

# INDEPENDENT AUDITOR'S REPORT

## To the Shareholders of PPHE Hotel Group Limited

### Report on the Audit of the Consolidated Financial Statements

#### Opinion

We have audited the consolidated financial statements of PPHE Hotel Group Limited and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 December 2025, and the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements:

- give a true and fair view of the financial position of the Group as at 31 December 2025 and of its financial performance and its cash flows for the year then ended;
- have been properly prepared in accordance with International Financial Reporting Standards (IFRS® Accounting Standards) as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies (Guernsey) Law, 2008.

#### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), including the UK FRC's Ethical Standard as applied to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report, including in relation to this matter. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matter below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

#### Key Audit Matter

##### Impairment of property, plant, and equipment and right of use assets

The Group is an international hospitality real estate entity that owns, co-owns, leases and develops hotels, resorts, and campsites. The carrying value of property, plant, and equipment and right-of-use assets as at 31 December 2025 was £1,460.7 million and £222.9 million, respectively.

As noted in Note 2(d) and 2(k), property, plant, and equipment and right-of-use assets are measured at cost, less accumulated depreciation and impairment losses. For the results of management's impairment testing of property, plant, and equipment as of 31 December 2025 refer to Note 4b. Impairment of £23.7 million was recorded for the year ended 31 December 2025.

At each reporting date, the Group reviews the carrying amounts of its non-financial assets to determine whether there is any indication that those assets may be impaired. If any such indication exists, the recoverable amount of the asset is estimated.

The impairment assessment process requires management to make judgments and consider factors related to historical experience, market conditions, and property-specific information available at the time of the assessment. Performing audit procedures to evaluate the reasonableness of such information involved a high degree of auditor judgment and an increased extent of effort. As such we have identified impairment of property, plant, and equipment and right-of-use assets as a key audit matter.

#### How our audit addressed the matter

Our audit procedures included among others:

- Understanding management's process for identifying indicators of impairment of property, plant, and equipment and right-of-use assets and for performing their impairment assessment and related valuations;
- Obtaining the third-party valuations for properties with impairment indicators and with the assistance of our valuation experts testing the data used in the valuation. Our focus included evaluating the methodology used, reviewing the reasonableness of key assumptions, including capitalisation rates, revenue and expense growth rates, and discount rates.
- Testing the details and mathematical accuracy of the valuations.
- Evaluating the adequacy of the Group's disclosures in relation to property, plant and equipment and right-of-use assets.

# INDEPENDENT AUDITOR'S REPORT

## To the Shareholders of PPHE Hotel Group Limited – continued

### Other Information

The other information comprises the information included in the annual report, other than the consolidated financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the consolidated financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards as adopted by the European Union, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group'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 management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

### Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud 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 consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Report on Other Legal and Regulatory Requirements

Pursuant to Section 9.8.10 (1) and (2) of the Listing Rules of the Financial Conduct Authority, we were engaged to review management's statement pursuant to Section 9.8.6 R (6) of the Listing Rules of the Financial Conduct Authority that relate to provisions 6 and 24 to 29 of the UK Corporate Governance Code and the Management Board's statement pursuant to Section 9.8.6 R (3) of the Listing Rules in the United Kingdom in the financial year 2025 included in the Viability statement on page 92 and in the section Going concern on page 139. We have no exceptions to report.

The engagement partner on the audit resulting in this independent auditor's report is Ronen Cohen. report is Ronen Cohen.



### Ronen Cohen

(For and on behalf of Brightman Almagor Zohar & Co., a Firm in the Deloitte Global Network)

Tel Aviv, Israel

25 February 2026

## Consolidated statement of financial position as at 31 December 2025

	Note	As at 31 December	
		2025 £'000	2024 £'000
<b>Assets</b>			
<b>Non-current assets:</b>			
Intangible assets	3	6,622	7,632
Property, plant and equipment	4	1,460,744	1,421,376
Right-of-use assets	17	222,916	225,265
Investment in joint ventures	5	8,073	8,233
Other non-current assets	6	41,506	46,993
Restricted deposits and cash	12(b)	6,421	5,826
Deferred income tax asset	25	12,284	12,890
		<b>1,758,566</b>	<b>1,728,215</b>
<b>Current assets:</b>			
Restricted deposits and cash	12(b)	8,062	16,602
Inventories		2,711	2,703
Trade receivables	7	13,887	18,712
Other receivables and prepayments	8	15,157	17,683
Cash and cash equivalents	9	123,466	113,225
		<b>163,283</b>	<b>168,925</b>
<b>Total assets</b>		<b>1,921,849</b>	<b>1,897,140</b>
<b>Equity and liabilities</b>			
<b>Equity:</b>	10		
Issued capital		–	–
Share premium		135,228	134,472
Treasury shares		(14,138)	(14,519)
Foreign currency translation reserve		14,446	4,862
Hedging reserve		6,772	9,995
Accumulated earnings		179,127	177,874
Attributable to equity holders of the parent		321,435	312,684
Non-controlling interests		191,159	213,374
<b>Total equity</b>		<b>512,594</b>	<b>526,058</b>
<b>Non-current liabilities:</b>			
Borrowings	13	843,433	805,057
Provision for concession fee on land	14	5,255	4,995
Financial liability in respect of Income Units sold to private investors	15	107,943	110,565
Other financial liabilities	16	284,151	277,878
Deferred income taxes	25	5,732	5,192
		<b>1,246,514</b>	<b>1,203,687</b>
<b>Current liabilities:</b>			
Trade payables		10,381	9,088
Other payables and accruals	18	82,322	77,720
Borrowings	13	70,038	80,587
		<b>162,741</b>	<b>167,395</b>
<b>Total liabilities</b>		<b>1,409,255</b>	<b>1,371,082</b>
<b>Total equity and liabilities</b>		<b>1,921,849</b>	<b>1,897,140</b>

The accompanying notes are an integral part of the consolidated financial statements. Date of approval of the consolidated financial statements: 25 February 2026. Signed on behalf of the Board by Boris Ivesha and Daniel Kos.



**Boris Ivesha**  
President &  
Chief Executive Officer



**Daniel Kos**  
Chief Financial Officer &  
Executive Director

## Consolidated income statement for the year ended 31 December 2025

	Note	As at 31 December	
		2025 £'000	2024 £'000
Revenues	19	466,403	442,787
Operating expenses	20	(326,019)	(303,988)
<b>EBITDAR</b>		<b>140,384</b>	<b>138,799</b>
Rental expenses	17	(2,195)	(2,336)
<b>EBITDA</b>		<b>138,189</b>	<b>136,463</b>
Depreciation, amortisation and impairment	3, 4, 17	(72,305)	(47,083)
<b>EBIT</b>		<b>65,884</b>	<b>89,380</b>
Financial expenses	21	(48,052)	(42,634)
Financial income	22	4,846	5,226
Other expenses	23(a)	(11,473)	(13,243)
Other income	23(b)	2,492	5,048
Net expenses for financial liability in respect of Income Units sold to private investors	24	(11,893)	(12,896)
Share in results of joint ventures	5	(330)	(268)
<b>Profit before tax</b>		<b>1,474</b>	<b>30,613</b>
Income tax expense	25	(865)	(2,881)
<b>Profit for the year</b>		<b>609</b>	<b>27,732</b>
Profit (loss) attributable to:			
Equity holders of the parent		13,185	28,206
Non-controlling interests		(12,576)	(474)
		<b>609</b>	<b>27,732</b>
<b>Basic earnings per share (in Pound Sterling)</b>	26	<b>0.32</b>	0.67
<b>Diluted earnings per share (in Pound Sterling)</b>	26	<b>0.31</b>	0.66

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

## Consolidated statement of comprehensive income for the year ended 31 December 2025

	As at 31 December	
	2025 £'000	2024 £'000
Profit for the year	609	27,732
<b>Other comprehensive income (loss) Items that may be reclassified subsequently to profit or loss:<sup>1</sup></b>		
Profit (loss) from cash flow hedges	(1,613)	4,315
Foreign currency translation adjustments of foreign operations	9,106	(14,344)
Other comprehensive income (loss)	7,493	(10,029)
<b>Total comprehensive income</b>	<b>8,102</b>	<b>17,703</b>
Total comprehensive income (loss) attributable to:		
Equity holders of the parent	18,786	21,238
Non-controlling interests	(10,684)	(3,535)
	<b>8,102</b>	<b>17,703</b>

<sup>1</sup> There is no other comprehensive income that will not be reclassified to the profit and loss in subsequent periods.

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

## Consolidated statement of changes in equity for the year ended 31 December 2025

In £'000	Issued capital <sup>1</sup>	Share premium	Treasury shares	Foreign currency translation reserve	Hedging reserve	Accumulated earnings	Attributable to equity holders of the parent		Total equity
							Non-controlling interests		
<b>Balance as at 1 January 2025</b>	–	134,472	(14,519)	4,862	9,995	177,874	312,684	213,374	526,058
Profit (loss) for the year	–	–	–	–	–	13,185	13,185	(12,576)	609
Other comprehensive income (loss) for the year	–	–	–	8,815	(3,214)	–	5,601	1,892	7,493
Total comprehensive income (loss)	–	–	–	8,815	(3,214)	13,185	18,786	(10,684)	8,102
Share-based payments	–	1,602	–	–	–	245	1,847	193	2,040
Dividend distribution <sup>2</sup>	–	–	–	–	–	(15,906)	(15,906)	–	(15,906)
Dividend paid to non-controlling interests	–	–	–	–	–	–	–	(1,613)	(1,613)
Exercise of options	–	(846)	381	–	–	–	(465)	–	(465)
Transactions with non-controlling interests (see Note 5)	–	–	–	769	(9)	3,729	4,489	(10,111)	(5,622)
<b>Balance as at 31 December 2025</b>	<b>–</b>	<b>135,228</b>	<b>(14,138)</b>	<b>14,446</b>	<b>6,772</b>	<b>179,127</b>	<b>321,435</b>	<b>191,159</b>	<b>512,594</b>
Balance as at 1 January 2024	–	133,469	(6,873)	13,903	7,801	166,281	314,581	216,592	531,173
Profit (loss) for the year	–	–	–	–	–	28,206	28,206	(474)	27,732
Other comprehensive income (loss) for the year	–	–	–	(9,159)	2,191	–	(6,968)	(3,061)	(10,029)
Total comprehensive income (loss)	–	–	–	(9,159)	2,191	28,206	21,238	(3,535)	17,703
Share-based payments	–	1,389	–	–	–	88	1,477	72	1,549
Share buy-back	–	–	(7,864)	–	–	–	(7,864)	–	(7,864)
Dividend distribution <sup>2</sup>	–	–	–	–	–	(15,549)	(15,549)	–	(15,549)
Dividend paid to non-controlling interests	–	–	–	–	–	–	–	(1,452)	(1,452)
Exercise of options	–	(386)	218	–	–	–	(168)	–	(168)
Transactions with non-controlling interests (see Note 5)	–	–	–	118	3	(1,152)	(1,031)	1,697	666
<b>Balance as at 31 December 2024</b>	<b>–</b>	<b>134,472</b>	<b>(14,519)</b>	<b>4,862</b>	<b>9,995</b>	<b>177,874</b>	<b>312,684</b>	<b>213,374</b>	<b>526,058</b>

<sup>1</sup> No par value.

<sup>2</sup> The dividend distribution comprises a final dividend for the year ended 31 December 2024 of 21 pence per share (31 December 2023: 20.0 pence per share) and an interim dividend of 17.0 pence per share paid in 2025 (2024: 17.0 pence per share).

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

# Consolidated statement of cash flows for the year ended 31 December 2025

	Note	As at 31 December	
		2025 £'000	2024 £'000
<b>Cash flows from operating activities:</b>			
Profit for the year		609	27,732
Adjustment to reconcile profit to cash provided by operating activities:			
Financial expenses and expenses for financial liability in respect of Income Units sold to private investors	21,24	59,945	55,530
Financial income	22	(4,846)	(5,226)
Income tax expense	25	865	2,881
Loss on buy-back of Income Units sold to private investors	23	1,089	1,486
Re-measurement of lease liability	23	4,121	3,984
Change in fair value Park Plaza County Hall London units	23	(150)	(450)
Lease termination	23	(2,094)	–
Impairment of property, plant and equipment	4	23,733	–
Capital loss on sale of fixed assets, net	23	204	195
Share in results of joint ventures	5	330	268
Share appreciation rights revaluation	23, 5(b)(i)	3,613	767
Fair value movement derivatives through profit and loss	23	773	(4,299)
Depreciation and amortisation	3, 4, 17	48,572	47,083
Share-based payments		2,040	1,549
Cash flows from operating activities before movements in working capital		138,195	103,768
Changes in operating assets and liabilities:			
Decrease in inventories		102	468
Decrease (increase) in trade and other receivables		5,372	(5,694)
Increase (decrease) in trade and other payables		10,820	(6,002)
Cash flow from movements in working capital		16,294	(11,228)
Cash paid and received during the period for:			
Interest paid		(57,879)	(54,710)
Interest received		3,866	4,837
Taxes paid		(3,033)	(2,436)
Taxes received		2,028	–
Cash flow from interest and taxes		(55,018)	(52,309)
<b>Net cash provided by operating activities</b>		<b>100,080</b>	<b>67,963</b>

	Note	As at 31 December	
		2025 £'000	2024 £'000
<b>Cash flows from investing activities:</b>			
Acquisition of Lemna Street	5	(18,411)	–
Acquisition of Park Royal freehold	17	(10,537)	–
Investments in property, plant and equipment	4	(50,858)	(74,075)
Investments in intangible assets	3	(1,499)	(280)
Proceeds from disposal of property, plant and equipment, and intangible assets	3,4	274	328
Loans repaid from (provided to) joint ventures		282	(2,984)
Decrease (increase) in restricted cash		8,454	(5,572)
<b>Net cash used in investing activities</b>		<b>(72,295)</b>	<b>(82,583)</b>
<b>Cash flows from financing activities:</b>			
Proceeds from loans and borrowings		129,249	46,668
Buy-back of Income Units previously sold to private investors		(3,666)	(5,287)
Proceeds of derivatives	29(c)	–	1,481
Dividend paid		(15,906)	(15,549)
Dividend paid by a subsidiary to non-controlling shareholders		(1,613)	(1,452)
Repayment of loans and borrowings		(117,287)	(41,147)
Repayment of leases		(3,853)	(4,162)
Proceeds from transactions with non-controlling interest		11,747	10,444
Payments in relation to transactions with non-controlling interests		(17,369)	(2,734)
Purchase of treasury shares		–	(7,864)
Exercise of options settled in cash		(465)	(167)
<b>Net cash used in financing activities</b>		<b>(19,163)</b>	<b>(19,769)</b>
Increase (decrease) in cash and cash equivalents		8,622	(34,389)
Net foreign exchange differences		1,619	(2,802)
Cash and cash equivalents at beginning of year		113,225	150,416
Cash and cash equivalents at end of year		123,466	113,225
<b>Non-cash items:</b>			
Lease additions and lease re-measurement		10,016	5,938
Investments in property, plant and equipment		6,454	8,077

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

# Notes to consolidated financial statements for the year ended 31 December 2025

## Note 1 General

The consolidated financial statements of PPHE Hotel Group Limited (the 'Company') and its subsidiaries (together, the 'Group') for the year ended 31 December 2025 were authorised for issuance in accordance with a resolution of the Directors on 25 February 2026.

The Company was incorporated in Guernsey on 14 June 2007 and is listed on the Equity Shares – Commercial Companies (ESCC)\* category of the Official List of the Financial Conduct Authority (FCA) and the shares are traded on the Main Market for listed securities of the London Stock Exchange.

Contact details of the Group can be found on the final page of these financial statements.

### a. Description of the Group business:

The Group is an international hospitality real estate group, which owns, co-owns and develops hotels, resorts and campsites, operates the Park Plaza® brand in EMEA, and owns and operates the art'otel® brand.

The Group has interests in hotels in the United Kingdom, the Netherlands, Germany, Hungary, Serbia, Italy, Austria, and hotels, self-catering apartment complexes and campsites in Croatia.

### b. Assessment of going concern and liquidity:

As part of their ongoing responsibilities, the Directors have recently undertaken a thorough review of the Group's cash flow forecast and potential liquidity risks. Detailed budgets and cash flow projections, which take into account the current trading environment and the industry-wide cost pressures, have been prepared for 2026 and 2027, and show that the Group's hotel operations are expected to be cash generative during this period. Furthermore, under those cash flow projections, it is expected that the Group will comply with its loan covenants. Having reviewed those cash flow projections, the Directors have determined that the Group is likely to continue in business for at least 12 months from the date of approval of the consolidated financial statements.

## Note 2 Accounting policies

### a. Basis of preparation

The consolidated financial statements of the Group have been prepared on a historical cost basis, except for derivative financial instruments, Income Units in Park Plaza County Hall London and investments in marketable securities, which are measured at fair value. The consolidated financial statements are presented in Pound Sterling and all values are rounded to the nearest thousand (£'000) except where otherwise indicated.

### Statement of compliance

The consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards (IFRS® Accounting Standards), which comprise standards and interpretations issued by the International Accounting Standards Board (IASB) and International Financial Reporting Standards Interpretations Committee (IFRIC) as adopted by the European Union.

The accounting policies used in preparing the consolidated financial statements are set out below. These accounting policies have been consistently applied to the periods presented, except where otherwise indicated.

### b. Significant accounting judgements, estimates and assumptions

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

## Judgements

In the process of applying the Group's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the consolidated financial statements.

### Financial liability in respect of Income Units sold to private investors

In 2010, the construction of Park Plaza London Westminster Bridge was completed and the hotel opened to customers. Out of 1,019 rooms, 535 rooms ('Income Units') were sold at that time to private investors under 999-year lease agreements. The sales transactions are accounted for as a transaction in which the investors, in return for the upfront consideration paid (which is accounted for as financial liability) for the Income Units, receive 999 years of net income from a specific revenue-generating portion of an asset (contractual right to a stream of future cash flows) (see more details in Note 2(e)).

Management applied the following professional judgement in determining the accounting treatment for the amounts received upfront.

As the liability to pay future cash flows includes a component that is based on the future net operating income (NOI) generated by the room, management considered whether this component meets the definition in IFRS 9 of an embedded derivative, which needs to be accounted for separately. According to IFRS 9, if the changes in value arise from a non-financial variable that is specific to a party to the contract, then the component does not meet the definition of a derivative. As the NOI is generated by a specific room and the NOI can be affected by non-financial factors, management concluded that this component does not meet the definition of an embedded derivative.

Based on its analysis of IFRS 9 and relevant professional publications, management considers a floating-rate liability as an instrument with variable cash flow amounts arising from changes in market variables. Due to the variability of the periodic NOI cash flows, which reflect primarily market conditions such as occupancy and the price charged for the room, management views the liability in respect of Income Units as a floating-rate financial liability. Pursuant to IFRS 9.B5.4.5 in respect of floating-rate financial instruments, changes in future estimated cash flows from the Income Units are recognised prospectively in the period in which they occur. As the Group is not exposed to any risk nor receives any benefit in respect of future changes in NOI, management is of the view that the application of IFRS 9.B5.4.5 is the appropriate accounting treatment. It also faithfully represents the substance of the transaction from which it has arisen and reflects the economics of the transaction with the investors in the Income Units.

### Estimates and assumptions

Management did not identify any critical estimates included in the Group's consolidated financial statements for which there is a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

### c. Foreign currency translation

The functional currency of the Company is Pound Sterling. The consolidated financial statements are also presented in Pound Sterling.

Each entity of the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

Foreign currency exchange differences in respect of loans denominated in foreign currency which were granted by the Company to its subsidiaries are reflected in the foreign currency translation reserve in equity, as these loans are, in substance, a part of the Group's net investment in the foreign operation.

