Completion of our pipeline

New flagship art'otel openings

We are pleased to report that we have completed our multi-year £300+ million capital expenditure programme in the year, delivering newly developed and repositioned hotel properties across five European capital cities. In 2025, our programme was completed with the full launch of art'otel London Hoxton and the opening of art'otel Rome Piazza Sallustio.

See more on pages 16 and 23

art'otel London Hoxton

Following its 2024 phased soft opening, the iconic 357-room art'otel London Hoxton was fully completed in 2025. In May, the 24th floor meetings and event space was launched, providing panoramic views across London, with the 25th floor destination restaurant and bar opening in September. All signature suites, located on the 23rd floor, were completed in the fourth quarter. The 5,000m² office space is currently being marketed to third parties.

art'otel Rome Piazza Sallustio

Following several years of construction, our first property in Italy launched in March 2025, with YEZI Restaurant & Bar opening in April. The five-star luxury lifestyle property in the heart of the Italian capital offers 99 rooms and suites, and has received excellent guest feedback since opening its doors.

Financial performance and growth

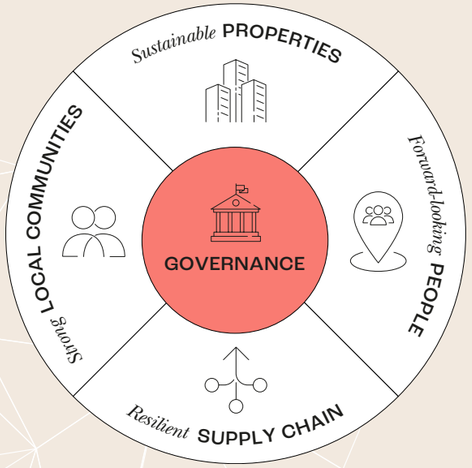
Total revenue	EBITDA*	EPRA earnings*	Adjusted EPRA EPS*
£466.4m ↑	£138.2m ↑	£52.9m ↓	125p –
£442.8m: 2024	£136.5m: 2024	£53.2m: 2024	125p: 2024

EPRA NRV per share*	Reported PBT	Reported basic EPS	Dividend[1]
£27.35 ↓	£1.5m ↓	32p ↓	39p ↑
£27.51: 2024	£30.6m: 2024	67p: 2024	38p: 2024

Operational performance

Occupancy	Average room rate*	RevPAR*	Employee engagement rate
75.1% ↑	£164.3 ↑	£123.4 ↑	84% ↑
74.5%: 2024	£161.5: 2024	£120.3: 2024	81%: 2024

This Annual Report includes various Alternative Performance Measures (APMs), such as EPRA performance metrics and hospitality operational performance indicators. For definitions, further details and reconciliations to measures defined under International Financial Reporting Standards (IFRS), please refer to the Appendix: Alternative Performance Measures on pages 202 and 203 of the report. The metrics presented remain consistent with those in our previous Annual Report, with no changes to the bases of calculation. All APMs have been separately flagged throughout the report with the use of an asterisk*.



ESG strategic progress

We finalised an extensive decarbonisation plan in support of our SBTi submission, which was completed in December 2025, and continued to reduce the amount of single-use plastics in our properties.

We increased our support to local communities by setting up new charity partnerships and providing volunteering opportunities to our team members.

Post balance sheet events

Sale of New York development site.

See more on page 39

1 Includes the interim dividend and the proposed final dividend over the year.

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People, Places, Experiences

At a glance

We are an integrated hospitality real estate Group, with a £2.2 billion portfolio of primarily prime freehold and long-leasehold assets in Europe.

See more: pages 4 to 9

CEO Review

We delivered a solid performance, launched our first property in Italy, completed art'otel London Hoxton and strengthened our future pipeline.

See more: pages 14 to 19

Stakeholder engagement

We fully engaged throughout the year with all our stakeholder groups, including guests, team members, investors, suppliers and affiliates.

