The Audit Committee Report on pages 117 to 123.
- The Directors’ Remuneration Report on pages 125 to 145.
- This Directors’ Report, on pages 146 to 152, together with the Strategic Report on pages 10 to 83, form the Management Report for the purposes of DTR 4.1.5R.

The information required to be included in the Directors’ Report and which is located elsewhere in this Annual Report forms part of the Directors Report and is incorporated by reference.

Disclosures under UKLR 6.6.1R

The table below is included to comply with the disclosure requirements under UKLR 6.6.1R. The information required by the Listing Rules can be found in the Annual Report at the location stated below:

Section	Topic	Location
1.	Interest capitalised	Not applicable
2.	Publication of unaudited financial information	Not applicable
3.	Details of long-term incentive schemes where the only participant is a Director	Not applicable
4.	Waiver of future emoluments by a Director	Not applicable
5.	Non-pre-emptive issues of equity for cash	Not applicable
6.	Item (6) in relation to major subsidiary undertakings	Not applicable
7.	Parent participation in a placing by a listed subsidiary	Not applicable
8.	Contracts of significance	Not applicable
9.	Provision of services by a controlling shareholder	Not applicable
10.	Shareholder waivers of dividends	Not applicable
11.	Shareholder waivers of future dividends	Not applicable
12.	Compliance with the requirement to carry on the business independently from a controlling shareholder at all times	Not applicable

Board of Directors

The appointment and replacement of Directors of the Company is governed by the Articles of Association, the Companies Act 2006 and related legislation.

The Directors who served on the Board throughout the year, up to and including the date of this report, are as follows:

- Gary Morrison (Chief Executive Officer)
- Caroline Sherry (Chief Financial Officer)
- Éimear Moloney (Non-Executive Director)
- Carl G. Shepherd (Non-Executive Director)
- Evan Cohen (Non-Executive Director)
- Ulrik Bengtsson (Non-Executive Chairman)<sup>(1)</sup>
- Paul Duffy (Non-Executive Director)<sup>(2)</sup>
- Michael Cawley (Non-Executive Chairman)<sup>(3)</sup>.

Biographical details of the current Directors together with details of the membership of the various Committees are set out on pages 86 and 89.

Subject to the Articles of Association, the Companies Act 2006 and related legislation, any directions given by special resolution and any relevant statutes and regulations, the business of the Company will be managed by the Board who may exercise all the powers of the Company.

Amendment of Articles of Association

The Company’s Articles of Association may only be amended by way of shareholder approval at a general meeting of the shareholders.

Incorporation, Share Capital and Structure

The Company was incorporated and registered in England and Wales as a public limited company with registration number 9818705. The Company’s issued share capital comprises ordinary shares of €0.01 each which are traded on the London Stock Exchange’s main market for listed securities and on Euronext Dublin’s main securities market.

The liability of the members of the Company is limited.

The Company is tax resident in Ireland and its principal place of business is at Charlemont Exchange, Charlemont Street, Dublin, D02 VN88, Ireland. The Company’s registered office is at One Chamberlain Square, Birmingham, B3 3AX, United Kingdom.

As at 31 December 2024 and as at the date of this Directors’ Report, the Company’s issued share capital comprised 124,989,783 ordinary shares of €0.01. The ISIN of the shares is GB00BYYN4225. Further information on the Company’s share capital is provided in note 18 to the Group’s Financial Statements contained on page 192. All the information detailed in note 18 on page 192 forms part of this Directors’ Report and is incorporated into it by reference.

At the Annual General Meeting of the Company to be held on 07 May 2025, the Directors will seek authority from shareholders to allot shares in the capital of the Company (i) up to a maximum nominal amount of €416,632.57 (41,663,257 shares of €0.01 each) being one-third of the Company’s issued share capital and (ii) up to a further €416,632.57 (41,663,257 shares of €0.01 each) where the allotment is in connection with a rights issue, being one-third of the Company’s issued share capital. The power will expire at the earlier of 07 August 2026 or the conclusion of the Annual General Meeting of the Company held in 2026.

The Directors are also seeking authority from shareholders to allot ordinary shares for cash without first offering them to existing shareholders in proportion to their existing shareholdings. These resolutions are aligned with the Pre-Emption Group guidelines published on 04 November 2022 and seek authority to disapply pre-emption rights on up to 10% of the Company’s issued ordinary share capital for a general authority and up to a further 10% of the Company’s issued share capital for acquisitions and specified capital investments. In each case, further authority to disapply pre-emption rights is also being sought on up to 2% of the Company’s issued ordinary share capital to be used for the purposes of a follow-on offer to retail investors or existing investors not allocated shares in the offer. The power will expire at the earlier of 07 August 2026 or the conclusion of the Annual General Meeting of the Company held in 2026.

<sup>(1)</sup> Ulrik Bengtsson was appointed as Independent Non-Executive Director and Chair Designate on 02 May 2024 following the Company’s AGM and replaced Michael Cawley as Chairman on 10 October 2024.

<sup>(2)</sup> Paul Duffy was appointed as Independent Non-Executive Director on 02 May 2024 following the Company’s AGM.

<sup>(3)</sup> Michael Cawley retired as Chairman and Non-Executive Director on 10 October 2024.



Directors’ Report continued

Authority to Purchase Own Shares

At the Annual General Meeting held on 02 May 2024, the Company’s shareholders authorised it to purchase, in the market, up to 12,363,866 ordinary shares of €0.01 each. The Company did not purchase any shares under this authority during the year. The Directors will again seek authority from shareholders at the forthcoming Annual General Meeting for the Company to purchase, in the market, up to a maximum of 10% of its own ordinary shares either to be cancelled or retained as treasury shares. The Directors will only use this power after careful consideration, taking into account the financial resources of the Company, the Company’s share price and future funding opportunities. The Directors will also take into account the effects on earnings per share and the interests of shareholders generally.

Rights Attaching to Shares

All shares have the same rights (including voting and dividend rights and rights on a return of capital) and restrictions as set out in the Articles, described below. Except in relation to dividends which have been declared and rights on a liquidation of the Company, the shareholders have no rights to share in the profits of the Company.

The Company’s shares are not redeemable. However, following any grant of authority from shareholders, the Company may purchase or contract to purchase any of the shares on or off market, subject to the Companies Act and the requirements of the Listing Rules.

No shareholder holds shares in the Company which carry special rights with regard to control of the Company.

Voting Rights

Each ordinary share entitles the holder to vote at general meetings of the Company. A resolution put to the vote of the meeting shall be decided on a show of hands unless a poll is demanded. On a show of hands, every member who is present in person or by proxy at a general meeting of the Company shall have one vote. On a poll, every member who is present in person or by proxy shall have one vote for every share of which they are a holder. The Articles provide a deadline for submission of proxy forms of not less than 48 hours before the time appointed for the holding of the meeting

or adjourned meeting. No member shall be entitled to vote at any general meeting either in person or by proxy, in respect of any share held, unless all amounts presently payable in respect of that share have been paid. Save as noted, there are no restrictions on voting rights nor any agreement that may result in such restrictions.

Restrictions on Transfer of Securities

The Articles do not contain any restrictions on the transfer of ordinary shares in the Company other than the usual restrictions applicable where any amount is unpaid on a share. Certain restrictions are also imposed by laws and regulations (such as insider trading and market requirements relating to close periods) and requirements of the Market Abuse Regulation and the Company’s Securities Dealing Code whereby Directors and all employees of the Company require advance clearance to deal in the Company’s securities.

Change of Control

Save in respect of a provision of the Company’s share schemes which may cause options and awards granted to employees under such schemes to vest on takeover, there are no agreements between the Company and its Directors or employees providing for compensation for loss of office or employment (whether through resignation, purported redundancy or otherwise) because of a takeover bid.

2025 Annual General Meeting

The Annual General Meeting (“AGM”) will be held at 12 noon on 07 May 2025 at Hostelworld Group plc, Charlemont Exchange, Charlemont Street, Dublin 2, Ireland.

The Notice of Meeting which sets out the resolutions to be proposed at the forthcoming AGM specifies deadlines for exercising voting rights and appointing a proxy or proxies to vote in relation to resolutions to be passed at the AGM. All proxy votes will be counted and the numbers for, against or withheld in relation to each resolution will be announced at the AGM and published on the Company’s website.

Substantial Shareholders

At 31 December 2024, the Company had been notified, in accordance with chapter 5 of the Financial Conduct Authority’s Disclosure Guidance and Transparency Rules (“DTR5 Notification”), of the following significant interests:

Shareholder	Number of ordinary shares/ voting rights notified	Percentage <sup>(1)</sup> of voting rights over ordinary shares of €0.01 each and nature of holding
Charles Jobson	17,255,148	13.96% (direct)
Aberforth Partners LP	11,548,005	9.24% (indirect)
Jupiter Fund Management	6,928,835	5.54% (indirect)
Lombard Odier Investment Managers	6,658,992	5.39% (direct 1.80%; indirect 3.59%)
Hamblin Watsa Investment Counsel Limited	6,489,178	5.25% (direct)
Gresham House Asset Management Limited	6,460,382	5.17% (indirect)
BGF Investment Management Limited	6,319,111	5.11% (indirect)
Martin Currie Investment Management Ltd	6,288,831	5.03% (indirect)
Premier Miton Group plc	5,402,069	4.37% (indirect)
Burgundy Asset Management Limited	4,430,860	3.58% (indirect)
Allianz Global Investors GmbH	4,046,400	3.27% (direct 0.02%; indirect 3.25%)
Langfristige Investoren TGV	3,731,346	2.99% (direct)

<sup>(1)</sup> Expressed as a percentage of issued share capital as at 19 March 2025

As at the date of this report one further DTR5 Notifications had been received from the following:

- Martin Currie Investment Management Limited notified the Company on 12 February 2025 of a decrease in their holding to 6,180,000 ordinary shares representing 4.94% of the issued share capital of the Company (4.94% indirect).

Transactions with Related Parties

There were no related party transactions during the year. Please refer to note 25 to the Consolidated Financial Statements.

Events Post Year End

There are no significant events after the balance sheet date.

Share Schemes

The Company operate a Long-Term Incentive Plan (‘LTIP’) under which nil cost share options are granted to Executive Directors and senior management linked to achievement in delivering goals which are closely aligned with the Company’s strategy and the creation of value for shareholders.

The Company has also made grants of nil cost share options under the LTIP plan in the form of restricted stock awards to Executive Directors and senior management as a retention measure during COVID-19 in lieu of cash bonuses.

Shareholder approval will be sought at the 2024 AGM for the establishment of a new LTIP grant. If approved, nil cost share options will be granted to Executive Directors and senior management subject to achievement of delivering goals as outlined above. Further information is included in the Remuneration Committee Report on pages 125 to 145.

Research and Future Developments

The Group will continue to pursue new developments to enhance shareholder value, through a combination of organic growth, product delivery and other development and investment opportunities.

Innovation, specifically in the proposition on the websites and mobile apps for both customers and hostel partners, is a critical element of the strategy and therefore of the future success of the Group.

Directors’ Report continued

Current development focuses on delivering our roadmap to fully modernise our platforms, further develop our social features including Linkups and enhancing our hostel sort order and hostel signup experience. Further detail is included in the Strategic Report on pages 10 to 83. Any future developments considered by the Group will also include a review of the impact that development would have on the climate and the sustainability agenda set by the Group.

Going Concern

Hostelworld’s business activities, together with the main factors likely to affect its future development and performance, are described in the Strategic Report on pages 10 to 83. After due consideration and review, the Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for a period of at least 12 months from the date of approval of the Financial Statements. The Group therefore continues to adopt the going concern basis in preparing its Financial Statements. The full Going Concern Statement is included in Note 1 to the Consolidated Financial Statements on page 169. The Group’s assessment of viability is set out on page 73.

Indemnities and Insurance

The Company maintains appropriate insurance to cover Directors’ and Officers’ liability for itself and its subsidiaries. The Company also indemnifies the Directors under a qualifying indemnity for the purposes of section 236 of the Companies Act 2006 and the Articles of Association against any liabilities they may incur in the execution of their duties as directors of the Company or its subsidiaries, and such indemnities were in force during the year. Such indemnities contain provisions that are permitted by the director liability provisions of the Companies Act and the Company’s Articles of Association.

Financial Instruments

Details of the financial risk management objectives and policies of the Group, including the exposure of the Group to credit, interest rate and liquidity risk are set out within note 27 to the consolidated Financial Statements, and forms part of this report by reference.

Disabilities

The Group maintains an Equal Opportunities policy which ensures that employees and job applicants are not discriminated against on the grounds of disability in respect of recruitment, promotion, training and general career development and that full and fair consideration is given to applications for employment made by disabled persons. The Group also maintains a grievance procedure and a whistleblowing service that enables complaints to be made in a confidential manner should any individual dealing with the Company have concerns that any employee or job applicant has been discriminated against on the grounds of disability.

Stakeholder Engagement

During the reporting period the Directors considered and agreed that the Company’s shareholders, employees, hostel partners, customers, Allied Irish Banks, plc and society were the Group’s main stakeholders. How the Company engaged with these stakeholders during 2024 is set out in pages 75 to 81 and how their interests were considered in Board decisions are set out on pages 82 and 83, which are both incorporated into this report by reference.

Sustainability

Our Sustainability Report, including information on the Group’s greenhouse gas emissions, and compliance with TCFD is set out on pages 42 to 61 and forms part of this report by reference.

Political Contributions

Neither the Company nor any of its subsidiaries made any political donations or incurred any political expenditure during the year.

External Branches

Hostelworld Group plc is registered as a branch in Ireland with branch registration number 908295.

Hostelworld Services Limited, a U.K. subsidiary of the Company, is registered as a branch in Australia (Australian registered body number 613076556).

Hostelworld.com Limited, an Irish subsidiary of the Company, is registered as a branch in Italy (Italian registered body number MI-2679147).

Results and Dividends

The Group’s and Company’s audited Financial Statements for the year are set out on pages 165 to 209.

As a response to COVID-19 the payment of dividends was paused for the Group, and no cash dividend has been paid since 2019. The Board is not recommending a dividend to be paid in respect to the 2024 financial year end. Future cash dividend payments will be subject to the Group continuing to generate an adjusted profit after tax, the Group’s cash position, any restrictions in the Group’s banking facilities and subject to compliance with Companies Act 2006 requirements regarding ensuring sufficiency of distributable reserves at the time of paying the dividend. An update on the capital allocation policy of the Group will be provided in Q2 2025 to the market.

Statutory Auditor

KPMG were formally appointed as the Company’s external Auditors on 09 May 2023 following a tender process that was completed during 2022. KPMG is willing to continue in office and a resolution for their re-appointment as auditor of the Company will be submitted to the AGM.

Disclosure of Information to Auditor

Each of the Directors has confirmed that:

- So far as the Director is aware, there is no relevant audit information of which the Company’s Auditor is unaware.
- The Director has taken all the steps that he/she ought to have taken as a Director to make him/her aware of any relevant audit information and to establish that the Company’s Auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of Section 418 of the Companies Act 2006.

Directors’ Responsibilities Statement

The Directors are responsible for preparing the Annual Report and the Group and Company Financial Statements, in accordance with applicable law and regulations.

Company law requires the Directors to prepare Financial Statements for each financial year. The Directors are required to prepare the Group Financial Statements in accordance with UK-adopted international accounting standards and applicable law. The Directors have also elected to prepare the Group Financial Statements in accordance with International Financial Reporting Standards adopted pursuant to Regulation (EC) No 1606/2002 as it applies in the European Union and to prepare the parent Company Financial Statements in accordance with FRS 101 Reduced Disclosure Framework (the “Relevant Financial Reporting Framework”) and applicable law. Under company law the Directors must not approve the Financial Statements unless they are satisfied that they give a true and fair view of the assets, liabilities and financial position of the Group and Company and of the profit or loss of the Group for that period.

In preparing the Group and Parent Company Financial Statements, the Directors are required to:

- Select suitable accounting policies and then apply them consistently.
- Make judgments and accounting estimates that are reasonable and prudent.
- Present information, including accounting policies, in a manner that provides relevant, reliable and comparable information.
- Provide additional disclosures when compliance with the specific requirements in IFRSs are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the Company and Group’s financial position and financial performance.
- Prepare the Financial Statements on the going concern basis unless it is inappropriate to presume that the Company and Group will continue in business.
- For the Company Financial Statements state whether Financial Reporting Standard 101 Reduced Disclosures Framework has been followed, subject to any material departures disclosed and explained in the Financial Statements.



Directors’ Report continued

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company’s transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the Financial Statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company’s website. Legislation in the United Kingdom governing the preparation and dissemination of Financial Statements may differ from legislation in other jurisdictions.

Responsibility Statement

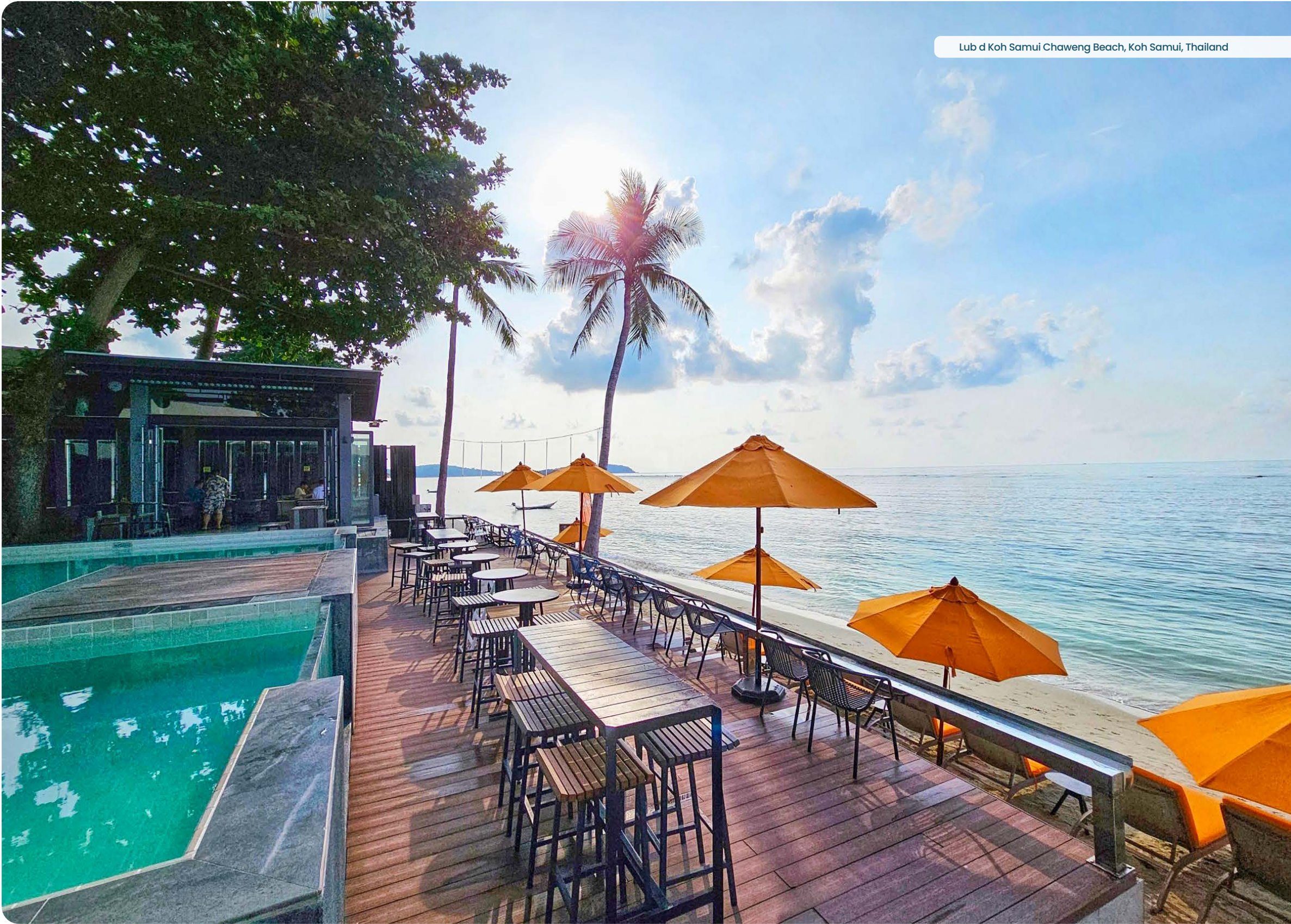
We confirm that to the best of our knowledge:

- The Group Financial Statements, prepared in accordance with IFRS as adopted by the European Union and the Company Financial Statements prepared in accordance with FRS 101 Reduced Disclosure Framework, give a true and fair view of the assets, liabilities, and financial position of the Group and Company as at 31 December 2024 and of the profit or loss of the Group for the year then ended. The Strategic Report includes a fair review of the development and performance of the business and the position of the Company, and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face.
- The Annual Report and Financial Statements, taken as a whole, provides the information necessary to assess the Group’s performance, business model and strategy and is fair, balanced and understandable. It also provides the information necessary for shareholders to assess the Group’s position and performance, business model and strategy.