The following exchange rates in relation to Pound Sterling were prevailing at reporting dates:

	As at 31 December	
	2025 In Pound Sterling	2024 In Pound Sterling
Euro	0.873	0.830
Hungarian Forint	0.002	0.002
Serbian Dinar	0.007	0.007
US Dollar	0.744	0.797

Percentage increase (decrease) in exchange rates at year end compared with the previous year:

	As at 31 December	
	2025 In % versus Pound Sterling	2024 In % versus Pound Sterling
Euro	5.2	(4.5)
Hungarian Forint	12.0	(11.1)
Serbian Dinar	4.9	(4.4)
US Dollar	(6.7)	1.4

### d. Property, plant and equipment

Property, plant and equipment are measured at cost, less accumulated depreciation and impairment losses. Depreciation is calculated using the straight-line method, over the shorter of the estimated useful life of the assets which are mainly as follows:

	Years
Hotel buildings	50 to 95
Furniture and equipment	2 to 25

### e. Impairment of non-financial assets

At each reporting date, the Group reviews the carrying amounts of its non-financial assets to determine whether there is any indication that those assets may be impaired. If any such indication exists, the recoverable amount of the asset is estimated. Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of an asset's fair value less costs of disposal and its 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 cash-generating unit) is estimated to be less than its carrying amount, the asset is considered impaired and the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. Impairment losses are recognised as an expense immediately.

## i. Financial instruments

### i) Financial assets

#### Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost or fair value through profit or loss.

The Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

#### Subsequent measurement

For the purposes of subsequent measurement, financial assets are classified in two categories:

- financial assets at amortised cost (debt instruments); and
- financial assets at fair value through profit or loss.

#### Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash at banks and on hand, and short-term highly liquid investments with a maturity of three months or less, that are held for the purpose of meeting short-term cash commitments and are readily convertible to a known amount of cash and subject to an insignificant risk of changes in value.

## Notes to consolidated financial statements for the year ended 31 December 2025 – continued

### Financial assets at amortised cost (debt instruments)

The Group measures financial assets at amortised cost if both of the following conditions are met:

- the financial asset is held within a business model with the objective of holding financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are 'solely payments of principal and interest' (SPPI) on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest rate (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Group's financial assets at amortised cost include trade receivables and loans to joint ventures.

### Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the income statement.

This category includes derivative instruments, investments in money market funds and Income Units in Park Plaza County Hall London (Note 6).

### Impairment of financial assets

For trade receivables, the Group applies a simplified approach in calculating the expected credit loss (ECL). Therefore, the Group does not track changes in credit risk,

but instead recognises a loss allowance based on lifetime ECLs at each reporting date.

The Group considers a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

### ii) Financial liabilities

**Initial recognition and measurement**  
Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, as measured at amortised cost (borrowings and payables) or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, lease liabilities and derivative financial instruments.

### Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

### Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by IFRS 9. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the income statement.

### Financial liability in respect of Income Units sold to private investors

In 2010, the construction of Park Plaza London Westminster Bridge was completed and the hotel opened to paying customers. Out of 1,019 rooms, 535 rooms were sold at that time to private investors under 999-year lease agreements. The sales transactions are accounted for as a transaction in which the investors, in return for the upfront consideration paid (which is accounted for as financial liability) for the Income Units, receive 999 years of net income from a specific revenue-generating portion of an asset (contractual right to a stream of future cash flows). The amounts received upfront are accounted for as a floating rate financial liability pursuant to IFRS 9. B5.4.5 and are being recognised as income over the term of the lease (i.e. 999 years). Changes in future estimated cash flows from the Income Units are recognised prospectively in the period in which they occur. Since November 2014, the Company has bought back 103 Income Units from private investors. Upon buy-back of a unit, the financial liability relating to that unit is derecognised and any difference between the purchase price and the liability derecognised is recorded in profit and loss.

The entire hotel is accounted for at cost less accumulated depreciation.

The replacement costs for the Income Units are fully reimbursed by the private investors. An amount of 4% of revenues is paid by the investors on an annual basis ('FF&E reserve') and is accounted for in profit and loss. The difference between the actual depreciation cost and the FF&E reserve is a timing difference which is recorded in the statement of financial position as a receivable or liability to the investor in each respective year.

### Modification

When the group exchanges with the existing lender one debt instrument into another one with substantially different terms, such exchange is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, the group accounts for substantial modification of terms of an existing liability or part of it as an extinguishment of the original financial liability and the recognition of a new liability. It is assumed that the terms are substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective interest rate, is at least 10% different from the discounted present value of the remaining cash flows of the original financial liability. If the modification is not substantial, the difference between (1) the carrying amount of the liability before the modification; and (2) the present value of the cash flows after modification is recognised as profit or loss in the income statement.

### Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

### g. Inventories

Inventories include china, food and beverages, and are valued at the lower of cost and net realisable value. Cost includes purchase cost on a first-in, first-out basis.

### h. Derivative financial instruments and hedge accounting

The Group uses derivative financial instruments such as interest rate swaps to hedge its risks associated with interest rate fluctuations. Such derivative financial

instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value.

Derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative.

Any gains or losses arising from changes in fair value on derivatives that do not qualify for hedge accounting are taken directly to the income statement.

For the purpose of hedge accounting, hedges are classified as cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction.

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which the Group wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes identification of the hedging instrument, the hedged item or transaction, the nature of the risk being hedged and how the Group will assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

The effective portion of the gain or loss on the hedging instrument in a cash flow hedge is recognised directly in other comprehensive income, while the ineffective portion is recognised in profit or loss. Amounts taken to other comprehensive income are transferred to the income statement when the hedged transaction affects profit or loss, such as when the

hedged financial income or financial expense is recognised.

### i. Revenue from contracts with customers

Revenue from contracts with customers is recognised when control of the goods or services is transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

### Owned, co-owned and leased hotels

Revenues are primarily derived from hotel operations, including the rental of rooms, food and beverage sales, and other services from owned, co-owned and leased hotels operated under the Group's brand names. Revenue is recognised when rooms are occupied, food and beverages are sold, and services are performed.

### Campsites and mobile homes

Revenues are primarily derived from short-term rentals of campsite pitches and mobile homes operated under the Group's brand names. Revenue is recognised when campsite pitches and/or mobile homes are occupied.

### Management fees

Management fees are earned from hotels managed by the Group, under long-term contracts with the hotel owner. Management fees include a base fee, which is generally a percentage of hotel revenue, and an incentive fee, which is based on the hotel's profitability. Revenue is recognised when earned and realised or realisable under the terms of the agreement.

### Franchise and reservation fees

Franchise and reservation fees are received in connection with a licence of the Group's brand names, under long-term contracts with the hotel owner. The Group changes franchise and reservation fees as a percentage of hotel revenue. Revenue is recognised when earned and realised or realisable under the terms of the agreement.

# Notes to consolidated financial statements for the year ended 31 December 2025 – continued

## Marketing fees

Marketing fees are received in connection with the sales and marketing services offered by the Group, under long-term contracts with the hotel owner. The Group charges marketing fees as a percentage of hotel revenue. Revenue is recognised when earned and realised or realisable under the terms of the agreement.

## Customer loyalty programme

The Group participates in the Radisson Rewards™ customer loyalty programme to provide customers with incentives to buy room nights. This customer loyalty programme is owned and operated by the Radisson Hotel Group and therefore the entity retains no obligations in respect of the award credits other than to pay Radisson Hotel Group for the award credits purchased and granted to customers. The customers are entitled to utilise the awards as soon as they are granted.

The Group purchases these award credits from Radisson Hotel Group and issues these to its customers in order to enhance its customer relationships rather than to earn a margin from the sale of these award credits. The Group concluded that it is acting as principal in this transaction and, in substance, is earning revenue from supplying these awards to its customers. The Group measures these revenues at fair value and recognises these gross from the costs of participating in the programme.

## Contract balances

### Trade receivables

A receivable represents the Group's right to an amount of consideration that is unconditional (i.e. only the passage of time is required before payment of the consideration is due).

### Advance payments received – contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the

customer, a contract liability (advance payments received) is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group performs under the contract.

## j. Alternative Performance Measures

### EBITDAR

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

### EBITDA

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

### EBIT

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

### Net debt

Borrowings less cash and cash equivalents, and long-term and short-term restricted cash.

## k. Leases

### The Group as lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

### Right-of-use assets

Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any re-measurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received.

Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful life of the assets, which are mainly as follows:

	Years
Land	50 to 200
Hotel buildings	5 to 95
Offices and storage	1 to 12
Furniture and equipment	2 to 25

### Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include the expected payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. The carrying amount of lease liabilities is re-measured if there is a modification, a change in the lease term, a change in the lease payments (e.g. changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

The Group's lease liabilities are included in Other financial liabilities (see Note 16).

### Variable lease payments that depend on an index or rate

On the commencement date, the Company uses the index or rate prevailing on the commencement date to calculate the future lease payments.

For leases in which the Company is the lessee, the aggregate changes in future lease payments resulting from a change in the index or rate (including changes following a market rent review) are discounted (without a change in the discount rate applicable to the lease liability) and recorded as an adjustment of the lease liability and the right-of-use asset, only when there is a change in the cash flows

resulting from the change in the index or rate (that is, when the adjustment to the lease payments takes effect).

### Variable lease payments

Variable lease payments that do not depend on an index or interest rate but are based on performance or usage are recognised as rent expense as incurred when the Company is the lessee, and are recognised as income as earned when the Company is the lessor.

### Lease extension and termination options

A non-cancellable lease term includes both the periods covered by an option to extend the lease when it is reasonably certain that the extension option will be exercised and the periods covered by a lease termination option when it is reasonably certain that the termination option will not be exercised.

### Short-term leases and leases of low value assets

The Group applies the short-term lease recognition exemption to its short-term leases of furniture and equipment (i.e. those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low value assets are recognised as an expense on a straight-line basis over the lease term.

## l. Employee benefits

### Share-based payments

The Board has adopted a share option plan, under which employees and Directors of the Group receive remuneration in the form of share-based payment transactions, whereby employees render services as consideration for equity instruments (equity-settled transactions).

The cost of equity-settled transactions with employees is measured by reference to the fair value at the date on which they are granted. The fair value is determined by using an appropriate pricing model, further details of which are given in Note 11.

## Pension

The Group has a defined contribution pension plan where the employer is liable only for the employer's part of the contribution towards an individual's pension plan.

The Group will have no legal obligation to pay further contributions. The contributions in the defined contribution plan are recognised as an expense and no additional provision is required in the consolidated financial statements.

### m. Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

### n. Borrowing costs for qualifying assets

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

## o. Taxation

### Deferred income tax

Deferred income tax is provided using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax liabilities are recognised for all taxable temporary differences, except in respect of taxable temporary differences associated with investments in subsidiaries, associates and jointly controlled entities, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax losses can be utilised.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised. Unrecognised deferred income tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to offset current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

### p. Changes in accounting policies and disclosures

The Group applied for the first time certain standards and amendments, which are effective for annual periods beginning on or after 1 January 2025. Several other amendments and interpretations apply for the first time in 2025, but do not have an impact on the consolidated financial statements of the Group. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

### Lack of exchangeability – Amendments to IAS 21

In August 2023, the IASB issued amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates to specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking.

# Notes to consolidated financial statements for the year ended 31 December 2025 – continued

## Lack of exchangeability – Amendments to IAS 21 continued

The amendments also require disclosure of information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity's financial performance, financial position and cash flows.

The amendments are effective for annual reporting periods beginning on or after 1 January 2025.

The amendments had no impact on the Group's consolidated financial statements.

## q. Standards issued but not yet applied

Standards issued but not yet effective, or subject to adoption by the European Union, up to the date of issuance of the consolidated financial statements are listed below. This listing of standards issued are those that the Group reasonably expects might have an impact on disclosures, financial position or performance when applied at a future date. The Group intends to adopt these standards when they become mandatory.

The following standards have been issued by the IASB and are not yet effective or are subject to adoption by the European Union:

## IFRS 18 Presentation and Disclosure in Financial Statements

In April 2024, the IASB issued IFRS 18, which replaces IAS 1 Presentation of Financial Statements. IFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Furthermore, entities are required to classify all income and expenses within the statement of profit or loss into one of five categories: operating, investing, financing, income taxes and discontinued operations, whereof the first three are new.

It also requires disclosure of newly defined management-defined performance measures, subtotals of income and expenses, and includes new requirements for aggregation and disaggregation of financial information based on the identified 'roles' of the primary financial statements and the notes.

In addition, narrow-scope amendments have been made to IAS 7 Statement of Cash Flows, which include changing the starting point for determining cash flows from operations under the indirect method, from 'profit or loss' to 'operating profit or loss' and removing the optionality around classification of cash flows from dividends and interest. In addition, there are consequential amendments to several other standards.

IFRS 18, and the amendments to the other standards, is effective for reporting periods beginning on or after 1 January 2027, but earlier application is permitted and must be disclosed. IFRS 18 will apply retrospectively.

The Group is currently working to identify all impacts the amendments will have on the primary financial statements and notes to the financial statements.

## IFRS 19 Subsidiaries without Public Accountability: Disclosures

In May 2024, the IASB issued IFRS 19, which allows eligible entities to elect to apply its reduced disclosure requirements while still applying the recognition, measurement and presentation requirements in other IFRS accounting standards. To be eligible, at the end of the reporting period, an entity must be a subsidiary as defined in IFRS 10, cannot have public accountability and must have a parent (ultimate or intermediate) that prepares consolidated financial statements, available for public use, which comply with IFRS accounting standards.

IFRS 19 will become effective for reporting periods beginning on or after 1 January 2027, with early application permitted.

As the Group's equity instruments are publicly traded, it is not eligible to elect to apply IFRS 19.

## Amendments to the Classification and Measurement of Financial Instruments - Amendments to IFRS 9 and IFRS 7

In May 2024, the IASB issued Amendments to IFRS 9 and IFRS 7, Amendments to the Classification and Measurement of Financial Instruments (the Amendments). The Amendments include:

- A clarification that a financial liability is derecognised on the 'settlement date' and the introduction of an accounting policy choice (if specific conditions are met) to derecognise financial liabilities settled using an electronic payment system before the settlement date
- Additional guidance on how the contractual cash flows for financial assets with Environmental, Social and Governance (ESG) and similar features should be assessed
- Clarifications on what constitute 'non-recourse features' and what are the characteristics of contractually linked instruments
- The introduction of disclosures for financial instruments with contingent features and additional disclosure requirements for equity instruments classified at fair value through other comprehensive income (OCI)

The Amendments are effective for annual periods starting on or after 1 January 2026 with early adoption permitted for classification of financial assets and related disclosures only. The Group does not anticipate that the amendments will have a material effect on the Group's financial statements.

## Annual Improvements to IFRS Accounting Standards - Volume 11

In July 2024, the IASB issued nine narrow scope amendments as part of its periodic maintenance of IFRS accounting standards.

The amendments include clarifications, simplifications, connections or changes to improve consistency in IFRS 1 First-time Adoption of International Financial Reporting Standards, IFRS 7 Financial Instruments: Disclosure and its accompanying Guidance on implementing IFRS 7, IFRS 9 Financial Instruments, IFRS 10 Consolidated Financial Statements and IAS 7 Statements of Cash Flows.

The amendments will be effective for reporting periods beginning on or after 1 January 2026. Earlier application is permitted and must be disclosed.

The amendments are not expected to have a material impact on the Group's financial statements.

## Contracts Referencing Nature-dependent Electricity – Amendments to IFRS 9 and IFRS 7

In December 2024, the IASB issued Amendments to IFRS 9 and IFRS 7 – Contracts Referencing Nature-dependent Electricity. The amendments apply only to contracts that reference nature-dependent electricity; the amendments:

- clarify the application of the 'own-use' requirements for in-scope contracts;
- amend the designation requirements for a hedged item in a cash flow hedging relationship for in-scope contracts; and
- add new disclosure requirements to enable investors to understand the effect of these contracts on a company's financial performance and cash flows.

The amendments will take effect for annual reporting periods starting on or after 1 January 2026. Early adoption is allowed, but it must be disclosed. The amendments concerning the own-use exception are to be applied retrospectively, while the hedge accounting amendments should be applied prospectively to new hedging relationships designated from the initial application date. Additionally, the IFRS 7 disclosure amendments must be implemented alongside the IFRS 9 amendments. If an entity does not restate comparative information, it cannot present comparative disclosures.

The Group does not expect that the amendments will have a material impact on its financial statements.

## Note 3 Intangible assets

	Park Plaza® Hotels & Resorts management rights (a) <sup>1</sup> £'000	Park Plaza® Hotels & Resorts franchise rights (a) <sup>2</sup> £'000	art'otel® franchise rights (b) £'000	Other intangible assets (c) £'000	Total £'000
<b>Cost:</b>					
Balance as at 1 January 2025	19,862	20,304	3,606	4,436	48,208
Additions	–	–	–	1,499	1,499
Adjustment for exchange rate differences	1,032	1,055	187	264	2,538
Balance as at 31 December 2025	20,894	21,359	3,793	6,199	52,245
<b>Accumulated amortisation:</b>					
Balance as at 1 January 2025	17,363	17,782	2,446	2,985	40,576
Amortisation	1,031	1,040	187	619	2,877
Adjustment for exchange rate differences	923	945	131	171	2,170
Balance as at 31 December 2025	19,317	19,767	2,764	3,775	45,623
<b>Net book value as at 31 December 2025</b>	<b>1,577</b>	<b>1,592</b>	<b>1,029</b>	<b>2,424</b>	<b>6,622</b>

## Cost:

Balance as at 1 January 2024	20,805	21,268	3,777	4,501	50,351
Additions	–	–	–	271	271
Disposals	–	–	–	(125)	(125)
Adjustment for exchange rate differences	(943)	(964)	(171)	(211)	(2,289)
Balance as at 31 December 2024	19,862	20,304	3,606	4,436	48,208
<b>Accumulated amortisation:</b>					
Balance as at 1 January 2024	17,139	17,571	2,374	2,602	39,686
Disposals	–	–	–	(85)	(85)
Amortisation	1,018	1,025	183	607	2,833
Adjustment for exchange rate differences	(794)	(814)	(111)	(139)	(1,858)
Balance as at 31 December 2024	17,363	17,782	2,446	2,985	40,576
<b>Net book value as at 31 December 2024</b>	<b>2,499</b>	<b>2,522</b>	<b>1,160</b>	<b>1,451</b>	<b>7,632</b>

## Notes to consolidated financial statements for the year ended 31 December 2025 – continued

### a. Acquisition of Park Plaza® Hotels & Resorts management and franchise rights and lease rights

- (1) Management rights – rights held by the Group relating to the management of Park Plaza® Hotels & Resorts in Europe, the Middle East and Africa. The management rights are included in the consolidated financial statements at their fair value as at the date of acquisition and are being amortised over a 20-year period based on the terms of the existing contracts and management estimation of their useful life. The remaining amortisation period is 1.5 years.
- (2) Franchise rights relating to the brand 'Park Plaza® Hotels & Resorts' are included in the consolidated financial statements at their fair value as at the date of acquisition and are being amortised over a 20-year period based on management's estimation of their useful life. The remaining amortisation period is 1.5 years.

### b. Acquisition of art'otel® rights

In 2007, the Group acquired from COS Capital Concept Services GmbH (the 'vendor') the worldwide rights to use the art'otel® brand name for an unlimited period of time. The rights are being amortised over a 20-year period based on management's estimation of their useful life. The remaining amortisation period is 1.5 years. In December 2020, the Group acquired certain rights which were assigned to the vendor under the original agreement for a cash consideration of €0.3 million (£0.2 million) and 80,000 shares of the Company. The additional rights are amortised based on management's estimation of their useful life.

### c. Other intangible assets

These mainly include the brand name and internal domain obtained in the acquisition of Arena, which are being amortised over 20 years based on management's estimation of their useful life, and software, which is being amortised over four to five years.

### d. Amortisation

Amortisation of intangible assets is calculated using the straight-line method over the estimated useful life of the intangible assets.

### e. Impairment

In 2025, there were no indicators of impairment.