See more: pages 55 to 71

Our investment case

Our 'Buy, Build, Operate' business model provides exposure and returns across the entire hospitality real estate value chain.

See more: page 5

Strategy in action

Following a period of investment, we have unlocked value by launching and now operating several new properties. As a result, we create asset value and ensure steady revenue flows.

See more: pages 22 to 29

ESG report

In 2025, we made important advancements on our ESG strategy, improving the sustainability profile of our properties and their social impact.

See more: pages 58 to 71

art'otel Rome Piazza Sallustio – YEZI Restaurant & Bar Terrace

A stronger portfolio
in sought-after locations

Capital cities

73.7% of property value

Country	Rooms	Value (£m)	Discount rate[1]
London	3,149	1,218	7.8%–9.5%
Amsterdam	849	295	8.0%–10.3%
Other	614	123	8.0%–10.0%

Secondary cities

6.5% of property value

Country	Rooms	Value (£m)	Discount rate[1]
UK	365	35	10.5–10.8%
The Netherlands	224	38	9.0%–9.5%
Germany	395	71	9.0%–9.3%

Resorts and other

19.8% of property value

Country	Rooms	Value (£m)	Discount rate[1]
Croatia rooms	2,603	188	8.0%–10.0%
Croatia campsites	5,661	163	9.0%–11.0%
Austria	144	14	10.5%
Other[2]	n/a	76	n/a

1 Cap rates used for cash flow after year 10 are typically 2.5% lower.
2 Includes landsites and projects under development at cost price.

Why invest in PPHE?

Business model

Integrated developer, owner and operator

- Our business model provides exposure and returns across the entire hospitality real estate value chain
- Strong preference for assets with development and/or repositioning potential
- Diversified real estate portfolio focused on Europe
- Driving value growth through development, repositioning and operational excellence

Unique capital structure

Unique approach to capital structure

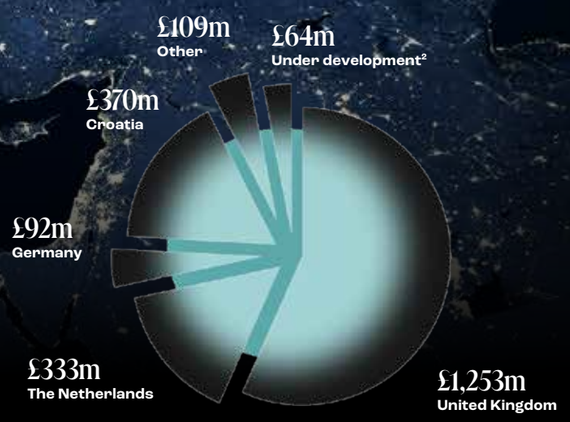
- Raising capital (both third party equity and debt) at asset level, growth funded through capital recycling
- Multiple sources of capital providing a hedge against market fluctuations
- Conservative loan-to-value*, low refinance risk and long-term hedges in place to mitigate interest risk

Operating platform control

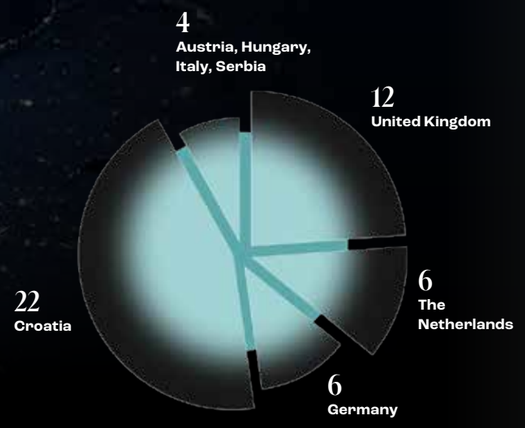
All disciplines under one roof

- Scalable platform offering growth through management of owned and third party properties
- Unique strategic relationship with Radisson Hotel Group, enabling brand diversification and scale
- Full operational control benefits asset value growth. Ability to sell assets unencumbered

Value split by geography[1]



Hotels and resorts by geography



1 The fair values were determined on the basis of independent external valuations prepared in December 2025.
2 Properties under development include: New York, Westminster Bridge Road (London), Leman Street development site and Guest House Riviera.