This responsibility statement was approved by the Board of Directors on 19 March 2025 and is signed on its behalf by:

*John Duggan*

John Duggan  
Company Secretary  
19 March 2025



Lub d Koh Samui Chaweng Beach, Koh Samui, Thailand





# Financial Statements

**156** Independent Auditor's Report

**165** Group Financial Statements

**169** Notes to the Group Financial Statements

**203** Company Financial Statements

**205** Notes to the Company Financial Statements



# Independent Auditor’s Report to the Members of Hostelworld Group PLC

## Report on the Audit of the Financial Statements

### Opinion

We have audited the Financial Statements of Hostelworld Group Plc (“the Company”) and its consolidated undertakings (“the Group”) for the year ended 31 December 2024 set out on pages 165 to 209, which comprise:

- The Consolidated Income Statement;
- The Consolidated Statement of Comprehensive Income;
- The Consolidated Statement of Financial Position;
- The Consolidated Statement of Changes in Equity; and
- The Consolidated Statement of Cash Flows;
- The Company Statement of Financial Position;
- The Company Statement of Changes in Equity; and
- related notes 1 to 37, including a summary of material accounting policies set out in note 1 and note 31.

The financial reporting framework that has been applied in the preparation of the Group Financial Statements is UK Law, UK adopted international accounting standards and, as regards the Company Financial Statements, UK Law and UK accounting standards, including FRS 101 Reduced Disclosure Framework.

In our opinion:

- the Financial Statements give a true and fair view of the state of the Group's and of the Company's affairs as at 31 December 2024 and of the Group's profit for the year then ended;
- the Group Financial Statements have been properly prepared in accordance with UK adopted international accounting standards;
- the Company Financial Statements have been properly prepared in accordance with FRS 101 Reduced Disclosure Framework issued by the UK's Financial Reporting Council; and
- the Financial Statements have been prepared in accordance with the requirements of the Companies Act 2006 and, as regards the Group Financial Statements, Article 4 of the IAS Regulation.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (“ISAs (UK)”) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the Financial Statements section of our report. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion. Our audit opinion is consistent with our report to the audit committee.

We were appointed as auditor by the shareholders on 09 May 2023. The period of total uninterrupted engagement is for the 2 financial years ended 31 December 2024. We have fulfilled our ethical responsibilities under, and we remain independent of the Group in accordance with UK ethical requirements, including the Financial Reporting Council (FRC)'s Ethical Standard as applied to listed public interest entities. No non-audit services prohibited by that standard were provided.

### Conclusions relating to going concern

The directors have prepared the Financial Statements on the going concern basis as they do not intend to liquidate the Group or the Company or to cease their operations, and as they have concluded that the Group and the Company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over their ability to continue as a going concern for at least a year from the date of approval of the Financial Statements (“the going concern period”).

In auditing the Financial Statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the Financial Statements is appropriate. Our evaluation of the directors' assessment of the entity's ability to continue to adopt the going concern basis of accounting included considering the strategic risks relevant to the Group's business model and analysing how those risks might affect the Group's financial resources or ability to continue operations for the going concern period.

The risk we considered most likely to adversely affect the Group's available financial resources over the going concern period was the potential economic impact of a prolonged economic downturn impacting the Group's ability to generate revenue.

We considered downside scenarios which were more pessimistic than those indicated by the Group's own forecasts. There were no risks identified that we considered were likely to have a material adverse effect on the Group's available financial resources over this period.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group or the Company's ability to continue as a going concern for a period of at least twelve months from the date when the Financial Statements are authorised for issue.

In relation to the Group and the Company's reporting on how they have applied the UK Corporate Governance Code and the Irish Corporate Governance Annex, we have nothing material to add or draw attention to in relation to the directors' statement in the Financial Statements about whether the directors considered it appropriate to adopt the going concern basis of accounting.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the Group or the Company will continue in operation.

### Detecting irregularities including fraud

We identified the areas of laws and regulations that could reasonably be expected to have a material effect on the Financial Statements and risks of material misstatement due to fraud, using our understanding of the entity's industry, regulatory environment and other external factors and inquiry with the directors. In addition, our risk assessment procedures included:

- Inquiring with the directors and management as to the Group's policies and procedures regarding compliance with laws and regulations, identifying, evaluating and accounting for litigation and claims, as well as whether they have knowledge of non-compliance or instances of litigation or claims.

- Inquiring of directors, management, the audit committee and internal audit as to the Group's policies and procedures to prevent and detect fraud as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Inquiring of directors, management, the audit committee and internal audit regarding their assessment of the risk that the Financial Statements may be materially misstated due to irregularities, including fraud.
- Inspecting the Group's regulatory and legal correspondence.
- Reading Board and sub-committee meeting minutes.
- Considering remuneration incentive schemes and performance targets.
- Performing planning analytical procedures to identify any usual or unexpected relationships.
- Using forensic specialists to assist us in identifying fraud risks based on discussions of the circumstances of the Group.

We discussed identified laws and regulations, fraud risk factors and the need to remain alert among the audit team.

Firstly, the Group is subject to laws and regulations that directly affect the Financial Statements including companies and financial reporting legislation, taxation legislation and distributable profits legislation. We assessed the extent of compliance with these laws and regulations as part of our procedures on the related Financial Statement items, including assessing the Financial Statement disclosures and agreeing them to supporting documentation when necessary.

Secondly, the Group is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the Financial Statements, for instance through the imposition of fines or litigation or the loss of the Group's licence to operate. We identified the following areas as those most likely to have such an effect: health and safety, anti-bribery, employment law, environmental law, regulatory capital and liquidity and certain aspects of company legislation recognising the financial and regulated nature of the Group's activities.

Auditing standards limit the required audit procedures to identify non-compliance with these non-direct laws and regulations to inquiry of the directors and other management and inspection of regulatory and legal correspondence, if any. These limited procedures did not identify actual or suspected non-compliance.

Independent Auditor’s Report to the Members of Hostelworld Group PLC continued

We assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. As required by auditing standards, we performed procedures to address the risk of management override of controls. On this audit we do not believe there is a fraud risk related to revenue recognition, other than that associated with management override of controls. Further, we did not identify any other additional fraud risks.

In response to the fraud risk, we also performed procedures including:

- Identifying journal entries and other adjustments to test based on risk criteria and comparing the identified entries to supporting documentation.
- Evaluating the business purpose of significant unusual transactions.
- Assessing significant accounting estimates for bias.
- Assessing the disclosures in the Financial Statements.

As the Group is regulated, our assessment of risks involved obtaining an understanding of the legal and regulatory framework that the Group operates and gaining an understanding of the control environment including the entity’s procedures for complying with regulatory requirements.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the Financial Statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the Financial Statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remains a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

Key audit matters: our assessment of risks of material misstatement

Key audit matters are those matters that, in our professional judgement, were of most significance in the audit of the Financial Statements and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by us, and can include those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

In arriving at our audit opinion above, the key audit matters, in decreasing order of audit significance, are as set out below.

We continue to perform procedures over the impairment testing of intangible assets, which was formerly considered a key audit matter in the prior year audit. However, following the continued improved profitability performance of the Group and level of headroom in the impairment test model, we have not assessed this as a key audit matter in our current year audit and, therefore, it is not separately identified in our report this year. Following this change in key audit matters we identified the completeness of booking revenue as the area of next highest significance in the audit. This is due to the amount of booking revenue relative to materiality and the allocation of resources to this area. Its identification as a key audit matter is not related to a change in the risk of material misstatement year over year.

Group key audit matters

Recoverability of Deferred Tax Assets €13.8 million (2023: €15.5 million).

Refer to page 174 (accounting policy) and pages 187 to 188 (financial disclosures)

The key audit matter (Recurring)	How the matter was addressed in our audit
<p>The Group has significant deferred tax assets amounting to €13.8 million at 31 December 2024.</p> <p>These are in respect of the future benefit of deductible temporary differences and accumulated tax losses where it is considered probable that they would be utilised or recovered in the foreseeable future through the generation of future taxable profits by the relevant Group entities.</p> <p>We identified the recoverability of deferred tax assets as a key audit matter because of the inherent uncertainty associated with key assumptions made by management when forecasting future taxable profits, which support the utilisation of the deferred tax assets in the future.</p> <p>We focused our attention in particular on the key assumptions applied by management, including revenue growth rates and overall profitability expectations, when assessing the recoverability of deferred tax assets.</p> <p>For the reasons outlined above the engagement team determine this matter to be a key audit matter.</p>	<p>Our audit procedures in this area included, but were not limited to:</p> <ul style="list-style-type: none"><li>• We obtained and documented our understanding of processes related to Group’s assessment of the recognition and recoverability of deferred tax assets.</li><li>• We used our judgement in engaging our own tax specialists to assist in determining the appropriateness of recognising the temporary differences and accumulated tax losses in the Group’s calculation of deferred tax assets. This involved assessing whether the losses and temporary differences are subject to expiration, immediately available for use, and of sufficient quality.</li><li>• We assessed the recoverability of the deferred tax assets against the forecast future taxable profits, taking into account the Group’s tax position, the timing of forecast taxable profits, and our knowledge and experience of the application of relevant tax legislation.</li><li>• We challenged the Group’s profitability forecasts included in the recoverability model and in particular the revenue growth rates by comparing to external industry data and performing sensitivity analysis.</li><li>• We considered the historical accuracy of forecasts of future taxable profits made by management by comparing the actual taxable profits for the current year with management’s estimates in the forecasts made in the previous year and assessing whether there were any indicators of management bias in the selection of key assumptions.</li><li>• We considered the appropriateness, in accordance with the relevant accounting standards, of the disclosures relating to the deferred tax assets.</li></ul> <p>In concluding on the recoverability of deferred taxation assets the audit team exercised judgement in relation to the audit of the determination of forecast profit before taxation over the period the deferred tax asset is forecast to be recovered.</p> <p>Based on the audit procedures performed, we found that the key assumptions used by management in calculating the future taxable profits of the Group for the purpose of assessing the continued recognition and recoverability of deferred tax assets are reasonable.</p>



Independent Auditor’s Report to the Members of Hostelworld Group PLC continued

Revenue recognition €92.0 million (2023: €93.3 million).

Refer to page 172 (accounting policy) and pages 179 to 180 (financial disclosures)

The key audit matter (New for 2024)	How the matter was addressed in our audit
<p>Revenue totalled €92.0 million (2023: €93.3 million) and comprises technology and data processing fees ("booking revenue") of €90.0 million (2023: €92.1 million) and advertising and ancillary services of €2.0 million (2023: €1.2 million).</p> <p>We identified a risk of error associated with the completeness and existence of revenue from free cancellation and non-refundable booking revenue. Given the amount of booking revenue relative to materiality, as well as the time and senior personnel resource required to perform the audit of it, we have adjudged that this is a key audit matter.</p>	<p>Our audit procedures in this area included, but were not limited to:</p> <ul style="list-style-type: none"><li>• We obtained and documented our understanding of the revenue recognition process by performing a walkthrough of each type of booking revenue.</li><li>• We used our judgement in adopting a data and analytics approach to booking revenue where we developed an expectation of booking revenue from cash receipts, factoring in movements in trade receivables and deferred revenue and other accrual accounting based adjustments. We compared our expectation to actual booking revenue recorded in the Financial Statements.</li><li>• We performed a data and analytic routine over year end deferred revenue, which involved leveraging cash receipts and historic trends to develop an expectation of deferred revenue at year end.</li><li>• We performed sample testing (using a statistical sampling tool) of booking revenue transactions around the year end period to ensure the accuracy of timing of revenue recognition.</li></ul> <p>In concluding on the completeness and existence of booking revenue the audit team exercised judgement in relation to the audit approach and the use of the predictive analytical procedure to test the completeness of revenue.</p> <p>Based on the audit procedures performed, we did not identify any material misstatements associated with revenue recognition.</p>

Company key audit matter

Carrying value of Investment in subsidiaries (including loan receivables) €165.4 million (2023: €164.5 million), representing Investment in subsidiary of €51.6 million and loan receivable €113.8 million.

Refer to pages 205 to 206 (accounting policy) and pages 207 to 208 (financial disclosures)

The key audit matter	How the matter was addressed in our audit
<p>The investment in subsidiary undertakings is carried in the Statement of Financial Position of the Company at cost less impairment. The investment is primarily comprised of the Company's investment in Hostelworld.com (€49.2 million) and a loan due to the Company from its subsidiary Hostelworld.com Limited of (€113.8 million). There is a risk in respect of the carrying value of this investment if future cashflows and performance of this subsidiary is not sufficient to support the Company's investment.</p> <p>We focus on this area due to the significance of the balance to the Company Balance Sheet and the judgement involved in forecasting and discounting future cashflows, in particular on the key assumptions applied by management, including revenue growth rates and overall profitability expectations.</p> <p>For the reasons outlined above, the audit team determine this matter to be a key audit matter.</p>	<p>Our audit procedures in this area included, but were not limited to:</p> <ul style="list-style-type: none"><li>• We obtained and documented our understanding of the process around the Group's assessment of the recoverability of the carrying value of investments in subsidiary companies.</li><li>• We vouched a sample of the movements in the carrying value of investments in subsidiaries during the year to supporting evidence.</li><li>• We used our judgement in assessing the recoverability of the investment and intercompany receivable balances with reference to the market capitalisation of the Group at the year end date.</li><li>• We considered the Group's assessment of impairment indicators by comparing the carrying value of investment in subsidiaries and loan receivable in the Company's Balance Sheet to the market capitalisation of the Group. Additionally, the terms and conditions governing the repayment of the loan receivable were considered in our assessment.</li><li>• We challenged the Group's profitability forecasts included in the impairment testing model and in particular the revenue growth rates by comparing to external industry data and performing sensitivity analysis.</li><li>• We considered the historical accuracy of forecasts of future taxable profits made by the Group by comparing the actual taxable profits for the current year with management's estimates in the forecasts made in the previous year and assessing whether there were any indicators of management bias in the selection of key assumptions.</li><li>• We assessed the adequacy of disclosures in the Company's Financial Statements.</li></ul> <p>In concluding on the Carrying value of Investment in subsidiaries the audit team exercised judgement in relation to the audit of management's impairment assessment.</p> <p>Based on evidence obtained, we found that management's judgements were appropriate in assessing the carrying value of investment in subsidiaries and were supported by the market capitalisation at year end.</p>

# Independent Auditor’s Report to the Members of Hostelworld Group PLC continued

## Our application of materiality and an overview of the scope of our audit

Materiality for the Group Financial Statements and Company Financial Statements as a whole was determined as follows:

	Group Financial Statements	Company Financial Statements
Overall materiality	€0.729 million (2023: €0.695 million)	€0.146 million (2023: €0.139 million)
Benchmark applied and %	Group revenue of which materiality represents 0.80% (2023: 0.75%)	Total assets of which materiality represents 0.5% (2023: 0.5%) capped at 20% (2023: 20%) of Group materiality
Rationale for the benchmark and judgement involved	We consider revenue to be the most appropriate benchmark for the Group as profit before tax was an unsuitable benchmark in both the current year and prior year as the amount recorded in both years was low. We have determined, in our professional judgement, that revenue is currently the principal benchmark within the Financial Statements in assessing financial performance. In applying our judgement in determining the percentage to be applied to the benchmark we considered that the Group has a high public profile, operates in a regulated environment and also considered that it repaid its external debt fully in the current year.	We consider total assets to be the most appropriate benchmark for the Company on a stand alone single entity basis, as the entity is an investment holding company which does not trade. It holds the investment in the Group’s main trading subsidiary entity.

Performance materiality for the Group Financial Statements and Company Financial Statements as a whole was set at €0.547 million (2023: €0.450 million) and €0.109 million (2023: €0.104 million) respectively, determined with reference to benchmarks of revenue for the Group and total assets for the Company (of which it represents 75% (2023: 65%) and 75% (2023: 75%) respectively.

We reported to the Audit Committee any corrected or uncorrected identified misstatements exceeding €0.036 million (2023: €0.034 million) for Group Financial Statements and €0.008 million (2023: €0.007 million) for Company Financial Statements, in addition to other identified misstatements that warranted reporting on qualitative grounds.

In applying our judgement in determining the percentage to be applied to the benchmarks (to establish materiality) and the percentage to be applied to materiality (to establish performance materiality), we considered that this is our year two audit, no identified misstatements in the prior year audit, the entity’s control environment and the consistency of key management and financial reporting personnel.

The structure of the Group’s finance function is such that the central group team in Dublin provides support to group components for the accounting for the majority of transactions and balances. Components of the Group were audited centrally by KPMG in Ireland covering 100% of Group revenue. Materiality of each of the components, which ranged from €0.07 million to €0.7 million, having regard to the mix of size and risk profile of the components.

Our audit was undertaken to the materiality and performance materiality level specified above and was all performed by a single engagement team in Ireland.

### We have nothing to report on the other information in the annual report

The directors are responsible for the other information presented in the Annual Report together with the Financial Statements. The other information comprises the information included in the strategic report and the directors’ report and the Corporate Governance Report. The Financial Statements and our auditor’s report thereon do not comprise part of the other information. Our opinion on the Financial Statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our Financial Statements audit work, the information therein is materially misstated or inconsistent with the Financial Statements or our audit knowledge. Based solely on that work we have not identified material misstatements in the other information.

### Opinions on other matters prescribed by the Companies Act 2006

#### Strategic report and directors’ report

Based solely on our work on the other information undertaken during the course of the audit:

- we have not identified material misstatements in the directors’ report or the strategic report;
- in our opinion, the information given in the strategic report and the directors’ report is consistent with the Financial Statements;
- in our opinion, the strategic report and the directors’ report have been prepared in accordance with the Companies Act 2006.

#### Directors’ remuneration report

In our opinion the part of the Directors’ Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006.

#### Corporate governance statement

We have reviewed the directors’ statement in relation to going concern, longer-term viability and that part of the Corporate Governance Statement relating to the Company’s compliance with the provisions of the UK Corporate Governance Code and the Irish Corporate Governance Annex specified for our review by the Listing Rules of Euronext Dublin and the UK Listing Authority.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the Corporate Governance Statement is materially consistent with the Financial Statements and our knowledge obtained during the audit:

- Directors’ statement with regards the appropriateness of adopting the going concern basis of accounting and any material uncertainties identified set out on page 150 and within note 1 to the Financial Statements;
- Directors’ explanation as to their assessment of the Group’s prospects, the period this assessment covers and why the period is appropriate set out on page 150 and within note 1 to the Financial Statements;

- Director’s statement on whether it has a reasonable expectation that the Group will be able to continue in operation and meets its liabilities set out on page 150 and within note 1 to the Financial Statements;
- Directors’ statement on fair, balanced and understandable and the information necessary for shareholders to assess the Group’s position and performance, business model and strategy set out on pages 151 and 152;
- Board’s confirmation that it has carried out a robust assessment of the emerging and principal risks and the disclosures in the annual report that describe the principal risks and the procedures in place to identify emerging risks and explain how they are being managed or mitigated set out within the Responsibility Statement on page 152 and within the Principal Risks and Uncertainties on pages 62 to 72;
- Section of the annual report that describes the review of effectiveness of risk management and internal control systems set out on page 98 and within the Audit Committee report set out on pages 117 to 123; and
- Section describing the work of the audit committee set out on pages 117 to 123.

The Listing Rules of Euronext Dublin also requires us to review certain elements of disclosures in the report to shareholders by the Board of Directors’ remuneration committee.

Based solely on our work on the other information described above with respect to the Corporate Governance Statement disclosures about internal control and risk management systems in relation to financial reporting processes and about share capital structures:

- we have not identified material misstatements therein;
- the information therein is consistent with the Financial Statements and has been prepared in accordance with the applicable legal requirements; and
- in our opinion, the Corporate Governance Statement has been prepared in accordance with relevant rules of the Disclosure Guidance and Transparency Rules of the Financial Conduct Authority.

We are also required to report to you if a corporate governance statement has not been prepared by the Company. We have nothing to report in these respects.



## Independent Auditor’s Report to the Members of Hostelworld Group PLC continued

### We have nothing to report on the other matters on which we are required to report by exception

Under the Companies Act 2006, we are required to report to you if, in our opinion:

- adequate accounting records have not been kept by the Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Company Financial Statements and the part of the Directors’ Remuneration Report to be audited are not in agreement with the accounting records and returns; or
- certain disclosures of directors’ remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in these respects.

### Respective responsibilities and restrictions on use

#### Responsibilities of directors for the Financial Statements

As explained more fully in the directors’ responsibilities statement set out on page 152, the directors are responsible for: the preparation of the Financial Statements including being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of Financial Statements that are free from material misstatement, whether due to fraud or error; assessing the Group and Company’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

#### Auditor’s responsibilities for the audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud, other irregularities or error, and to issue an opinion in an auditor’s report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud, other irregularities or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

A fuller description of our responsibilities is provided on the FRC’s website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities).

The Company is required to include these Financial Statements in an annual financial report prepared under Disclosure Guidance and Transparency Rule 4.1.17R and 4.1.18R. This auditor’s report provides no assurance over whether the annual financial report has been prepared in accordance with those requirements.

#### The purpose of our audit work and to whom we owe our responsibilities

Our report is made solely to the Company’s members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company’s members those matters we are required to state to them in an auditor’s report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company’s members, as a body, for our audit work, for this report, or for the opinions we have formed.