### Note 4 Property, plant and equipment

	Land £'000	Hotel buildings £'000	Property & assets under construction £'000	Income Units sold to private investors <sup>1</sup> £'000	Furniture, fixtures and equipment £'000	Total £'000
<b>Cost:</b>						
Balance as at 1 January 2025	351,590	968,836	49,318	124,798	305,675	1,800,217
Additions during the year	31,881	18,685	1,502	1,107	24,734	77,909
Disposal <sup>3</sup>	–	(410)	(2,808)	(222)	(51,767)	(55,207)
Buy-back of Income Units sold to private investors	320	2,317	–	(2,918)	281	–
Reclassification <sup>2</sup>	(1,047)	29,256	(32,949)	–	3,691	(1,049)
Adjustment for exchange rate differences	6,059	20,851	293	–	6,361	33,564
Balance as at 31 December 2025	388,803	1,039,535	15,356	122,765	288,975	1,855,434
<b>Accumulated depreciation and impairment:</b>						
Balance as at 1 January 2025	17,114	158,372	–	23,984	179,371	378,841
Provision for depreciation	317	20,338	–	1,346	17,842	39,843
Disposal <sup>3</sup>	–	(2,846)	–	(222)	(51,660)	(54,728)
Reclassification	–	(10)	–	–	10	–
Buy-back of Income Units sold to private investors	–	370	–	(578)	208	–
Impairment	19,818	3,915	–	–	–	23,733
Adjustment for exchange rate differences	(271)	4,004	–	–	3,268	7,001
Balance as at 31 December 2025	36,978	184,143	–	24,530	149,039	394,690
<b>Net book value as at 31 December 2025</b>	<b>351,825</b>	<b>855,392</b>	<b>15,356</b>	<b>98,235</b>	<b>139,936</b>	<b>1,460,744</b>
<b>Cost:</b>						
Balance as at 1 January 2024	358,345	810,680	232,887	128,148	233,373	1,763,433
Additions during the year	–	17,525	16,021	916	36,749	71,211
Disposal	(17)	(1,222)	(441)	–	(728)	(2,408)
Buy-back of Income Units sold to private investors	471	3,411	–	(4,266)	384	–
Reclassification <sup>2</sup>	–	156,808	(198,733)	–	42,039	114
Adjustment for exchange rate differences	(7,209)	(18,366)	(416)	–	(6,142)	(32,133)
Balance as at 31 December 2024	351,590	968,836	49,318	124,798	305,675	1,800,217
<b>Accumulated depreciation and impairment:</b>						
Balance as at 1 January 2024	16,911	143,889	–	23,529	166,274	350,603
Provision for depreciation	312	18,263	–	1,266	16,735	36,576
Disposal	–	(1,212)	–	–	(713)	(1,925)
Reclassification	–	92	–	–	22	114
Buy-back of Income Units sold to private investors	–	513	–	(811)	298	–
Adjustment for exchange rate differences	(109)	(3,173)	–	–	(3,245)	(6,527)
Balance as at 31 December 2024	17,114	158,372	–	23,984	179,371	378,841
<b>Net book value as at 31 December 2024</b>	<b>334,476</b>	<b>810,464</b>	<b>49,318</b>	<b>100,814</b>	<b>126,304</b>	<b>1,421,376</b>

<sup>1</sup> This includes 432 rooms (2024: 443) in Park Plaza London Westminster Bridge, for which the cash flows, derived from the net income generated by these Income Units, were sold to private investors (see Note 2(e)). The proceeds from the purchases have been accounted for as a variable rate financial liability (see Note 15).

<sup>2</sup> In 2025, the reclassification mainly relates to the completion of the construction of art'otel Rome Piazza Sallustio. In 2024, the reclassification mainly relates to the completion of the construction of art'otel London Hoxton.

<sup>3</sup> During the year, the Group completed a review of its fixed asset register and removed fully depreciated items that are no longer in use. The original cost of the assets disposed of was £53.0. This exercise had no impact on the consolidated statement of financial position or profit and loss.

## Notes to consolidated financial statements for the year ended 31 December 2025 – continued

### a. For information regarding liens, see Note 12

### b. Impairment

In 2025, the Group faced a volatile real estate environment impacting the hotel industry and its property operations. Management reviewed the carrying amounts of its non-financial assets to determine whether there was any indication that those assets may be impaired at 31 December 2025. Each hotel operating unit is considered as a cash generating unit ("CGU") as it is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets. The recoverable amount of CGUs in most cases was measured at fair value less costs of disposal by a third-party valuer using a discounted cash flow approach that measured the present value of projected cash flows based on management and market expectation. The key assumptions are net operating income, discount rates, and capitalisation rates. Within the fair value hierarchy, this is categorised as a Level 3 fair value measurement. The discount rates applied to cash flow projections range between 7.75%–11%.

Based on the results of these assessments, certain CGUs whose carrying amounts exceeded their recoverable amounts were impaired at 31 December 2025. The Group recorded an impairment loss in respect of one property in the UK segment in the amount of £19.8 million, one property in the Croatia segment in the amount of £0.9 million, two properties in the other segment in the amount of £3.0 million and in one property in the Management and Central Services segment in the amount of £3.4 million. The impairment was recorded in depreciation, amortisation and impairment in the consolidated income statement. Conversely, for one property in the UK segment the recoverable amount exceeded the carrying value leading to the reversal of previously recognised impairment losses of £3.4 million. The reversal was also recorded in depreciation, amortisation and impairment in the consolidated income statement.

### c. Capitalised borrowing costs

Borrowing costs were capitalised as part of the refurbishment of the property in Rome, Italy, which reopened in Q1 2025. The amount of borrowing costs capitalised related to this project during the year ended 31 December 2025 was €0.2 million (£0.2 million) (2024: €1 million (£0.9 million)). The rate used to determine the amount of borrowing costs eligible for capitalisation was 4.4%, which is the effective interest rate of the specific borrowing.

## Note 5 Investment in joint ventures and subsidiaries with significant non-controlling interests

### a. Investment in joint ventures

The Group holds, through its subsidiary Arena Hospitality Group d.d., 50% interest in ABM Hotel Holding B.V., art'otel Berlin Mitte/Park Plaza betriebsgesellschaft mbH, PPBK Hotel Holding B.V. and Park Plaza betriebsgesellschaft mbH (the 'ABM and PPBK JV'). The ABM and PPBK JV owns and operates the Radisson RED Berlin Kudamm and the art'otel Berlin Mitte hotels in Germany. The Group's interest in the ABM and PPBK JV is accounted for using the equity method in the consolidated financial statements.

	As at 31 December	
	2025 £'000	2024 £'000
Loans to joint ventures <sup>1</sup>	9,619	9,535
Share of net assets under equity method	(1,546)	(1,302)
Investment in joint ventures	8,073	8,233

<sup>1</sup> The loans to joint ventures amount includes a euro loan bearing an interest of Euribor +2.5% per annum.

The share in net loss amounts to £330 thousand (2024: net loss of £268 thousand).

### b. Summarised financial information of subsidiary with material non-controlling interests

#### (i) Signature Top Ltd

##### Long-term partnership for 49% of Park Plaza London Riverbank and art'otel London Hoxton development project

On 23 June 2021, a wholly owned subsidiary of PPHE Hotel Group entered into a sale and purchase agreement with Clal Insurance ('Clal'), one of Israel's leading insurance and long-term savings companies. As part of this agreement, Clal became a non-controlling interest partner and owner of 49% of the shares of Signature Top Ltd, a wholly owned subsidiary of the Group ('Signature Top') which indirectly holds the real estate and operations of both the 646-room Park Plaza London Riverbank ('Riverbank') and the 357-room art'otel London Hoxton hotel ('Hoxton'), which was opened in 2024.

As part of this agreement, Clal was granted five million share appreciation rights (SAR) of the Company, which have a seven-year maturity with a strike price of £16 per share and a cap of £21 per share. The SAR will vest as follows:

- 500,000 SAR units shall vest and become exercisable on the first anniversary of the completion of the sale and purchase agreement ('Completion');
- 500,000 SAR units shall vest and become exercisable on the date being 18 months after Completion; and
- The remaining four million SAR units shall vest and become exercisable on the second anniversary of Completion.

Upon exercise, the Company will have a right to determine whether an amount equal to the SAR Value as of the date of the exercise will be satisfied by a payment of cash or by the issuance of the Company's shares.

The SAR instrument, which is included in Level 3 in the fair value hierarchy, was valued internally at an amount of £7.1 million (2024: £3.5 million) using the Black-Scholes model and is included in current liabilities under Other payables and accruals in the Group's consolidated balance sheet. The following lists the inputs used for the fair value measurement:

Dividend yield	2.5%
Expected volatility of the share price	41.1%
Risk-free interest rate	4.68%
Years to expiration	2.5 years

As at 31 December 2025, the Group owned 51% (2024: 51%) of Signature Top Ltd. The amount of accumulated non-controlling interests as at 31 December 2025 amounts to £88,831 thousand (2024: £103,616 thousand) and the income and comprehensive income allocated to the non-controlling interests in 2025 amounts to a loss of £11,791 thousand (2024: loss of £2,058 thousand) and £14,785 thousand (2024: profit of £338 thousand) respectively.

Below is selected financial information relating to the long-term partnership with Clal, as at 31 December 2025 and 2024, and for the years ended 31 December 2025 and 31 December 2024.

	2025 £'000	2024 £'000
Non-current assets	471,258	493,221
Current assets	19,791	31,259
Non-current liabilities	286,842	285,495
Current liabilities	22,920	27,525
Revenue	75,487	58,969
EBITDA	21,024	13,353
Loss for the year	(24,063)	(4,201)
Total comprehensive income (comprehensive loss)	(30,174)	689

#### (ii) Arena Hospitality Group d.d.

As at 31 December 2025, the Group owned approximately 66.1% (2024: 54.9%) of Arena Hospitality Group d.d. ('Arena'). During 2025, the Company purchased 523,723 shares of Arena for a consideration of €18.8 million (£15.8 million) and Arena purchased 51,075 of its own shares for a consideration of €1.9 million (£1.6 million). During 2025, Arena reissued a total of 15,000 out of treasury shares to employees who exercised options. The difference between the adjustment of the non-controlling interests and the net consideration paid of approximately €4.4 million (£3.7 million) was recorded in retained earnings. As a result of those transactions, the Group's share in Arena increased to 66.1%.

The amount of accumulated non-controlling interests as at 31 December 2025 amounts to £71,326 thousand (2024: £89,249 thousand) and the income and comprehensive income allocated to the non-controlling interests in 2025 amounts to a profit of £1,486 thousand (2024: £2,468 thousand) and profit of £5,354 thousand (2024: loss of £1,805 thousand) respectively.

In 2025, Arena paid a dividend of €5.5 million to its shareholders (2024: €3.8 million).

## Notes to consolidated financial statements for the year ended 31 December 2025 – continued

Below is selected financial information relating to Arena, as of 31 December 2025 and 2024, and for the years ended 31 December 2025 and 2024.

	As at 31 December	
	2025 £'000	2024 £'000
Non-current assets	370,476	354,705
Current assets	27,604	37,297
Non-current liabilities	134,764	156,797
Current liabilities	52,963	37,266
Revenue	123,751	120,109
EBITDA	30,384	29,574
Profit for the year	7,759	5,538
Total comprehensive income (comprehensive loss)	17,932	(3,808)

### (iii) European Hospitality Real Estate Fund

In March 2023, the Group launched a new European Hospitality Real Estate Fund (the 'Fund') with a target size of up to €250 million. Clal Insurance ('Clal'), one of Israel's leading insurance and long-term savings companies, participated as a cornerstone investor, committing up to €75 million (limited to 49% of total participation). The Group also committed to invest up to €50 million in the Fund. As part of the agreement signed with Clal, it was decided to incorporate the Fund under Signature Top II Ltd ('Signature Top II'), a UK incorporated company, with a 51% ownership by the Group and 49% ownership by Clal, until additional investors join. At the inception of the Fund, PPHE contributed the shares of Società Immobiliare Alessandro De Gasperis S.r.l., the owner of the art'otel Rome Piazza Sallustio, valued at €29.3 million (£25.8 million), for its 51% participation in Signature Top II. Clal made an initial cash contribution of €28.1 million (£24.8 million) for its 49% participation.

On 20 June 2025, the Fund entered into an agreement for the acquisition of a 13,000 m<sup>2</sup> mixed-use development site in a prime central location near the City of London and Tower Bridge, with planning permission ("Leman Street") for a consideration of £17.5 million. Due to open in 2029, the hotel will feature a select service Radisson RED lifestyle hotel, with a minimum of 182 bedrooms, a restaurant, bar and gym, and 41,000 ft<sup>2</sup> of office space.

The total anticipated investment for the project is approximately £90 million, inclusive of the site acquisition cost. The acquisition, including transaction costs of £0.9 million, amounted to £18.4 million and was financed by the Fund and completed in September 2025.

In 2025, the Fund's shareholders contributed €28 million (£24.3 million) (the Group share was €14.3 million (£12.4 million)), which was applied, among other purposes, towards the acquisition deposit, initial design and planning costs associated with the development, and to support art'otel Rome Piazza Sallustio which was opened on 6 March 2025.

Under the terms of the investment agreement, the investment period has now expired.

As at 31 December 2025, the Group owned 51% (2024: 51%) of Signature Top II. The amount of accumulated non-controlling interests as at 31 December 2025 amounts to £31,003 thousand (2024: £20,500 thousand) and the loss and comprehensive loss allocated to the non-controlling interests in 2025 amounts to £2,271 thousand (2024: £884 thousand) and £1,253 thousand (2024: £2,069 thousand) respectively.

### Note 6 Other non-current assets

	As at 31 December	
	2025 £'000	2024 £'000
Income Units in Park Plaza County Hall London <sup>1</sup>	18,300	18,150
Rent security deposits	364	346
Derivative financial instruments (see Note 29(a))	21,173	28,398
Other non-current assets	1,669	99
	41,506	46,993

<sup>1</sup> On 14 July 2017, the Group acquired an ownership interest in Park Plaza County Hall London through its purchase of 44 aparthotel units and the associated shares in the management company of the hotel, South Bank Hotel Management Company Limited. The purchase price was £16.0 million. In October 2017, an additional two units were purchased for £0.7 million. Upon initial recognition, the investment was designated in the consolidated financial statements at fair value through profit and loss. In return for the consideration paid, the Company receives 999 years of net income from specific revenue-generating units of the hotel (contractual right to a stream of future cash flows). This investment is managed and its performance is evaluated by the Group management on a fair value basis in accordance with the Group investment strategy. As the cash flows from this investment are not solely payments of principal and interest, under IFRS, the investment is classified and measured at fair value through profit or loss. The fair value of the Income Units as of the reporting date was £18.3 million based on an independent valuation prepared by Savills using a discount rate of 9.75% and a cap rate of 7.25%.

### Note 7 Trade receivables

#### a. Composition:

	As at 31 December	
	2025 £'000	2024 £'000
Trade receivables	14,571	19,270
Less – expected credit losses	(684)	(558)
	13,887	18,712

Trade receivables are non-interest bearing. The Group's policy provides an average of 30 days' payment terms.

#### b. Movements in the allowance for expected credit losses of trade receivables were as follows:

	2025 £'000
<b>As at 1 January 2025</b>	<b>(558)</b>
Write-off	30
Additions	(129)
Exchange rate differences	(27)
<b>As at 31 December 2025</b>	<b>(684)</b>
As at 1 January 2024	(537)
Write-off	115
Additions	(157)
Exchange rate differences	21
As at 31 December 2024	(558)

## Notes to consolidated financial statements for the year ended 31 December 2025 – continued

c. As at 31 December, the ageing analysis of trade receivables is as follows:

	Total £'000	Not past due £'000	Past due			
			< 30 days £'000	31 to 60 days £'000	61 to 90 days £'000	> 90 days £'000
<b>2025</b>						
Trade receivables	14,571	5,419	6,806	1,301	104	941
Less – expected credit losses	(684)					(684)
	<b>13,877</b>	<b>5,419</b>	<b>6,806</b>	<b>1,301</b>	<b>104</b>	<b>257</b>

	Total £'000	Not past due £'000	Past due			
			< 30 days £'000	31 to 60 days £'000	61 to 90 days £'000	> 90 days £'000
<b>2024</b>						
Trade receivables	19,270	6,467	9,816	1,130	683	1,174
Less – expected credit losses	(558)					(558)
	<b>18,712</b>	<b>6,467</b>	<b>9,816</b>	<b>1,130</b>	<b>683</b>	<b>616</b>

### Note 8 Other receivables and prepayments

	As at 31 December	
	2025 £'000	2024 £'000
Prepaid expenses	8,199	10,403
VAT and other taxes	4,897	6,239
Current tax receivable	1,221	109
Related parties	150	74
Others	690	858
	<b>15,157</b>	<b>17,683</b>

### Note 9 Cash and cash equivalents

	As at 31 December	
	2025 £'000	2024 £'000
Cash at banks and on hand	84,243	78,244
Money market funds	39,223	34,981
	<b>123,466</b>	<b>113,225</b>

Cash at banks earns interest at floating rates based on daily bank deposit rates. In addition, the Group invests in money market funds that invest in highly liquid financial instruments such as treasury bills, commercial papers and certificates of deposit, and are available for immediate drawdown depending on the immediate cash requirements of the Group. Money market funds are measured at fair value and the gains are recorded in the income statement under Financial income.

### Note 10 Equity

#### a. Share capital

The authorised share capital of the Company is represented by an unlimited number of ordinary shares with no par value.

As at 31 December 2025, the number of ordinary shares issued and fully paid was 44,347,410 (2024: 44,347,410), 2,491,086 of which were held as treasury shares (2024: 2,558,086).

The Company's shares are admitted to the Equity Shares – Commercial Companies category of the Official List of the Financial Conduct Authority (FCA) and to trading on the Main Market for listed securities of the London Stock Exchange.

#### b. Treasury shares

During 2025, the Company issued 67,000 of its ordinary shares from its treasury account for nil consideration in order to satisfy an exercise of options. As a result, the cost of the treasury shares (£380 thousand) was charged to the share premium account.

The total number of treasury shares as at 31 December 2025 is 2,491,086 (2024: 2,558,086).

#### c. Nature and purpose of reserves

##### Foreign currency translation reserve

The foreign currency translation reserve is used to record exchange differences arising from the translation of the financial statements of foreign operations.

##### Hedging reserve

This reserve comprises the gain or loss on a hedging instrument in a cash flow hedge that is determined to be an effective hedge.

### Note 11 Share-based payments

The Company operates two option plans for the benefits of employees of the Group: the first was adopted in 2007 and the second was adopted in 2020.

#### 2007 Option Plan

The 2007 Plan has two types of options: Option A and Option B. The exercise price of both options will not be less than the closing price of a share on the dealing day immediately preceding the grant date (as published in the Daily Official List of the London Stock Exchange). Option A vests over a period of three years from the grant date and Option B vests at the end of three years from the grant date. Unexercised options expire ten years after the grant date. The plan does not include any performance conditions.

As at 31 December 2025, there were 12,500 exercisable options outstanding under the 2007 Option Plan. These options were granted to employees of the Company in past years. No further grants can be made under this plan.

#### 2020 PPHE Executive Share Option Plan

The Board has adopted a '2020 PPHE Executive Share Option Plan', under which employees of the Company and its subsidiaries receive remuneration in the form of share-based compensation. The plan has the following principal terms:

The plan has four types of options:

- Option A: market value options – options that are linked to the market value of the shares in the Company.
- Option B: salary related options – whereby employees agree to a reduction in their base salary in exchange for the right to acquire shares at nil-cost. These options normally vest after 12 months subject to an additional six-month holding period.

- Option C: deferred bonus awards – allowing the award of the number of shares determined by the Remuneration Committee in lieu of some or all of the annual bonus.
- Option D: performance share awards – options which are granted subject to specified performance targets. Notwithstanding the extent to which any performance target is satisfied, the number of vested award shares may be reduced by the Committee to ensure that the number of vested award shares is appropriate taking into account the underlying business performance of the Group.
- Option E: Restricted Stock Award-Contingent Share Award or Nil-Cost Option Award.

These awards are subject to the rules of the PPHE Executive Incentive Plan 2020, which may include: long-term vesting periods prescribed by the Committee upon grant; good-leaver and bad-leaver provisions allowing the Committee to exercise discretion as to when it might be appropriate for an award to vest in spite of the relevant employee leaving the Group; post vesting holding periods determined by the Committee at the time of the award; performance conditions; and share capital dilution limits. The plan allows dividends or dividend equivalents to accrue, subject to the Committee's discretion.

At any time, the total number of shares issued and/or available for grant (in a ten-year period) under the 2007 Share Option Plan, the 2020 PPHE Executive Incentive Plan and under any other employee share scheme which the Company may establish in the future may not exceed 5% of the Company's issued share capital at that time.