Attractive brands

As independent property owners, our approach is to select the brand for each of our properties which we believe will generate most value. We work with a number of distinct and appealing brands from premium lifestyle to upscale and upper upscale.

Luxury & upper upscale (partner brand)

In 2022, we extended our long-standing partnership with Radisson Hotel Group ('Radisson'), providing us with access to all of Radisson's brands at favourable commercial terms. This new agreement enabled us to launch the five-star Grand Hotel Brioni Pula, a Radisson Collection Hotel, in May 2022.

radissoncollection.com

Upper upscale, premium lifestyle

A place to dream and be inspired, art'otel is a hotel like no other. A contemporary collection of **upper upscale, premium lifestyle hotels,** each inspired by a Signature Artist, forming a cultural, gastronomic and social hub in the most creative areas of the most interesting cities, attracting international, domestic and local guests. Each art'otel is an arts and premium lifestyle hotel devoted to creating and presenting original work.

Be bold. Be creative. Be original. artotel.com

This award-winning **premium boutique hotel** is located on iconic Chiltern Street in London's West End and is surrounded by fashion boutiques, cafés and restaurants. The hotel has been inspired by Baker Street's most famous resident, Sherlock Holmes, and is a witty blend of heritage and playfulness, filled with a stylish mix of antiques, curiosities and artefacts that are bound to intrigue even the busiest of guests.

For curious minds holmeshotel.com

Upper upscale

THE ORIGINAL

An **upper upscale, contemporary hotel brand** featuring individually designed hotels in vibrant city centre locations and select resort destinations. Renowned for creating memorable moments, Park Plaza caters to both leisure and business travellers with stylish guest rooms and versatile meeting facilities which are perfectly complemented by award-winning restaurants and bars.

Feel the authentic parkplaza.com

Upscale, select service

PARTNER BRANDS

The Radisson RED brand is an upscale/upper upscale brand with a playful twist on the conventional and we are proud to now offer this in the heart of Belgrade – **Radisson RED Belgrade** – and in Berlin – **Radisson RED Berlin Kudamm** – following their respective openings in February and June 2024. In June 2025, we were pleased to announce our first Radisson RED project for central London, set to open in 2029.

radisson.com | radissonred.com

TUI BLUE is the global flagship hotel brand of the TUI Group, one of the world's leading tourism businesses. The first TUI BLUE hotel opened in May 2016 and now the TUI BLUE portfolio includes nearly 100 hotels in 19 countries across the globe. At PPHE, we have a long-standing relationship with TUI Group and utilise its TUI BLUE brand for our four-star TUI BLUE Medulin property in Croatia.

tui-blue.com

Midscale & upscale

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. Featuring contemporary and warm design/interiors accompanied by welcoming and friendly service, it offers a holiday full of opportunities for exploration and relaxation.

arenahotels.com

Arena Campsites and glamping sites are located on exclusive beachfront sites across the southern coast of Istria, Croatia. Situated within close proximity to the historic towns of Pula and Medulin, each campsite provides a distinctive offering and relaxed environment from which guests can experience Istria's areas of natural beauty and enjoy outdoor activities all year round.

arenacampsites.com | arenaglamping.com

Restaurants & bars

art'otel London Hoxton

Opened in September 2025 and located at art'otel London Hoxton, Solaya is Kenny Atkinson's first London debut: 25 floors high with unparalleled views of London and beyond is a modern French Mediterranean restaurant and bar in the heart of Shoreditch. Michelin starred chef Kenny Atkinson is the concept chef for Solaya and the food is inspired by the flavours of the Côte d'Azur, focusing on Southern French and Mediterranean cuisine, fusing sunshine cuisine with contemporary dining.