**Brian MacSweeney**  
**(Senior Statutory Auditor)**

**19 March 2025**

**for and on behalf of**  
**KPMG, Statutory Auditor**  
**1 Stokes Place**  
**St. Stephen’s Green**  
**Dublin 2**  
**Ireland**  
**D02 DE03**

## Group Financial Statements

### Consolidated Income Statement

for the year ended 31 December 2024

	Notes	2024 €’m	2023		
			Pre-exceptional €’m	Exceptional (Note 5) €’m	Total €’m
Revenue	3	<b>92.0</b>	93.3	–	93.3
Operating expenses	4	<b>(80.9)</b>	(88.2)	(0.2)	(88.4)
Other income	7	<b>1.3</b>	–	–	–
Impairment of investment in associate	14	<b>(1.2)</b>	–	–	–
Share of results of associate	14	<b>0.1</b>	0.1	–	0.1
<b>Operating profit</b>		<b>11.3</b>	5.2	(0.2)	5.0
Finance income		<b>0.1</b>	–	–	–
Finance costs	8	<b>(0.3)</b>	(2.5)	(3.6)	(6.1)
<b>Profit/(loss) before taxation</b>		<b>11.1</b>	2.7	(3.8)	(1.1)
Taxation (charge)/credit	9	<b>(2.0)</b>	6.2	–	6.2
<b>Profit for the year attributable to the equity owners of the parent Company</b>		<b>9.1</b>	8.9	(3.8)	5.1
Basic earnings per share (euro cent)	10	<b>7.28</b>			4.21
Diluted earnings per share (euro cent)	10	<b>7.01</b>			4.07

### Consolidated Statement of Comprehensive Income

for the year ended 31 December 2024

	2024 €’m	2023 €’m
<b>Profit for the year</b>	<b>9.1</b>	5.1
Items that may be reclassified subsequently to profit or loss:		
Nil	–	–
<b>Total comprehensive income for the year attributable to equity owners of the parent Company</b>	<b>9.1</b>	5.1

Group Financial Statements continued

Consolidated Statement of Financial Position

as at 31 December 2024

	Notes	2024 €'m	2023 €'m
<b>Non-current assets</b>			
Intangible assets	11	63.5	66.5
Property, plant and equipment	12	0.5	0.8
Deferred tax assets	13	13.8	15.5
Investment in associate	14	–	1.1
Cash and cash equivalents	17	–	0.8
		77.8	84.7
<b>Current assets</b>			
Trade and other receivables	16	4.5	3.3
Corporation tax		–	0.1
Cash and cash equivalents	17	8.2	6.7
		12.7	10.1
<b>Total assets</b>		<b>90.5</b>	<b>94.8</b>
<b>Issued capital and reserves attributable to equity owners of the parent</b>			
Share capital	18	1.3	1.3
Share premium	18	14.4	14.4
Other reserves	19	3.0	2.9
Retained earnings		51.4	40.6
<b>Total equity attributable to equity holders of the parent Company</b>		<b>70.1</b>	<b>59.2</b>
<b>Non-current liabilities</b>			
<b>Non-current debt</b>			
Debt warehoused	20	3.5	6.4
Borrowings	22	–	4.8
Lease liabilities	15	–	0.1
<b>Current liabilities</b>		<b>3.5</b>	<b>11.3</b>
<b>Current debt</b>			
Debt warehoused	20	2.7	3.2
Borrowings	22	–	5.4
<b>Trade and other payables</b>			
Trade payables	21	4.1	3.3
Deferred revenue	21	3.5	3.9
Accruals and other payables	21	6.0	7.8
Lease liabilities	15	0.3	0.5
Corporation tax	9	0.3	0.2
		16.9	24.3
<b>Total liabilities</b>		<b>20.4</b>	<b>35.6</b>
<b>Total equity and liabilities</b>		<b>90.5</b>	<b>94.8</b>

The financial statements were approved by the Board of Directors and authorised for issue on 19 March 2025 and signed on its behalf by:

  
Chief Executive Officer

  
Chief Financial Officer

Hostelworld Group plc registration number 9818705 (England and Wales)

Consolidated Statement of Changes In Equity

for the year ended 31 December 2024

	Notes	Share capital €'m	Share premium €'m	Retained earnings €'m	Other reserves €'m	Total €'m
Balance at 01 January 2023		1.2	14.3	30.3	6.4	52.2
Issue of shares		0.1	0.1	–	–	0.2
Total comprehensive income for the year		–	–	5.1	–	5.1
Credit to equity for equity settled share-based payments		–	–	–	1.7	1.7
Transfer of exercise, vesting or expiry of warrants		–	–	3.1	(3.1)	–
Transfer of exercised and expired share-based awards				2.1	(2.1)	–
<b>Balance at 31 December 2023</b>		<b>1.3</b>	<b>14.4</b>	<b>40.6</b>	<b>2.9</b>	<b>59.2</b>
Issue of shares	18	–	–	–	–	–
Total comprehensive income for the year		–	–	9.1	–	9.1
Credit to equity for equity settled share-based payments	19	–	–	–	1.8	1.8
Transfer of exercised and expired share-based awards		–	–	1.7	(1.7)	–
<b>Balance at 31 December 2024</b>		<b>1.3</b>	<b>14.4</b>	<b>51.4</b>	<b>3.0</b>	<b>70.1</b>



Group Financial Statements continued

Consolidated Statement of Cash Flows

for the year ended 31 December 2024

	Notes	2024 €'m	2023 €'m
<b>Cash flows from operating activities</b>			
Profit for the year		9.1	5.1
Taxation charge/(credit)		2.0	(6.2)
<b>Profit/(loss) before tax</b>		<b>11.1</b>	(1.1)
Amortisation and depreciation	4	9.1	11.8
Share of results of associate	14	(0.1)	(0.1)
Impairment of investment in associate		1.2	–
Non-cash movements in provisions		(1.3)	–
Financial income		(0.1)	–
Finance expense	8	0.3	2.5
Finance expense (exceptional)	8	–	3.5
Employee equity settled share-based payment expense	24	1.8	1.7
<b>Changes in working capital items:</b>			
(Decrease)/increase in trade and other payables		(0.2)	2.4
Increase in trade and other receivables	16	(1.2)	–
<b>Cash generated from operations</b>		<b>20.6</b>	20.7
Interest paid (including lease interest)		(0.3)	(3.0)
Interest received		0.1	–
Income tax paid		(0.1)	(0.3)
<b>Net cash generated from operating activities</b>		<b>20.3</b>	17.4
<b>Cash flows from investing activities</b>			
Acquisition/development of intangible assets	11	(5.5)	(4.0)
Purchases of property, plant and equipment	12	(0.1)	(0.1)
<b>Net cash used in investing activities</b>		<b>(5.6)</b>	(4.1)
<b>Cash flows from financing activities</b>			
Drawdown of borrowings	22	–	17.4
Transaction costs relating to borrowings	22	–	(0.2)
Repayment of borrowings	22	(10.3)	(41.2)
Repayment of warehoused debt	20	(3.2)	–
Proceeds received on issue of shares	18	–	0.1
Repayments of obligations under lease liabilities	15	(0.5)	(0.9)
<b>Net cash used in financing activities</b>		<b>(14.0)</b>	(24.8)
Net decrease in cash and cash equivalents		0.7	(11.5)
Cash and cash equivalents at the beginning of the year		7.5	19.0
<b>Cash and cash equivalents at the end of the year</b>	17	<b>8.2</b>	7.5

Notes to the Group Financial Statements

for the year ended 31 December 2024

1. Material accounting policies

General Information

Hostelworld Group plc, hereinafter “the Company”, is a public limited company domiciled in Ireland, incorporated in the United Kingdom on the 09 October 2015 under the Companies Act 2006 and is registered in England and Wales. The registered office of the Company is One Chamberlain Square, Birmingham, B3 3AX, United Kingdom.

The Company and its subsidiaries (together “the Group”) provide software and data processing services that facilitate hostel, B&B, hotel and other accommodation bookings worldwide.

The Company’s shares are quoted on Euronext Dublin and the London Stock Exchange.

The Company and consolidated financial statements were approved and authorised for issue by the Board of Directors on 19 March 2025.

Going Concern

The Directors, after due consideration and review of the Board approved 2025 budget and two-year outlook, and further two years of management projections, and having made enquiries, have a reasonable expectation that the Group has adequate resources to continue operating as a going concern for the foreseeable future, at least 12 months from the date of approval of the financial statements. In their review of the budget and outlook the Directors referred to the Group’s strategy, the Group’s Risk Register and current and anticipated trading volumes. The Directors considered mitigating actions available to the Group should trading volumes not materialise including the flexibility of the Group to fully control its largest cost base direct marketing, and management’s ability to protect margin should the Group experience a downside in trading.

In addition to the base budget for 2025, the Directors also considered two additional scenarios that were designed to stress the budget and outlook prepared. An extreme downside scenario considered no growth in booking volumes year-on-year, no uplift to average booking values and bed prices year-on-year and an increase in marketing costs as a % of generated revenue instead of assuming any further efficiencies being obtained within marketing. The Directors also considered a stressed scenario of reduced booking volumes in Europe (~2%), the Group’s largest market. Under both scenarios, although profitability is impacted, the Group had sufficient cash reserves available to remain a going concern.

In their review, the Directors took account of cash flow forecasts prepared for 12 months from 19 March 2025 based upon the Board approved budget and outlook and in their assessment took into account the repayment of the Group’s external bank debt in 2024, the repayment plan in place with the Revenue Commissioners to repay the remaining warehoused facility in monthly instalments from now to April 2027 and the current and anticipated levels of cash.

At this point in time, the consequences of the current unrest in Ukraine and in Gaza remains uncertain. The Group has not experienced a significant impact to revenue during 2024, and management continue to monitor any development in the conflict, and the impact to the Group closely. No revenue has been budgeted for these countries in 2025. In addition, we have performed an assessment of the impact of climate risk, as part of the Director’s assessment of the viability of the Group with further detail set out on page 73.

Based upon the factors considered above, the Directors are satisfied that the Group and Company has sufficient resources to continue in operation for the foreseeable future, a period of not less than 12 months from the date of this report. Accordingly, they continue to adopt the going concern basis in preparing the Group financial statements.

Basis of Preparation

The financial statements have been prepared in conformity with the requirements of the Companies Act 2006 and UK adopted International Financial Reporting Standards (“IFRS”) and IFRS adopted pursuant to Regulation (“EC”) No 1606/2002 as it applies in the European Union.

The consolidated financial statements also comply with Article 4 of the EU IAS Regulation. References to IFRS hereafter refer to UK adopted IFRS and IFRS adopted by the EU.

The consolidated financial statements have been prepared under the historical cost basis. The investment in associate is accounted for using the equity method.

In the preparation of these consolidated financial statements the accounting policies set out below have been applied consistently by all Group companies. The consolidated financial statements are presented in euro which is the currency of the primary economic environment in which the Group operates.

Notes to the Group Financial Statements continued

1. Material Accounting Policies continued

The Group has changed the presentation of its consolidated financial statements from amounts presented in thousands (€'000) to millions (€m) effective from the financial year ended 31 December 2024. This change reflects the Group's return to normalised trading volumes post COVID-19 in the prior year, making the presentation in millions more appropriate for providing clearer and more relevant financial information to the users. The change in presentation has been applied retrospectively for all comparative information included in these financial statements to ensure consistency and comparability.

Climate Related Matters

The Group have taken account of climate related matters in its financial statements. Operating costs in 2024, and the 2025 budget and two-year outlook, and further two years of management projections, incorporate any operating costs relating to our sustainability roadmap, namely the personnel required to support on commitments and targets in place, as well as the cost of any current and future emission reductions and investments in climate action projects. Following an assessment completed by management in 2024, the Group have not identified any cause for any other liability, provision or impairment of any assets because of its review of climate related matters, and further have not identified any in future projections.

Climate related risks can impact our revenue and trading for factors such as a customer may not want to travel, a hostel may be forced to close, or an area is not accessible. The risk is somewhat mitigated as our target 18-34-year-old population typically view travel as a 'rite of passage' and staying in hostels is a more sustainable way of travelling compared to other accommodation types. In addition, our target customers have proven in their booking patterns that they are flexible. If they are unable to travel to a particular location, we have evidence from studying historic booking behaviours that demand moves elsewhere. These factors are considered in detail in our Sustainability Report set out on pages 42 to 61. The budget does not include any adjustments to revenue for climate change, and we will monitor the impact climate change may have on booking demand closely. The Group's business model allows for flexibility, through being asset light, which means the Group can respond quickly to changes in customer demand if a matter arises.

The Group's consideration of climate-related matters in estimates and assumptions includes the following areas:

- **Impairment of assets:** Future expected cashflows may be impacted by reducing revenue projections driven by changes in consumer demand and increasing costs. To offset this uncertainty, the Group have significant headroom in its goodwill and intangible asset impairment reviews outlined in the sensitivity analysis disclosed on page 186.
- **Deferred tax asset recoverability:** Taxable profits and whether the Group has sufficient future taxable income may be impacted by changes in consumer demand and increasing costs. To offset this uncertainty, the Group have headroom in its deferred tax recoverability assessments as outlined in the sensitivity analysis disclosed on page 179, and the primary basis of the benefit the Group has from historic trading losses and timing differences does not expire.
- **Going concern:** Future expected cashflows underpinning going concern may be impacted by reduced revenue and profit projections driven by consumer demand and increasing costs. Any downside impact to bookings as a result of climate change are considered in the downside scenarios detailed in the Directors assessment of going concern set out on page 169, with a further assessment included within our Viability Statement set out in the strategic report on page 73.

Basis of Consolidation

Subsidiaries

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries) all of which prepare financial statements up to 31 December.

Control is achieved when the Company has the power over the investee, is exposed, or has rights, to variable return from its investment with the investee and has the ability to use its power to affect its returns. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between the members of the Group are eliminated on consolidation. Unrealised losses are also eliminated, except where they provide evidence of impairment.

Associates

Associates are entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control over those policies.

Investments in associates are accounted for using the equity method of accounting and are initially recognised at cost. On acquisition of the investment in associate, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying value of the investment.

The Group's share of its associates' post-acquisition profits or losses is recognised in 'share of results of associate' in the consolidated income statement, and its share of post-acquisition movements in reserves is recognised in the Consolidated Statement of Changes in Equity. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment, less any impairment in value. Where indicators of impairment arise, the carrying amount of the associate is tested for impairment by comparing its recoverable amount with its carrying amount.

The requirements of IAS 36 are applied to determine whether it is necessary to recognise any impairment loss with respect to the Group's investment in an associate. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with IAS 36 as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairments in value are recognised in the consolidated income statement. Any impairment loss recognised is not allocated to any asset, including goodwill that forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with IAS 36 to the extent that the recoverable amount of the investment subsequently increases.

Unrealised gains arising from transactions with associates are eliminated to the extent of the Group's interest in the entity. Unrealised losses are eliminated to the extent that they do not provide evidence of impairment. When the Group's share of losses in an associate equals or exceeds its interest in the associate, the Group does not recognise further losses unless the Group has incurred obligations or made payments on behalf of the associate. The

accounting policies of associates are amended where necessary to ensure consistency of accounting treatment at Group level.

When the Group ceases to have significant influence, any retained interest in the entity is re-measured to its fair value at the date when significant influence is lost with the change in carrying amount recognised in the consolidated income statement. The Group also reclassifies any movements previously recognised in other comprehensive income to the consolidated income statement.

New Standards, Amendments and Interpretations Issued and Adopted by the Group in 2024:

The following changes to IFRS became effective for the Group during the year but did not result in material changes to the Group's consolidated financial statements:

- Amendments to IAS 1 Presentation of Financial Statements:
  - Classification of Liabilities as Current or Non-current Date
  - Non-current Liabilities with Covenants
- Lease Liability in a Sale and Leaseback (Amendments to IFRS 16)
- Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures: Supplier Finance Arrangements

New and Amended Standards and Interpretations Not yet Mandatorily effective:

The Group has not applied certain new standards, amendments and interpretations to existing standards which are not yet mandatorily effective and have not yet been endorsed by the UK or by the EU, in some instances:

- IFRS 19: Subsidiaries without Public Accountability: Disclosures
- Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability
- Sale of Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28)
- Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7)
- IFRS 18: Presentation and Disclosure in Financial Statements will replace IAS 1 Presentation of Financial Statements



Notes to the Group Financial Statements continued

1. Material Accounting Policies continued

Regarding standards and interpretations not yet mandatorily effective it is expected that IFRS 18 will have a significant impact on the Group affecting periods on or after 01 January 2027. The Group are still in the process of assessing the full impact of the new standard, particularly with respect to the structure of the Group's Statement of profit or Loss, the Statement of Cash Flows and the additional disclosures required for management defined performance measures. The Group is also assessing the impact on how information is grouped in the financial statements, including for items currently labelled as other.

Revenue Recognition

The Group generates substantially all of its revenues from the technology and data processing fees and service fees that it charges to accommodation providers. The Group also generates revenues from advertising services.

Revenue is recognised at the time the reservation is made in respect of non-refundable commission on the basis that the Group has met its performance obligations having provided the technology and data processing service at the time the booking is made. In respect of the free cancellation product, which offers the traveller the opportunity to make a booking on a free cancellation basis and to receive a refund of their deposit in certain circumstances, such related revenue is not recognised until the last cancellation date has passed as one party can withdraw from the contract until such a date has passed, at which point the Group will have met its performance obligation.

Where the Group provides an ancillary service to allow a flexible booking option which allows a booking to be cancelled for no charge or a new booking to be made, such revenue is deferred, until such time as the related check-in date has passed or for a six-month period from the date of cancellation, at which time the credit expires.

Where credits are granted to customers for utilisation on future bookings, a provision is recorded against revenue based on the probability that a credit offering will be used by a customer.

Ancillary advertising and property management technology revenues (Counter) are recognised over the period when the service is performed as the Group's

performance obligation is met over time. Royalties and commission amounts earned from the "Roamies" revenue streams are recognised on the trip's start date, when the Group's performance obligations are met. Revenue is measured at the fair value of the consideration received or receivable.

Revenue is stated net of rebates, sales taxes and value added taxes. Rebates relate to volume incentive rebates offered to hostel partners. Recognition of rebates have limited judgement and are recognised based on performance targets for the previous quarters trading volumes measured at midnight on the closing day of a quarter and settled within the following quarter.

Leases

The Group leases properties across a number of locations. Rental contracts are typically made for fixed periods but may have an option to extend. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.

At inception of a contract, the Group assesses whether a contract is or contains a lease. For contracts where the Group is a lessee, a right-of-use asset is recognised, representing the Group's right to use the underlying asset and a lease liability is also recognised for the Group's obligation to make lease payments during the lease term. The lease term of each contract is determined as the non-cancellable period of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease (break option), if it is reasonably certain not to exercise that option. For short term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets (defined as leases with an underlying asset value of €10,000 or less), the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease.

The right-of-use asset is initially measured at cost and subsequently valued at cost less accumulated depreciation and impairment losses. It is adjusted where a lease modification results in a remeasurement of the lease liability.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

Whenever the Group incurs an obligation to restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under IAS 37. To the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset.

The carrying value of these assets are reviewed at the end of each reporting period to determine whether there is any indication that the assets have suffered an impairment loss. The Group applies IAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss.

Lease liabilities are measured at the present value of the future lease payments. The lease payments are discounted using the implicit interest rate in the lease, or where this cannot readily be determined the Group uses the Group's incremental borrowing rate. The incremental borrowing rate depends on the term, currency and start date of the lease and is determined based on a series of inputs including: the risk-free rate based on government bond rates; a country-specific risk adjustment and a credit risk adjustment based on bond yields. Subsequently the lease liability is increased to reflect interest on the lease liability and reduced for payments made. The lease liability is remeasured for lease modifications or reassessments.

Lease payments included in the measurement of the lease liability comprise: (i) fixed lease payments less any lease incentives receivable; (ii) variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date; (iii) the amount expected to be payable by the lessee under residual value guarantees; (iv) the exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and (v) payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line in the consolidated Statement of Financial Position. The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Group re-measures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever: (i) the lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a

purchase option, in which case the lease liability is re-measured by discounting the revised lease payments using a revised discount rate; (ii) the lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate or (iii) a lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

Cash paid on the interest portion of a lease liability is included as part of operating activities in the Consolidated Cash Flow Statement and cash payments for the principal portion of a lease liability are included as part of financing activities. Payments in relation to short term leases and leases of low value assets that do not meet the criteria to be capitalised under IFRS 16 are included as part of operating activities in the Consolidated Cash Flow Statement.

Exceptional Items

Exceptional items by their nature and size can make interpretation of the underlying trends in the business more difficult. Such items may include restructuring, material merger and acquisition costs, profit or loss on disposal or termination of operations, litigation settlements, legislative changes, material acquisition integration costs and profit or loss on disposal of investments. Judgement is used by the Group in assessing the particular items which by virtue of their scale and nature should be disclosed as exceptional items. Where an item that has been classified as exceptional spans more than one reporting period such as a multi-year restructuring programme, it will also be presented as exceptional in the following period for consistency of presentation.

Taxation

The Group is tax resident in Ireland. The tax expense represents the sum of the tax currently payable and deferred tax.

Current Tax

The tax currently payable is based on taxable profit for the period. Taxable profit differs from net profit as reported in the Consolidated Income Statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items

Notes to the Group Financial Statements continued

1. Material Accounting Policies continued

that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting date, and any adjustment to tax payable in respect of previous years.

A provision is recognised for those matters for which the tax determination is uncertain, but it is considered probable that there will be a future outflow of funds to a tax authority. The provisions are measured at the best estimate of the amount expected to become payable. The assessment is based on the judgement of tax professionals within the Company supported by previous experience in respect of such activities and in certain cases based on specialist independent tax advice.

Deferred Tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using the liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable future taxable profits will be available against which the temporary difference can be utilised.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Such reductions are reversed when the probability of future taxable profits improves.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled, or the asset is realised based on tax laws and rates that have been enacted or substantively enacted at the balance sheet date. Deferred tax is charged or credited in the consolidated income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Foreign Currencies

The individual financial statements of each Group Company are presented in the currency of the primary economic environment in which it operates (its functional currency). For the purpose of the consolidated financial statements, the results and financial position of each Group Company are expressed in euro, which is the functional currency of the parent Company and the presentation currency for the consolidated financial statements.