## Notes to consolidated financial statements for the year ended 31 December 2025 – continued

### 2022 Long-Term Incentive Plan

In June 2022, the Remuneration Committee approved a Long-Term Incentive Plan (LTIP) conditional grant of 93,000 options with a nil exercise price (Option D under the 2020 Option Plan). The grant was subject to performance conditions determined by the Remuneration Committee in accordance with the 2020 Option Plan rules and the Company's Remuneration Policy, and had a vesting period of 36 months starting on 1 January 2022 with a 24-month holding period. At the beginning of 2025, the Remuneration Committee recognised that the LTIP performance target in relation to the Total Shareholder Return (TSR), which equates to 50% of the awards (46,500 options), was not met during the performance period. However, after thorough consideration of the broader context, including macro-economic challenges such as rising interest rates, inflationary pressures and a volatile real estate environment, in 2025, the Committee concluded that it is appropriate to exercise discretion and grant the full LTIP allocation.

### Grants in the period

In 2025, no new grants were awarded other than the discretionary grant of the full LTIP under the 2022 LTIP, as mentioned above.

In March 2024, a Restricted Stock Award grant had been approved of 207,500 options with a nil exercise price (Option E under the 2020 Option Plan). This grant was given in part in exchange of forfeiting 190,000 fully vested options with an exercise price of £13 that were granted to employees in 2020. The grant has a vesting period of 36 months starting 1 March 2024 with no holding period. In line with IFRS 2, the fair value of this grant was determined based on the difference between the fair value of the options that were granted and the fair value of the options that were forfeited.

The following lists the inputs to the binomial model used for the fair value measurement of the 207,500 options granted:

Strike price (exercise price)	Nil
Dividend yield	2.8%
Expected volatility of the share prices	41.4%
Risk-free interest rate	3.9051%
Expected life of share options	5 years
Weighted average share price at the grant date	1,295.0 pence
Fair value per option	1,193.0 pence

The following lists the inputs to the binomial model used for the fair value measurement of the 190,000 forfeited options:

Strike price (exercise price)	1,300.0 pence
Dividend yield	2.8%
Expected volatility of the share prices	41.4%
Risk-free interest rate	3.9051%
Expected life of share options	4 years
Weighted average share price at the grant date	1,295.0 pence
Fair value per option	393.0 pence

Furthermore, in 2024, the Remuneration Committee approved a three-year annual bonus plan to the Executive Leadership Team, including a deferred bonus award of a total of 153,000 options with a nil exercise price (Option C under the 2020 Option Plan), which will be granted subject to performance conditions for each of 2024, 2025 and 2026. Employees were offered to participate in the annual bonus plan in part in exchange of forfeiting 153,000 fully vested options with an exercise price of £14.3 that were granted in 2018. The performance conditions will be examined in respect of each financial year of 2024, 2025 and 2026. The performance conditions for 2024 had been fulfilled. In line with IFRS 2, the fair value of this grant was determined based on the difference between the fair value of the options that were granted and the fair value of the options that were forfeited.

The following lists the inputs to the binomial model used for the fair value measurement of the 153,000 options granted:

Strike price (exercise price)	Nil
Dividend yield	2.8%
Expected volatility of the share prices	41.4%
Risk-free interest rate	3.9051%
Expected life of share options	5 years
Weighted average share price at the grant date	1,295.0 pence
Fair value per option	1,226.0 pence

The following lists the inputs to the binomial model used for the fair value measurement of the 153,000 forfeited options:

Strike price (exercise price)	1,430.0 pence
Dividend yield	2.8%
Expected volatility of the share prices	41.4%
Risk-free interest rate	3.9051%
Expected life of share options	2 years
Weighted average share price at the grant date	1,295.0 pence
Fair value per option	249.0 pence

The expected life of the share options is based on historical data, current expectations and empirical data. It is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility of the Company's share price over a period similar to the life of the options is indicative of future trends, which may not be reflective of the actual outcome.

The expense arising from equity-settled share-based payment transactions during 2025 was £1,602 thousand (2024: £1,389 thousand). Total exercisable options under the 2020 Option Plan at 31 December 2025 were 149,074 (2024: 97,998).

### Movements during the year

The following table illustrates the number (No.) and weighted average exercise prices (EP) of, and movements in, share options during 2024 and 2025:

	No. of options A (2007 Option Plan)	No. of options A (2020 Option Plan)	No. of options B (2020 Option Plan)	No. of options C (2020 Option Plan)	No. of options D (2020 Option Plan)	No. of options E (2020 Option Plan)	EP
<b>Outstanding as at 1 January 2025</b>	<b>37,500</b>	<b>37,000</b>	<b>37,998</b>	<b>176,000</b>	<b>93,000</b>	<b>200,750</b>	<b>£1.75</b>
Options forfeited during the year	–	–	–	–	–	(9,500)	nil
Options exercised in the year	(25,000)	–	(3,924)	(40,000)	(49,000)	–	£3.03
<b>Outstanding as at 31 December 2025</b>	<b>12,500</b>	<b>37,000</b>	<b>34,074</b>	<b>136,000</b>	<b>44,000</b>	<b>191,250</b>	<b>1.45</b>
Outstanding as at 1 January 2024	190,500	227,000	46,721	70,000	93,000	–	£9.05
Options forfeited during the year	(153,000)	(190,000)	–	–	–	(6,750)	£13.3
Options exercised in the year	–	–	(8,723)	(47,000)	–	–	nil
Options granted during the year	–	–	–	153,000	–	207,500	nil
Outstanding as at 31 December 2024	37,500	37,000	37,998	176,000	93,000	200,750	£1.75

As at 31 December 2025, the number of exercisable options was 161,574 (2024: 135,498) with an EP of £4.1 (2024: £7.5).

The weighted average remaining contractual life for the share options outstanding as at 31 December 2025 is 7.4 years (2024: 7.9 years). The range of exercise prices for options outstanding at the end of the year was nil to £14.3 (2024: nil to £14.3).

## Notes to consolidated financial statements for the year ended 31 December 2025 – continued

### Note 12 Pledges, contingent liabilities and commitments

#### a. Pledges, collateral and securities

Substantially all of the Group's assets and all of the rights connected or related to the ownership of the assets (including shares of subsidiaries and restricted deposits) are pledged in favour of banks and financial institutions as security for loans received. For most of the loans, specific assets are pledged as the sole security provided.

#### b. Restricted cash

Under certain facility agreements, funds need to be held in restricted deposit accounts in order to pay the debt service for a subsequent period. The total deposits held amount to £12.9 million and are presented as restricted in the financial statements.

#### c. Commitments

##### (i) Management and franchise agreements

- The Group entered into a Territorial Licence Agreement (the 'Master Agreement') with Radisson Hotel Group ('Radisson'). Under the Master Agreement, the Group, among other rights, is granted an exclusive licence to use the brand 'Park Plaza@ Hotels & Resorts' in 56 territories throughout Europe, the Middle East and Africa in perpetuity (the 'Territory').

The Master Agreement also allows the Group to use, and license others to use, the Radisson systems within the Territory, which right includes the right to utilise the Radisson systems' international marketing and reservations facilities and to receive other promotional assistance. The Group pays Radisson a fee based on a percentage of the hotels' gross room revenue, which fees are recognised in the income statement as incurred.

- Within the terms of the management agreements, the hotels were granted by the Group a licence allowing them to use, throughout the term of the management agreements, the 'Park Plaza@ Hotels & Resorts' and 'art'otel@' brand names. See Note 2(h) regarding the accounting for management and franchise fees received.

##### (ii) Construction contract commitment

As at 31 December 2025, the Group had no capital commitments.

##### (iii) Guarantees

- The Company guarantees cost overruns and the practical completion of the art'otel London Hoxton development under the £180 million construction financing facility agreement granted by Bank Hapoalim B.M. and in relation to the long-term partnership with Clal. As of 31 December 2025, the Company does not expect to have additional cost overruns on top of what was already contributed in previous years.

### Note 13 Borrowings

The borrowings of the Group are composed as follows:

	€ denominated £'000	£ denominated £'000	\$ denominated £'000	Total £'000
<b>As at 31 December 2025</b>				
Fixed interest rate	282,205	456,599	–	738,804
Weighted average interest rate	3.29%	4.49%	–	
Variable interest rate	47,625	125,165	6,137	178,927
Weighted average interest rate	4.65%	6.13%	7.87%	
<b>Total</b>	<b>329,830</b>	<b>581,764</b>	<b>6,137</b>	<b>917,731</b>
Weighted average interest rate	3.49%	4.84%	7.87%	4.37%

	Outstanding amount	Year 1	Year 2	Year 3	Year 4	Year 5	Thereafter
<b>Maturity analysis 2025</b>							
Total borrowings	917,731	71,145	59,182	214,180	41,104	347,890	184,230
Capitalised transaction costs and other adjustments	(4,260)	(1,107)	(1,084)	(877)	(615)	(438)	(139)

For securities and pledges, see Note 12.

	€ denominated £'000	£ denominated £'000	\$ denominated £'000	Total £'000
<b>As at 31 December 2024</b>				
Fixed interest rate	282,978	572,232	–	855,210
Weighted average interest rate	2.64%	4.09%	–	
Variable interest rate	5,045	18,950	8,968	32,963
Weighted average interest rate	5.18%	4.61%	9.18%	
<b>Total</b>	<b>288,023</b>	<b>591,182</b>	<b>8,968</b>	<b>888,173</b>
Weighted average interest rate	2.69%	4.11%	9.18%	3.70%

	Outstanding amount	Year 1	Year 2	Year 3	Year 4	Year 5	Thereafter
<b>Maturity analysis 2024</b>							
Total borrowings	888,173	81,514	222,108	51,541	187,621	8,944	336,445
Capitalised transaction costs and other adjustments	(2,529)	(927)	(724)	(442)	(244)	(34)	(158)

For securities and pledges, see Note 12.

## Notes to consolidated financial statements for the year ended 31 December 2025 – continued

### Revolving Credit Facility

On 30 June 2025, Park Plaza Hotels (UK) Limited, a wholly owned subsidiary of the Company, entered into a revolving credit facility agreement with Santander UK Plc for up to €40 million (£34.2 million). The facility is provided on a three-year term and bears an interest rate margin of 3.0% plus Euribor. As of 31 December 2025, the Company utilised €23.7 million (£20.7 million) under this facility.

### Refinancing of Park Plaza London Riverbank

On 20 November 2025, the Group entered into an agreement to refinance its existing loan with Aareal Bank AG ('Aareal') in relation to Park Plaza London Riverbank (the 'Hotel'). This refinancing extends the existing 2016 facility with Aareal (the 'Existing Facility') from its original maturity date of June 2026, with a new maturity date in June 2030. Under the new terms, the £95.8 million facility will continue to attract an all-in fixed interest rate of 3.248% until the original maturity date of June 2026. Following this, 85% of the loan will bear a fully fixed interest rate of 5.72% until maturity, with the floating interest rate applying to the remainder of the loan. Additionally, under the new terms, the loan will no longer be subject to amortisation. The refinance was accounted as a loan modification in line with IFRS9.

### New Dvadeset Osam d.o.o. loan with Zagrebačka banka

On 30 October 2025, Dvadeset Osam d.o.o. ('Osam'), a wholly owned subsidiary of the Company, entered into a new credit facility agreement with Zagrebačka banka for an amount of up to €17 million (£14.8 million). The facility is secured by a pledge over 3.280 million shares of Arena held by Osam in favour of the lender. The credit facility has an eight-year term, carries an interest margin of 1.8% over Euribor and includes annual amortisation of €1.6 million with a final bullet repayment at maturity. As at 31 December 2025, the Company had fully drawn the €17 million (£14.8 million) available under this facility.

### Refinancing of Park Plaza Victoria London

On 15 December 2025, the Group refinanced its existing loan with Cornerstone Real Estate Advisers Europe LLP related to Park Plaza Victoria London (the 'Hotel'). The refinancing terminated the previous agreement and established a new club deal with two lenders: ABN Amro and Santander UK plc. Under the new arrangement, the original 2016 facility was extended from its prior maturity date of April 2026 to December 2030, and the available amount increased from £87 million to £88 million. The facility bears a margin of 2.40% over SONIA and includes annual amortisation of 2% until maturity.

In connection with the refinancing, the Group amended its existing £100 million interest rate swap entered into in 2022, reducing the notional amount to £79.2 million (representing 90% of the new loan amount) and aligning the swap terms with the new facility. The revised swap bears an interest rate of 1.55%. The associated swap cash flows will effectively reduce interest payments and will be included in the calculation of the Debt Service Cover Ratio ('DSCR') covenant.

### Refinance and extension of Bank Hapoalim B.M. loan re: four UK properties

On 30 June 2025, the Group refinanced its existing loan with BHI Israel related to Park Plaza London Park Royal, Park Plaza Leeds, Park Plaza Nottingham, and 46 units of Park Plaza County Hall London (the 'Hotels'). The refinancing extended the maturity date from 30 June 2025 to 31 December 2025 and converted the interest terms from a fixed rate of 1.317% plus a 3.05% margin to SONIA plus a 3.10% margin until maturity.

On 18 December 2025, the Group entered into an amendment to further extend the maturity date to 31 December 2029, maintaining the same interest terms but reducing the annual amortisation from £2.125 million to £2 million. The loan extension was treated as a loan modification.

### Arena Hospitality Group new loan with OTP banca d.d.

On 26 May 2025, Arena Hospitality Group d.d. entered into a new facility agreement with OTP banka d.d. to finance investments in the Stupica and Indija campsites. The facility amounts to €3 million, carries a fixed annual interest rate of 3.70%, and is repayable in 28 equal instalments over the term of the loan, with final maturity in September 2032.

### Aareal Dutch tranche refinance

On 4 September 2024, the Group entered into an agreement to refinance its existing loan with Aareal Bank AG ('Aareal') in relation to all six of its Dutch hotels (art'otel Amsterdam, Park Plaza Victoria Amsterdam, Park Plaza Vondelpark, Amsterdam, Park Plaza Amsterdam Airport, Park Plaza Eindhoven, and Park Plaza Utrecht) (the 'Dutch Hotels') and Holmes Hotel London ('Holmes'). This refinancing extends the existing 2016 facility with Aareal relating to these hotels (the 'Existing Facility') from its original maturity date of June 2026 with a new maturity date in June 2031.

Under the new terms, the facility will comprise two tranches, a €160 million tranche (the 'EUR Tranche') and a £16 million tranche (the 'GBP Tranche') instead of the outstanding amounts of €156.5 million and £15.4 million. The EUR Tranche will bear an effective interest rate of 4.05% which comprises an all-in fixed interest rate of 2.765% until June 2026, following which, an all-in fixed interest rate of 4.49% will apply until maturity. The GBP Tranche will bear an effective interest rate of 5.67% which comprises an all-in fixed interest rate of 3.9% until June 2026, following which a competitive floating interest rate will apply. This compares with an all-in fixed interest rate of 2.165% in respect of the EUR loan and a fixed interest rate of 3.3% in respect of the Pound Sterling loan that applied under the terms of the old facility.

The refinance was accounted as an extinguishment in line with IFRS 9. The difference between the old loan and new loan (and the cash that was paid) was recognised as a gain/loss from modification (see Note 23a).

### Amendment of the W29 loan

On 13 September 2024, W29 Owner LLC, a wholly owned subsidiary of the Company, amended the loan agreement with Bank Hapoalim New York. Under the amended agreement, the maturity date was extended from 13 September 2024 to 13 September 2028 where the outstanding loan amount of \$12 million will be amortised over the loan term (\$3 million per year). The loan will bear an interest of SOFR+ 4%.

### b. The following financial covenants must be complied with by the relevant Group companies:

- Under the amended UK Aareal facility, for Park Plaza London Riverbank (the 'borrower'), the borrower must ensure, on a quarterly basis, that the aggregate amount of the outstanding facility (£95.8 million, as at 31 December 2025) does not exceed 45% of the value of the Riverbank hotel as set out in the most recent valuation (loan-to-value). In addition, the borrower must ensure that, on each interest payment date, the Interest Cover Ratio (ICR) is not less than 140%, and the Cash Trap ICR is not less than 175%.
- Under the Dutch Aareal facility, for all six of the Group's Dutch hotels and Grandis (the 'borrowers'), the borrowers must ensure, on a quarterly basis, that the aggregate amount of the outstanding facilities (€160 million and £16 million) does not exceed 60% of the value of the Dutch hotels and Grandis as set out in the most recent valuation (loan-to-value). In addition, the borrowers must ensure that, on each interest payment date, the DSCR is not less than 140%, and the Cash Trap ICR is not less than 170%.
- Under the AIG Asset Management (Europe) Limited facility for Park Plaza London Westminster Bridge, the borrower must ensure, on a quarterly

basis, that the aggregate amount of the outstanding facility (£174.5 million) does not exceed 70% of the value of the hotel as set out in the most recent valuation (loan-to-value). In addition, the borrower must ensure that, on each interest payment date, the historical and projected DSCR are not less than 140%. The floating rate leg of this loan of £2.1million (as at 31 December 2025) has an associated interest rate cap, hedging the risk of the all-in rate exceeding 3.5%.

- Under the facility with ABN Amro and Santander UK plc, for Park Plaza Victoria London, the borrower must ensure that the aggregate amount of the outstanding facility (£88 million) does not exceed 65% of the value of the hotel as set out in the most recent valuation (loan-to-value). In addition, the borrower must ensure that, on each interest payment date, the historical DSCR is not less than 130% and the leverage in relation to EBITDA doesn't exceed 10x.
- Under the Bank Hapoalim loan for three of the Group's UK hotels and the 46 units owned within Park Plaza County Hall London, the borrowers must ensure that the aggregate amount of the outstanding loan (£34.4 million) does not exceed 60% of the value of the properties and units secured (loan-to-value).
- Under the Bank Hapoalim New York for an amount of \$12 million, and with an outstanding amount of \$8.25 million, PPHE Hotel Group must ensure that it maintains an aggregate net worth of at least \$33 million and have liquid assets with a market value of at least \$5 million.
- Under the Bank Hapoalim Loan relating to art'otel London Hoxton, the borrower must ensure that the aggregate amount of the outstanding facility (£173 million) does not exceed 75% of the value of the hotel as set out in the most recent valuation. Following the amendment dated 18 December 2025, the borrower must also ensure that the ICR is not less than 1.2 on each quarter test date, the first being 31 December 2026. Any breach of the aforementioned covenants is subject

to an equity cure option. In addition, on each test date, the total equity of PPHE Hotel Group must not be less than: (i) £150 million; and (ii) 20% of its asset value.

- Under the loan agreement granted by Santander UK Plc to Park Plaza Hotels (UK) Limited, with an outstanding amount of €23.73 million, the borrower must ensure that at all times its tangible net worth exceeds £300 million. In addition, the borrower must: (i) ensure that the UK borrowings to aggregate UK asset value does not at any time exceed 60%; (ii) ensure that on each test date, the UK interest cover ratio for the borrower and its subsidiaries is greater than 1.25; (iii) ensure that the drawn amount under this facility to the unencumbered market value of Park Plaza London Waterloo (determined in accordance with the most recent valuation) does not at any time exceed 65%; and (iv) maintain minimum liquidity of £3 million at all times.
- Under the UniCredit S.p.A. facility for Società Immobiliare Alessandro De Gasperis S.r.l. (the 'borrower'), the borrower must ensure throughout the entire term of the loan that the outstanding amount of Tranche A and Tranche B (€25 million) of the loan does not exceed 60% of the value of the property. Furthermore, on 31 December 2025 (the 'first test date'), the borrower undertakes to ensure that the ratio between (i) the EBITDA of the borrower relating to the 12-month period preceding the relevant test date and (ii) the finance costs for the same applicable period (ICR) and the ratio between (i) the net operating profit of the borrower generated in the 12-month period preceding each test date and (ii) the principal amount outstanding of Tranche A and Tranche B under this facilities agreement (Yield to Debt ratio) at that test date are higher than 1.8 and 9% for the first test date and higher than 2.0 and 10% respectively for each test date thereafter. As at 31 December 2025, the borrower was in breach the ICR and Yield on Debt covenants; however, after the balance sheet date, this loan was

## Notes to consolidated financial statements for the year ended 31 December 2025 – continued

refinanced with a new lender, Aareal AG. The new facility will include a covenant of Yield to Debt ratio at a minimum of 9%, tested from 30 September 2027.