solayalondon.com

YEZI Restaurant & Bar is a brand new concept launched at the end of 2023. This relaxed fine dining restaurant and bar experience in the heart of Zagreb hotel, Croatia is a unique approach to Asian cuisine. The second is set to launch this spring in Rome, located in the art'otel Rome Piazza Sallustio. Inspired by the traditional Asian teahouse style of eating, drinking and socialising, YEZI Restaurant & Bar focuses on the art of dim sum, mixology, tea and European patisserie.

yezirestaurant.com

The Brush is an all-day Grand Café, with an outdoor terrace, located on the ground floor of art'otel London Hoxton. The seasonally led bistro-style menu pays homage to the Grand Café genre, featuring an array of dishes from playful takes on French brasserie signatures with some wider European influences. This hub is the spot for any moment in the day – breakfast, lunch, dinner or simply a coffee or cocktail in between. The Brush is named after D*Face's graffiti-style murals within the space and an iconic paint brush bronze sculpture just outside the restaurant entrance.

thebrushhoxton.co.uk

TOZI is a Venetian-Italian restaurant and bar concept spanning London Victoria and Amsterdam. The brand has evolved in London Battersea with a focus on pizza as well as the signature Cicchetti sharing plates. Drinks include Italian wines and barrel-aged negronis served via a trolley.

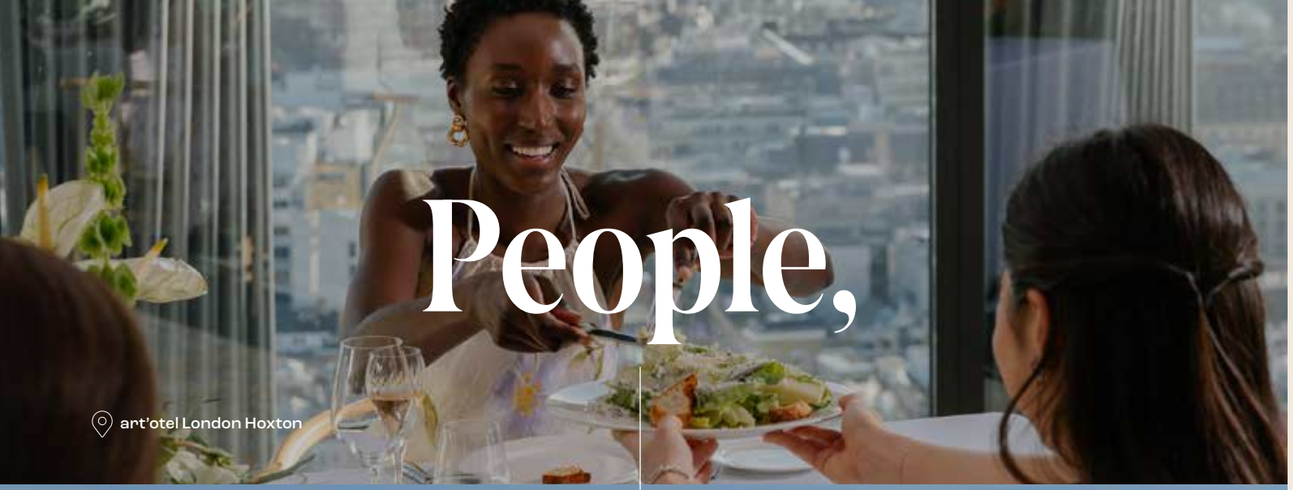
tozirestaurantsandbars.com

JOIA is a restaurant, bar and rooftop restaurant created by two Michelin starred Portuguese chef Henrique Sá Pessoa, located on the 14th, 15th and 16th floors of art'otel London Battersea Power Station. JOIA means 'jewel' in Portuguese. The menu comprises Petiscos (small tapas), with large dishes to share, such as the signature Arroz de Marisco.