In preparing the financial statements of the individual companies, transactions in currencies other than the entity's functional currency (foreign currencies) are recorded at the rates of exchange prevailing on the dates of the transactions. At each reporting date, monetary assets and liabilities denominated in foreign currencies are retranslated at the rates prevailing on the reporting date.

Non-monetary items (including deferred revenue) carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined in accordance with IFRIC 22. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are included in the Consolidated Income Statement and Consolidated Statement of Comprehensive Income for the period. For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's operations are translated at exchange rates prevailing on the reporting date. Income and expense

items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the date of transactions are used. Exchange differences arising, if any, are classified as equity and transferred to the Group's foreign currency translation reserve.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate. Exchange differences arising are recognised in other comprehensive income.

Retirement Benefits Costs

The Group operates a defined contribution pension scheme. Contributions made in respect of employees' pension schemes are charged through the Consolidated Income Statement in the period they become payable. The Group pays contributions to privately administered pension insurance plans. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

Intangible Assets

Goodwill

Goodwill is initially measured as the excess of the cost of the business combination over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the acquired subsidiary or associate. Identifiable intangible assets, meeting either the contractual-legal or separability criterion are recognised separately from goodwill.

Goodwill on acquisition of subsidiaries is included within intangible assets. Goodwill associated with the acquisition of associates is included within the interest in associates under the equity method of accounting.

Following initial recognition, goodwill is measured at cost less any accumulated impairment losses.

Goodwill is reviewed for impairment annually or more frequently if events or changes in circumstances indicated that the carrying value may be impaired.

For the purposes of impairment testing, goodwill is allocated to the Group's single Cash-Generating Unit ("CGU") that is expected to benefit from the synergies of the combination.

If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit on a pro-rata basis based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in profit or loss in the consolidated income statement. An impairment loss recognised for goodwill is not reversed in subsequent periods.

Other Intangible Assets

The Group has four classes of other intangible assets: domain names, technology assets, affiliate contracts and development costs. Other intangible assets are capitalised at cost and amortised to operating expenses before impairment in the Consolidated Income Statement on a straight-line basis over their estimated useful lives:

Domain names	5–15 years
Technology	4 years
Affiliate contracts	5 years
Capitalised development costs	2–5 years

a) Domain names

Domain names relate to certain domain names, trademarks and technology assets which are carried at cost less accumulated amortisation and are amortised over their useful life. Technology assets here include the website, app interfaces and application programming interfaces ("APIs") that allow applications to interface with databases, which collectively form the underlying integrated Hostelworld Platform.

b) Technology

Technology assets relates to certain computer software applications stated at cost less accumulated amortisation. Costs incurred on the acquisition of computer software are capitalised, as are costs directly associated with developing computer software programmes for internal use, if they meet the recognition criteria of IAS 38 'Intangible Assets'.

c) Affiliate contracts

Affiliate contracts refers to contracts established with certain affiliate partners whose function is to promote the website and app. These contracts were identified as a separately identifiable asset in line with IAS 38 'Intangible Assets' which allow affiliates to get real time access to property, pricing and availability function through affiliate APIs.



Notes to the Group Financial Statements continued

1. Material Accounting Policies continued

d) Development expenditure

Expenditure on research activities is recognised as an expense in the period in which it is incurred. Development expenditure in relation to internally-generated intangible assets is capitalised when all of the following have been demonstrated; the technical feasibility of completing the intangible asset so that it will be available for use; the intention to complete the project to which the intangible asset relates and to use it or sell it; the ability to use or sell the intangible asset, how the intangible asset will generate probable future economic benefits; the availability of adequate technical, financial and other resources to complete the development and to use the intangible asset; and the ability to measure reliably the expenditure attributable to the intangible asset during its development.

Development activities involve a plan or design for the production of new or substantially improved products or processes. Directly attributable costs that are capitalised as part of the software product, website or system include employee costs. Other development expenditures that do not meet these criteria as well as ongoing maintenance are recognised as an expense as incurred. Development costs are amortised using the straight-line method over their estimated useful lives. Amortisation commences once the asset is in use, or where the development activity is part of a multi-phase project, where a particular phase is in use. An intangible asset is derecognised on disposal or when no future economic benefits are expected to arise from the continued use or disposal of the asset. The gain or loss arising on the disposal of an asset is recognised in the Consolidated Income Statement when the asset is derecognised.

The residual value associated with all intangible assets is deemed to be €nil.

Impairment of Tangible and Intangible Assets Other than Goodwill

At the end of each reporting period, the Directors review the carrying amounts of the Group's tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Directors estimate the recoverable amount of our cash-generating unit as a whole.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. If the recoverable amount of an asset (or the cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or the cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or the cash-generating unit) is increased to the revised estimate of its recoverable amount. The increased carrying amount cannot exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or the cash-generating unit) in prior years. Additionally, a reversal is only recognised in respect of the impairment of non-goodwill assets within the cash-generating unit. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

Financial Instruments

Financial assets and financial liabilities are recognised in the Group's Consolidated Statement of Financial Position when the Group becomes a party to the contractual provisions of the instrument.

Financial assets and liabilities are initially measured at fair value plus transaction costs, except for those classified as fair value through profit or loss, which are initially measured at fair value. The fair value of financial assets and liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period.

(a) Financial Assets Trade and Other Receivables

Trade and other receivables are stated initially at their transaction price and subsequently at amortised cost, less any expected credit loss ("ECL") provision. The Group applies the simplified approach to measuring ECLs which uses a lifetime ECL allowance for all trade receivables.

(b) Expected Credit Loss of Financial Assets

The Group always recognises lifetime ECLs for trade receivables estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

Lifetime ECLs represents the ECLs that will result from all possible default events over the expected life of a financial instrument. ECLs are reported in the Consolidated Income Statement. An event of default occurs where there is failure by a debtor to fulfil an obligation and there is no likely recourse available. For example, if a hostel has gone out of business.

(c) Financial Liabilities Trade and Other Payables

Trade and other payables are initially recorded at fair value, which is usually the original invoiced amount, and subsequently carried at amortised cost. Liabilities are derecognised when the obligation under the liability is discharged, cancelled or expires.

Loans and Borrowings

All loans and borrowings are initially recognised at fair value of the proceeds received less any directly attributable transaction costs. Transaction costs include fees and commission paid to agents, advisers brokers and dealers. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method being the amount at which the financial liability is measured at initial recognition minus any principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount. Borrowings are de-recognised when the Group's obligations specified in the contracts expire, are discharged or cancelled. Borrowings are classified as current or non-current, dependent on the rights that exist at the end of the reporting period. Borrowings are classified as current

liabilities unless the Group has the right to defer settlement of the liability for at least 12 months after the reporting date.

Other Financial Liabilities

Financial liabilities are recognised initially at fair value and are subsequently stated at amortised cost using the effective interest method. The effective interest method is a method for calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability to the amortised cost of a financial liability.

Financial liabilities are classified as current liabilities unless the Group has the right to defer settlement of the liability for at least 12 months after the reporting date. The Directors determine the classification of the Group's financial liabilities at initial recognition.

(d) Cash and Cash Equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less. Restricted cash and cash equivalent balances are those which meet the definition of cash and cash equivalents but are not available for use by the Group, including those which are under contractual restriction.

Dividends

Final dividends are recorded in the Group's financial statements in the period in which they are approved by the Company's shareholders. Interim dividends are recorded in the period in which they are paid.

Share-Based Payments

Equity settled share-based payments to employees are measured at the fair value of the equity instruments at the grant date. The fair value excludes the effect of non-market-based vesting conditions. Details regarding the determination of the fair value of equity-settled share-based transactions are set out in note 24.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest. At each reporting date, the Group revises its estimate of the number of equity instruments expected to vest as a result of the effect of non-market-based vesting conditions. The impact of the revision of the original

Notes to the Group Financial Statements continued

1. Material Accounting Policies continued

estimates, if any, is recognised in the Consolidated Income Statement such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the share-based payment reserve.

For cash settled share-based payments, a liability is recognised for the services acquired, measured initially at the fair value of the liability. At each reporting date until the liability is settled, and at the date of settlement, the fair value of the liability is re-measured, with any changes in fair value recognised in the Consolidated Income Statement for the year.

In assessing any modification of employee share-based payment transactions, the Group assesses if the change in the terms and conditions has an effect on the amount recognised which depends on whether the fair value of the new instruments is greater than the fair value of the original instruments. Modifications that increase the fair value of the grant result in recognition of the incremental fair value measured at the date of modification.

Earnings Per Share

The Group presents basic and diluted earnings per share ("EPS") data for its ordinary shares. Basic EPS is calculated by dividing the profit attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the period. Diluted earnings per share is computed by adjusting the weighted average number of ordinary shares in issue to assume conversion of all potential dilutive ordinary shares.

2. Critical Accounting Judgements and Key Sources of Estimation Uncertainty

In the application of the Group's accounting policies, the Directors are required to make judgements (other than those involving estimations) that have a significant impact on the amounts recognised and to make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors considered relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised if the revision affects only that year, or in the year of the revision and future years if the revision affects both current and future years.

(a) Critical Judgements in Applying the Group's Accounting Policies:

The following are the critical judgements, apart from those involving estimations (which are presented separately below), that the Directors have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in financial statements.

Capitalisation of Development Costs

Development costs are capitalised when the criteria set out in paragraph 57 of IAS 38 Intangible assets have been demonstrated as disclosed in our accounting policy disclosed on page 176 and 177. Total additions amounted to €5.5 million (2023: €4.0 million) and carrying value of the capitalised development asset at the balance sheet date totalled €9.7 million (2023: €7.8 million).

Determining the amount to be capitalised requires management to make judgements about each asset to ensure that they meet the requirements of the standard. Business cases have been prepared in line with our Board approved 2025 budget and two-year outlook, and further two years of management projections. The primary projects capitalised in the current year relate to new features within our social product and modernising our legacy platforms which both form a key part of the Group's growth strategy.

Should trading deteriorate significantly it is reasonably possible within the next financial year that development costs may require a material adjustment to their carrying amount.

Accounting for Exceptional Items

Exceptional items by their nature and size can make interpretation of the underlying trends in the business more difficult. Judgement is used in assessing the particular items which by virtue of their scale and nature should be disclosed as exceptional items. Circumstances that the Group believe would give rise to exceptional items for separate disclosure are outlined in the exceptional accounting policy on page 173. There were no current year exceptional costs (2023: €3.8 million).

(b) Key Sources of Estimation Uncertainty:

The key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Recoverability of Deferred Tax Assets

At 31 December 2024 the carrying value of deferred tax assets amounted to €13.8 million (2023: €15.5 million). The recoverability of these deferred tax assets is dependent upon the future profitability of the Group. The recoverability assessment has been based upon Board approved 2025 budget and two-year outlook, and further two years of management projections, with appropriate tax adjustments to accurately reflect the underlying profit before tax against which deferred tax losses can be utilised.

The Group does not have any binding fixed term contracts in place which guarantee profitability, but prior to the impact of COVID-19 the Group generated a profit after tax each trading year since its IPO in 2015. In 2024 the Group returned to a profit before tax of €11.1 million (2023: loss of €1.1 million). The Group has forecasted a growing profit in each year 2025 to 2029, driven by growth in bookings and revenue, a declining marketing cost as a % of revenue driven by its social strategy cost discipline and nil interest costs as a result of exiting its external debt facilities. Details of the business operations expected to derive future profits are set out in the strategic report on pages 10 to 83. Based on the assessment performed there were no issues on the recoverability of the deferred tax asset.

As part of our recoverability analysis, the Group has performed a sensitivity analysis on taxable profits growth over the next five years, to mirror the same cashflows utilised for viability assessments and intangible asset impairment reviews. A reduction in profits of 10% had no impact on the recoverability of the deferred tax asset. The Group's forecasted taxable profits would have to decline by over 37% over the next five years before there is a risk that the deferred tax asset is not fully recovered in that period.

Carrying Value of Goodwill and Intangible Assets

The Directors assess annually whether goodwill has suffered any impairment, in accordance with the relevant accounting policy, and intangible assets are assessed for possible impairment where indicators of impairment exist. The recoverable amounts of our CGU is determined based on the higher of fair value less costs of disposal or value in use calculations. The carrying amount of goodwill at 31 December 2024 amounted to €17.8 million (2023: €17.8 million) and the carrying amount of domain names amounted to €36.0 million (2023: €40.9 million). Based on work performed and the headroom identified in the model no impairment was deemed necessary in 2024.

Management estimation is required in forecasting future cash flows of the cash-generating unit including the budgeting of future cash flows, the discount rates applied to these cashflows, the expected long-term growth rate of the business and terminal values. The area of estimation of most risk relates to the certainty of delivering the growth rates forecasted. Further details on the assumptions used and sensitivity analysis are set out in note 11.

3. Revenue and Segmental Analysis

The Group is managed as a single business unit which provides software and data processing services that facilitate hostel, hotel and other accommodation worldwide, including ancillary on-line advertising revenue.

The Directors determine, and present operating segments based on the information that is provided internally to the Chief Executive Officer, who is the Company's Chief Operating Decision Maker ("CODM"). When making resource allocation decisions, the CODM evaluates booking numbers and average booking values ("abvs"). Net ABV is defined in Appendix 1 Alternative Performance Measures. The objective in making resource allocation decisions is to maximise consolidated financial results.

The CODM assesses the performance of the business based on the consolidated adjusted profit after tax of the Group throughout the year. This measure excludes the effects of certain income and expense items, which are unusual by virtue of their size and incidence, in the context of the Group's ongoing core operations, such as the impairment of investment in associate and other one-off items of expenditure.

All revenue is derived wholly from external customers and is generated from a large number of customers, none of whom is individually significant.

The Group's major revenue-generating asset class comprises of its software and data processing services and is directly attributable to its reportable segment operations. In addition, as the Group is managed as a single business unit, all other assets and liabilities have been allocated to the Group's single reportable segment. There have been no changes to the basis of segmentation or the measurement basis for the segment profit or loss.



Notes to the Group Financial Statements continued

3. Revenue and Segmental Analysis continued

Revenue split by country, is dependent on the location of the hostel or property. As no single country, year-on-year, contributes 10% or more of total revenue we have not disclosed revenue by country due to its disaggregated nature. Our top five countries year-on-year account for 34% of overall revenue (2023: 36%) relating to USA, Australia, and key European destinations. Revenue split by continent is presented as follows:

	2024 €'m	2023 €'m
Europe	51.6	56.4
Americas	17.0	17.3
Asia, Africa and Oceania	23.4	19.6
<b>Total revenue</b>	<b>92.0</b>	<b>93.3</b>

Revenue arising within Ireland, the country of domicile, amounted to €1.8 million (2023: €1.8 million).

Disaggregation of revenue is presented as follows:

	2024 €'m	2023 €'m
Technology and data processing fees	90.0	92.1
Advertising revenue and ancillary services	2.0	1.2
<b>Total revenue</b>	<b>92.0</b>	<b>93.3</b>

In the year ended 31 December 2024, the Group generated 98% (2023: 99%) of its revenues from the technology and data processing fees that it charged to accommodation providers.

As at 31 December 2024, €3.2 million of revenue relating to free cancellation bookings has been deferred (2023: €3.4 million).

Revenue is recognised at the time the reservation is made in respect of non-refundable commission on the basis that the Group has met its performance obligations at the time the booking is made. In respect of the free cancellation product, which offers the traveller the opportunity to make a booking on a free cancellation basis and to receive a refund of their deposit in certain circumstances, such related revenue is not recognised until the last cancellation date has passed as one party can withdraw from the contract until such a date has passed. Deferred revenue is expected to be recognised within twelve months of initial recognition.

Advertising revenue and revenue generated from other services are recognised over the period when the service is performed.

The Group's non-current assets are largely located in Ireland and Portugal for current year and prior year, and Australia in the prior year. These are disaggregated below. Movement in non-current assets in Australia relates to the impairment of the investment in associate located in Australia, see note 14 for further details. The Group has a small amount of non-current assets in other locations such as United Kingdom and China which are deemed immaterial to disclose individually.

	2024 €'m	2023 €'m
Total non-current assets	77.8	84.7
<b>Analysed as:</b>		
Ireland	77.7	83.5
Australia	–	1.1
Portugal	0.1	0.1

4. Operating Expenses Excluding Impairment

Profit for the year has been arrived at after charging the following operating costs:

	Notes	2024 €'m	As restated 2023 €'m
Marketing expenses – direct <sup>(1)</sup>		42.5	46.6
Marketing expenses – brand		0.8	0.7
Staff costs		19.0	19.7
Credit card and other processing fees <sup>(1)</sup>		2.9	3.0
Platform operating costs		3.2	3.2
External contractor costs		1.7	1.3
Exceptional items	5	–	0.2
FX loss		0.1	0.2
Other administrative costs		1.6	1.7
<b>Total administrative expenses</b>		<b>71.8</b>	<b>76.6</b>
Depreciation of tangible fixed assets	12	0.6	1.0
Amortisation of intangible fixed assets	11	8.5	10.8
<b>Total operating expenses excluding impairment</b>		<b>80.9</b>	<b>88.4</b>

<sup>(1)</sup> €0.2 million of fees that have been passed on from our direct marketing partners have been re-presented in the prior year between marketing expenses – direct and credit card and other processing fees for a fairer presentation of the direct marketing costs incurred by the Group.

Reversal of impairment of trade receivables in the current and prior year is not considered material to individually disclose.

Other administrative costs are net of external contractor costs capitalised of €1.2 million (2023: €0.8 million) and include rent and rates, legal and professional and training and recruitment.

Included within operating expenses is a total credit of €0.2 million (2023: €0.2 million) in relation to a research and development ("R&D") tax credit claimed in respect of projects completed in 2023 and 2022. R&D tax credit applications are completed with our tax advisors and the Irish Revenue Commissioners and are recognised by Group only on formal approval of an R&D tax credit application made.

Auditor's Remuneration

KPMG were appointed as statutory auditors on 09 May 2023. Current year and prior year services and fees are set out below for services obtained from the Group's auditor KPMG. Included in prior year numbers is €7k relating to Deloitte Ireland LLP for final services performed in respect to the 2022 financial year.

	2024 €'000	2023 €'000
Fees payable for the statutory audit of the Company and consolidated financial statements	62	60
Fees payable for other services:		
– statutory audit of subsidiary undertakings	181	160
– tax advisory services	–	–
– audit related assurance services	–	7
– corporate finance services	–	–
– other non-audit services	–	–
<b>Total</b>	<b>243</b>	<b>227</b>

Notes to the Group Financial Statements continued

5. Exceptional Items

	2024 €'m	2023 €'m
Restructuring costs	–	3.8
<b>Total</b>	<b>–</b>	<b>3.8</b>

Included in prior year exceptional items are operating costs of €0.2 million and finance costs of €3.6 million. These exceptional items primarily relate to costs incurred on refinancing of the HPS facility totalling €3.6 million, broken down as €0.7 million of early repayment penalty interest, €0.1 million of transaction costs relating to exiting the old facility and €2.8 million accelerated interest costs which relate to transaction costs capitalised on drawdown of HPS facility in February 2021, which were expected to be amortised over a 5-year period to 2026, but unwound in full on refinancing.

6. Staff Costs

The average monthly number of people employed (including Executive Directors) was as follows:

	2024	2023
<b>Average number of persons employed:</b>		
Sales and enabling	94	94
Technical	134	137
<b>Total</b>	<b>228</b>	<b>231</b>

The aggregate remuneration costs of these employees is analysed as follows:

	Notes	2024 €'m	2023 €'m
<b>Staff costs comprise:</b>			
Wages and salaries		17.7	17.9
Social security costs		2.2	2.1
Pensions costs		0.5	0.4
Other benefits		0.5	0.5
Share option charge	24	1.8	1.7
		22.7	22.6
Capitalised development labour	11	(3.7)	(2.9)
<b>Total</b>		<b>19.0</b>	<b>19.7</b>

Capitalised development labour includes €3.7 million (2023: €2.9 million) of employee costs capitalised. Increase year-on-year driven by the nature of 2024 projects completed and wage inflation.

7. Other Income

	Notes	2024 €'m	2023 €'m
Provision release		1.3	–
<b>Total</b>		<b>1.3</b>	<b>–</b>

Amount relates to a revision in the probability of payment and subsequent release of a balance sheet provision for amounts owed to customers from bookings cancelled due to COVID-19 related travel restrictions. The Group have determined that the possibility of an outflow of economic benefit is remote despite attempts to settle payment.

8. Finance Costs

	Notes	2024 €'m	2023 €'m
Finance costs – HPS facility	22	–	1.6
Finance costs – AIB facility	22	0.4	0.7
Finance costs – exceptional	5	–	3.6
Finance costs – warehoused debt		(0.2)	0.2
Finance costs – other		0.1	–
<b>Total</b>		<b>0.3</b>	<b>6.1</b>

Included in ‘finance costs – warehoused debt’ is a credit of €0.2 million regarding interest recognised in the prior year on the balance of warehoused payroll tax liabilities, which was not paid. In the current year the Irish Revenue Commissioners announced that the applicable rate of interest on these will reduce to 0%, with any amounts accrued being written off.

9. Taxation

	Notes	2024 €'m	2023 €'m
<b>Corporation tax:</b>			
Current year charge		0.3	0.2
Origination and reversal of temporary differences	13	1.7	(6.4)
<b>Total tax charge/(credit) for the year</b>		<b>2.0</b>	<b>(6.2)</b>

Corporation tax is calculated at 12.5% (2023: 12.5%) of the estimated taxable profit/(loss) for the year. The Irish 12.5% corporation tax rate has been used as this is the rate at which most of the Group's profits are taxed. Taxation for other jurisdictions is calculated at the rates prevailing in the respective jurisdictions. The corporation tax charge that arises relates primarily to international operations where tax losses from our Irish operations cannot be utilised.