- Under the new Dvadeset Osam d.o.o. loan with Zagrebačka banka, with an outstanding amount of €17 million, the borrower must ensure that the loan to market value of the pledged shares ratio is higher than 40% during the life of the loan.
- Under the Deutsche Hypothekenbank AG facility, for Park Plaza Nuremberg, the borrower must ensure throughout the entire term of the loan that the outstanding amount (€10.3 million) of the loan does not exceed 65% of the value of the property used as collateral and that the DSCR is not less than 1.35.
- Under the Deutsche Hypothekenbank AG facility for ACO Hotel Holding B.V. and ABK Hotel Holding B.V., the borrower must ensure throughout the entire term of the loan that the outstanding amount (€26.9 million) of the loan does not exceed 70% of the value of the properties used as collateral and that the DSCR is not less than 1.10.
- Under the Zagrebačka banka d.d. joint €32.0 million and HRK 205.0 million facilities, with outstanding amounts of €32.0 million and €6.3 million respectively, the borrower, Arena Hospitality Group d.d. must ensure that at year end, based on audited stand alone financial statements of the borrower, the DSCR is equal to or greater than 120% during the life of the loan and that the Net Debt/ EBITDA ('net leverage ratio') is equal to or lower than 4.5 at year end 2021 and for each succeeding calendar year during the remaining life of the loan.
- Under the Zagrebačka banka d.d. €10.0 million and HRK 60.0 million facilities, with outstanding amounts of €5.8 million and €2.3 million respectively, the borrower, Arena Hospitality Group d.d. must ensure that at year end, based on audited consolidated financial statements of the borrower, the DSCR is equal to or greater than 120% during the life of the

loan and that the net leverage ratio is equal to or lower than 4.5 at year end 2021 and for each succeeding calendar year during the remaining life of the loan. Additionally, the borrower undertakes to maintain the ratio between the net financial debt increased by the exposure under guarantees for bank borrowings and EBITDA to the maximum of 6.0. Moreover, under the HRK 60 million facility, the amount of the loan cannot exceed 70% of the value of the properties.

- Under the Erste Banka d.d. €2.5 million facility, with an outstanding amount of €1.0 million, the borrower, Arena Hospitality Group d.d. has to comply with the following covenants calculated based on stand alone financial statements, tested once a year using audited financial statements for the preceding year: DSCR 1 is equal to or greater than 3.5. DSCR 2 is equal or greater than 1.2. The net leverage ratio is equal to or lower than 4.5. Additionally, the borrower undertakes to maintain the ratio between the net financial debt increased by the exposure under guarantees for bank borrowings and EBITDA to the maximum of 6.0 until the end of the loan repayment. The equity ratio has to be at least 30%.
- Under the club deal with Erste Banka d.d. and Zagrebačka banka d.d. signed in December 2020 for the purpose of financing the refurbishment of Grand Hotel Brioni Pula in the total amount of €24.0 million, with an outstanding amount of €18.7 million, the borrower, Arena Hospitality Group d.d. has to comply with the following covenants calculated based on stand alone financial statements, tested once a year using audited financial statements for the preceding year: DSCR 1 is equal to or greater than 3.5. DSCR 2 is equal or greater than 1.2. Net leverage ratio is equal to or lower than 4.5. Additionally, the borrower undertakes to maintain the ratio between the net financial debt increased by the exposure under guarantees for bank borrowings and EBITDA to the maximum of 6.0 until the end of the loan repayment. The amount of

the loan cannot exceed 70% of the property used as collateral.

- Under the OTP Banka d.d. loan signed in July 2020 for the purpose of financing the purchase and subsequent refurbishment of Guest House Hotel Riviera Pula in the total amount of €10.0 million, with an outstanding amount of €6.8 million, the borrower, Arena Hospitality Group d.d. has to comply with the following stand alone covenants, tested once a year using audited financial statements for the preceding year: net leverage ratio is equal to or lower than 4.5. The equity ratio has to be at least 55%. The loan consists of two equal tranches in the amount of €5.0 million each. The loan has a deposit build up mechanism, subject to certain conditions.
- Under the Zagrebačka banka d.d. loan signed in September 2021 as part of HBOR's programme for insurance of liquidity portfolio for exporters related with COVID-19 measurements in amount of €20 million (€16.8 million), with an outstanding amount of €4.4 million, the borrower, Arena Hospitality Group d.d. must ensure that DSCR is equal or greater than 3.5 and that the ratio between financial debt and EBITDA is lower than 4.5 starting at December 2023 and onwards. Additionally, the borrower undertakes to maintain the ratio between the net financial debt increased by the exposure under guarantees and EBITDA to the maximum of 6.0 at the end of 2023 and onwards. Covenants are calculated based on audited annual stand alone financial statements. Also, during the loan period, the borrower was not able without bank confirmation to proceed with payments of dividends or loans to third parties. This loan matured June 2025.
- Under the Erste Group Bank AG loan signed in November 2021, for the purpose of financing the purchase of hotel Franz Ferdinand Mountain Resort in Nassfeld, Austria, in the total amount €10.5 million, and with an outstanding amount of €9.2 million, Arena Franz

Ferdinand GmbH as the borrower has to comply with following stand alone hard covenants: projected DSCR is equal or greater than 1.15 at year end 2021 and historical DSCR is equal or greater than 1.15 from year end 2023 onwards. The amount of the loan cannot exceed 75% of the property used as collateral starting year end 2021 to year end 2023. The borrower also has to comply with the following soft covenants: from year end 2024 onwards, DSCR (projected and historical) should be equal to or greater than 1.35. The amount of the loan cannot exceed 65% of the property used as collateral at the year end 2024 until year end 2026, and 60% from the year end 2026 and onwards.

- Under the Privredna banka d.d. loan signed in November 2022 for the purpose of refinancing investments done in Arena Kazela Campsite in previous years, in the total amount of €18.5 million, and with an outstanding amount of €13.8 million, the borrower, Arena Hospitality Group d.d. has to comply with following covenants: the DSCR is equal to or greater than 1.2 during the life of the loan based on audited stand alone financial statements, the net leverage ratio based on audited stand alone financial statements is equal to or lower than 4.5 from 2022 and for each succeeding calendar year during the remaining life of the loan. Additionally, the borrower undertakes to maintain the ratio between the net financial debt increased by the exposure under guarantees and EBITDA to the maximum of 6.0 until the end of the loan repayment. Moreover, the amount of the loan cannot exceed 70% of the value of the properties used as collateral.
- Under the HRVATSKA BANKA ZA OBNOVU I RAZVITAK loan signed in May 2022 for the purpose of financing the purchase of mobile homes in Arena Stoja Campsite, in the total amount of €2.9 million, and with an outstanding amount of €1.3 million, the borrower, Arena Hospitality Group d.d. has to comply with the equity ratio being at least 30% calculated based on stand alone financial statements.

- Under the ERSTE&STEIERMÄRKISCHE BANK d.d. loan signed in March 2022 by Ulika d.o.o. as borrower for the purpose of financing investment in the hotel in Zagreb, in the amount of €12.6 million, and with an outstanding amount of €10.6 million, Arena as guarantor has to comply with following covenants tested once a year using audited stand alone financial statements for the preceding year: DSCR 1 is equal to or greater than 3.5. DSCR 2 is equal or greater than 1.2 throughout the life of the loan. Net leverage ratio is equal to or lower than 4.5 at each year end during the remaining life of the loan. Additionally, the guarantor undertakes to maintain the ratio between the net financial debt increased by the exposure under guarantees for bank borrowings and EBITDA to the maximum of 6.0 until the end of the loan repayment. The amount of the loan cannot exceed 100% of the property used as collateral. The equity ratio has to be at least 30%. Ulika d.o.o., as borrower, needs to maintain a DSCR equal to or greater than 1.3 from 2026 onwards.
- Under the OTP banka d.d. loan signed in May 2025 for the purpose of financing the investments of Stupica and Indjia Camps, in the amount of €3 million, and with an outstanding amount of €2.9 million, the borrower has to comply with the following covenant: net debt to EBITDA ratio is equal to or lower than 4.5 during the life of the loan.

Pursuant to bank loan agreements with certain subsidiaries, these subsidiaries are required to retain their cash balances for use in their hotel operations and are restricted from transferring the cash to other entities in the Group without a prior approval from the lenders.

As at 31 December 2025, other than the mentioned above, the Group is in compliance with all of its banking covenants.

### Note 14 Provisions

#### Provision for concession fee on land

Tourist land provisions and obligations are regulated under the Tourist and Other

Construction Land Not Appraised During the Transition and Privatisation Process Act from 2010 (the 'TLA'). Under this legislation, Arena submitted requests to the Republic of Croatia and to the relevant municipalities for the award of tourist land concessions relating to land areas in eight campsites and three tourist resorts in Croatia.

However, the TLA did not achieve its intended objectives and failed to resolve the ownership and usage issues related to tourist land. As a result, investment activity in such land was significantly limited, the international competitiveness of Croatian tourism decreased due to a lack of development, and the state and local municipalities experienced reduced income.

To address these issues, the Croatian government adopted new legislation intended to regulate, among other matters, the ownership structure of tourist land and the property relations between the landowners and the owners of facilities located on that land. In May 2020, the Non-Appraised Construction Land Act (the 'NCLA') replaced the TLA, and all proceedings initiated under the TLA were suspended. Under the NCLA, the ownership of land beneath facilities in campsites that had been contributed as capital into Arena is now legally recognised as owned by Arena. The Republic of Croatia remains the sole owner of all other land within those campsites. For tourist resorts, the ownership of land beneath facilities that were contributed as capital into Arena is likewise recognised as belonging to Arena. Tourist land in resorts and surrounding hotels that was not contributed as capital, but serves the regular functioning of those resorts and hotels, is to be owned by the relevant local municipality.

For land in campsites owned by the Republic of Croatia and land in tourist resorts owned by local municipalities, Arena will, by operation of law, become a long-term (50-year) lessee. Lease agreements with the state or local municipalities will be executed once the procedures set out under the NCLA are completed. In February 2024, the

## Notes to consolidated financial statements for the year ended 31 December 2025 – continued

government adopted the Regulation on Determination of Leases for Tourist Land on Which Hotels and Tourist Resorts Are Built, and the Regulation on Determination of Leases on Campsite Land Owned by the Republic of Croatia. As proceedings regarding, among other matters, the determination of maritime boundaries, campsite borders and ownership of land beneath campsite buildings remain ongoing, the government has currently changed Arena rent for only 50% of the relevant land area. The remaining 50% will be charged once all outstanding issues and proceedings have been resolved and finalised.

Additionally, under the Regulation and the NCLA, Arena has the option to cap rent at 4% of the total revenue of each individual campsite, and this option will be applied across all campsites. Since the calculation of the rent based on this cap represents a variable lease payment under IFRS 16, the Standard is not applied, and lease expenses continue to be presented in the income statement as operating expenses.

As the land status around hotels and tourist resorts remains unresolved, Arena continues to apply the previously established approach of accruing rent expenses at a level expected to cover the total anticipated liability.

Management is still assessing the impact of this new regulation on the Company's financial statements.

	2025 £'000	2024 £'000
Balance as at 1 January	4,995	5,233
Exchange rate differences	260	(238)
Balance as at 31 December	5,255	4,995

### Note 15 Financial liability in respect of Income Units sold to private investors

	2025 £'000	2024 £'000
Total liability	128,096	129,866
Due from investors for reimbursement of capital expenditure	(20,153)	(19,301)
	107,943	110,565

This liability originated from the proceeds received from the sale to private investors of the future 999-year cash flows, derived from certain Income Units in Park Plaza London Westminster Bridge. Furthermore, as the investors are required to fund all CAPEX to be made in connection with these rooms, a receivable is recorded in each period for any excess of depreciation expense over the amounts paid by the investors on account of CAPEX. This receivable is offset from the liability to the investors.

This liability is amortised over the term of the agreement, that being 999 years (see Note 2e).

### Note 16 Other financial liabilities

	As at 31 December	
	2025 £'000	2024 £'000
Lease liabilities (see Note 17)	279,037	275,224
Retention liability	1,069	808
Other	4,045	1,846
	284,151	277,878

### Note 17 Leases

#### Group as a lessee

The Group has lease contracts for various items which mainly includes hotels, land, offices and storage buildings. Leases of land have lease terms between 125 and 199 years while hotel buildings, offices and storage have lease terms between 2 and 95 years. The Group's obligations under its leases are secured by the lessor's title to the leased assets.

The Group also has certain leases with lease terms of 12 months or less and leases with low value. The Group applies the 'short-term lease' and 'lease of low value assets' recognition exemptions for these leases.

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the period:

	Land £'000	Hotel buildings £'000	Offices and other £'000	Furniture, fixtures and equipment £'000	Total £'000
<b>Cost:</b>					
<b>Balance as at 1 January 2025</b>	110,711	135,072	10,269	24,031	280,083
Additions during the year	–	–	–	123	123
Disposal	–	(11,478)	–	–	(11,478)
Re-measurement of right-of-use assets	9,257	747	13	–	10,017
Reclassification	(8,659)	–	–	–	(8,659)
Adjustment for exchange rate differences	39	3,050	71	11	3,171
<b>Balance as at 31 December 2025</b>	111,348	127,391	10,353	24,165	273,257
<b>Accumulated depreciation and impairment:</b>					
<b>Balance as at 1 January 2025</b>	7,236	22,282	5,344	19,956	54,818
Provision for depreciation	1,123	3,219	884	626	5,852
Disposal	–	(11,118)	–	–	(11,118)
Reclassification	(166)	–	–	–	(166)
Adjustment for exchange rate differences	29	885	40	1	955
<b>Balance as at 31 December 2025</b>	8,222	15,268	6,268	20,583	50,341
<b>Net book value as at 31 December 2025</b>	103,126	112,123	4,085	3,582	222,916

#### Cost:

<b>Balance as at 1 January 2024</b>	108,896	135,195	9,170	24,038	277,299
Additions during the year	–	100	1,196	–	1,296
Disposal	–	–	(45)	–	(45)
Re-measurement of right-of-use assets	1,764	2,878	–	–	4,642
Reclassification	85	–	–	–	85
Adjustment for exchange rate differences	(34)	(3,101)	(52)	(7)	(3,194)
<b>Balance as at 31 December 2024</b>	110,711	135,072	10,269	24,031	280,083
<b>Accumulated depreciation and impairment:</b>					
<b>Balance as at 1 January 2024</b>	6,563	19,576	4,471	17,474	48,084
Provision for depreciation	687	3,600	905	2,482	7,674
Adjustment for exchange rate differences	(14)	(894)	(32)	–	(940)
<b>Balance as at 31 December 2024</b>	7,236	22,282	5,344	19,956	54,818
<b>Net book value as at 31 December 2024</b>	103,475	112,790	4,925	4,075	225,265

The amount of borrowing costs capitalised during the year ended 31 December 2025 was nil (2024: nil).

Set out below are the carrying amounts of lease liabilities (included under Other financial liabilities and Other payables) and the movements during the period:

	2025 £'000	2024 £'000
As at 1 January	281,665	277,363
Additions	123	1,296
Disposals <sup>1</sup>	(2,453)	(49)
Accretion of interest	10,914	10,737

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Reclassification	(9,542)	-
Payments	(14,767)	(14,899)
Re-measurement of lease liability recorded in other expenses	4,121	3,984
Re-measurement of lease liability adjusted against right-of-use assets	10,016	4,642
Exchange rate differences recorded in profit and loss	(1,101)	1,335
Adjustments for foreign exchange differences	2,668	(2,744)
<b>As at 31 December</b>	<b>281,644</b>	<b>281,665</b>
Current	2,607	6,441
Non-current	279,037	275,224

1 mainly relates to the early termination of the lease for Park Plaza Wallstreet Berlin Mitte.

Set out below is a split of the lease liabilities, cash payments and effect in the income statement between lease agreements for a period longer than 40 years ('enduring leases') and leases for a period of up to 40 years ('fixed-term leases').

	Year ended 31 December 2025 £'000		Total
	Enduring leases (>40)	Fixed-term leases (<40)	
Lease liabilities	256,415	25,229	281,644
Fixed lease payments	9,931	4,836	14,767
Accretion of interest	10,199	715	10,914
Depreciation	2,626	3,226	5,852

	Year ended 31 December 2024 £'000		Total
	Enduring leases (>40)	Fixed-term leases (<40)	
Lease liabilities	251,468	30,197	281,665
Fixed lease payments	9,719	5,180	14,899
Accretion of interest	9,962	775	10,737
Depreciation	4,200	3,474	7,674

Details regarding certain long-term lease agreements are as below:

- (a) On 29 January 2020, the Group through its subsidiary Arena, entered into a 45-year lease for the development and operation of a contemporary branded hotel in Zagreb, Croatia. The development, which is subject to obtaining the necessary permits, involves the conversion of an iconic building in a prime location in the historic heart of the city. This 110-room hotel was opened in Q4 2023 and included a destination restaurant and bar, wellness and spa facilities, fitness centre, event space and parking. The annual rent amounts to €414 thousand.
- (b) Grandis has a land leasehold interest, expiring in 2095, of Holmes Hotel London. Based on the latest rent review that was signed on 29 September 2022, the annual rent amounts to £1,250 thousand.
- Grandis has an option to extend the lease to a total of 125 years, expiring in 2121. The Company also has an option to terminate the lease in 2059.
- (c) Riverbank Hotel Holding B.V. has a land leasehold interest, expiring in 2125, for Park Plaza London Riverbank, subject to rent review every five years, based on CPI. Based on the latest rent review, with effect from 10 May 2020, the annual rent amounts to £1,135 thousand.
- (d) On 18 June 2012, Park Royal Hotel Holding B.V. ('Park Royal') completed the purchase of the freehold property at 628 Western Avenue, Park Royal, London (the 'Site'), which was a development site on one of the main thoroughfares into London, for £6.0 million. Simultaneously, Park Royal completed the sale of the Site at a price of £7.0 million and the leaseback of the Site at an initial rent of £306 thousand per year for 170 years, subject to rent review every five years, based on CPI with a cap of 5%. Based on the latest rent review, with effect from 15 June 2022, the annual rent amounts to £417 thousand. On 6 August 2025, the Group purchased the freehold for £9.95 million plus Stamp Duty Land Tax ("SDLT") of £0.6 million. The total consideration, together with the carrying amount of the right-of-use asset (£8.5 million) net of the related finance lease liability (£9.5 million), was reclassified to land.
- (e) On 20 July 2017, Waterloo Hotel Holding B.V. completed the sale of Park Plaza London Waterloo for £161.5 million subject to a leaseback for 199 years. The initial rent of £5.6 million per year will have annual inflation adjustments subject to a cap of 4% and collar of 2%.

#### Impairment

The recoverable amount of the right-of-use assets relating to the land and hotel building leases was assessed using third-party valuations obtained as at 31 December 2025 for the Property, Plant and Equipment portfolio, which incorporated the lease payment obligations in their cash flow projections (see Note 4b for further details). Based on this assessment, no impairment was recognised in 2025.

The following are the amounts recognised in profit or loss:

	As at 31 December	
	2025 £'000	2024 £'000
Depreciation expense	5,852	7,674
Interest expense on lease liabilities	10,914	10,737
Expense relating to low value assets and short-term leases (included in operating expenses)	619	367
Expense relating to low value assets and short-term leases (included in rent expenses)	713	565
Variable lease payments (included in rent expenses)	1,482	1,771
<b>Total amount recognised in profit or loss</b>	<b>19,580</b>	<b>21,114</b>

The Group had total cash outflows for leases of £16,220 thousand in 2025 (2024: £15,990 thousand). The future cash outflows relating to leases that have commenced are disclosed in Note 29c.

## Notes to consolidated financial statements for the year ended 31 December 2025 – continued

The following provides information on the Group's variable lease payments, including the magnitude in relation to fixed payments in 2025 and 2024:

	As at 31 December 2025		
	Fixed payments £'000	Variable payments £'000	Total £'000
Fixed rent	13,659	–	13,659
Variable rent with minimum payment	1,108	67	1,175
Variable rent only <sup>1</sup>	–	1,415	1,415

<sup>1</sup> Relates mainly to the concession fee on land (see Note 14).

	As at 31 December 2024		
	Fixed payments £'000	Variable payments £'000	Total £'000
Fixed rent	13,694	–	13,694
Variable rent with minimum payment	1,204	–	1,204
Variable rent only <sup>1</sup>	–	1,771	1,771

<sup>1</sup> Relates mainly to the concession fee on land (see Note 14).

### Lease extension and termination options

The Group has leases that include extension and termination options. These options provide flexibility in managing the leased assets and align with the Group's business needs. The Group exercises significant judgement in deciding whether it is reasonably certain that the extension and termination options will be exercised.