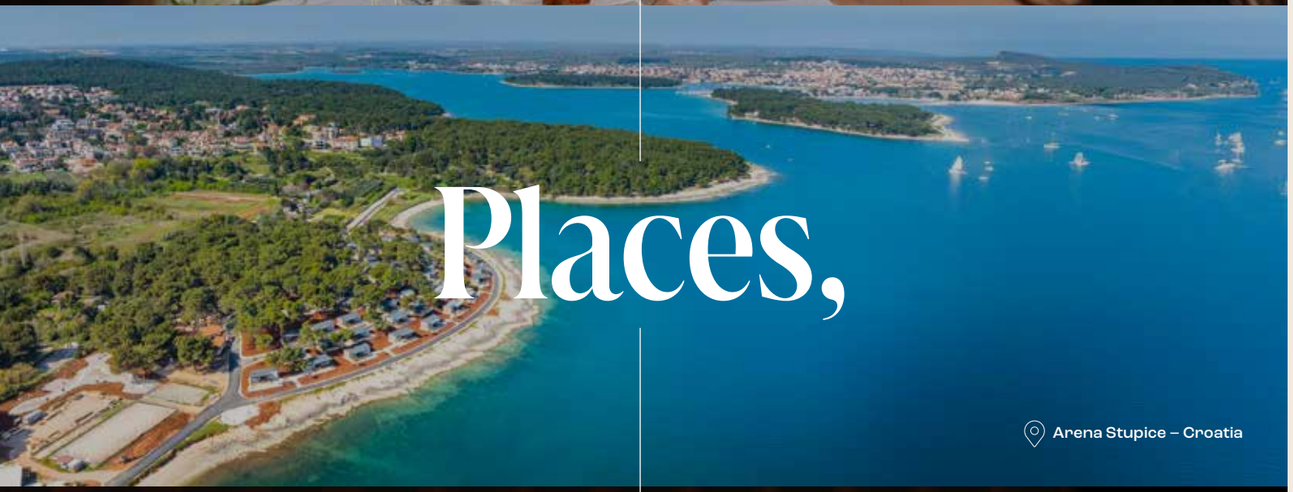
joiabattersea.com

A selection of our other restaurant & bar brands

- Steakhouse Carstens Amsterdam
- Chino Latino
- The Kitchen at Holmes
- Carstens Amsterdam Café
- ARCA Amsterdam
- PRIMO
- Pérola
- illy Caffè
- ICHI
- jpd



art'otel London Hoxton



Arena Stupice – Croatia

art'otel London Hoxton – Solaya London

Chairman's Statement

"The strategic progress and revenue growth delivered during the year reflect the attractiveness and strength of our portfolio"

Ken Bradley
Chairman

Welcome

I am pleased to report that the Group continued to make strategic progress during 2025, a year which saw the completion of our largest-ever investment programme, with the opening of our first hotel in Italy and the full opening of our flagship art'otel London Hoxton, the strengthening of our development pipeline and our unwavering commitment to delivering memorable experiences for our guests.

A key focus for the year has been on optimising our newly and recently opened hotels as they become established in their markets to unlock value, whilst also actively managing costs and driving efficiencies across our operations.