The charge for the year can be reconciled to the Consolidated Income Statement as follows:

	2024 €'m	2023 €'m
Profit/(loss) before tax on continuing operations	11.1	(1.1)
<b>Tax at the Irish corporation tax rate of 12.5% (2023: 12.5%)</b>	<b>1.4</b>	<b>(0.1)</b>
<b>Effects of:</b>		
Tax effect of expenses that are not deductible in determining taxable profit	0.5	1.2
Tax effect of losses utilised	(0.4)	(0.4)
Tax effect of income taxed at different rates	–	0.1
Depreciation and amortisation (less) than capital allowances	(1.3)	(0.7)
Effect of different tax rates of subsidiaries operating in other jurisdictions	0.1	0.1
Net movement/(recognition) of deferred tax asset (note 13)	1.7	(6.4)
<b>Total</b>	<b>2.0</b>	<b>(6.2)</b>

Tax effect of expenses that are not deductible in determining taxable profit include share-based payment expense and impairment of investment in associate. In the prior year tax effect of expenses that are not deductible in determining taxable profit include finance costs and exceptional items. Depreciation and amortisation (less) than capital allowances driven by current year usage of capital allowances on intangible assets carried forward, due to the increased profitability in the Group.



Notes to the Group Financial Statements continued

10. Earnings Per Share

Basic earnings per share is computed by dividing the profit for the year after tax available to ordinary shareholders by the weighted average number of ordinary shares outstanding during the year.

	2024	2023
Weighted average number of shares in issue ('m)	124.5	122
Profit for the year (€'m)	9.1	5.1
Basic earnings per share (euro cent)	7.28	4.21

Diluted earnings per share is computed by adjusting the weighted average number of ordinary shares in issue to assume conversion of all potential dilutive ordinary shares. Share options and share awards (note 24) are the Company's only potential dilutive ordinary shares.

	2024	2023
Weighted average number of ordinary shares in issue ('m)	124.5	122.0
Effect of dilutive potential ordinary shares:		
Share options ('m)	4.9	4.4
Weighted average number of ordinary shares for the purpose of diluted earnings per share ('m)	129.4	126.4
Diluted earnings per share (euro cent)	7.01	4.07

11. Intangible Assets

The table below shows the movements in intangible assets for the year:

	Goodwill €'m	Domain names €'m	Technology €'m	Affiliates contracts €'m	Capitalised development costs €'m	Total €'m
Cost						
Balance at 01 January 2023	47.2	214.8	14.1	5.5	26.9	308.5
Additions	–	–	–	–	4.0	4.0
Balance at 31 December 2023	47.2	214.8	14.1	5.5	30.9	312.5
Additions	–	–	–	–	5.5	5.5
Balance at 31 December 2024	47.2	214.8	14.1	5.5	36.4	318.0
Accumulated amortisation and impairment						
Balance at 01 January 2023	(29.4)	(166.1)	(14.1)	(5.5)	(20.1)	(235.2)
Charge for year	–	(7.8)	–	–	(3.0)	(10.8)
Balance at 31 December 2023	(29.4)	(173.9)	(14.1)	(5.5)	(23.1)	(246)
Charge for year	–	(4.9)	–	–	(3.6)	(8.5)
Balance at 31 December 2024	(29.4)	(178.8)	(14.1)	(5.5)	(26.7)	(254.5)
Carrying amount						
At 31 December 2023	17.8	40.9	–	–	7.8	66.5
At 31 December 2024	17.8	36.0	–	–	9.7	63.5

Capitalised development cost additions during the year comprised of internal staff costs of €3.7 million (2023: €2.9 million) and other internally generated additions of €1.8 million (2023: €1.1 million). Development costs have been capitalised in accordance with IAS 38 Intangible Assets and are therefore not treated, for dividend purposes, as a realised loss. Hostelworld continue to utilise affiliate contracts to generate revenue and continue to pay affiliate partner commissions.

Impairment Review:

The carrying value of the capitalised development costs balance at 31 December 2024 is €9.7 million (2023: €7.8 million). The useful life of development costs is dependent on the nature of the project capitalised and varies from 2-5 years. An impairment review is performed annually to ensure that the economic benefit expected to be derived from the capitalised development cost project has occurred. No issue arose on this review, management area satisfied with the carrying value of each capitalised project and no impairments were recognised in 2024 or 2023.

The carrying value of the goodwill balance at 31 December 2024 is €17.8 million (2023: €17.8 million) and relates to an investment in Hostelworld by the Group in 2009. Goodwill, which has an indefinite useful life, is subject to annual impairment testing, or more frequent testing if there are indicators of impairment. Following impairment testing based on the assumptions below, no impairment was recognised for goodwill in the current or prior year.

The carrying value of the Group's domain names and technology assets, referred to henceforth as 'intellectual property' at 31 December 2024 is €36.0 million (2023: €40.9 million). Following impairment testing based on the assumptions below, no impairment was recognised for the Group's intellectual property in the current or prior year.

Cash Generating Unit:

The Group's goodwill and intellectual property are allocated to a single CGU, encompassing goodwill, intellectual property, trademarks, and the Hostelworld domains and apps, as well as the back-end property management system and technology used by hostels. This singular CGU reflects the Group's focus on Hostelworld as the main trading brand, where future investment and marketing are concentrated.

The recoverable amount of the goodwill and intellectual property allocated to the singular CGU is determined based on a value in use basis. The key assumptions for calculating value in use of the CGU are discount rates, growth rates and cash flows as described below. All three assumptions are based on the Group's budgeting and forecasting process which we describe in detail.

Current Year Discount Rate Applied:

	2024	2023
Pre-tax discount rate	16.68%	17.52%
Post-tax discount rate	12.90%	13.70%

The discount rates are based on the Group's weighted average cost of capital ("WACC"), calculated using the Capital Asset Pricing Model adjusted for the Group's specific beta coefficient together with a company size premium. As using the Group's WACC to derive a discount rate, post-tax discount rates have been applied to post-tax cash flows. The Irish corporation tax rate of 12.5% has been used in deriving post-tax cash flows as most Group profits will be taxed at this rate. The impact of using a post-tax discount rate over a pre-tax discount rate has been assessed and gives rise to no material difference.

Discount rates have decreased year-on-year primarily driven by a decrease in government bond rates.

Notes to the Group Financial Statements continued

11. Intangible Assets continued

Cash Flows:

The cash flow projections are based on a Board approved 2025 budget and two-year outlook, and further two years of management projections described previously and is consistent with the forecasts used for the Group's review of deferred tax recoverability, going concern and viability assessments. In preparing the Board approved 2025 budget and two-year outlook, and further two years of management projections, management have based projections on historical performance, together with management's expectation of future trends. Management have also considered the Group's history of earnings and core strategic initiatives including improving the competitiveness of our core OTA business and platform modernisation.

Within cash flows, management have also considered capital expenditure requirements to maintain the CGU performance and profitability. Working capital requirements are forecast to move in line with activity.

Further detail on how we have viewed climate related risks is set out in our material accounting policies on page 170.

Growth Rates:

Growth rates are assessed based on the Board approved 2025 budget and two-year outlook, and further two years of management projections. Growth rates included in the Board approved 2025 budget and two-year outlook, and further two years of management projections ranged from 14% to 7% (2023: 12% to 9%). A terminal value of 2% (2023: 2%) growth into perpetuity was used to extrapolate cash flows beyond the Board approved 2025 budget and two-year outlook, and further two years of management projections. This growth rate does not exceed the long-term average growth rate for the industry in which the Group operates.

Sensitivity Analysis:

The key assumptions underlying the impairment review are set out above. Sensitivity analysis has been conducted using the following sensitivity assumptions: a 5% increase in the discount rate; 10% decline in revenue in each year of the Board approved 2025 budget and two-year outlook, and further two years of management projections and nil terminal value growth. Under each scenario no impairment was identified.

Sensitivity analysis has been completed on key assumptions in isolation and in combination, and the headroom included is significant. The key assumptions are discount factor, long term growth rates and growth rates for each of the Board approved 2025 budget and two-year outlook, and further two years of management projections.

From our sensitivity analysis we identified that the post-tax discount rate would need to increase by 38.95% to result in impairment. Management consider this scenario to be very unlikely.

12. Property, Plant and Equipment

The table below shows the movements in property, plant and equipment for the year:

	Right-of-use assets (leasehold property) €'m	Leasehold property improvements €'m	Fixtures & equipment €'m	Computer equipment €'m	Total €'m
<b>Cost</b>					
Balance at 01 January 2023	1.3	0.5	0.2	0.4	2.4
Additions	1.2	–	–	0.1	1.3
Disposals	(1.1)	(0.5)	(0.2)	(0.1)	(1.9)
<b>Balance at 31 December 2023</b>	<b>1.4</b>	<b>–</b>	<b>–</b>	<b>0.4</b>	<b>1.8</b>
Additions	<b>0.5</b>	–	–	<b>0.1</b>	<b>0.6</b>
Disposals	<b>(1.2)</b>	–	–	<b>(0.1)</b>	<b>(1.3)</b>
<b>Balance at 31 December 2024</b>	<b>0.7</b>	<b>–</b>	<b>–</b>	<b>0.4</b>	<b>1.1</b>
<b>Accumulated depreciation</b>					
Balance at 01 January 2023	(0.8)	(0.5)	(0.1)	(0.2)	(1.6)
Charge for year	(0.8)	–	(0.1)	(0.1)	(1.0)
Disposals	0.8	0.5	0.2	0.1	1.6
<b>Balance at 31 December 2023</b>	<b>(0.8)</b>	<b>–</b>	<b>–</b>	<b>(0.2)</b>	<b>(1.0)</b>
Charge for year	<b>(0.5)</b>	–	–	<b>(0.1)</b>	<b>(0.6)</b>
Disposals	<b>0.9</b>	–	–	<b>0.1</b>	<b>1.0</b>
<b>Balance at 31 December 2024</b>	<b>(0.4)</b>	<b>–</b>	<b>–</b>	<b>(0.2)</b>	<b>(0.6)</b>
<b>Carrying amount</b>					
At 31 December 2023	0.6	–	–	0.2	0.8
<b>At 31 December 2024</b>	<b>0.3</b>	<b>–</b>	<b>–</b>	<b>0.2</b>	<b>0.5</b>

Right-of-use assets relate to the Group's lease commitments for office space in Ireland, Portugal, Australia and China. Further detail is included in note 15. The average remaining lease term of leases entered at 31 December 2024 is less than 1 year (2023: less than one year). Disposals in the current year relating to an exit of a lease agreement for the Dublin office. Additions in the current year relate to new lease agreements entered in Dublin, Portugal and Australia. The maturity analysis of lease liabilities is presented in note 15.

13. Deferred Taxation

The following are the major deferred taxation assets recognised by the Group and movements thereon during the current and prior reporting year. Deferred tax assets primarily relating to temporary differences between the carrying value of intangible assets and their tax base. The Group also has a deferred tax liability relating to lease commitments which is immaterial to disclose.

	Intangible assets €'m	Property, plant and equipment €'m	Losses and interest relief €'m	Total €'m
At 01 January 2023	9.0	0.1	–	9.1
Credit/(charge) to income statement	1.0	(0.1)	5.5	6.4
At 01 January 2024	<b>10.0</b>	<b>–</b>	<b>5.5</b>	<b>15.5</b>
Charge to income statement	<b>(1.3)</b>	<b>–</b>	<b>(0.4)</b>	<b>(1.7)</b>
<b>At 31 December 2024</b>	<b>8.7</b>	<b>–</b>	<b>5.1</b>	<b>13.8</b>



Notes to the Group Financial Statements continued

13. Deferred Taxation continued

In the prior year the Group recognised a deferred tax asset relating COVID-19 trading losses and interest relief which can be carried forward. There is no expiry on these assets. A deferred tax asset has been recognised on the basis that the realisation of the related tax benefit through future taxable profits is probable. In assessing the recoverability of deferred tax assets arising from the carry forward of unused tax losses and capital allowances, the Group considered the following:

- The Group considered the location of the taxable entities. In the Group all tax losses, interest tax relief and intangible assets arose from Hostelworld.com Limited, the main trading entity, which is located in Ireland. Please see further details in note 26 which includes a full list of subsidiaries.
- The Group has considered the Board approved 2025 budget and two-year outlook, and further two years of management projections, and a long term growth rate of 2% thereafter, that is consistent with the forecasts used for the Group's review of impairment, going concern and viability assessments. Whilst the forecasts include inherent estimation uncertainty, the Group determined that there would be sufficient taxable income generated to realise the benefit of the deferred tax assets and no reasonably possible change to key assumptions would result in a material reduction in forecast headroom of tax profits. On this basis, the Group concluded that there is not a significant risk of a material adjustment to the carrying amount of the deferred tax asset.
- The Group made a significant judgement on the timing of utilising the unused tax losses, as detailed in note 2 key sources of estimation uncertainty.

The Group does not have any unrecognised deferred tax asset.

The total tax charge in future periods will be affected by any changes to the applicable tax rates in force in jurisdictions in which the Group operates and other relevant changes in tax legislation.

14. Investment in Associate

	2024 €'m	2023 €'m
Opening balance	1.1	1.0
Share of results of associate	0.1	0.1
Impairment in investment	(1.2)	–
Closing balance	–	1.1

The Group holds an investment in Goki Pty Limited, an Australian resident company. Goki Pty Limited's principal activity is the sale of locks and supporting technology systems, and its principal place of business is Australia. The Group controls 31.5% of the voting rights and holds one Board seat, out of four. The Group has significant influence but not control over the entity, due to the nature of its voting rights and therefore accounts for it as an associate using the equity method.

Impairment Review

Although the Group incurred a profit in their share of results in the associate in the current year this largely arose from H1 2024 trading which deteriorated over H2 2024. At 31 December 2024 the Group recognised an impairment loss in the Consolidated Income Statement for the full €1.2 million carrying value at 31 December 2024. This was driven by the H2 decline in the associate's financial performance and based on future projections received from Goki Pty Limited which do not support profitability driven by unfavourable changes in market conditions including increased competition and inventory supply issues.

The recoverable amount of the investment was assessed as the higher of value in use and fair value less costs of disposal. Due to the commercial difficulties being experienced by Goki Pty Limited forecasting is limited to an immediate short-term outlook meaning a lack of forecasted future cash flows to support a value in use amount. The fair value less costs of disposal is considered to be nil due to the commercial difficulties being experienced.

Summarised financial information in respect of Goki Pty Limited is set out below. This represents the amounts in Goki Pty Limited's financial statements prepared in accordance with IFRSs.

Statement of Financial Position of Goki Pty Limited as at 31 December 2024:

	2024 €'m	2023 €'m
Non-current assets	–	–
Current assets	0.6	1.2
Current liabilities	(0.3)	(1.1)
Equity attributable to owners of the company	0.3	0.1

Income Statement of Goki Pty Limited for the Year Ended 31 December 2024:

	2024 €'m	2023 €'m
Revenue	1.5	2
Profit after tax	0.2	0.4
Total comprehensive profit	0.2	0.4
Group share of results of associate	0.1	0.1

Reconciliation of the above summarised financial information to the carrying amount of the Group's interest in Goki Pty Limited recognised in the consolidated financial statements:

	2024 €'m	2023 €'m
Net assets of Goki Pty Limited	0.3	0.1
Proportion of the Group's ownership interest in the associate	31.5%	31.5%
Group share of net assets	0.1	–
Goodwill and transaction costs	1.9	1.9
Other adjustments	(0.8)	(0.8)
Impairment of investment in associate	(1.2)	–
Carrying amount of the Group's interest in associate	–	1.1

Other adjustments relate to the elimination of the Group's 31.5% (2023: 31.5%) equity investment within the net assets of Goki Pty Limited and amounts to 31.5% (2023: 31.5%) of the share capital of Goki Pty Limited.

Convertible Loan Note

On 31 May 2022 Goki Pty Limited entered a USD \$1.0 million convertible note subscription deed with an Australian special purpose vehicle. It is unsecured facility, bears no interest and is convertible to 10% of the ordinary shareholding of Goki Pty Limited, at the discretion of either party. If the noteholder coverts to ordinary share of Goki Pty Limited, it would result in the Group's shareholding reducing to 28.6%. At 31 December 2024 €0.2 million (2023: €0.9 million) remains outstanding in respect of this loan note. There has not been any conversion to ordinary shares.

Notes to the Group Financial Statements continued

15. Lease Liabilities

Lease liabilities relate to the Group’s lease commitments for office space in Ireland, Portugal, Australia and China.

The movement in the Group’s right-of-use assets relating to additions and disposals during the period is set out in note 12. The movement in the Group’s lease liabilities during the period is as follows:

	2024 €’m	2023 €’m
Opening lease liability	0.6	0.6
Additions	0.5	1.2
Disposals	(0.3)	(0.3)
Payments	(0.5)	(0.9)
Closing lease liability	0.3	0.6

Total lease payments included in the cash flow amount to €0.5 million (2023: €0.9 million) relating to lease payments and related foreign exchange differences on lease payments. There is a clear payment schedule associated with our lease liabilities and based on our cash flow forecasts the Group does not face any significant liquidity risk with regards to its lease liabilities.

Lease interest expense is immaterial to disclose separately here.

The maturity analysis of these lease liabilities is as follows:

	2024 €’m	2023 €’m
Maturity analysis		
Within one year	0.3	0.5
Between one and five years	–	0.1
Less unearned interest	–	–
Total	0.3	0.6

These liabilities are classified in the Consolidated Statement of Financial Position as:

	2024 €’m	2023 €’m
Non-current lease liabilities	–	0.1
Current lease liabilities	0.3	0.5
Total	0.3	0.6

The Group has used the following practical expedients permitted by the standard on transition and at each reporting date – the use of a single discount rate to a portfolio of leases with reasonably similar characteristics, the accounting for operating leases with a remaining lease term of less than 12 months as at 01 January 2020 as short-term leases and the use of hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

Amounts Recognised in Consolidated Income Statement:

	2024 €’m	2023 €’m
Depreciation expense on right-of-use assets	0.5	0.8
Total	0.5	0.8

Lease interest expense is immaterial to disclose separately here. At 31 December 2024, the Group is not committed to any short-term leases (2023: €nil).

16. Trade and Other Receivables

	2024 €’m	2023 €’m
Amounts falling due within one year		
Trade receivables	1.2	0.8
Prepayments and other receivables	1.8	1.2
Value added tax	1.5	1.3
Total	4.5	3.3

Due to their short-term nature, the carrying value of trade and other receivables is deemed to be their fair value. Trade receivables are non-interest bearing and trade receivable days are 4 days (2023: 3 days).

Trade receivables primarily relate to VAT to be recovered from Irish hostels and amounts due from the Group’s payment processing agents, which are due for maturity within 5 days.

The Group always recognises lifetime ECLs for trade receivables estimated using a provision matrix based on the Group’s historical credit loss experience including an assessment of the volume of debt adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate. The balance and the movement during the year of the ECL in the current and prior year is less than €0.1 million and is deemed to be immaterial for separate disclosure.

Value added tax is an amount recoverable from the Irish Revenue Commissioners.



Notes to the Group Financial Statements continued

17. Cash and Cash Equivalents

	2024 €'m	2023 €'m
<b>Non-current assets</b>		
Cash and cash equivalents	–	0.8
<b>Total</b>	<b>–</b>	<b>0.8</b>

Prior year non-current asset amount of €0.8 million relates to a rental guarantee in place which has been classified in non-current assets as the guarantee is in place for a period of longer than 12 months after the balance sheet date. Current year classification as current is driven by the terms of the rental guarantee which will be discharged in full in April 2025. As the amount is held in a bank account which can be accessed by the Group the amount has been disclosed as a cash and cash equivalent.

	2024 €'m	2023 €'m
<b>Current assets</b>		
Cash and cash equivalents	8.2	6.7
<b>Total</b>	<b>8.2</b>	<b>6.7</b>

Balance of cash and cash equivalents comprise of cash and short-term bank deposits only.

18. Share Capital

	No of shares of €0.01 each (thousands)	Ordinary shares €'m	Share premium €'m	Total €'m
At 31 December 2023	123,639	1.3	14.4	15.7
Share issue – LTIP	1,346	–	–	–
Share issue – SAYE	5	–	–	–
<b>At 31 December 2024</b>	<b>124,990</b>	<b>1.3</b>	<b>14.4</b>	<b>15.7</b>

The Group has one class of ordinary shares which carries no right to fixed income. The share capital of the Group is represented by the share capital of the parent company, Hostelworld Group plc. All the Company’s shares are allotted, called up, fully paid and quoted on the London Stock Exchange and Euronext Dublin.

On 29 April 2024 the Company issued 1,345,870 shares to satisfy long term incentive plan awards in relation to LTIP 2021 at €0.01 per share, and on 22 April 2024 the Company issued 5,245 shares to satisfy terms of the SAYE 2020 scheme at €0.01 per share. Total value of ordinary shares issued in the current year was €14k (2023: €61k).

19. Other Reserves

The analysis of movement in reserves is shown in the Statement of Changes in Equity.