Set out below are details of potential future undiscounted lease payments for periods covered by extension options that were not included in the measurement of the Company's lease liabilities. As of the end of the reporting period, the Group does not expect to exercise any termination option.

	Up to 5 years £'000	More than 5 years £'000
Lease payments applicable in extension option periods which, as of the end of the reporting period, are not reasonably certain to be exercised	7,367	7,078

### Note 18 Other payables and accruals

	As at 31 December	
	2025 £'000	2024 £'000
Current portion of lease liabilities (Note 17)	2,607	6,441
Share appreciation rights (Note 5(b))	7,082	3,470
Employees	6,623	4,634
VAT and taxes	12,839	12,541
Accrued interest	3,286	3,339
Corporate income taxes	76	592
Accrued expenses	19,061	20,697
Advance payments received	19,513	11,582
Accrued rent	4,168	3,500
Variable income payment to holders of Income Units	4,156	3,824
Related parties <sup>1</sup>	2,911	7,100
	<b>82,322</b>	<b>77,720</b>

<sup>1</sup> The majority of this balance (£2,911 thousand in 2025 and £7,050 thousand in 2024) relates to an accrual for retention costs of the building contract with Gear Construction UK Limited for the design and construction of the art'otel London Hoxton (see Note 28).

### Note 19 Revenues

	As at 31 December	
	2025 £'000	2024 £'000
Room revenue from owned hotels <sup>1</sup>	323,202	307,963
Room revenue from leased hotels <sup>2</sup>	7,188	9,216
Campsites and lodging hire	26,435	23,483
Food and beverage	87,835	82,078
Minor operating (including room cancellation)	7,925	8,106
Management fee (see Note 12(c)(i))	3,467	4,003
Franchise and reservation fee (see Note 12(c)(i))	5,534	3,183
Marketing fee	1,160	1,080
Rent revenue	3,657	3,675
	<b>466,403</b>	<b>442,787</b>

<sup>1</sup> Room revenue from owned hotels also includes revenue from hotels that are under a <100 long-term lease.

<sup>2</sup> Room revenue from leased hotels includes the revenue from Park Plaza Budapest and Park Plaza Wallstreet Berlin Mitte, which are under 20-year lease contracts.

Notes to consolidated financial statements  
for the year ended 31 December 2025 – continued

Note 20 Operating expenses

	As at 31 December	
	2025 £'000	2024 £'000
Salaries and related expenses	157,324	144,087
Franchise, reservation and commissions expenses (see Note 12(c)(i))	37,002	35,405
Food and beverage	21,682	20,601
Insurance and property taxes	16,879	16,503
Utilities	20,079	21,339
Administration costs	17,311	14,114
Maintenance	9,241	9,227
Laundry, linen and cleaning	7,789	7,507
Supplies	6,735	6,403
IT expenses	5,081	4,736
Communication, travel and transport	3,605	3,743
Marketing expenses	5,394	4,454
Equipment hire	3,108	2,647
Entertainment	1,894	1,635
Defined contribution pension premiums	6,364	6,060
Other expenses	6,531	5,527
	<b>326,019</b>	<b>303,988</b>

Note 21 Financial expenses

	As at 31 December	
	2025 £'000	2024 £'000
Interest and other finance expenses on bank loans	36,935	29,905
Interest on lease liabilities	11,022	10,737
Foreign exchange differences, net	–	1,486
Other	95	506
	<b>48,052</b>	<b>42,634</b>

Note 22 Financial income

	As at 31 December	
	2025 £'000	2024 £'000
Income from Park Plaza County Hall London Units	1,175	1,300
Interest on bank deposits	2,075	3,399
Foreign exchange differences, net	1,126	–
Interest and other financial income from jointly controlled entities (see Note 28(b))	470	527
	<b>4,846</b>	<b>5,226</b>

Note 23 Other income and expense

a. Other expenses

	As at 31 December	
	2025 £'000	2024 £'000
Capital loss on buy-back of Income Units previously sold to private investors	1,089	1,486
Revaluation of interest rate swap (see Note 29(a))	773	–
Re-measurement of lease liability <sup>1</sup>	4,121	3,984
Loss on disposal of fixed assets	452	494
Other non-recurring expenses (including hotel pre-opening expenses) <sup>2</sup>	1,425	3,893
Refinance expenses	–	2,619
Revaluation of share appreciation rights (see Note 5(b)(i))	3,613	767
	<b>11,473</b>	<b>13,243</b>

<sup>1</sup> This amount represents re-measurement of the Waterloo lease liability based on the 2% collar (see Note 17).

<sup>2</sup> Hotel pre-opening expenses relate to costs incurred by the Group in advance of opening new hotels. In 2025, this mainly related to art'otel Rome Piazza Sallustio, which opened in March 2025. In 2024, this related to art'otel London Hoxton, Radisson RED Belgrade, Serbia, which opened during 2024, and art'otel Rome Piazza Sallustio. These costs primarily relate to payroll expenses, sales and marketing costs, and training costs of new staff.

b. Other income

	As at 31 December	
	2025 £'000	2024 £'000
Revaluation of interest rate swap (see Note 29(a))	–	4,299
Net gain on lease termination <sup>1</sup>	2,094	–
Gain on disposal of fixed assets	248	299
Revaluation of Income Units Park Plaza County Hall London (see Note 6)	150	450
	<b>2,492</b>	<b>5,048</b>

<sup>1</sup> Early termination of the lease for Park Plaza Wallstreet Berlin Mitte.

Note 24 Net expenses for financial liability in respect of Income Units sold to private investors

	As at 31 December	
	2025 £'000	2024 £'000
Variable return (see Note 2(e))	13,214	14,136
Reimbursement of depreciation expenses (see Note 2(e))	(1,321)	(1,240)
	<b>11,893</b>	<b>12,896</b>

Note 25 Income taxes

a. Tax benefit (expense) included in the income statement

	As at 31 December	
	2025 £'000	2024 £'000
Current taxes	(1,723)	(3,005)
Adjustments in respect of current income tax of previous year	2,340	24
Deferred taxes	(1,482)	100
	<b>(865)</b>	<b>(2,881)</b>

Notes to consolidated financial statements  
for the year ended 31 December 2025 – continued

b. The following are the major deferred tax (liabilities) and assets recognised by the Group and changes therein during the period:

	Tax loss carry forward £'000	Timing difference on provisions £'000	Property, plant and equipment, and leases £'000	Tax incentives £'000	Total £'000
Balance as at 1 January 2025	21,497	1,036	(19,231)	4,396	7,698
Amounts changed to income statement	(147)	216	(86)	(1,465)	(1,482)
Adjustments for exchange rate differences	404	58	(326)	200	336
<b>Balance as at 31 December 2025</b>	<b>21,754</b>	<b>1,310</b>	<b>(19,643)</b>	<b>3,131</b>	<b>6,552</b>
Balance as at 1 January 2024	19,784	1,721	(18,647)	5,097	7,955
Amounts changed to income statement	2,109	(616)	(915)	(478)	100
Adjustments for exchange rate differences	(396)	(69)	331	(223)	(357)
Balance as at 31 December 2024	21,497	1,036	(19,231)	4,396	7,698

The above deferred taxes have been offset when they relate to the same jurisdictions and are presented in the consolidated financial statements as follows:

	As at 31 December	
	2025 £'000	2024 £'000
Deferred tax assets	12,284	12,890
Deferred tax liabilities	(5,732)	(5,192)
	<b>6,552</b>	<b>7,698</b>

c. Reconciliation between tax expense and the product of accounting profit multiplied by the Group's tax rate is as follows:

	As at 31 December	
	2025 £'000	2024 £'000
Profit before income taxes	1,474	30,613
Expected tax at the tax rate of the United Kingdom 25% (2024: 25%)	(368)	(7,653)
Adjustments in respect of:		
Effects of other tax rates	310	3,938
Non-deductible expenses	(2,421)	(158)
Disallowed interest for which deferred tax asset was not recorded	(2,029)	(5,030)
Temporary differences for which no deferred tax was recorded	(2,920)	2,562
Non-taxable income	35	194
Unrecognised current year tax losses	(3,565)	(3,390)
Recognition of deferred tax asset on losses from previous years	7,848	6,633
Other differences	2,245	23
<b>Income tax expense reported in the income statement</b>	<b>(865)</b>	<b>(2,881)</b>

d. Tax laws applicable to the Group companies:

- The Company is subject to taxation under the laws of Guernsey. The Company is therefore taxed at the standard rate of 0%.
- Foreign subsidiaries are subject to income taxes in their country of domicile in respect of their income, as follows:
  - Taxation in the Netherlands: corporate income tax rate is 25.8%.
  - Taxation in the United Kingdom: corporate income tax rate for domiciled companies and for non-domiciled companies is 25%.
  - Taxation in Germany: aggregated corporate tax rate and trade income rate is 29.7%.
  - Taxation in Hungary: corporate income tax rate is 9%.
  - Taxation in Croatia: corporate income tax rate is 18%.
  - Taxation in Italy: aggregated corporate tax rate (IRES) and local tax (IRAP) rate is 27.9%.
  - Taxation in Austria: corporate income tax rate is 23%.
  - Taxation in Serbia: corporate income tax rate is 15%.

e. Losses carried forward for tax purposes

As of 2025, the Group has carried forward tax losses estimated at approximately £221.8 million (2024: £244.1 million). The movement during the year primarily relates to the utilisation of losses amounting to £36.5 million, offset by the creation of new losses totalling £14.3 million. Of the loss utilisation, £22.3 million relate to 2025, while the remainder pertains to prior years.

The Group did not recognise deferred tax assets for tax losses amounting to £135.7 million (2024: £158.9 million). The movement in 2025 is mainly driven by the recognition of deferred tax assets of £31.4 million, offset by the creation of new losses of £14.3 million as mentioned above.

The carried-forward losses relate to individual entities within the Group, each operating in its own tax jurisdiction. When assessing the recoverability of these losses, the Group evaluates whether they can be utilised against foreseeable future taxable profits, taking into account jurisdictional limitations and the nature of the available losses. Following this analysis, the Group concluded that, for the majority of these companies, it is not probable that sufficient future taxable profits will be generated to utilise these losses. This is primarily due to the nature of their activities, which include holding company structures and tax-exempt operations. Given this uncertainty, deferred tax assets have not been recognised for most of the losses. The Group continues to reassess this analysis on an ongoing basis.

Additionally, the Group has not recognised deferred tax assets for disallowed interest amounting to £195.2 million (2024: £155.5 million) as it is not considered probable that these amounts will be utilised in the foreseeable future.

i. Tax incentives

In May 2019, based on confirmation from the Ministry of Economy and pursuant to the Investment Promotion and Development of Investment Climate Act in Croatia, Arena became eligible to claim incentive allowances. Investments eligible for incentives are investments done in Arena One 99 Glamping Campsite, Arena Grand Kažela Campsite, Grand Hotel Brioni Pula and Verudela Beach Resort Pula self-catering apartment complexes.

Arena has the right to use the investment tax credits until 2027. The execution of the investment project is subject to supervision by the relevant institutions throughout the period of use of the tax credits and Arena will need to present regular annual reports to the tax authority in which it will evidence that the conditions for the use of the tax credits are met.

Note 26 Earnings per share

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

	As at 31 December	
	2025 £'000	2024 £'000
Profit attributable to equity holders of the parent basic and diluted	13,185	28,206
Weighted average number of ordinary shares outstanding for basic earnings per share (in thousands)	41,840	42,045
<b>Basic earnings per share</b>	<b>0.32</b>	<b>0.67</b>
Effect of dilution from:		
Share option	438	437
Weighted average number of ordinary shares adjusted for the effect of dilution	42,278	42,482
<b>Diluted earnings per share</b>	<b>0.31</b>	<b>0.66</b>

In 2025, all share options were included in the weighted number of ordinary shares adjusted for the effect of dilution. In 2024, 37,500 share options were excluded from the weighted number of ordinary shares adjusted for the effect of dilution as they had an anti-dilutive effect.

## Notes to consolidated financial statements for the year ended 31 December 2025 – continued

### Note 27 Segments

For management purposes, the Group's activities are divided into Owned Hotel Operations and Management and Central Services Activities (for further details see Note 12(c)(i)). Owned Hotel Operations are further divided into four reportable segments: the Netherlands, Germany, Croatia and the United Kingdom. Other includes individual hotels in Hungary, Serbia, Italy and Austria. The operating results of each of the aforementioned segments are monitored separately for the purpose of resource allocations and performance assessment. Segment performance is evaluated based on EBITDA, which is measured on the same basis as for financial reporting purposes in the consolidated income statement.

	Year ended 31 December 2025							
	The Netherlands £'000	Germany £'000	United Kingdom £'000	Croatia £'000	Other <sup>1</sup> £'000	Management and Central Services £'000	Adjustments <sup>2</sup> £'000	Consolidated £'000
Revenue								
Third party	64,997	21,556	263,427	89,424	16,249	10,750	–	466,403
Inter-segment	–	–	270	63	11	44,671	(45,015)	–
<b>Total revenue</b>	<b>64,997</b>	<b>21,556</b>	<b>263,697</b>	<b>89,487</b>	<b>16,260</b>	<b>55,421</b>	<b>(45,015)</b>	<b>466,403</b>
Operating expenses								
Third party	(38,495)	(13,433)	(157,952)	(50,526)	(13,846)	(51,767)	–	(326,019)
Inter-segment	(6,405)	(3,015)	(22,016)	(12,108)	(1,118)	(63)	44,725	–
<b>Total operating expenses</b>	<b>(44,900)</b>	<b>(16,448)</b>	<b>(179,968)</b>	<b>(62,634)</b>	<b>(14,964)</b>	<b>(51,830)</b>	<b>44,725</b>	<b>(326,019)</b>
<b>Segment EBITDA</b>	<b>20,082</b>	<b>5,110</b>	<b>83,044</b>	<b>25,003</b>	<b>1,186</b>	<b>3,764</b>	<b>–</b>	<b>138,189</b>
Depreciation, amortisation and impairment <sup>3</sup>								(72,305)
Financial expenses								(48,052)
Financial income								4,846
Net expenses for liability in respect of Income Units sold to private investors								(11,893)
Other income (expenses), net								(8,981)
Share in result of joint ventures								(330)
<b>Profit before tax</b>								<b>1,474</b>

<sup>1</sup> Includes Park Plaza Budapest in Hungary, Radisson RED Belgrade, Serbia, art'otel Rome Piazza Sallustio, Italy, and Arena Franz Ferdinand Mountain Resort in Nassfeld, Austria.

<sup>2</sup> Consists of inter-company eliminations.

<sup>3</sup> See note 4b for more information around the impairment recorded in the different segments.

	The Netherlands £'000	Germany £'000	United Kingdom £'000	Croatia £'000	Other <sup>1</sup> £'000	Adjustments <sup>2</sup> £'000	Consolidated £'000
Geographical information							
Non-current assets <sup>3</sup>	186,823	64,924	1,047,273	250,767	99,104	41,539	1,690,430

<sup>1</sup> Includes Park Plaza Budapest in Hungary, Radisson RED Belgrade, Serbia, art'otel Rome Piazza Sallustio, Italy, and Arena Franz Ferdinand Mountain Resort in Nassfeld, Austria.

<sup>2</sup> This includes the non-current assets of Management and Central Services.

<sup>3</sup> Non-current assets for this purpose consist of property, plant and equipment, right-of-use assets and intangible assets.

	Year ended 31 December 2024							Consolidated £'000
	The Netherlands £'000	Germany £'000	United Kingdom £'000	Croatia £'000	Other <sup>1</sup> £'000	Management and Central Services £'000	Adjustments <sup>2</sup> £'000	
Revenue								
Third party	66,196	24,399	248,627	84,058	10,675	8,832	–	442,787
Inter-segment	–	–	400	210	7	47,097	(47,714)	–
<b>Total revenue</b>	<b>66,196</b>	<b>24,399</b>	<b>249,027</b>	<b>84,268</b>	<b>10,682</b>	<b>55,929</b>	<b>(47,714)</b>	<b>442,787</b>
Operating expenses								
Third party	(37,389)	(14,178)	(150,051)	(45,600)	(8,380)	(48,390)	–	(303,988)
Inter-segment	(6,662)	(3,387)	(20,809)	(15,274)	(926)	(210)	47,268	–
<b>Total operating expenses</b>	<b>(44,051)</b>	<b>(17,565)</b>	<b>(170,860)</b>	<b>(60,874)</b>	<b>(9,306)</b>	<b>(48,600)</b>	<b>47,268</b>	<b>(303,988)</b>
<b>Segment EBITDA</b>	<b>22,116</b>	<b>6,825</b>	<b>77,373</b>	<b>21,479</b>	<b>1,259</b>	<b>7,411</b>	<b>–</b>	<b>136,463</b>
Depreciation, amortisation and impairment								(47,083)
Financial expenses								(42,634)
Financial income								5,226
Net expenses for liability in respect of Income Units sold to private investors								(12,896)
Other income (expenses), net								(8,195)
Share in result of joint ventures								(268)
<b>Profit before tax</b>								<b>30,613</b>

<sup>1</sup> Includes Park Plaza Budapest in Hungary, Radisson RED Belgrade, Serbia, art'otel Rome Piazza Sallustio, Italy, and Arena Franz Ferdinand Mountain Resort in Nassfeld, Austria.

<sup>2</sup> Consists of inter-company eliminations.

	The Netherlands £'000	Germany £'000	United Kingdom £'000	Croatia £'000	Other <sup>1</sup> £'000	Adjustments <sup>2</sup> £'000	Consolidated £'000
Geographical information							
Non-current assets <sup>3</sup>	179,692	64,310	1,037,036	234,040	94,847	44,348	1,654,273

<sup>1</sup> Includes Park Plaza Budapest in Hungary, Radisson RED Belgrade, Serbia, art'otel Rome Piazza Sallustio, Italy, and Arena Franz Ferdinand Mountain Resort in Nassfeld, Austria.

<sup>2</sup> This includes the non-current assets of Management and Central Services.

<sup>3</sup> Non-current assets for this purpose consist of property, plant and equipment, right-of-use assets and intangible assets.

## Notes to consolidated financial statements for the year ended 31 December 2025 – continued

### Note 28 Related parties

#### a. Balances with related parties

	As at 31 December	
	2025 £'000	2024 £'000
Loans to joint ventures (see Note 5a)	9,619	9,535
Short-term receivables	150	74
Payable to GC Project Management Limited	–	(45)
Payable to Gear Construction UK Limited (see c(ii))	(2,911)	(7,055)

#### b. Transactions with related parties

	As at 31 December	
	2025 £'000	2024 £'000
Cost of transactions with GC Project Management Limited	(75)	(491)
Cost of transactions with Gear Construction UK Limited	(6,784)	(28,207)
Rent income from sub-lease of office space	55	55
Management fee revenue from jointly controlled entities	1,051	978
Interest income from jointly controlled entities	470	301

#### c. Significant other transactions with related parties

- (i) **Construction of the art'otel London Hoxton** – Following the approval by the independent shareholders, on 7 April 2020, PPHE Hoxton B.V. (the 'Employer') entered into a JCT design and build building contract with Gear Construction UK Limited, an entity controlled by Eli Papouchado, together with members of his family ('Gear'), for the design and construction of the art'otel London Hoxton hotel on a 'turn-key' basis (the 'building contract'). The works under the building contract achieved practical completion on 20 December 2024. AECOM was appointed to act as the Employer's agent to ensure that the project was administered in line with the terms of the building contract. It is also noted that over the course of construction, the Employer submitted a number of variations, with the Contract Sum in each case being adjusted in line with Aecom's subsequent cost assessment of the relevant variation.

Gear's obligations and liabilities under the building contract are supported by a corporate guarantee from Red Sea Hotels Limited, an associate of Euro Plaza Holdings B.V. and therefore a related party of the Company, in the amount of 10% of the Contract Sum (the 'corporate guarantee'). The corporate guarantee expires on the later of: (i) the expiry of the two-year defects rectification period which follows practical completion of the works; and (ii) the issue of the latent defect insurer's approval or final technical audit report.