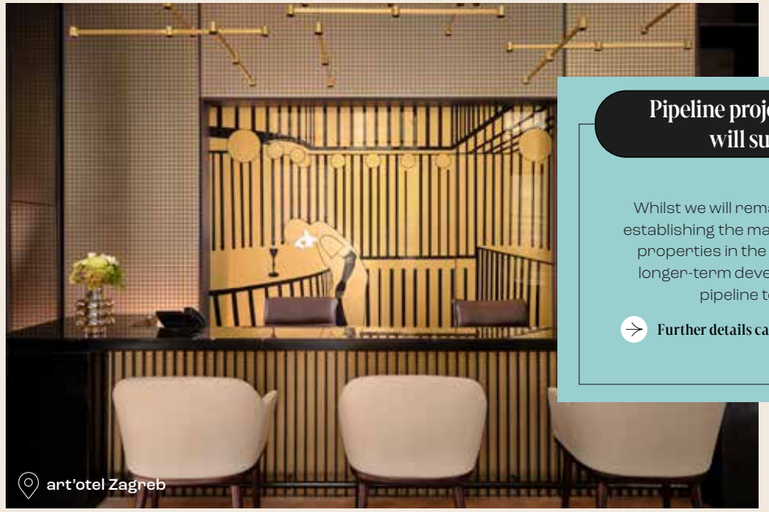
The strategic progress and revenue growth delivered during the year reflect the attractiveness and strength of our portfolio, which utilises attractive brands across appealing destinations serving diversified market segments underpinned by our unique 'Buy, Build, Operate' business model, which in turn provides exposure and returns across the entire hospitality real estate value chain.

Environmental, Social and Governance strategy

The Board is focused on sustainability and good corporate governance, and we recognise the importance of engagement with all our stakeholders to understand their priorities. The Board and the Executive Leadership Team regularly meet with shareholders, and we actively engage with our team members through engagement surveys and town hall meetings.

We have continued to advance our Environmental, Social, and Governance (ESG) strategy, further enhancing the sustainability profile of our operations and social impact. We strive to minimise our impact on the environment across our markets, with a focus on having a positive impact on all our stakeholders, including team members, guests, partners and those in our local communities.

A double materiality assessment was conducted in Q2 2025 to identify a list of material impacts, risks and opportunities (IROs) for our business, and to understand the most important issues for our stakeholders, as well as how societal and environmental factors affect the Group.


art'otel Zagreb

Pipeline projects and asset optimisation will support future growth

Whilst we will remain focused on building profile and establishing the market positions of recently launched properties in the year ahead , the Group also has a longer-term development and asset enhancement pipeline to support future growth.

Further details can be found in the CEO report on page 19.

This was marked by a series of four workshops with senior PPHE leaders, including all relevant teams such as ESG, Legal, Finance, Procurement, Engineering, HR and Operations. The material IROs identified included climate change adaptation, water consumption, investment in energy efficiency measures, gender equality and ethical issues in the supply chain. This double materiality assessment succeeded the one completed in 2022. While PPHE is not yet in scope of the Corporate Sustainability Reporting Directive (CSRD), this assessment was conducted based on the same criteria set out by the regulation, so PPHE is aligned with future compliance requirements.

Further details can be found in the CEO Review: page 19.

The Board

As announced in January 2025, I succeeded Eli Papouchado as Non-Executive Chairman and Roni Hirsch was appointed a Non-Executive Director. Roni is the CEO of the Red Sea Group, a role he has held since 1993. The Red Sea Group is controlled by Eli Papouchado, who, together with his family trusts, owns 32.93% of the voting rights in PPHE Hotel Group.

As a Board, we work closely with our highly skilled Executive Leadership Team to drive forward our growth strategy and longer-term development pipeline. Against a challenging backdrop of macro-economic pressures and geo-political uncertainty, I would like to take this opportunity to thank the Board and Executive Leadership Team, as well as our team members, for their contribution and commitment throughout 2025.

Dividends

We are committed to delivering value to our shareholders, which is reflected in our progressive dividend policy.

The Board has declared a proposed final dividend of 22 pence per ordinary share. Together with the interim dividend of 17 pence per ordinary share, the total dividend for the 2025 financial year is 39 pence per ordinary share, an increase of 2.6% compared with 2024.

Further details on the dividend are set out in the Financial Review on page 41.

Radisson RED Belgrade

Offer Period

In November 2025, the Board announced that it was undertaking a Strategic Review to consider a range of potential options to maximise value for all shareholders. As part of the Strategic Review, the Board will consider options, including but not limited to, a range of potential actions to improve shareholder value, introducing growth capital into the Group or its portfolio, or a potential sale of all or part of the issued share capital of the Group.