Reconciliation and movement of amounts included in other reserves are set out below:

	Foreign currency translation reserve €'m	Share-based payment reserve €'m	Warrant reserve €'m	Total other reserves €'m
Balance at 01 January 2023	–	3.3	3.1	6.4
Transfer of exercised and expired share-based awards	–	(2.1)	–	(2.1)
Transfer on exercise, vesting or expiry of warrants	–	–	(3.1)	(3.1)
Credit to equity for equity settled share-based payments	–	1.7	–	1.7
<b>Balance at 31 December 2023</b>	<b>–</b>	<b>2.9</b>	<b>–</b>	<b>2.9</b>
Transfer of exercised and expired share-based awards	–	(1.7)	–	(1.7)
Credit to equity for equity settled share-based payments	–	1.8	–	1.8
<b>Balance at 31 December 2024</b>	<b>–</b>	<b>3.0</b>	<b>–</b>	<b>3.0</b>

Foreign Currency Translation Reserve

The foreign currency reserve reflects the foreign exchange gains and losses arising from the translation of the Group’s net investment in foreign operations. Exchange differences on translation of foreign operations amounted to a gain of €12k for the current year (2023: loss €24k) which is not considered material for disclosure above.

Share-Based Payment Reserve

The share-based payment reserve reflects the equity settled share-based payment plans in operation by the Group (note 24).

Warrant Reserve

The warrant reserve was created to account for warrants exercisable by HPS Investment Partners LLC (or subsidiaries or affiliates thereof). On agreement of terms of the legacy COVID-19 debt facility with HPS, Hostelworld agreed to issue warrants over 3,315,153 ordinary shares of €0.01 each in the capital of Hostelworld (equivalent to 2.85% of Hostelworld’s current issued share capital at the time of issue of the warrants) to HPS. The warrants were exercisable at any time during the term of the loan and for a twelve-month period following its scheduled termination at an exercise price of €0.01 per ordinary share. On 29 March 2023 3,315,153 shares were issued to HPS on issuance of warrants.

Notes to the Group Financial Statements continued

20. Warehoused Payroll Taxes

	2024 €'m	2023 €'m
Opening balance	9.6	9.4
Repayments made	(3.2)	–
Finance costs (unwind)/costs	(0.2)	0.2
Closing balance	6.2	9.6

The Group availed of the Irish Revenue tax warehousing scheme and deferred payment on all Irish employer taxes arising during the period from February 2021 to March 2022.

Total warehoused liability as at 31 December 2024 was €6.2 million (2023: €9.6 million). Prior year liability included an interest charge incurred of 3% on the outstanding warehoused liability debt since 01 May 2023. In 2024 the Group released €0.2 million of interest, which had not been paid, relating to an announcement by the Revenue Commissioners on 05 February 2024 that the applicable rate of interest on debt warehoused would retrospectively reduce to 0%.

The Group made an initial down payment of 15% in line with the repayment terms set with the Irish Revenue Commissioners in May 2024, followed by monthly payments of €0.2 million thereafter which will continue over a three-year period to April 2027. This repayment plan is reflected in the classification of the liability between current and non-current.

	2024 €'m	2023 €'m
Non-current liability	3.5	6.4
Current liability	2.7	3.2
Total warehoused payroll taxes	6.2	9.6

21. Trade and Other Payables

	2024 €'m	2023 €'m
Current liabilities		
Trade payables	4.1	3.3
Accruals and other payables	5.2	5.9
Customer provisions	0.1	1.3
Deferred revenue	3.5	3.9
Payroll taxes (non-warehoused)	0.7	0.6
Total	13.6	15.0

The average credit period for the Group in respect of trade payables is 21 days (2023: 16 days). The Directors consider that the carrying amount of trade and other payables is deemed to be to their fair value.

Reduction in customer provisions relates to an unwind of a refund provision which the Group now consider that the possibility of an outflow of economic benefit is remote, with a release recognised in other income. Remaining balance relates to a credit provision amounting to €0.1 million (2023: €0.1 million) for vouchers and incentives to customers for use on future bookings reflecting the expected value attached to vouchers and incentives. There is uncertainty on the value of the credit provision given it is based on the probability that a customer will use their incentive. The provision has not been discounted as it is not considered material.

Decrease in accruals and other payables relates mainly to discretionary compensation for staff employed by the Group (2024: €2.1 million, 2023: €3.2 million).

Unpaid pension contributions in the current and prior year are included in accruals and other payables and are not deemed material to disclose separately.

At 31 December 2024, €3.2 million of revenue was deferred relating to free cancellation bookings (2023: €3.4 million), €0.2 million was deferred relating to featured listings (2023: €0.4 million) and €0.1 million was deferred relating to *Roamies* (2023: €0.1 million).

Movement in deferred revenue relating to free cancellation bookings:

	2024 €'m	2023 €'m
Opening balance	3.4	3.0
Revenue deferred during year	56.9	63.4
Revenue recognised during year	(43.7)	(48.1)
Amount reversed during year relating to cancellations	(13.4)	(14.9)
Closing balance	3.2	3.4

22. Borrowings

	2024 €'m	2023 €'m
Opening Balance	10.2	31.1
Repayments (HPS)	–	(34.1)
Drawdown (AIB)	–	17.4
Repayments (AIB)	(10.3)	(7.1)
Transaction costs relating to borrowings (AIB)	–	(0.2)
Finance costs	0.4	2.4
Finance costs (exceptional items)	–	2.8
Finance interest paid	(0.3)	(2.1)
Total	–	10.2

In 2021 the Group signed a €30 million five-year term loan facility with certain investment funds and accounts of HPS Investment Partners LLC. In May 2023 the facility was repaid in full and refinanced with AIB.

A three-year facility was signed with AIB on 09 May 2023. This facility was comprised of a €10.0 million term loan which was repaid in full in June 2024 (€1.7 million in 2023, €8.3 million in 2024), a €7.5 million revolving credit facility which was repaid in full in February 2024 (€5.5 million in 2023, €2.0 million in 2024) and an undrawn €2.5 million overdraft. No early repayment fees applied and at the date of repayment all security and covenant requirements held by AIB were released. The Group continues to hold an undrawn €2.5 million overdraft facility with AIB retained for flexibility.

Reduction in interest costs are driven by the refinancing in May 2023, and early repayment of the AIB facilities. Finance costs expense include non-cash amounts relating to transaction costs capitalised for professional fees incurring on the initial drawdown of the AIB facility in May 2023.

Borrowings are classified in the Consolidated Statement of Financial Position as:

	2024 €'m	2023 €'m
Non-current borrowings	–	4.8
Current borrowings	–	5.4
Total	–	10.2



Notes to the Group Financial Statements continued

22. Borrowings continued

Change in liabilities arising from financing activities:

	Lease liabilities (note 15) €'m	Borrowings €'m	Total debt €'m
At 01 January 2023	(0.5)	(31.1)	(31.6)
Financing cash flows	0.9	23.7	24.6
Interest paid (operating activities)	–	2.1	2.1
Other non-cash movements	(1.0)	(4.9)	(5.9)
<b>Balance at 31 December 2023</b>	<b>(0.6)</b>	<b>(10.2)</b>	<b>(10.8)</b>
Financing cash flows	<b>0.5</b>	<b>10.3</b>	<b>10.8</b>
Interest paid (operating activities)	<b>-</b>	<b>0.3</b>	<b>0.3</b>
Other non-cash movements	<b>(0.2)</b>	<b>(0.4)</b>	<b>(0.6)</b>
<b>Balance at 31 December 2024</b>	<b>(0.3)</b>	<b>–</b>	<b>(0.3)</b>

Other non-cash movements for lease liabilities in 2024 and 2023 relate to additions, disposals, lease interest, a modification and a lease term remeasurement. Other non-cash movements for borrowings in 2024 and 2023 relate to finance costs capitalised on the HPS and AIB term loan facility.

23. Contingencies

In the normal course of business, the Group may be subject to indirect taxes on its services in certain foreign jurisdictions which are subject to ongoing reviews by the Directors and management. Although the outcome of these reviews and any potential liability is uncertain, no provision has been made in relation to these taxes as the Directors believe that it is not probable that a material liability will arise.

24. Share-based Payments

Overall, the Group recognised an expense of €1.8 million (2023: €1.7 million) relating to equity settled share-based payment transactions in the Consolidated Income Statement during the year. €0.7 million (2023: €0.8 million) relates to LTIP scheme, and €1.1 million (2023: €0.9 million) is in relation to the Group's RSU scheme. All schemes are accounted for as equity settled in the financial statements.

LTIP

The Group operate a LTIP for executive Directors and selected management.

On 03 May 2024, 1,909,075 nil cost options were granted as part of LTIP 2024. These options will vest on 02 May 2027 subject to meeting performance conditions of adjusted earnings per share ("EPS") performance and absolute total shareholder return ("TSR") of the Group over a three-year period.

LTIP 2021 vested at 100% in April 2024, and there were no leavers from 01 January to the vesting date so no awards forfeited or expired during the year. 1,345,870 shares awards vested, in line with expectations set out at 31 December 2023. There were three performance conditions which were achieved in full relating to the Company's adjusted EBITDA over a three-year period 2020 to 2023, Counter App signups target and customer value/customer acquisition ratio targets.

LTIP 2020 vested at 75% in May 2023, with 1,645,994 awards vesting. The 2020 scheme vesting conditions related to adjusted EPS performance and TSR of the Group over a three-year period. The EPS condition did not vest, and the TSR condition vested at 100%.

If the conditions are met under the LTIP plans in place, the remaining awards will vest on the later of the third anniversary of the grant and the determination of the performance condition and will then remain exercisable until the seventh anniversary of the date of grant, provided the individual remains an employee or officer of the Group or is subject to good leaver provisions. No LTIP grant is due to vest in 2024. Further detail of the above schemes are set out within the Remuneration Committee report on pages 125 to 145.

Details of the share options outstanding during the year are as follows:

	2024 No. of share options	2023 No. of share options
Outstanding at beginning of year	1,345,870	4,247,246
Granted during the year	1,909,075	–
Forfeited or expired during the year	–	(1,255,382)
Exercised during the year	(1,345,870)	(1,645,994)
<b>Outstanding at the end of the year</b>	<b>1,909,075</b>	<b>1,345,870</b>
<b>Exercisable at the end of the year</b>	<b>–</b>	<b>1,345,870</b>

For all schemes an award will lapse if a participant ceases to be an employee or an officer within the Group before the vesting date and is not subject to good leaver provisions. Share options under the LTIP scheme have an exercise price of £nil. The fair value, at the grant date, of the TSR-based conditional awards was measured using a Monte Carlo simulation model. Where applicable, expected volatility was determined based on the market performance of the Company over a period of 36 months prior to the date of grant. Market based vesting conditions, such as the TSR condition, have been taken into account in establishing the fair value of equity instruments granted. Non-market-based performance conditions, such as the EPS conditions, were not taken into account in establishing the fair value of equity instruments granted, however the number of equity instruments included in the measurement of the transaction is adjusted so that the amount recognised is based on the number of equity instruments that are expected to vest.

At the grant date, the fair value per conditional award and the assumptions used in the calculations are as follows:

Year of grant	2024	2021	2020
Year of potential vesting	2027	2024	2023
Number of share options granted	1,909,075	2,336,885	3,793,200
Share price at grant date	£1.62	£1.00	£0.74
Exercise price per share option	£nil	£nil	£nil
Expected life	3 years	3 years	3 years
Expected dividend yield	0%	0%	6.06%
Expected volatility of Company share price (TSR)	40.2%	n/a	51.86%
Risk free interest rate (TSR)	3.84%	n/a	0.08%
Weighted average fair value at grant date (TSR)	£1.05	£1.00	£0.49
Remaining weighted average life of options (years)	2.3	–	–

Notes to the Group Financial Statements continued

24. Share-based Payments continued  
RSU

There were no RSU grants in 2024. The 2023 and 2022 RSU share awards granted will vest after a three-year period. Vesting for all RSU grants is dependent upon the participant being employed by the Group as of the vesting date and satisfactory personal performance.

During 2021 the Company granted a RSU to selected employees in lieu of a cash bonus, including the executive directors and members of the management team. 50% of the award vested in February 2022, and 50% vested in February 2023. 1,027,655 shares were issued in February 2023.

	2024 No. of share options	2023 No. of share options
Outstanding at the beginning of the period	3,014,850	4,009,368
Granted during the year	–	740,560
Exercised during the year	–	(1,027,655)
Forfeited	(20,357)	(707,423)
Outstanding at the end of the period	2,994,493	3,014,850
Exercisable at the end of the period	2,342,720	nil

At the grant date, the Value per conditional award and the assumptions used in the calculations are as follows:

Year of grant	2023	2022
Year of potential vesting	2026	2024
Number of share options granted	740,560	3,264,435
Share price at grant date	£1.30	£0.83
Exercise price per share option	£nil	£nil
Weighted average fair value of awards granted	£1.30	£0.83
Expected life	3 years	3 years
Remaining weighted average life of options (years)	1.1	0.4

SAYE

The Group have not approved a new SAYE scheme since 2020, following the withdrawal of Ulster Bank from the Irish market who were the only bank with an Irish banking licence that accepted new accounts SAYE schemes. In 2023 and 2024, SAYE 2020 members exercised their shares and there are no open SAYE options. The 2020 scheme lasted three years and at the end employees choose to purchase shares at the fixed discounted price set at the start. The share price for the scheme has been set at a 20% discount for Irish and UK based employees in line with amounts permitted under tax legislation in both jurisdictions.

	2024 Number of SAYE share options granted	2023 Number of SAYE share options granted
Outstanding at beginning of year	5,245	223,970
Vested during the year	(5,245)	(138,400)
Forfeited during the year	–	(80,325)
Outstanding at end of year	–	5,245
Exercisable at the end of year	–	5,245

At the grant date, the fair value for each SAYE award and the assumptions used in the calculations are as follows:

Scheme	UK office	Irish office
Grant date	August 2020	August 2020
Year of potential vesting	2023	2023
Share price at grant date	£0.63	€0.70
Exercise price per share option	£0.50	€0.56
Expected volatility of company share price	54.2%	54.2%
Expected life	3 years	3 years
Expected dividend yield	6.13%	6.13%
Risk free interest rate	–0.03%	–0.03%
Weighted average fair value at grant date	£0.20	€0.22
Valuation model	Black Scholes	Black Scholes

Expected volatility was determined in line with market performance of the Company for the 2020 scheme.

25. Related Party Transactions

Balances and transactions between the Company and its subsidiaries, which are related parties, have been eliminated on consolidation and are not disclosed in this note.

Directors' Remuneration

	2024 €'m	2023 €'m
Salaries, fees, bonuses and benefits in kind	1.6	1.9
Amounts receivable under long-term incentive schemes	0.2	0.5
Other remuneration	0.4	0.4
Pension contributions	0.1	0.1
Total	2.3	2.9

Retirement benefit charges arise from pension payments relating to 2 Executive Directors (2023: 2). Other remuneration of €0.4 million (2023: €0.4 million) relates to share-based payment expense in respect of the RSU scheme operated in 2023 and 2022 respectively.

Key Management Personnel

The Group's key management comprise the Board of Directors and senior management having authority and responsibility for planning, directing and controlling the activities of the Group.

	2024 €'m	2023 €'m
Short term benefits	3.5	3.8
Share-based payments charge	1.0	1.0
Post-employment benefits	0.1	0.1
Total	4.6	4.9



Notes to the Group Financial Statements continued

26. Subsidiaries and Associates

Subsidiaries

The following is a list of the Company's current investments in subsidiaries, including the name, country of incorporation, and proportion of ownership interest:

Company	Holding	Nature of business	Registered office
Hostelworld.com Limited 196 Ordinary shares @ €1	100% <sup>(1)</sup>	Technology trading company	Charlemont Exchange Charlemont St Dublin D02 VN88 Ireland
Hostelworld Management Services Limited 350 Ordinary shares @ €1	100% <sup>(1)</sup>	Management services company	Charlemont Exchange Charlemont St Dublin D02 VN88 Ireland
Hostelworld Services Portugal LDA 500 Ordinary shares @ €1	100%	Marketing and research and development services company	Rua Ant3nio Nicolau D'Almeid 45, 5 Floor 4100-320 Oporto Portugal
Hostelworld Business Consulting (Shanghai) Co., Limited <sup>(2)</sup>	100%	Business information consulting and marketing planning	Unit 311, Block 1, Hostelworld Group Asia Office No.425 Yanping Road Jing'an District Shanghai China
Hostelworld Services Limited 104,123 Ordinary shares @ £0.001	100% <sup>(1)</sup>	Marketing services and technology trading company	One Chamberlain Square Birmingham B3 3AX United Kingdom

<sup>(1)</sup> held directly by the Company

<sup>(2)</sup> 3 Million RMB contributed by Hostelworld.com Limited for 100% ownership of subsidiary

Hostelworld Management Services Limited was incorporated on 09 February 2024. All subsidiaries have the same reporting date as the Company being 31 December.

Associates

The following details the Company's current investment in associates, including the name, country of incorporation, and proportion of ownership interest:

Company	Holding	Nature of business	Registered office
Goki Pty Limited	31.5%	Technology company	17 Terrace Road, Dulwich Hill, Sydney, NSW 2203, Australia

27. Financial Risk Management

Financial Risk Factors

The Directors manage the Group's capital to ensure that the Group will be able to continue as a going concern while also maximising the return to stakeholders. As part of this process, the Directors review financial risks such as liquidity risk, credit risk, foreign exchange risk and interest rate risk regularly.

Liquidity Risk

Cash flow forecasting is monitored by rolling forecasts of the Group's liquidity requirements to ensure it has sufficient cash to meet operational needs while not breaching any covenants that the Group adheres to. Such forecasting takes into consideration the Group's debt financing plans.

In May 2023 the Group completed a refinance of its legacy debt facility, which was drawn down in February 2021 during COVID-19 trading. A new 3-year facility was signed with AIB. This facility was comprised of a €10 million term loan which was repaid in full in June 2024 (€1.7 million in 2023, €8.3 million in 2024), a €7.5 million revolving credit facility which was repaid in full in February 2024 (€5.5 million in 2023, €2.0 million in 2024) and an undrawn €2.5 million overdraft.

At the date of repayment all security and covenant requirements held by AIB were released. The Group continues to hold an undrawn €2.5 million facility with AIB.

The Group's policy is to ensure that it has sufficient long-term funding in place to meet its payment obligations and complies with covenants. The risk is managed centrally by the Group and reviewed by the Board on a regular basis. The Group's liquidity risk is considered low following the repayment of the AIB debt facility in full in the current year.

The table below analyses the Group's financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The Group had no material derivative financial liabilities in the current or prior year. The amounts disclosed in the table are the contractual undiscounted cash flows.

	2024 €'m	2023 €'m
<b>Up to 1 year</b>		
Borrowings	–	5.3
Trade and other payables	12.9	14.5
Lease liabilities	0.3	0.5
<b>Total up to 1 year</b>	<b>13.2</b>	20.3
<b>Between 2 and 4 years</b>		
Borrowings	–	4.8
Lease liabilities	–	0.1
<b>Total between 2 and 4 years</b>	<b>–</b>	4.9
<b>Total</b>	<b>13.2</b>	25.2

Notes to the Group Financial Statements continued

27. Financial Risk Management continued

Interest Rate Risk

The principal aim of managing interest rate risk is to limit the adverse impact on cash flows of movements in interest rates. The Group's interest rate risks arose from the debt facilities it held with AIB. An RCF facility and a term loan which bore interest at 2.65% per annum over EURIBOR. On the AIB term loan the Group had fixed the EURIBOR rate at 3.42%. Following the debt repayment, the Group is no longer exposed to interest rate risk, as it has no borrowings subject to interest rate fluctuations. This eliminates the potential impact of rising interest rates on the Group's financial position.

Sensitivity analysis was completed in the prior year of the impact on profit before tax of 1% higher or lower interest rates with all other variables held constant and concluded that this would be +/-€0.2 million.

Credit Risk and Foreign Exchange Risk

Credit risk refers to the risk of financial loss to the Group if a counterparty defaults on its contractual obligations on financial assets held on the Statement of Financial Position.

The Directors monitor the credit risk associated with trade receivables and cash and cash equivalent balances on an on-going basis. The Group's trade receivable balances primarily relate to VAT receivable balances from Irish hostels and amounts due from the Group's payment processing agents. Amounts due from the Group's payment processing agent are due for maturity within 5 days. Accordingly, the associated credit risk is determined to be low. These trade receivable balances, which consist of euro, US dollar and Sterling amounts, are settled within a relatively short period of time, which reduces any potential foreign exchange exposure risk.

The aged analysis of trade receivables and other receivables for the year ended 31 December 2024 and 31 December 2023 is summarised in the table below.

	Not past due €'m	Past due €'m	Total €'m
<b>Trade Receivables</b>			
<b>31 December 2024</b>	<b>1.1</b>	<b>0.1</b>	<b>1.2</b>
31 December 2023	0.7	0.1	0.8
<b>Other Receivables (exclude prepayments)</b>			
<b>31 December 2024</b>	<b>0.4</b>	<b>–</b>	<b>0.4</b>
31 December 2023	0.2	–	0.2
<b>Value added tax</b>			
<b>31 December 2024</b>	<b>1.5</b>	<b>–</b>	<b>1.5</b>
31 December 2023	1.3	–	1.3

Past due is defined as amounts that have not been received by the agreed-upon date per the terms of agreement.

In line with IFRS 9, the Group applies the simplified approach for the impairment of trade and other receivables and, therefore, does not track changes in credit risk, instead a loss allowance is recognised based on lifetime ECLs at each reporting date. The Group uses a provision matrix to measure ECLs based on historical cancellation and recovery rates and considers forward-looking factors, including the impact of rising cost of living and inflation rates. The figures disclosed above are stated net of allowances for impairment.

Other receivables include a receivable in respect of amount due from the Irish Revenue Commissioners in respect of an R&D tax credit in line with a payment timetable set out by the Irish Revenue Commissioners. There are no further performance obligations to be achieved attached to amount receivable.