- (ii) **Sub-lease of office space** – A member of the Group has agreed to sub-lease a small area of office space to members or affiliates of the Red Sea Group at its County Hall corporate office in London. The rent payable by the Red Sea Group to PPHE Hotel Group is based on the cost at which the landlord is leasing such space to PPHE Hotel Group.
- (iii) **Pre-construction and maintenance contract** – The Group frequently uses GC Project Management Limited (GC), an entity controlled by Eli Papouchado, together with members of his family, to undertake preliminary assessment services, including appraisal work, and provide initial estimates of the construction costs in relation to new construction, development or refurbishment projects. Further, GC provides ad-hoc maintenance work when required to the Group's various sites. This pre-construction and maintenance contract was originally entered into in 2018. However, in December 2025, the contract was novated from GC to Gear Construction UK Limited and the fixed annual retainer was amended from £60,000 to £240,000 following a bench marking exercise by an independent firm of quantity surveyors.
- (iv) **Londra & Cargill project management agreement** – The Group entered into a series of agreements with GC Project Management Limited for the provision of project management services and site supervision services to the Group in respect of the redevelopment of Hotel Londra & Cargill in Rome, Italy, commencing in 2022 and ending on practical completion of the project.

- (v) **Leman Street project management agreement** – In December 2025, the Group entered into an agreement with Gear Construction UK Limited for the provision of initial project management services to the Group in respect of the development of its property on Leman Street, London E1. The agreement is for a term of 12 months (or, if earlier, until the date of entry into a construction agreement with a main contractor). The monthly fee is £25,000 stepping up to £35,000 once the project reaches developed design (RIBA Stage 3).

- (vi) **Westminster Bridge Road project management agreement** – In December 2025, the Group entered into an agreement with Gear Construction UK Limited for the provision of initial project management services to the Group in respect of the development of its site at Westminster Bridge Road, London SE1 7HR. The agreement is for a term of 12 months (or, if earlier, until the date of entry into a construction agreement with a main contractor). The monthly fee is £10,000 stepping up to £35,000 once the Group has provided written confirmation of readiness to proceed to construction.

- (vii) Transactions in the ordinary course of business, in connection with the use of hotel facilities (such as overnight room stays and food and beverages) and transportation services provided to the Group are being charged at market prices. These transactions occur occasionally.

Summary of the remuneration for Executive and Non-Executive Directors for the year ended 31 December 2025:

	Base salary and fees £'000	Bonus £'000	Pension contributions £'000	Other benefits £'000	Total £'000
Chairman and Executive Directors	1,611	360	75	41	2,087
Non-Executive Directors	356	–	–	–	356
	1,967	360	75	41	2,443

Summary of the remuneration for Executive and Non-Executive Directors for the year ended 31 December 2024:

	Base salary and fees £'000	Bonus £'000	Pension contributions £'000	Other benefits £'000	Total £'000
Chairman and Executive Directors	1,820	482	73	22	2,397
Non-Executive Directors	289	–	–	–	289
	2,109	482	73	22	2,686

The summary of the remuneration table for 2025 does not include the bonus share awards for 2025 and the table for 2024 does not include the bonus share awards for 2024 and the 2022 LTIP share awards. For more information, please refer to the Remuneration Committee report from page 123 onwards.

#### Directors' interests in employee share incentive plan

As at 31 December 2025, the Executive Directors held share options to purchase 109,308 ordinary shares (2024: 143,308). 61,308 options were fully exercisable with a nil exercise price (2024: 27,308 with nil exercise). No share options were granted to Non-Executive Directors of the Board.

### Note 29 Financial instruments risk management objectives and policies

The Group's principal financial instruments, other than derivatives, comprise bank borrowings, lease liabilities, cash and cash equivalents, and restricted deposits. The main purpose of these financial instruments is to finance the Group's operations. The Group has various other financial assets and liabilities such as trade receivables and trade payables, which arise directly from its operations.

The main risks arising from the Group's financial instruments are cash flow interest rate risk, credit risk and liquidity risk. The Board of Directors reviews and agrees on policies for managing each of these risks, which are summarised below. The Group's accounting policies in relation to derivatives are set out in Note 2.

## Notes to consolidated financial statements for the year ended 31 December 2025 – continued

### a. Interest rate risk

The Group's exposure to the risk for changes in market interest rates relates primarily to the Group's long-term debt obligations with a floating interest rate.

The Group's policy is to manage its interest costs using fixed-rate debt. To manage its interest costs, the Group enters into interest rate swaps, in which the Group agrees to exchange, at specified intervals, the difference between fixed and variable rate interest amounts calculated by reference to an agreed-upon notional principal amount. Furthermore, the Group uses fixed interest rate debts. For this reason, the Group's cash flow is not significantly sensitive to possible changes in market interest rates. Possible changes in interest rates do, however, affect the Group's equity as the fair value of the swap agreements changes with interest rate changes. These swaps are designated to hedge underlying debt obligations.

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

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

In 2025, in connection with the refinancing of Park Plaza Victoria London, the Group amended its existing £100 million interest rate swap that was originally entered into in 2022. The notional amount was reduced to £79.2 million (representing 90% of the new loan amount) and the swap terms were aligned with those of the new facility. The revised swap carries a fixed interest rate of 1.55%. The Group elected not to apply hedge accounting to this instrument; accordingly, any gains or losses arising from the swap are recognised in the consolidated income statement.

For the year ended 31 December 2025, the Company recorded a loss of £0.8 million (2024: profit of £4.3 million) in Other income/other expense in the consolidated income statement and an unrealised loss of £1.6 million (2024: profit of £4.3 million) in the consolidated statement of comprehensive income, representing the change in the fair value of these interest rate swaps during the period. The aggregate fair value of the interest rate swap contracts was £21.2 million as at 31 December 2025 (2024: £28.4 million) and is included in Other receivables and prepayments and Other non-current financial assets on the consolidated statements of financial position.

### Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected, after the impact of hedge accounting. With all other variables held constant, the Group's profit before tax is affected through the impact on floating rate borrowings, as follows:

	Effect on profit before tax £'000		
	Pound Sterling	EUR	US Dollar
Increase in floating interest rate <sup>1</sup>			
1%	1,252	476	61
2%	2,503	953	123
5%	6,258	2,381	307

<sup>1</sup> The assumed movement in floating interest rate for the interest rate sensitivity analysis is based on the currently observable market environment.

### b. Credit risk

The Group trades only with recognised, creditworthy third parties. It has policies in place to ensure that sales are made to customers with an appropriate credit history. The Company's policies ensure that sales to customers are settled through advance payments, in cash or by major credit cards (individual customers). Since the Group trades only with recognised third parties, there is no requirement for collateral for debts with third parties. Furthermore, the Group has no dependency on any of its customers. The receivable balances are monitored on an ongoing basis. Management monitors the collection of receivables through credit meetings and weekly reports on individual balances of receivables. The maximum credit exposure equals the carrying amount of the trade receivables and other receivables since a loss allowance

for expected credit losses is recorded in respect of all trade and other receivables. The result of these actions is that the Group's exposure to bad debts is not significant.

With respect to credit risk arising from other financial assets of the Group, which comprise cash and cash equivalents, the Group's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments. The Group has limited concentration risk in respect of its cash at banks.

### c. Liquidity risk

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts and bank loans. The Group's policy is to arrange medium-term bank facilities to finance its construction operation and then to convert them into long-term borrowings when required.

The Group continues to hold a strong liquidity position, with an overall consolidated cash balance of £123.5 million as at 31 December 2025.

The table below summarises the maturity profile of the Group's financial liabilities as at 31 December 2025 and 2024 based on contractual undiscounted payments.

	As at 31 December 2025					
	Less than 3 months £'000	3 to 12 months £'000	Year 2 £'000	Year 3 to 5 £'000	> 5 years £'000	Total £'000
Interest-bearing loans and borrowings <sup>1</sup>	28,763	83,155	98,406	687,966	196,517	1,094,807
Financial liability in respect of Income Units sold to private investors <sup>2</sup>	3,304	9,910	13,214	39,642	107,943	174,013
Lease liability <sup>3</sup>	3,824	11,255	13,401	41,072	954,909	1,024,461
Trade payables	10,382	–	–	–	–	10,382
Other liabilities	19,286	21,377	1,069	1,596	5,255	48,583
	65,559	125,697	126,090	770,276	1,264,624	2,352,246

	As at 31 December 2024					
	Less than 3 months £'000	3 to 12 months £'000	Year 2 £'000	Year 3 to 5 £'000	> 5 years £'000	Total £'000
Interest-bearing loans and borrowings <sup>1</sup>	28,969	86,087	250,146	309,862	354,010	1,029,074
Financial liability in respect of Income Units sold to private investors <sup>2</sup>	3,534	10,602	14,136	42,408	110,565	181,245
Lease liability <sup>3</sup>	3,650	11,176	13,715	39,693	890,292	958,526
Trade payables	9,088	–	–	–	–	9,088
Other liabilities	20,047	20,926	1,810	1,188	4,995	48,966
	65,288	128,791	279,807	393,151	1,359,862	2,226,899

<sup>1</sup> See Note 13 for further information.

<sup>2</sup> Presented according to discounted amount due to the variability of the payments over the balance of the 999-year term.

<sup>3</sup> Lease liability includes three leases (2024: four leases) with upward rent reviews based on future market rates in one lease and changes in the CPI/RPI in the other lease and, thus, future payments have been estimated using current market rentals and current United Kingdom-based CPIs/RPIs, respectively, except for Park Plaza London Waterloo where the amounts included 50 years of future payments regarding the lease of Park Plaza London Waterloo instead of 199 years as stated in the lease agreement. Also, the amounts do not take into account the collar of 2%. The Group's management believes that the amount included in the above table reflects the relevant cash flow risks to which the Group would be reasonably exposed in the ordinary course of business.

## Notes to consolidated financial statements for the year ended 31 December 2025 – continued

### Capital management

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions. The Group monitors capital using a gearing ratio, which is net bank debt divided by total capital plus net bank debt. The Group's policy is to keep the gearing ratio between 50% and 60%. The Group includes within net bank debt interest-bearing bank loans and borrowings, less cash and cash equivalents, and other liquid assets. Capital includes equity less the hedging reserve.

	2025 £'000	2024 £'000
Interest-bearing bank loans and borrowings	913,471	885,644
Less – cash and cash equivalents	(123,466)	(113,225)
Less – long-term restricted cash	(6,421)	(5,826)
Less – short-term restricted cash	(8,062)	(16,602)
<b>Net debt</b>	<b>775,522</b>	<b>749,991</b>
Equity	512,594	526,058
Hedging reserve <sup>1</sup>	(13,392)	(19,711)
Total capital	499,202	506,347
<b>Capital and net debt</b>	<b>1,274,724</b>	<b>1,252,795</b>
<b>Gearing ratio</b>	<b>60.8%</b>	<b>59.9%</b>

<sup>1</sup> Includes the hedging reserve that is allocated to the Non-controlling interests.

### Changes in liabilities arising from financing activities

The table below summarises the movements in the Group's financial liabilities for the years ended at 31 December 2025 and 2024.

	As at 1 January 2025 £'000	Cash flows £'000	Re- measure- ment through profit and loss £'000	Re- measure- ment against right-of- use assets £'000	Foreign exchange movement £'000	Movement through profit and loss £'000	Reclassifi- cation and other movements £'000	As at 31 December 2025 £'000
Non-current interest-bearing loans and borrowings	805,057	40,489	–	–	12,517	–	(14,630)	843,433
Non-current lease liability	275,224	–	4,121	10,139	2,399	(3,555)	(9,291)	279,037
Financial liability in respect of Income Units sold to private investors	110,564	(3,666)	–	–	–	–	1,045	107,943
Current share appreciation rights	3,470	–	3,612	–	–	–	–	7,082
Current interest-bearing loans and borrowings	80,587	(28,527)	–	–	2,062	1,286	14,630	70,038
Current lease liability	6,441	(3,853)	–	–	270	–	(251)	2,607
	<b>1,281,343</b>	<b>4,443</b>	<b>7,733</b>	<b>10,139</b>	<b>17,248</b>	<b>(2,269)</b>	<b>(8,497)</b>	<b>1,310,140</b>

	As at 1 January 2024 £'000	Cash flows £'000	Re- measure- ment through profit and loss £'000	Re- measure- ment against right-of-use assets £'000	Foreign exchange movement £'000	Movement through profit and loss £'000	Reclassifi- cation and other movements £'000	As at 31 December 2024 £'000
Non-current interest-bearing loans and borrowings	845,199	46,668	–	–	(12,746)	–	(74,064)	805,057
Non-current lease liability	273,274	–	3,984	5,889	(2,491)	1,335	(6,767)	275,224
Financial liability in respect of Income Units sold to private investors	114,287	(5,287)	–	–	–	–	1,564	110,564
Current share appreciation rights	2,703	–	767	–	–	–	–	3,470
Current interest-bearing loans and borrowings	47,837	(41,147)	–	–	(1,503)	981	74,419	80,587
Current lease liability	4,089	(4,162)	–	–	(253)	–	6,767	6,441
	<b>1,287,389</b>	<b>(3,928)</b>	<b>4,751</b>	<b>5,889</b>	<b>(16,993)</b>	<b>2,316</b>	<b>1,919</b>	<b>1,281,343</b>

### Fair value of financial instruments

The fair values of the financial assets and liabilities are included in the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

The fair values of cash and cash equivalents, trade receivables, trade payables, and other current financial assets and liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments. The fair value of floating interest rate liabilities also approximates their carrying amount as the periodic changes in interest rates reflect the movement in market rates.

The fair value of loans from banks and other financial liabilities is estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities.

### Fair value hierarchy

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by a valuation technique based on the lowest level input that is significant to the fair value so determined:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2: other techniques for which all inputs which have significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

The Group enters into derivative financial instruments with financial institutions with investment grade credit ratings. Derivatives are valued using valuation techniques for swap models, using present value calculations. The models incorporate various inputs, including the credit quality of counterparties, and interest rate curves. The Group also granted share appreciation rights of the Company to Clal (see Note 5b) which is valued by using the Black-Scholes model. In addition, the Group also holds 46 Income Units in Park Plaza County Hall London, which were valued by external valuator using a discounted cash flow technique. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2. If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3.

## Notes to consolidated financial statements for the year ended 31 December 2025 – continued

As at 31 December 2025, the Group held the following financial instruments measured at fair value:

### Liabilities

	31 December 2025 £'000	Level 1 £'000	Level 2 £'000	Level 3 £'000
Share appreciation rights	7,082	–	–	7,082

### Assets

	31 December 2025 £'000	Level 1 £'000	Level 2 £'000	Level 3 £'000
Money market funds	39,223	39,223	–	–
Interest rate swaps	21,173	–	21,173	–
Income Units in Park Plaza County Hall London	18,300	–	–	18,300

A change of up to 10% in the key inputs (Expected volatility of the share price, Risk-free interest rate) used in the valuation of the share appreciation rights and a change of up to 50bp in the discount rate used in the valuation of the Income Units in Park Plaza County Hall London would not result in a significant change in the fair value.

As at 31 December 2024, the Group held the following financial instruments measured at fair value:

### Liabilities

	31 December 2024 £'000	Level 1 £'000	Level 2 £'000	Level 3 £'000
Share appreciation rights	3,470	–	–	3,470

### Assets

	31 December 2024 £'000	Level 1 £'000	Level 2 £'000	Level 3 £'000
Money market funds	34,981	34,981	–	–
Interest rate swaps used for hedging	28,398	–	28,398	–
Income Units in Park Plaza County Hall London	18,150	–	–	18,150

During 2025 and 2024, there were no transfers between Level 1 and Level 2 fair value measurements, and no transfers into or out of Level 3 fair value measurements.

The carrying amounts and fair values of the Group's financial instruments other than those whose carrying amount approximates their fair value are as follows:

	Carrying amount 31 December		Fair value 31 December	
	2025 £'000	2024 £'000	2025 £'000	2024 £'000
Financial liabilities				
Bank borrowings	913,471	885,644	903,706	860,339

### Note 30 Subsequent events

#### Final dividend

The Board is proposing a final dividend payment of 22 pence per share (2024: 21 pence per share), subject to shareholder approval at the Annual General Meeting.

#### Refinancing of the Loan Facility for Società Immobiliare Alessandro De Gasperis S.r.l.

On 16 February 2026, the Group entered into a new agreement to refinance its existing loan with UniCredit Spa, in relation to art'otel Rome Piazza Salustio (the "Hotel"). This refinancing terminates the existing facility and establishes a new one with a new Lender, Aareal Bank AG ("Aareal"). Under the terms of the new facility, the borrowed amount is €27.6 million (£24.1 million), has a five-year term, carries a fixed interest of 4.8% from signing and carries no amortisation through the life of the loan.

#### Sale of New York development site

On 17 February 2026, W29 Owner LLC, a wholly owned subsidiary of the Group, has entered into an agreement for the sale of its development site located in Manhattan, New York for a consideration of \$33.5 million. There are no due diligence conditions to consummate the sale, and it is expected that the disposal will close in the coming months.

# Appendices

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## Subsidiaries included in the Group

Name of Company	Principal activity	Country of incorporation	Direct and indirect holdings %
1 Westminster Bridge Plaza Management Company Limited	Hotel operation	United Kingdom	56.7
A40 Data Centre B.V.	Holding company	The Netherlands	100
A40 Office B.V.	Holding company	The Netherlands	100
ABK Hotel Holding B.V.	Holding company	The Netherlands	66.1
ACO Hotel Holding B.V.	Holding company	The Netherlands	66.1
Amsterdam Airport Hotel Holding B.V.	Holding company	The Netherlands	100
Amsterdam Airport Hotel Operator B.V.	Hotel operation	The Netherlands	100
Arena 88 Rooms d.o.o. Beograd-Palilula	Hotel operation	Serbia	66.1
Arena Franz Ferdinand GmbH	Hotel operation	Austria	66.1
Arena Hospitality Group d.d.	Hotel operation	Croatia	66.1
Arena Hospitality Management d.o.o.	Management	Croatia	66.1
art'otel Amsterdam Hotel Operator B.V.	Hotel operation	The Netherlands	100
art'otel Berlin City Centre West GmbH	Hotel operation	Germany	66.1
art'otel Köln betriebsgesellschaft mbH	Hotel operation	Germany	66.1
Aspirations (Limited)	Holding company	Guernsey	51
Bona B.V.	Holding company	The Netherlands	100
Bona Finco B.V.	Holding company	The Netherlands	100
County Hall Hotel Holdings B.V.	Holding company	The Netherlands	100
Dvadeset Osam d.o.o.	Holding company	Croatia	100
Eindhoven Hotel Operator B.V.	Hotel operation	The Netherlands	100

Name of Company	Principal activity	Country of incorporation	Direct and indirect holdings %
Euro Sea Hotels N.V.	Holding company	The Netherlands	100
Germany Real Estate B.V.	Holding company	The Netherlands	66.1
Golden Wall Investments Limited	Finance company	British Virgin Islands	100
Grandis Netherlands Holding B.V.	Holding company	The Netherlands	100
Hotel Club Construction B.V.	Holding company	The Netherlands	100
Hotel Leeds Holding B.V.	Holding company	The Netherlands	100
Hotel Nottingham Holding B.V.	Holding company	The Netherlands	100
Hoxton Hotel Operator Limited	Hotel operation	United Kingdom	51
Hoxton Co-Working Limited	Holding company	United Kingdom	51
Leeds Hotel Operator Limited	Hotel operation	United Kingdom	100
Leman St Holdings Limited	Holding company	United Kingdom	51
Leno Investment Limited	Holding company	Guernsey	100
Marlbray Limited	Holding company	United Kingdom	100
Mazurana d.o.o.	Holding company	Croatia	66.1
North Lambeth Holding B.V.	Holding company	The Netherlands	100
Nottingham Hotel Operator Limited	Hotel operation	United Kingdom	100
Park Plaza Germany Holdings GmbH	Holding company	Germany	66.1
Park Plaza Hospitality Services (UK) Limited	Hotel operation	United Kingdom	100
Park Plaza Hotels (Germany) Services GmbH	Hotel operation	Germany	66.1
Park Plaza Hotels (UK) Limited	Holding company	United Kingdom	100
Park Plaza Hotels (UK) Services Limited	Management	United Kingdom	100
Park Plaza Hotels Berlin Wallstrasse GmbH	Hotel operation	Germany	66.1
Park Plaza Hotels Europe (Germany) B.V.	Holding company	The Netherlands	100
Park Plaza Hotels Europe B.V.	Management	The Netherlands	100
Park Plaza Hotels Europe Holdings B.V.	Holding company	The Netherlands	100
Park Plaza Nürnberg GmbH	Hotel operation	Germany	66.1
Park Royal Hotel Holding B.V.	Holding company	The Netherlands	100
Park Royal Hotel Operator Limited	Hotel operation	United Kingdom	100
Parkvondel Hotel Holding B.V.	Holding company	The Netherlands	100
Parkvondel Hotel Operator B.V.	Hotel operation	The Netherlands	100