Well-positioned for future growth

Following the completion of our largest ever investment cycle, which leveraged our unique 'Buy, Build, Operate' business model expertise, the Group has a well-invested portfolio of 50 operational properties in prime locations, which operates under seven brands, across eight countries in Europe. This, combined with our expert teams, makes our properties attractive and allows us to deliver memorable experiences for our guests.

Whilst we will remain focused on building profile and establishing the market positions of recently launched properties in the year ahead , the Group also has a longer-term development and asset enhancement pipeline to support future growth.

Read more on our development pipeline on page 19.

Ken Bradley
Chairman

50
properties in operation

8
key countries in Europe

CEO Review

"Throughout our largest ever investment programme, we have been focused on enhancing our hospitality offer and maximising returns for our shareholders over the longer term."

Boris Ivesha
President & Chief Executive Officer

ant'otel Rome Piazza Sallustio

Boris Ivesha & Greg Hegarty

Boris Ivesha
President & Chief Executive Officer

Greg Hegarty
Co-Chief Executive Officer

2025 in review

2025 marked the completion of the Group's multi-year development programme, which saw us invest more than £300 million in upgrading and repositioning our existing hospitality real estate portfolio and expanding our footprint in existing and new markets, with the launch of new hotels in London, Zagreb and Rome. Throughout this investment programme, we have been focused on enhancing our hospitality offer and maximising returns for our shareholders over the longer term.

We are pleased to have delivered a robust performance with reported revenue growth of 5.3% and RevPAR* growth of 2.6%, achieved in a year characterised by cost inflation and a volatile macro-economic and geo-political environment. While cost inflation and stabilised room rates put pressure on margins, we have been focused on driving efficiencies across our markets to help mitigate operational cost pressures, such as government-led wage and social security cost increases. In line with our expectations, reported EBITDA* was up by 1.3% at £138.2 million. Our newly opened hotels had a positive impact on EBITDA*, as they are stabilising, with EBITDA* negatively impacted by the cost pressures outlined earlier. On a like-for-like basis*, revenue was up 3.7%, RevPAR* was up 2.4% and EBITDA* was 2.1% higher.

Across most of our properties, we saw increased occupancy achieved alongside a stabilisation of room rates, which was proactively managed given the trading environment. The UK delivered a solid performance against strong prior-year comparatives, with increased occupancy and a slight increase in average room rates*. In the Netherlands and Germany, trading was more subdued, with in the Netherlands a strong comparative period, and in both regions due to pressure on occupancy and average room rates*. Our operations in Croatia, which are primarily leisure based, performed well during the peak trading months, delivering growth in average room rates*, which more than offset a slight reduction in occupancy.

Our newly opened hotels performed well, with demand growing month-on-month. All new hotels have received excellent guest feedback.

With a focus on longer-term growth, we continue to look for opportunities to expand into existing and new markets, capitalising on the strength of our unique 'Buy, Build,

"We are pleased to have delivered a robust performance with reported revenue growth, achieved in a year characterised by cost inflation and a volatile macro-economic and geo-political environment."

Greg Hegarty
Co-Chief Executive Officer

Operate' model. In September, we acquired, through our European Hospitality Fund, a development site near the City of London with plans to open our first select service hotel in London. We also acquired the freehold of our leasehold property, Park Royal in London, and the adjacent development site.

Our recent hotel openings and development plans solidify the successful evolution of PPHE as a pan-European, multi-brand hospitality real estate group, with broad customer appeal (and offerings in different market segments, located in attractive destinations) and the opportunity for attractive long-term growth.

We increased the Group's holding in Arena Hospitality Group d.d. ('AHG') to 66.1% of the share capital, acquiring shares from minority shareholders, reflecting a yield of approximately 10% on 2024 AHG EBITDA*.

Full details of the Group's financial performance are set out in the Financial Review and Business Review on pages 32 to 53.