At 31 December 2024 and 2023, all material cash balances are held with banks with a minimum credit rating of BBB-, as assigned by international credit rating agencies. As a result, the credit risk on cash balances is limited. The carrying value of trade receivables, trade payables and cash and cash equivalents is a reasonable approximation of their fair value. The Group does not enter or trade financial instruments, including derivative financial instruments, for speculative purposes.

The Board considers capital to comprise of long-term debt as disclosed in note 22 and equity as disclosed in note 18. The Directors' objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Directors may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets.

The Group will ensure it retains sufficient reserves to manage its day-to-day cash requirements, including capital expenditure requirements, whilst ensuring appropriate dividends are distributed to shareholders.

28. Dividends

The Group has not paid or declared any cash dividends in 2024 or 2023. Future cash dividend payments will be subject to the Group continuing to generate a profit after tax, the Group's cash position, any restrictions in the Group's banking facilities and compliance with Companies Act 2006 requirements regarding ensuring sufficiency of distributable reserves at the time of paying the dividend.

29. Parent Company Exemption

The Company has taken advantage of the exemption provided under section 408 of the Companies Act 2006 not to publish its individual income statement and related notes.

30. Events After the Balance Sheet Date

There have been no other material events after the balance sheet date.



Company Financial Statements

Company Statement of Financial Position

as at 31 December 2024

	Notes	2024 €'m	2023 €'m
<b>Non-current assets</b>			
Investments	34	51.6	49.6
Trade and other receivables	35	113.8	114.9
		165.4	164.5
<b>Current assets</b>			
Trade and other receivables	35	0.3	0.3
Cash and cash equivalents		0.2	0.6
		0.5	0.9
<b>Total assets</b>		165.9	165.4
<b>Equity</b>			
Share capital	18	1.3	1.3
Share premium account	18	14.4	14.4
Other reserves		3.0	2.9
Retained earnings		146.0	145.0
<b>Total equity attributable to equity holders of the parent</b>		164.7	163.6
<b>Current liabilities</b>			
Trade and other payables	36	1.2	1.7
Corporation tax liability		-	0.1
<b>Total liabilities</b>		1.2	1.8
<b>Total equity and liabilities</b>		165.9	165.4

The Company reported a loss for the financial year ended 31 December 2024 of €0.7 million (2023: €1.2 million).

The financial statements of Hostelworld Group plc were approved by the Board of Directors and authorised for issue on 19 March 2025 and signed on its behalf by:

*Gary Morrison*

Chief Executive Officer

*Caroline Sherry*

Chief Financial Officer

Hostelworld Group plc registration number 9818705 (England and Wales)

Company Statement of Changes in Equity

for the year ended 31 December 2024

	Share capital €'m	Share premium account €'m	Retained earnings €'m	Other reserves €'m	Total €'m
As at 01 January 2023	1.2	14.3	141.1	6.4	163.0
Total comprehensive income for the year	-	-	(1.2)	-	(1.2)
Issue of shares	0.1	0.1			0.2
Transfer of exercise of vesting of warrants	-	-	3.0	(3.0)	-
Transfer of exercised and expired share option awards	-	-	2.1	(2.1)	-
Credit to equity for equity settled share-based payments	-	-	-	1.6	1.6
<b>As at 31 December 2023</b>	1.3	14.4	145.0	2.9	163.6
Total comprehensive income for the year	-	-	(0.7)	-	(0.7)
Issue of shares	-	-	-	-	-
Transfer of exercised and expired share option awards	-	-	1.7	(1.7)	-
Credit to equity for equity settled share-based payments	-	-	-	1.8	1.8
<b>As at 31 December 2024</b>	1.3	14.4	146.0	3.0	164.7

Notes to the Company Financial Statements  
for the year ended 31 December 2024

31. Material accounting policies

The material accounting policies adopted by the Company are as follows:

Basis of preparation

The separate financial statements are presented as required by the Companies Act 2006. The Company meets the definition of a qualifying entity under FRS 100 (Financial Reporting Standard 100) Application of Financial Reporting Requirements issued by the Financial Reporting Council. The financial statements have therefore been prepared in accordance with FRS 101 (Financial Reporting Standard 101) 'Reduced Disclosure Framework' as issued by the Financial Reporting Council.

As permitted by FRS 101, the Company has taken advantage of the disclosure exemptions available under that standard in relation to financial instruments, fair value measurements, capital management, presentation of comparative information in respect of certain assets, presentation of a cash flow statement, standards not yet effective, financial risk management, impairment of assets, share-based payments, business combinations, related party transactions and where required, equivalent disclosures are given in the consolidated financial statements. Significant accounting policies specifically applicable to these individual Company financial statements and which are not reflected within the accounting policies for the Group consolidated financial statements are detailed below.

The financial statements are prepared on the historical cost basis.

Going Concern

The Company is in a net asset position of €164.7 million (2023: €163.6 million). Primary assets relate to amounts owed from subsidiary undertakings and investments in subsidiaries. The Directors are satisfied with the recoverability and carrying value of these assets. Further detail is included on page 207.

In their review the Directors also considered the market capitalisation of Hostelworld Group plc, which can fluctuate dependent on share price. Market capitalisation as at 31 December 2024 amounted to €203.5 million, and exceeded net assets by €38.8 million (2023: market capitalisation of €195.8 million which exceeded net assets by €32.2 million).

The Directors after making enquiries, have a reasonable expectation that the Company has adequate resources to continue operating as a going concern for the foreseeable future, being a period of 12 months from signing of the financial statements. Accordingly, the financial statements of the Company are prepared on a going concern basis.

Investments in Subsidiaries

Investments in subsidiary undertakings are stated at cost less any allowance for impairment.

Financial Instruments

Financial assets and financial liabilities are recognised in the Company's Statement of Financial Position when the Company becomes a party to the contractual provisions of the instrument.

Financial assets and liabilities are initially measured at fair value plus transaction costs, except for those classified as fair value through profit or loss, which are initially measured at fair value. The fair value of financial assets and liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period.

Financial Assets

Amounts due from subsidiary undertakings are stated initially at their fair value and subsequently at amortised cost, less any ECL. The Company recognises ECLs for amounts due from subsidiary undertakings estimated using a provision matrix based on the Company's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions, and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

If the credit risk on the financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month ECL. 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

Dividends

Final dividends are recorded in the Group's financial statements in the period in which they are approved by the Company's shareholders. Interim dividends are recorded in the period in which they are paid.

Details of interim and final dividends are disclosed in note 28 to the consolidated financial statements.

Critical Accounting Judgments and Key Sources of Estimation Uncertainty

The preparation of financial statements in conformity with FRS 101 (as issued by the FRC) requires management to make judgements (other than those involving estimations) that have a significant impact on the amounts recognised and to make estimates and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised if the revision affects only that year, or in the year of the revision and future years if the revision affects both current and future years.

There were no critical judgements applied in the preparation of the Company financial statements apart from those involving estimations.

The key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

Carrying Value of Investments in Subsidiaries

Investments in subsidiaries are held at cost less any allowance for impairment. The Company assesses investments for impairment at the end of each reporting period or whenever events or changes in circumstances indicate that the carrying value of an investment may not be recoverable including instances where the net assets of the Company exceed market capitalisation. An impairment review has been performed in the current year. When the carrying amount of an investment exceeds its recoverable amount, the investment is considered impaired and is written down to its recoverable amount.

At 31 December 2024, the carrying value of investment in subsidiaries amounted to €51.6 million (2023: €49.6 million). Following an impairment test performed,

no impairment was recognised in the current or prior year. Further detail is included in note 34 to the financial statements on key assumptions included in the assessment and sensitivity analysis completed.

Recoverability of Amounts Due from Subsidiary Undertakings

Each year the Directors assess the credit risk of amounts due from subsidiary undertakings and determine the quantum of the ECL to be recognised on these assets. In the current year the Directors reviewed the related party's historical credit loss experience, adjusted for factors that are specific to that company, general economic conditions and carried out an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

At 31 December 2024 the carrying value of the amounts due from subsidiary undertakings amounted to €113.8m (2023: €114.9m). A repayment plan is in place until 31 December 2035 which aligns repayments to funding requirements of the Company. This repayment plan is based upon cashflow payments modelled from the 2025 Board approved budget, 2 years of board approved forecasts for 2026 and 2027, and management projections for 2028 and 2029. From 2030 to 2035 no growth, from base 2029, in considered within the cashflows modelled. On the basis of this assessment the Directors have calculated the ECL and concluded that is not material for disclosure. Sensitivity analysis was performed to assess the impact of a reduction in cashflows of 10% and no issue was found. Within the sensitivity, cashflows would have to decline by over 17% in each year before the amount due from subsidiary undertaking would not be repaid. This sensitivity analysis also does not take into account any mitigating actions that would be taken by management should cashflows decline.

32. Loss for the Year

As permitted by s408 of the Companies Act 2006, the Company has elected not to present its own income statement or statement of comprehensive income for the year. The loss attributable to the Company is disclosed in the footnote to the Company's Statement of Financial Position.

The auditor's remuneration for the audit and other services is disclosed in note 4 to the consolidated financial statements.



Notes to the Company Financial Statements continued

33. Staff Costs

The average monthly number of full time people employed by the Company (including Executive Directors) during the year was as follows:

	2024	2023
Average number of persons employed:		
Sales and enabling	1	5
Technical	1	3
Total	2	8

The aggregate remuneration costs of these employees is analysed as follows:

	2024 €'m	2023 €'m
Staff costs comprise:		
Wages and salaries	0.2	2.2
Social security costs	0.1	0.2
Pensions costs	–	0.1
Share option charge	0.3	1.1
Development labour	(0.1)	(0.1)
Total	0.5	3.5

Decrease in average number of persons employed and staff costs in the current year driven by the transfer of all employees to another entity within the Group. The reduction in staff costs year on year also impacted by a reduction in discretionary compensation earned.

The transfer occurred on 01 April and accordingly the Company has recognised staff costs up to the date of transfer. No further costs associated with these employees have been incurred by the Company, as they are now employed and remunerated by another group entity. Pension costs in the current year were not deemed material to disclose above.

34. Investments

The carrying value of the Company's subsidiaries at 31 December 2024 is as follows:

	2024 €'m	2023 €'m
At 01 January	49.6	49.0
Additions	2.0	0.6
At 31 December	51.6	49.6

The Company's subsidiaries directly owned by the Company, are disclosed in note 26.

Additions relate to an investment made in Hostelworld Management Services Limited of €0.4 million (2023: €nil) and capital contributions arising from accounting for share based payment expense related to employees of Group entities €1.6 million (2023: €0.6 million).

In 2024 following a review performed by management no impairment was recognised for investments held in any subsidiary investments (2023: €nil). The recoverable amount of each investment was assessed utilising value in use calculations which were prepared using cash flow projections based on the Board approved 2025 budget, two-year outlook and further two years of management prepared projections.

Growth rates have been assessed by the Directors using their past experience of the business and their expectations of the market. The cash flow projections for the five-year period consider key assumptions including historical trading performance, anticipated changes in future market conditions and climate change factors.

35. Trade and Other Receivables

	2024 €'m	2023 €'m
Non-current assets		
Amount due from subsidiary undertakings	113.8	114.9
	113.8	114.9

The amount due from subsidiary undertakings arose primarily as a result of a term loan issued between the Company and Hostelworld.com Limited as part of the Group reorganisation in March 2019, which does not bear interest. This amount is carried at amortised cost.

The Directors assessed the credit risk of these amounts and determined that an ECL on these assets would be immaterial. There is a repayment plan in place until 31 December 2035 which comprises of a number of staggered payments from now until 31 December 2035, as cash positions and profitability allows from Hostelworld.com Limited and will be driven by any funding requirements from Hostelworld Group plc including dividend payments to the market. Limited repayments have been made to date driven by the Group's focus on repayment of external bank borrowings held by Hostelworld.com Limited.

The Directors reviewed the related party's historical credit loss experience, adjusted for factors that are specific to that company, general economic conditions and carried out an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

	2024 €'m	2023 €'m
Current assets		
Prepayments	0.2	0.2
Value added tax	0.1	0.1
Total	0.3	0.3

36. Trade and Other Payables

	2024 €'m	2023 €'m
Current liabilities		
Trade payables	0.1	0.2
Amounts due to subsidiary undertakings	0.7	–
Accruals	0.4	1.5
Total	1.2	1.7

Decrease in accruals year on year relates to a liability recognised for discretionary compensation for staff employed by Hostelworld Group plc in the prior year.

Amount owed to related parties are repayable on demand. Amounts are interest free and unsecured.

37. Events After the Balance Sheet Date

There have been no material events after the balance sheet date.



# Additional Information

**212** Glossary of Alternative Performance Measures

**218** Contact and Shareholder Information

**220** Definition of Hostelworld Terms



Glossary of Alternative Performance Measures

In reporting financial information, The Group uses the following alternative performance measures (“APMs”) which are non-IFRS measures which provide useful additional information to monitor the performance of its operations and of the Group as a whole. APMs are not a substitute for, or superior to, IFRS measurements.

APM	Closest Equivalent IFRS Measure	Definition/Purpose	Reconciliation/ Calculation
Adjusted EBITDA	Operating Profit	Adjusted EBITDA is defined as earnings before interest, tax, depreciation and amortisation (non-cash items), also excluding results and impairment of associate, other income, share based payment expenses and any items defined by management as exceptional in nature.  This APM removes items which do not impact underlying trading performance and allows the Group and external readers, including investors, to review baseline profitability of the Group trade.	See note (a)
Adjusted EBITDA Margin	No direct equivalent	Adjusted EBITDA margin is defined as adjusted EBITDA as defined above divided by net revenue.  Adjusted EBITDA margin allows the Group and external readers, including investors, to assess the business's baseline profitability and how much revenue the business converts into Adjusted EBITDA profits by removing items which do not impact underlying trading performance.	See note (a)
Adjusted Profit After Tax	Profit After Tax	Adjusted profit after tax is profit excluding items that do not impact trading profitability, such as items classified by management as exceptional in nature, amortisation of acquired domain and technology intangibles, share based payment expenses, impairment of associate, other income and deferred tax. These items can have a large impact on the reported result for the year, and which can make underlying trends difficult to interpret.  Adjusted profit after tax is used by the Group to calculate the potential dividend when a dividend is being paid, subject to company law requirements regarding distributable profits, and the dividend policy within the Group. The Chief Operating Decision Maker assesses the performance of the business based on the consolidated adjusted profit after tax of the Group throughout the year.	See note (b)
Adjusted EPS	Basic Earnings Per Share	Adjusted EPS is calculated on the weighted average number of ordinary shares in issue, using the adjusted profit after tax.  Adjusted EPS is an additional measure of underlying performance that excludes items classified by management as exceptional in nature, amortisation of acquired domain and technology intangibles, share based payment expenses, impairment of associate, other income and deferred tax.  Adjusted EPS is a metric included in the Executive Director and Senior Management remuneration for the current and prior year LTIP plan being struck.	See note (b)
Adjusted Free Cashflow	Net Cash from Operating Activities	Adjusted free cash flow is net cash from operating activities adjusted for capital expenditure, acquisition/capitalisation of intangible assets, lease liabilities payments and cash impact of items classified as exceptional by management and any other items as set out in the walk within note (c).  Adjusted free cash flow is a measure which group management and external readers, including investors, use to assess the amount of cash the Group is generating from its trade and excludes items which do not relate to the day-to-day activities of the Group. It is one of the metrics which is used by management in assessing the amount of cash available for items such as borrowing repayments, dividends, share repurchases and acquisitions.	See note (c)

APM	Closest Equivalent IFRS Measure	Definition/Purpose	Reconciliation/ Calculation
Adjusted Free Cashflow Conversion	No direct equivalent	Adjusted Free Cash Flow Conversion % is calculated as Adjusted free cash flow as defined above divided by Adjusted EBITDA and measures the Group's ability to convert Adjusted EBITDA into free cash flow.  As above, adjusted free cash flow conversion is a measure which group management and external readers including investors can use to measure the Group's ability to convert Adjusted EBITDA into free cash flow.	See note (c)
Net Cash/Debt	Total Borrowings and Cash and Cash Equivalents	Net cash/(debt) represents the total debt obligations of the Group, net of liquid resources. It equates to short-term debt and long-term debt (including the statutory liability for debt warehoused and any external bank borrowings) less cash and equivalents.  Net cash/(debt) is used by the Group to monitor its overall leverage and liquidity position which assists in management's assessment of financial stability and strategic decision making.	See note (d)
Market Capitalisation	No direct equivalent	Market capitalisation is the markets assessment of the value of a Company.  Market capitalisation is used by the Group's management as a factor in considering if there is any impairment to the Group or Company Balance Sheet. Under IAS 36 market capitalisation is listed as an external indicator that an asset may be impaired, where the carrying value of the net assets of an entity exceed its market capitalisation.	See note (e)
Net Gross Merchandise Value (“GMV”) and Generated Revenue	Net Revenue	Net GMV represents the gross transaction value of bookings on our platform less cancellations. Generated revenue is total bookings, less cancellations. It excludes the impact of adjustments for refunds, chargebacks and voucher provisioning, deferred revenue, ancillary revenue streams and rebates.  Net GMV is utilised by the Group's management to demonstrate the total value of transactions executed through our platform i.e. 100% of the booking value.  Generated revenue is used by Group and external readers including investors to identify gross revenue from bookings less cancellations, excluding accounting adjustments that arise after the booking is processed.	See note (f)
Net ABV	No direct equivalent	Net ABV represents the average value paid by a customer for a net booking calculated as generated revenue divided by total net bookings.	See note (f)
Direct Marketing Costs as a % of Generated Revenue	No direct equivalent	Direct marketing costs as a percentage of generated revenue is an APM which looks at the efficiency of marketing spend. Generated revenue is utilised here to understand the relationship between bookings/revenue and the direct marketing costs for those bookings.  This APM is used by the Group's management to identify how efficient the Groups marketing channels are.	See note (g)
Net Margin	Operating Profit	Net margin is an APM which is calculated by deducting direct costs from generated revenue. Direct costs are comprised of direct marketing costs and credit card and other processing fees.  This APM is used by the Group's management to identify the trading profit margin, excluding administration costs/day to day expenses.	See note (h)

As a result of rounding to the nearest €’m, in some walks set out below the recalculation cannot be performed exactly but we have included enough data for the reader to understand how the amount is calculated within our reporting systems.

Glossary of Alternative Performance Measures continued

Note (a) Adjusted EBITDA and Adjusted EBITDA Margin  
Reconciliation Between Operating Profit for the Year and Adjusted EBITDA:

	2024 €'m	2023 €'m
Operating profit	11.3	5.0
Depreciation	0.6	1.0
Amortisation of development costs	3.6	3.0
Amortisation of acquired intangible assets	4.9	7.8
R&D tax credit	(0.2)	(0.2)
Other income	(1.3)	–
Impairment of investment in associate	1.2	–
Share of result of associate	(0.1)	(0.1)
Exceptional items	–	0.2
Share based payment expense	1.8	1.7
Adjusted EBITDA	21.8	18.4

R&D tax credits included in note 4 total €0.2 million (2023: €0.2 million) relates to amortisation of development costs.

Calculation of Adjusted EBITDA margin:

	2024 €'m	2023 €'m
Adjusted EBITDA	21.8	18.4
Net revenue	92.0	93.3
Adjusted EBITDA Margin %	24%	20%

Note (b) Adjusted Profit After Tax (Adjusted PAT) and Adjusted Earnings Per Share  
Reconciliation Between Profit After Tax and Adjusted Profit After Tax:

	2024 €'m	2023 €'m
Profit for the year	9.1	5.1
Exceptional items	–	3.8
Amortisation of acquired intangible assets	4.9	7.8
Share based payment expense	1.8	1.7
Deferred tax	1.7	(6.4)
Other income	(1.3)	–
Impairment of investment in associate	1.2	–
Adjusted profit after tax	17.4	12.0

Calculation of Adjusted Earnings per Share:

	2024	2023
Adjusted profit after tax (€'m)	17.4	12.0
Weighted average shares in issue ('m) (note 10 to financial statements)	124.5	122.0
Adjusted earnings per share (cent)	13.97	9.91

Note (c) Adjusted Free Cash Flow and Adjusted Free Cashflow Conversion  
Calculation of Adjusted Free Cash Flow:

	2024 €'m	2023 €'m
Opening Cash	7.5	19.0
Closing Cash	8.2	7.5
Net increase/(decrease) in cash and cash equivalents	0.7	(11.5)
Add back		
Repayment of debt warehoused	3.2	–
Repayment of borrowings	10.3	41.2
Proceeds from borrowings	–	(17.4)
Payment in kind interest paid	–	0.5
Transaction costs capitalised	–	0.2
Proceeds on issue of shares	–	(0.1)
Exceptional items	0.2	1.0
Adjusted free cash flow	14.4	13.9

Current year exceptional items relate to 2023 exceptional costs paid in 2024, accounted for as a creditor liability at 31 December 2023.

Calculation of Adjusted Free Cash Flow Conversion:

	2024 €'m	2023 €'m
Adjusted free cash flow	14.4	13.9
Adjusted EBITDA	21.8	18.4
Adjusted free cash flow conversion %	66%	75%

Reconciliation Between Adjusted Free Cash Flow and Net Cash from Operating Activities for the Year:

	2024 €'m	2023 €'m
Adjusted free cash flow	14.4	13.9
Exceptional items	(0.2)	(1.0)
Lease liability payments	0.5	0.9
Acquisition/capitalisation of intangible assets	5.5	4.0
Purchases of property, plant and equipment	0.1	0.1
Payment in kind interest paid	–	(0.5)
Net cash from operating activities	20.3	17.4

Current year exceptional items relate to 2023 exceptional costs paid in 2024, accounted for as a creditor liability at 31 December 2023.