Appendices – continued

Name of Company	Principal activity	Country of incorporation	Direct and indirect holdings %
Parkvondel Hotel Real Estate B.V.	Holding company	The Netherlands	100
PPHE Art Holding B.V.	Holding company	The Netherlands	100
PPHE Coop B.V.	Holding company	The Netherlands	100
PPHE Germany B.V.	Holding company	The Netherlands	100
PPHE Germany Holdings GmbH	Holding company	Germany	66.1
PPHE Headco Limited	Holding company	United Kingdom	100
PPHE Holdings Limited	Holding company	United Kingdom	100
PPHE Hotel Group Limited	Holding company	Guernsey	100
PPHE Hoxton B.V.	Holding company	The Netherlands	51
PPHE Living Limited	Holding company	United Kingdom	100
PPHE Management (Croatia) B.V.	Holding company	The Netherlands	100
PPHE Netherlands B.V.	Holding company	The Netherlands	100
PPHE NL Region B.V.	Holding company	The Netherlands	100
PPHE Nürnberg Operator Hotelbetriebsgesellschaft mbH	Hotel operation	Germany	66.1
PPHE Support Services Limited	Hotel operation	United Kingdom	100
PPHE UK Holding B.V.	Holding company	The Netherlands	100
PPHE USA B.V.	Holding company	The Netherlands	100
PPHE USA Holding B.V.	Holding company	The Netherlands	100
PPHE West 29th Street USA Inc	Holding company	Delaware	100
PPWL Parent B.V.	Holding company	The Netherlands	100
Riverbank Hotel Holding B.V.	Holding company	The Netherlands	51
Riverbank Hotel Operator Limited	Hotel operation	United Kingdom	51
Sherlock Holmes Hotel Shop Limited	Hotel operation	United Kingdom	100
Sherlock Holmes Park Plaza Limited	Hotel operation	United Kingdom	100
Signature Sub B.V.	Holding company	The Netherlands	51
Signature Top Ltd	Holding company	United Kingdom	51
Signature Top II Ltd	Holding company	United Kingdom	51
Società Immobiliare Alessandro De Gasperis S.r.l.	Hotel operation	Italy	51
Suf Holding B.V.	Holding company	The Netherlands	100
Sugarhill Investments B.V.	Holding company	The Netherlands	66.1

Name of Company	Principal activity	Country of incorporation	Direct and indirect holdings %
SW Szállodaüzemeltető Kft	Hotel operation	Hungary	66.1
The Mandarin Hotel B.V.	Holding company	The Netherlands	100
TOZI Restaurant Operator Limited	Hotel operation	United Kingdom	100
Ulika d.o.o.	Holding company	Croatia	66.1
Utrecht Hotel Holding B.V.	Holding company	The Netherlands	100
Utrecht Hotel Operator B.V.	Hotel operation	The Netherlands	100
Victoria Amsterdam Hotel Holding B.V.	Holding company	The Netherlands	100
Victoria Amsterdam Hotel Operator B.V.	Hotel operation	The Netherlands	100
Victoria London (Real Estate) B.V.	Holding company	The Netherlands	100
Victoria London B.V.	Holding company	The Netherlands	100
Victoria Monument B.V.	Holding company	The Netherlands	100
Victoria Park Plaza Operator Limited	Hotel operation	United Kingdom	100
W29 Development LLC	Holding company	Delaware	100
W29 Owner LLC	Holding company	Delaware	100
Waterloo Hotel Holding B.V.	Holding company	The Netherlands	100
Waterloo Hotel Operator Limited	Hotel operation	United Kingdom	100
Westminster Bridge Hotel Operator Limited	Hotel operation	United Kingdom	100
Westminster Bridge London (Real Estate) B.V.	Holding company	The Netherlands	100
Westminster Bridge London B.V.	Holding company	The Netherlands	100

**Jointly controlled entities**

Name of company	Principal activity	Country of incorporation	Direct and indirect holdings %
ABM Hotel Holding B.V. <sup>1</sup>	Holding company	The Netherlands	50
art'otel Berlin Mitte/Park Plaza betriebsgesellschaft mbH <sup>1</sup>	Hotel operation	Germany	50
Park Plaza betriebsgesellschaft mbH <sup>1</sup>	Hotel operation	Germany	50
PPBK Hotel Holding B.V. (formerly known as ABK Hotel Holding B.V.) <sup>1</sup>	Holding company	The Netherlands	50

<sup>1</sup> Indirectly held through Arena Hospitality Group d.d.

**Current renovation, repositioning and pipeline projects**

Project	Location	Scope	Status
Development project London Victoria	London, United Kingdom	Asset optimisation	In design process
Development site Park Royal, London	London, United Kingdom	New development	In design process
Development site Westminster Bridge Road, London	London, United Kingdom	New development	In design process
Development site Leman Street, London	London, United Kingdom	New development	In design process

<b>Annual General Meeting</b>	The Annual General Meeting of PPHE Hotel Group.
<b>Annual Report and Accounts</b>	The Annual Report of PPHE Hotel Group in relation to the year ended 31 December 2025.
<b>Arena Campsites®</b>	Located in eight beachfront sites across the Southern coast of Istria, Croatia. They operate under the Arena Hospitality Group umbrella, of which PPHE Hotel Group is a controlling shareholder. arenacampsites.com
<b>Arena Hospitality Group</b>	Also referred to as 'Arena' or 'AHG'. One of the most dynamic hospitality groups in Central and Eastern Europe, currently offering a portfolio of 30 owned, co-owned, leased and managed properties with more than 10,000 rooms and accommodation units in Croatia, Germany, Hungary, Serbia and Austria. PPHE Hotel Group has a controlling ownership interest in Arena Hospitality Group. arenahospitalitygroup.com
<b>Arena Hotels &amp; Apartments®</b>	Arena Hotels & Apartments is a collection of hotels and self-catering apartment complexes offering relaxed and comfortable accommodation within beachfront locations across the historic settings of Pula and Medulin in Istria, Croatia, and at a mountain resort in Nassfeld, Austria. They operate under the Arena Hospitality Group umbrella, of which PPHE Hotel Group is a controlling shareholder.
<b>art'otel®</b>	A lifestyle collection of hotels that fuse exceptional architectural style with art-inspired interiors, located in cosmopolitan centres across Europe. PPHE Hotel Group is owner of the art'otel® brand worldwide. artotel.com
<b>Board</b>	Ken Bradley (Non-Executive Chairman), Boris Ivesha (President & Co-Chief Executive Officer), Greg Hegarty (Co-Chief Executive Officer), Daniel Kos (Chief Financial Officer & Executive Director), Nigel Keen (Non-Executive Director & Senior Independent Director), Marcia Bakker (Non-Executive Director), Stephanie Coxon (Non-Executive Director), Roni Hirsch (Non-Executive Director)
<b>BREEM</b>	Building Research Establishment Environmental Assessment Method.
<b>Capital expenditure, CAPEX</b>	Purchases of property, plant and equipment, intangible assets, associate and joint venture investments, and other financial assets.
<b>Company</b>	PPHE Hotel Group Limited, a Guernsey incorporated Company listed on the Main Market of the London Stock Exchange plc.
<b>CSRD</b>	Corporate Sustainability Reporting Directive.
<b>Derivatives</b>	Financial instruments used to reduce risk, the price of which is derived from an underlying asset, index or rate.
<b>Direct channels</b>	Methods of booking hotel rooms (both digital and voice) not involving third party intermediaries.
<b>Dividend per share</b>	Proposed/approved dividend for the year divided by the weighted average number of outstanding shares after dilution at the end of the period.

<b>Earnings per share</b>	Earnings per share amounts are calculated by dividing the net profit (loss) for the year by the weighted average number of ordinary shares outstanding during the year. Diluted earnings (loss) per share amounts are calculated by dividing the net profit (loss) for the year by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.
<b>Employee engagement survey</b>	We ask our team members to participate in a survey to measure employee engagement.
<b>EPRA (European Public Real Estate Association)</b>	The EPRA reporting metrics analyse performance (value, profit and cash flow) given that we have full ownership of the majority of our properties.
<b>EPS</b>	Earnings per share.
<b>EU</b>	The European Union.
<b>Euro, EUR, €</b>	The currency of the European Economic and Monetary Union.
<b>Exceptional items</b>	Items which are not reflective of the normal trading activities of the Group.
<b>Exchange rates, FX</b>	The exchange rates used were obtained from the local national banks' website.
<b>FF&amp;E</b>	Furniture, fittings and equipment.
<b>Franchise</b>	A form of business organisation in which a company which already has a successful product or service (the franchisor) enters into a continuing contractual relationship with other businesses (franchisees) operating under the franchisor's trade name and usually with the franchisor's guidance, in exchange for a fee.

<b>Goodwill</b>	The difference between the consideration given for a business and the total of the fair values of the separable assets and liabilities comprising that business.
<b>GRS</b>	Guest Rating Score is the online reputation score used by ReviewPro – an industry leader in guest intelligence solutions.
<b>Guernsey</b>	The Island of Guernsey.
<b>Hotel revenue</b>	Revenue from all revenue-generating activity undertaken by managed and owned and leased hotels, including room nights, food and beverage sales.
<b>Income Units</b>	Cash flows derived from the net income generated by rooms in Park Plaza London Westminster Bridge, which have been sold to private investors.
<b>LSE</b>	London Stock Exchange. PPHE Hotel Group's shares are traded on the Premium Listing segment of the Official List of the UK Listing Authority.
<b>Key performance indicator (KPI)</b>	Key performance indicator (KPI) is a measurable value that demonstrates how effectively an organisation is achieving its key business objectives.
<b>Market share</b>	The share of the total sales of a product or group of products by a company in a particular market. It is often shown as a percentage and can be used as a performance indicator to compare with competitors in the same market (sector).
<b>NCI</b>	Non-controlling interest.
<b>Number of properties</b>	Number of owned hotel properties at the end of the period.
<b>Number of rooms</b>	Number of rooms in owned hotel properties at the end of the period.
<b>Occupancy</b>	Total occupied rooms divided by net available rooms or RevPAR divided by ARR.

<b>Online travel agent</b>	Online companies whose websites permit consumers to book various travel related services directly over the Internet.
<b>Park Plaza®</b>	Upper upscale hotel brand. PPHE Hotel Group is master franchisee of the Park Plaza® Hotels & Resorts brand owned by Radisson Hotel Group. PPHE Hotel Group has the exclusive right to develop the brand across 56 countries in Europe, the Middle East and Africa. parkplaza.com
<b>Park Plaza Hotel</b>	One hotel from the Park Plaza® Hotels & Resorts brand.
<b>Pipeline</b>	Hotels/rooms that will enter the PPHE Hotel Group system at a future date.
<b>Pound Sterling/ GBP £</b>	The currency of the United Kingdom.
<b>PPHE Hotel Group</b>	PPHE Hotel Group is also referred to as 'the Group' and is an international hospitality real estate group. Through its subsidiaries, jointly controlled entities and associates, the Group owns, co-owns, develops, leases, operates and franchises hospitality real estate. The Group's primary focus is full-service upscale, upper upscale and lifestyle hotels in major gateway cities and regional centres, as well as hotel, resort and campsite properties in select resort destinations.

<b>Radisson Hotel Group</b>	Created in early 2018, one of the largest hotel companies in the world. Hotel brands owned by Radisson Hotel Group are Radisson Collection™, Radisson Blu®, Radisson®, Radisson RED®, Radisson Individuals, Park Plaza®, Park Inn® by Radisson, Country Inn & Suites® by Radisson, and Prize by Radisson. The portfolio of Radisson Hotel Group includes more than 1,600 hotels in operation and under development, located in more than 100 countries and territories, operating under global hotel brands. Jin Jiang International Holdings is the majority shareholder of Radisson Hotel Group. radissonhotelgroup.com
<b>Radisson Rewards™</b>	The hotel rewards programme of Radisson Hotel Group, including Park Plaza® Hotels & Resorts and art'otel®. The programme is owned by Radisson Hotel Group. radissonrewards.com
<b>Responsible Business</b>	PPHE Hotel Group's Responsible Business strategy is a genuine, active and responsible commitment to our environment and society.
<b>Room count</b>	Number of rooms franchised, managed, owned or leased by PPHE Hotel Group.
<b>Subsidiary</b>	A company over which the Group exercises control.
<b>Weighted average number of shares outstanding during the year</b>	The weighted average number of outstanding shares taking into account changes in the number of shares outstanding during the year.
<b>Working capital</b>	The sum of inventories, receivables and payables of a trading nature, excluding financing and taxation items.

**Alternative Performance Measures**

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

<b>Adjusted EPRA earnings</b>	EPRA earnings with the Company's specific adjustments. The main adjustments include removal of unusual or one-time influences which are not part of the Group's regular operations and adding back the reported depreciation change, which is based on assets at historical cost, and replacing it with a charge calculated as 4% of the Group's total revenue, representing the Group's expected average cost to maintain the real estate in good quality. The reconciliation of the Group's earnings attributed to equity holders of the parent company to Adjusted EPRA earnings can be found on page 37.	<b>EBITDA margin</b>	EBITDA divided by total revenue.
<b>Adjusted EPRA earnings per share</b>	Adjusted EPRA earnings divided by the weighted average number of ordinary shares outstanding during the year.	<b>EBITDAR</b>	Earnings before interest (Financial income and expenses), tax, depreciation and amortisation, impairment loss, rental expenses, share in results of joint ventures and exceptional items presented as other income and expense.
<b>Average room rate (ARR)</b>	Total room revenue divided by the number of rooms sold.	<b>EPRA earnings</b>	Shareholders' earnings from operational activities adjusted to remove changes in fair value of financial instruments and reported depreciation. The reconciliation of the Group's earnings attributed to equity holders of the parent company to EPRA earnings can be found on page 37.
<b>Debt Service Coverage Ratio (DSCR)</b>	EBITDA, less net expenses for financial liability in respect of Income Units sold to private investors and lease payments, divided by the sum of interest on bank loans and yearly bank loans redemption.	<b>EPRA earnings per share</b>	EPRA earnings divided by the weighted average number of ordinary shares outstanding during the year.
<b>EBIT</b>	Earnings before interest (Financial income and expenses), tax, share in results of joint ventures and exceptional items presented as other income and expense.	<b>EPRA LTV (EPRA net debt leverage)</b>	Net debt based on proportionate consolidation divided by the sum of the market value of the properties and the net working capital and excluding certain items not expected to crystallise in a long-term investment property business model (deferred tax on timing differences and financial instruments) based on proportionate consolidation. The reconciliation of the ratio between the reported net debt and the reported property value (net debt leverage per the financial statements) to EPRA LTV can be found on page 40.
<b>EBITDA</b>	Earnings before interest (Financial income and expenses), tax, depreciation and amortisation, impairment loss, share in results of joint ventures and exceptional items presented as other income and expense.	<b>EPRA NAV (Net Asset Value)</b>	Recognised equity, attributable to the parent company's shareholders, including reversal of derivatives, deferred tax asset for derivatives, deferred tax liabilities related to the properties and revaluation of operating properties.

<b>EPRA NDV (Net Disposal Value)</b>	Recognised equity, attributable to the parent company's shareholders on a fully diluted basis adjusted to include properties, other investment interests, deferred tax, financial instruments and fixed interest rate debt at disposal value. Adjustments to the recognised equity are calculated on the share allocated to the parent company's shareholders (net of non-controlling interest). The reconciliation of the Group's equity attributable to equity holders of the parent (NAV per the financial statements) to EPRA NDV can be found on page 36.	<b>EPRA NTA (Net Tangible Assets)</b>	Recognised equity, attributable to the parent company's shareholders on a fully diluted basis adjusted to include properties and other investment interests at fair value and to exclude intangible assets and certain items not expected to crystallise based on the Company's expectations for investment property disposals in the future. Adjustments to the recognised equity are calculated on the share allocated to the parent company's shareholders (net of non-controlling interest). The reconciliation of the Group's NAV to EPRA NTA can be found on page 37.
<b>EPRA NDV per share</b>	EPRA NDV divided by the fully diluted number of shares at the end of the period.	<b>EPRA NTA per share</b>	EPRA NTA divided by the fully diluted number of shares at the end of the period.
<b>EPRA NRV (Net Reinstatement Value)</b>	Recognised equity, attributable to the parent company's shareholders on a fully diluted basis adjusted to include properties and other investment interests at fair value and to exclude certain items not expected to crystallise in a long-term investment property business model (deferred tax on timing differences on property, plant and equipment and intangible assets and financial instruments). Adjustments to the recognised equity are calculated on the share allocated to the parent company's shareholders (net of non-controlling interest). The reconciliation of the Group's equity attributable to equity holders of the parent (NAV per the financial statements) to EPRA NRV can be found on page 36.	<b>Gearing ratio</b>	Net bank debt divided by the sum of total equity excluding hedging reserve and net bank debt.
<b>EPRA NRV per share</b>	EPRA NRV divided by the fully diluted number of shares at the end of the period.	<b>Interest Cover Ratio (ICR)</b>	EBITDA, less net expenses for financial liability in respect of Income Units sold to private investors and lease payments, divided by interest on bank loans.
		<b>Like-for-like</b>	Results achieved through operations that are comparable with the operations of the previous period. Current period's reported results are adjusted to have an equivalent comparison with previous periods' results, with similar seasonality and the same set of hotels.
		<b>Loan-to-value ratio (LTV)</b>	Interest-bearing liabilities after deducting cash and cash equivalents as a percentage of the properties' market value at the end of the period.
		<b>Maintenance CAPEX</b>	Calculated as 4% of revenues, which represents the expected average maintenance capital expenditure required in the operating properties.
		<b>Net debt</b>	Calculated as total borrowings minus cash and cash equivalents, including both long-term and short-term restricted cash.
		<b>Normalised PBT, normalised profit before tax</b>	Profit before tax adjusted to remove exceptional or one-time influences which are not part of the Group's regular operations. The reconciliation of the Group's reported profit before tax to normalised profit before tax can be found on page 34.
		<b>RevPAR</b>	Revenue per available room. Total room revenue divided by the number of available rooms.

# Contacts

## Directors

Ken Bradley	(Non-Executive Chairman)
Boris Ivesha	(President & Chief Executive Officer)
Greg Hegarty	(Co-Chief Executive Officer)
Daniel Kos	(Chief Financial Officer & Executive Director)
Nigel Keen	(Non-Executive Director & Senior Independent Director)
Stephanie Coxon	(Non-Executive Director)
Marcia Bakker	(Non-Executive Director)
Roni Hirsch	(Non-Executive Director)

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arenahospitalitygroup.com

## For reservations

radissonhotels.com  
parkplaza.com  
artotel.com  
arenahotels.com  
arenacampsites.com

## Strategic partner

radissonhotelgroup.com

## Forward-looking statements

This document may contain certain 'forward-looking statements' which reflect the Company's and/or the Directors' current views with respect to financial performance, business strategy and future plans, both with respect to the Group and the sectors and industries in which the Group operates. Statements which include the words 'expects', 'intends', 'plans', 'believes', 'projects', 'anticipates', 'will', 'targets', 'aims', 'may', 'would', 'could', 'continue' and similar statements are of a future or forward-looking nature. All forward-looking statements address matters that involve risks and uncertainties. Accordingly, there are or will be important factors that could cause the Group's actual results to differ materially from those indicated in these statements. Any forward-looking statements in this document reflect the Group's current views with respect to future events and are subject to risks, uncertainties and assumptions relating to the Group's operations, results of operations and growth strategy. These forward-looking statements speak only as of the date on which they are made. Subject to any legal or regulatory obligations, the Company undertakes no obligation publicly to update or review or revise any forward-looking statement, whether as a result of new information, future developments or otherwise. All subsequent written and oral forward-looking statements attributable to the Group or individuals acting on behalf of the Group are expressly qualified in their entirety by this paragraph. Nothing in this document should be considered as a profit forecast.

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A woman in a pink dress is walking through a gallery. To her left is a large glass display case containing a spherical artwork made of many small, colorful pieces. To her right is a wall of a grid of small, square, illuminated panels. The floor is dark and reflective.

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HOTEL GROUP

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