Glossary of Alternative Performance Measures continued

Note (d) Net Cash/(Debt)

Calculation of Net Cash/(Debt):

	2024 €'m	2023 €'m
Cash and cash equivalents	8.2	7.5
Borrowings	–	(10.2)
Debt warehoused	(6.2)	(9.6)
Net cash/(debt)	2.0	(12.3)

Note (e) Market Capitalisation

Calculation of Market Capitalisation:

	2024 €'m	2023 €'m
Share price (€ cent per share)	1.63	1.58
Ordinary shares in issue ('m)	125.0	123.6
Market Capitalisation (€'m)	203.5	195.8

Note (f) Net Gross Merchandise Value (“GMV”), Net Average Booking Value (“ABV”) and Generated Revenue

Reconciliation Between Net GMV and Generated Revenue to Net Revenue for the Year:

	2024 €'m	2023 €'m
Total deposit (100%):		
GMV	687.4	717.2
Cancellations	(88.3)	(98.5)
Net GMV (100% deposit)	599.1	618.7
Hostelworld commission share:		
Gross revenue	105.0	108.6
Cancellations	(13.5)	(14.9)
Generated revenue	91.5	93.7
Deferred revenue movement	0.2	(0.7)
Refunds, chargebacks and cost of discounts and vouchers	(1.5)	(0.1)
Other revenue	0.3	0.3
Advertising income (featured listings)	2.0	1.2
Volume incentive rebates	(0.5)	(1.1)
Net revenue	92.0	93.3

Volume incentive rebates are offered to hostel partners. Recognition of rebates have limited judgement and are recognised based on performance targets for the previous quarters trading volumes measured at midnight on the closing day of a quarter and settled within the following quarter.

Calculation of Net ABV:

	2024	2023
Generated revenue (€'m)	91.5	93.7
Net bookings (#'m)	6.9	6.5
Net ABV generated (€)	13.21	14.36

Note (g) Direct Marketing Costs as a % of Generated Revenue

Calculation of Direct Marketing Costs as a % of Generated Revenue:

	2024 €'m	2023 €'m
Direct marketing costs	42.5	46.6
Generated revenue	91.5	93.7
Direct marketing costs as a % of generated revenue	46%	50%

Note (h) Net margin

Calculation of Net Margin:

	2024 €'m	2023 €'m
Net revenue	92.0	93.3
Direct marketing costs	(42.5)	(46.6)
Credit card and other processing fees	(2.9)	(3.0)
Net margin	46.6	43.7

Reconciliation Between Net Margin and Operating Profit:

	2024 €'m	2023 €'m
Net margin	46.6	43.7
Other operating costs	(35.5)	(38.8)
Other income	1.3	–
Share of result of associate	0.1	0.1
Impairment in investment of associate	(1.2)	–
Operating profit	11.3	5.0

Other operating costs are total operating expenses excluding impairment as set out within note 4 to the financial statements. less items included in net margin calculation set out above relating to direct marketing costs and credit card and other processing fees.

Contact and Shareholder Information

Financial Calendar

Annual General Meeting ("AGM")	07 May 2025
Announcement of 2025 Interim Results	30 July 2025

Share Price

During the year ended 31 December 2024, the range of the market prices of the Company's ordinary shares on the London Stock Exchange was:

Closing price at 31 December 2024:	£1.35
Highest closing price during the year:	£1.71
Lowest closing price during the year:	£1.26

Daily information on the Company's share price can be obtained on our website: [www.hostelworldgroup.com](http://www.hostelworldgroup.com).

Shareholder's Enquiries

All administrative enquiries relating to shareholdings (for example, notification of change of address, loss of share certificates, dividend payments) should be addressed to the Company's registrars:

UK Registrar

Computershare Investor Services plc  
The Pavilions  
Bridgewater Road  
Bristol  
BS99 6ZZ  
United Kingdom

Irish Registrar

Computershare Investor Services (Ireland) Ltd  
3100 Lake Drive  
Citywest Business Campus  
Dublin 24  
D24 AK82  
Ireland

Company Secretary and Registered Office

Mr. John Duggan  
Hostelworld Group plc  
One Chamberlain Square  
Birmingham  
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United Kingdom

Company Registration Number

9818705

Advisors

Solicitors

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D02 X576  
Ireland

Travers Smith LLP  
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EC1A 2AL  
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Financial Public Relations

Sodali & Co.  
Carmichael House  
60 Lower Baggot Street  
Dublin 2  
D02 KP79  
Ireland

Banking

Allied Irish Banks, plc  
1-4 Lower Baggot Street  
Dublin  
D02 X342  
Ireland

National Westminster Bank plc  
Regents House  
42 Islington High Street  
London  
N1 8XL  
United Kingdom

HSBC Bank plc  
1 Grand Canal Square  
Grand Canal Harbour  
Dublin Docklands  
Dublin 2  
D02 P820  
Ireland

Statutory Auditors

KPMG  
Chartered Accountants, Statutory Audit Firm  
1 Stokes Place  
St. Stephen's Green  
Dublin 2  
D02 DE03  
Ireland

Brokers

Numis Securities Limited  
45 Gresham Street  
London  
EC2V 7BF  
United Kingdom

Goodbody  
9-12 Dawson Street  
Dublin 2  
D02 YX99  
Ireland



Definition of Hostelworld Terms

We use some Hostelworld lingo in our annual report and lots of acronyms. We created this appendix of terms to summarise what these mean.

Term	Brief Description
Net ABV	Net average booking value – the price a customer pays. Calculated as generated revenue/net bookings.
Adjusted FCF	Adjusted free cash flow. Calculated as the movement in cash year-on-year adjusted for non-trading items such as capital expenditure, repayment of borrowings (not considered BAU), capitalised development spend, acquisition and disposal of undertakings.
Administration Expenses	Relates to operating expenses of company excluding depreciation, amortisation and any impairment charges. Primarily driven by marketing expenses, staff costs, credit card processing fees, exceptional items, foreign exchange movements and other operating costs.
AGM	Annual General Meeting.
AI	Artificial Intelligence.
AIB plc	House bankers for Hostelworld Group. No bank borrowings as at 31 December 2024 – existing AIB debt facilities have been fully repaid.
Android	Operating system for mobile phones and tablets.
APM	Alternative performance measures. Non-IFRS measures to monitor the performance of operations and of the Group as a whole.
BCP	Business Continuity Plan.
Bednights	Number of booked nights per stay.
Bureau Veritas	Certification body engaged by Hostelworld firstly in 2022, and again in 2023, to perform research on the carbon emissions of the hostelling sector.
CAC	Customer acquisition costs. Calculated as the direct marketing costs to acquire new customers/new customers acquired in the reporting period.
CDP	Carbon Disclosure Project. A not-for-profit charity that runs the global disclosure system for investors, companies, cities, states and regions to manage their environmental impacts.
CEO	Chief Executive Officer – Gary Morrison.
CFO	Chief Financial Officer – Caroline Sherry.
Chat	Social features Initiative. Chat rooms that allow users to connect on our social network in advance or during their hostel stay.
CPO	Chief People Officer – Barry McCabe. Chief Product Officer – Lissa Roa.
CSO	Chief Supply Officer – Fabrizio Giulio.
CTO	Chief Technology Officer – Chris Berridge.
CGUs	Cash generating units. Discussed in relation to valuation views of company assets.
Chairman	Chairman of the Board – Ulrik Bengtsson. Ulrik Bengtsson was appointed Chairman of the Company on 10 October 2024, having joined the Board as a Non-Executive Director and Chair Designate in May 2024. Michael Cawley stepped down as Chairman and Non-Executive Director on the same date.
CPCs	Cost per clicks. Calculated as cost to an advertiser divided by number of clicks on a Hostelworld ad.
CRM	Customer relationship management.
Conference	Hostelworld hosted hostel conferences allowing our hostels to come together to network and learn from each other. In 2024 we hosted 3 hostel conferences in Chiang Mai, Copenhagen and Mexico city.
Cookies	Cookies are small text files that are stored on a user’s computer or mobile device that are used to store or gather information (such as remembering log-on details so a user does not have to re-enter them when revisiting a website or opening an app) and market to customers.
Counter	Counter App – proprietary property management system.

Term	Brief Description
CSRD	Corporate Sustainability Reporting Directive. New sustainability standard that was expected to impact Hostelworld Group for the 2025 financial year. Following a simplification proposed by the EU in February 2025, we are now out of scope. We will continue to monitor any future developments and report as required against the applicable reporting requirements.
Culture Code	The Hostelworld Culture Code, launched in H2 2024, captures the essence of what makes us ‘us’. Our Culture Code will help us stay true to what makes us special as a Group while scaling our impact.
Customers	From a revenue perspective, our customers are our hostels and accommodation providers hosted on our website and applications. Revenue is derived from technology, data processing and service fees we charge these properties. We can also reference customers as those who engage with our product – they are the travellers who make hostel bookings and use our social applications.
Deferred Revenue	Relates to revenue which cannot be recognised until a future date. Under the terms of our free cancellation product, a customer can cancel at no penalty until a particular date (usually 1 day out from arrival) and receive a full refund. In this circumstance, Hostelworld has collected the cash but does not recognise the revenue until the last cancellation date has passed. Other products which have a small balance of deferred revenue relate to featured listings and Roamies.
Direct Margin	Calculated as net generated revenue (bookings less cancellations) less direct marketing costs.
Direct Marketing Costs	Paid direct marketing costs, primarily driven by online search. Excludes operating marketing costs such as brand marketing and CRM support which isn’t directly revenue generating.
Domestic Bookings	Bookings where source IP utilised by customer making booking at country level matches destination country of hostel.
DPO	Data Protection Officer.
DTR	Within our Governance section to the annual report we disclose statutory information in accordance with the Disclosure Guidance and Transparency Rules sourcebook (“DTRs”).
EAP	Employee assistance programme offered to our employees. See people section of the Annual Report.
EBITDA	Earnings before interest, tax, depreciation and amortisation and excluding exceptional and non-cash items.
ECL	Expected credit loss. Provision matrix based on the Group’s historical credit loss experience, adjusted for factors that are specific to debtor recoverability.
Elevate	Elevate programme provided hostels an opportunity to increase their prominence in search lists dynamically in exchange for a higher commission rate of up to 10% above the relevant base commission rate.
ELT	Executive Leadership Team. At 31 December ELT were comprised of CEO Gary Morrison, CFO Caroline Sherry, CPO Lissa Roa (Chief Product Officer), CTO Chris Berridge, Head of Analytics Dave Rooney, Head of Legal John Duggan, CPO Barry McCabe (Chief People Officer), CSO Fabrizio Giulio.
Employees	Headcount employed by the Group including Executive Directors. We exclude from our employee count Non-Executive Directors, any contractors or those employed by an employer of record.
EPS	Earnings per share.
ESG	Environmental Social and Governance – our ESG team lead our sustainability agenda.
ESRS EFRAG	European Sustainability Reporting Standards and European Financial Reporting Advisory Group. Companies subject to CSRD will have to report according to ESRS. The standards were developed by EFRAG, previously known as the European Financial Reporting Advisory Group, an independent body bringing together various different stakeholders. We had expected that CSRD would impact the Group from 01 January 2025. Following a simplification proposed by the EU in February 2025, we are now out of scope. We will continue to monitor any future developments and report as required against the applicable reporting requirements.
Exceptional Items	Exceptional items by their nature and size can make interpretation of the underlying trends in the business more difficult.
Existing Customers	Count of customers who have made their 2nd or subsequent bookings with Hostelworld in a specific period.
Experiential Travel	A form of tourism in which people focus on experiencing a country, city or particular place by actively and meaningfully engaging with its history, people, culture, food and environment.
FCF	Free cash flow.

Definition of Hostelworld Terms continued

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Term	Brief Description
<b>FRC</b>	Financial Reporting Council – UK Regulatory body.
<b>Free Channels</b>	Booking channels which have very minimal or no cost associated with them e.g navigating directly to our website, app bookings, SEO, CRM email bookings.
<b>FTSE SmallCap Index</b>	The Financial Times Stock Exchange SmallCap Index.
<b>GBR</b>	Gross booking revenue. Our commission amount collected from hostels – excludes any cancellations.
<b>Gen Z</b>	Generation Z. A person born between the 1990s and early 2010s.
<b>Generated Revenue</b>	Gross booking revenue minus impact of cancellations.
<b>GDPR</b>	General Data Protection Regulation.
<b>GHG</b>	Greenhouse gas (used in context of emissions produced by Hostelworld).
<b>GITCs</b>	General Information Technology Controls – in place to underpin and secure our technology environment.
<b>GMT</b>	Global Markets Team – team that deal day to day with supply (hostels) in Hostelworld.
<b>GMV</b>	Gross Merchandise Value. Gross total transaction value of bookings on our platform on which commission is charged.
<b>Goki</b>	Goki PTY Limited. Associate investment made by Hostelworld.
<b>Gross/Net</b>	‘Gross’ in reference to a metric which doesn’t include the impact of cancelled bookings whereas ‘net’ is ‘gross’ minus the impact of cancelled bookings.
<b>Gross Bookings</b>	Count of bookings made in a specific period before cancellations.
<b>GSTC</b>	Global Sustainable Tourism Council establishes and manages global standards for sustainable travel and tourism. The GSTC criteria form the Foundation Accreditation for Certification Bodies that certify accommodations as having sustainable policies and practices in place.
<b>Hangouts</b>	Social features Initiative. Hangout status introduced in 2024 on social app, which allows users to explicitly signal their openness to meet fellow travellers.
<b>HOSCARS</b>	Annual hostel awards operated by Hostelworld. A celebration for the hostels that have done incredible things, in extraordinary circumstances voted for by travellers.
<b>HPS</b>	HPS Investment Partners. Providers of a term loan facility refinanced with AIB plc in 2023.
<b>IFRS</b>	International Financial Reporting Standard.
<b>Inclusion, Engagement &amp; Diversity</b>	Inclusion, Engagement & Diversity (IE&D). In 2024 we reframed our Diversity, Equity and Inclusion (DE&I) initiatives as “Inclusion, Engagement and Diversity”, putting inclusion at the heart of all we do to engage and retain the best people. In 2023 we were awarded the Silver Accreditation with Investors in Diversity.
<b>Investors in Diversity</b>	Framework to govern diversity practices and culture, an Irish based equality accreditation group.
<b>iOS</b>	Operating system used for mobile devices manufactured by Apple Inc.
<b>kWh</b>	kilowatt-hours.
<b>LGBTQIA+</b>	Lesbian, gay, bisexual, transgender, queer/questioning, intersex, or asexual and a plus to signify all of the gender identities and sexual orientations that are not specifically covered by the other initials (such as pansexual).
<b>Linkups</b>	Social features Initiative. Allows hostels to set up their own group events for others to join. Linkups are not a service provided by the Group to hostels in connections with accommodation inventory, and accordingly, are not included in our contract with hostels for IT and data processing services.
<b>Listing Rules</b>	The Transparency Directive and Listing Rules.
<b>LTIP</b>	Long Term Incentive Plan. Type of share option grant which has been used in Hostelworld, where employees receive shares instead of cash on successful vesting.
<b>LTV/CLV</b>	Lifetime value or customer lifetime value. The total net generated revenue we can expect to earn from a customer during their booking lifetime with Hostelworld based on statistical modelling.

Term	Brief Description
<b>Long Haul Bookings</b>	Bookings where source IP utilised by customers making bookings at continent level does not match destination continent or country of hostel.
<b>Marketing as % of Revenue</b>	Calculated as direct marketing costs expressed as a % of generated revenue (Gross revenue less cancellations).
<b>Millennial</b>	A person born between the early 1980s and the late 1990s.
<b>Net Bookings</b>	Gross bookings minus cancelled bookings in a reporting period.
<b>Net Revenue</b>	Calculated as gross revenue less cancellations, deferred revenue, rebates and accounting adjustments
<b>NED</b>	Non-Executive Director relating to independent Directors appointed to Board. Positions are held by Ulrik Bengtsson (Chairman), Éimear Moloney, Paul Duffy, Carl G. Shepherd and Evan Cohen.
<b>Net Cash/Debt</b>	Calculated as debt (bank debt and warehoused payroll taxes) less cash and equivalents.
<b>Net GMV</b>	Net Gross Merchant Value. Gross transaction value of bookings on our platform less cancellations (relates to Hostelworld commission and hostel share).
<b>Net Margin</b>	Equates to net revenue less marketing costs and credit card fees.
<b>New Customers</b>	Count of customers who have made their first booking with Hostelworld in a specific period.
<b>New Customer Revenue</b>	Net generated revenue associated with new customers in the reporting period.
<b>OECD</b>	Organisation for Economic Co-operation and Development.
<b>OTA</b>	Online Travel Agent.
<b>Over Tourism</b>	The impact of tourism on a destination, or parts thereof, that excessively influences perceived quality of life of citizens and/or quality of visitor’s experiences in a negative way.
<b>Opex/Operating Expenses</b>	Operational Expenditure – relates to total administration expenses plus depreciation, amortisation and impairments.
<b>Paid Marketing and Paid channels</b>	Paid marketing channels through which a customer makes a booking on our platform e.g. Google ad channels and affiliate partnerships.
<b>PAX</b>	Total number of travellers.
<b>Platform Modernisation</b>	Significant project undertaken in Hostelworld in recent years to update legacy technology platforms and infrastructure in place, project is set to complete H1 2025.
<b>PMS</b>	Property Management System.
<b>Public Profile</b>	Social features Initiative. User profiles allow users to display their name, age, country they are from, pronouns and some information about themselves on their profile.
<b>PWA</b>	Progressive web application – a website that feels just like our apps.
<b>R&amp;D Tax Credit</b>	The Research and Development tax credit in Ireland incentivises companies to invest in research and development by offering a tax credit or cash for a portion of the R&D expenditure incurred, subject to certain conditions being met.
<b>Return Customer Revenue</b>	Net generated revenue associated with returning customers in the reporting period.
<b>RNS</b>	Regulatory News Services made on the London Stock Exchange.
<b>‘Roamies’</b>	A hostel focused adventure tour product run in partnership with G Adventures.
<b>RSU</b>	Restricted Share Option. Type of share option grant which has been used in Hostelworld, where employees receive shares instead of cash on successful vesting.
<b>SARs</b>	Stock Appreciation Rights.
<b>SAYE</b>	Save as you Earn – historic scheme which allowed employees to save and buy shares at an option price set by Hostelworld. No new scheme granted since 2020, following the withdrawal of Ulster Bank from the Irish market who were the only bank with an Irish banking licence that accepted new accounts for Save As You Earn schemes.
<b>SEO</b>	Search Engine Optimisation.



Definition of Hostelworld Terms continued

We use some Hostelworld lingo in our annual report and lots of acronyms. We created this appendix of terms to summarise what these mean.

Term	Brief Description
Short Haul Bookings	Bookings where source IP utilised by customer making booking at continent level matches destination continent for hostel.
Social Members	Eligible customers who opt-in to be members of the Hostelworld social network.
Social Network	A type of online social media platform which people use to build social networks or social relationships with other people who share similar personal or career content, interests, activities, backgrounds or real-life connections. The Hostelworld social network allows customers to connect with other travellers.
South Pole	Partner engaged to assess and validate carbon emissions and make quality climate contributions on behalf of Hostelworld. South Pole awarded Hostelworld with their sustainability label over the last 4 years. South Pole, recognised by the World Economic Forum’s Schwab Foundation, is a leading climate solutions provider and carbon project expert. Website: <a href="http://www.southpole.com">www.southpole.com</a>
‘Staircase to Sustainability’ Programme	Developed specifically for hostels, the Staircase to Sustainability is a bespoke framework to help hostels review, compare and communicate their sustainability efforts to customers and other stakeholders across 4 different levels. As hostels progress on their sustainability journeys they have the opportunity to progress or move up the staircase. Built in line with the Global Sustainability Tourism Council (GSTC)’s criteria, the framework allows hostels to be assessed against four pillars Sustainability management, Socio- Economic, Cultural Impact and Environmental Impact.
Taking Climate Action	South Pole’s sustainability label. To receive an organisation needs to measure their material scope 1, scope 2 and scope 3 emissions associated with their operations in line with GHG protocol, set a reduction target aligned with near-term science-based target requirements, finance climate action equivalent for any residual emissions through certified climate action credits, and disclosure of all details transparently.
TCFD	Taskforce for climate-related financial disclosures. Sustainability disclosures for the 2024 annual report have been prepared in accordance with the TCFD framework.
tCO <sub>2</sub> e	Tonnes (t) of carbon dioxide (CO <sub>2</sub> ) equivalent (e).
Total Bednights	Equates to the sum of total passengers x average number of nights per passenger.
Total Passengers	Total number of guests associated with net bookings on our platform in a specific period.
Total Stayed Bednights	Total bednights, adjusted for no-shows.
TSR	Total Shareholder Return.
Trading Margin	Net generated revenue, less paid marketing costs.
Unique Customers	Count of unique customers who have made a booking in a specific period.
ViDA	VAT in the digital age. Set of regulations introduced by the EU Commission to update the current VAT system to adapt it for the digital age.
Warehoused Payroll Taxes	Warehousing of tax debt by Irish Revenue Commissioners aimed at assisting businesses who experienced cash-flow and trading difficulties during the COVID-19 pandemic.
30% Club Ireland	The 30% Club is a campaign group of business chairpersons and CEOs taking action to increase gender diversity on boards and senior management teams, supported by Hostelworld. It was established in the United Kingdom in 2010 by Helena Morrissey with the aim of achieving a minimum of 30% female representation on the boards of FTSE 100 companies.

Bounce, Noosa, Australia





Rucksack Inn Siargao, Siargao Island, Philippines