Completion of £300+ million development pipeline

We opened our first hotel in Italy, the much-anticipated art'otel Rome Piazza Sallustio, in March 2025, following a major repositioning project. This five-star property is located in the centre of Rome, and features a YEZI Restaurant & Bar, which is inspired by the traditional Asian teahouse style of informal eating, drinking and socialising. The hotel and restaurant have been well received by guests and are steadily building momentum as they continue to establish their market position.

Our art'otel London Hoxton development is now complete, following the soft opening in April 2024. In September, our 25th floor restaurant and bar, Solaya, opened in collaboration with Michelin chef Kenny Atkinson. The 24th floor meetings and events space launched in May, followed by the signature suites on the 23rd floor in Q4. The 5,000m² office space is currently being marketed to prospective tenants through expert agents. Since opening, we have been focused on maximising the long-term financial potential of this property, rather than focusing on short-term performance.

In addition, in Croatia, we upgraded the Arena Stupice Campsite and the Arena Indije Campsite to four-star properties, with both campsites reopening in time for the summer season.

The completion of the investment projects above, alongside other recently opened properties, including the development of art'otel Zagreb and the repositioning programmes of the Radisson RED Berlin Kudamm, Radisson RED Belgrade and Grand Hotel Brioni Pula – a Radisson Collection Hotel, marked the completion of the final phase of our multi-year investment programme.

As we extend our footprint, we will continue to implement our market segment and geographic differentiation strategy, which allows us to flex our offer and brand properties appropriately by location and target markets. This brand diversification approach includes our core upper upscale Park Plaza branded properties, our upper upscale and premium lifestyle art'otel branded properties, and more recently our Radisson Collection branded hotel and select service lifestyle Radisson RED properties in Berlin and Belgrade, and our first Radisson RED development project in London. In addition, in Croatia, our properties utilise the midscale to upscale Arena Hotels & Resorts and Arena Campsites brands (campsites, premium lodges and glamping).

Investing in people

People and culture are at the heart of our business. Our approach is focused on colleague wellbeing, engagement, learning and development, and retention, all of which support the execution of the Group's growth strategy and help our team members create memorable experiences for our guests.

We actively engage with our teams and, during 2025, we conducted two team member engagement surveys at PPHE and one at AHG. We are pleased to report that average engagement scores increased to 86.5% (2024: 84.5%) and 77% (2024: 75%) respectively, with engagement scores in the UK and the Netherlands outperforming the sector by 5%. Wellbeing scores improved by 4.5% compared with 2024, supported by initiatives such as our Employee Assistance Programme in the UK.

We continue to invest in a range of innovative learning and development programmes to support growth and development throughout colleagues' careers, including programmes to build a pipeline of future leaders, such as our 2023 Graduate Managers Cohort, who completed their programme in March 2025, our NextGen programme for team leaders, and a new format for people development workshops to enhance knowledge sharing and collaboration. In the UK, our degree apprenticeship programme continues with eight team members currently taking part, three of whom will graduate by the end of 2026.

During the year, we actively expanded our internal and external initiatives to positively impact the communities in which we operate, for example, by helping young people and those facing barriers to employment embark on a career in hospitality. In the UK, we partnered with the charity, Only A Pavement Away, which works with people facing homelessness, and prison leavers and veterans who are struggling to get into work, overcome hurdles by finding jobs within the hospitality industry. In the Netherlands, our partnership with JINC helps more than 80,000 young people each year enter the job market through education and career guidance projects. Across the Netherlands and Italy, we launched a quarterly career development campaign to showcase career development opportunities both at PPHE and externally. In Rome, we collaborated with the local government to recruit approximately 19% of the overall team members for art'otel Rome Plazza Sallustio, helping the long-term unemployed re-enter the workforce.

Read more on page 23.

Expanded our community initiatives

During the year, we actively expanded our internal and external initiatives to positively impact the communities in which we operate, for example, by helping young people and those facing barriers to employment embark on a career in hospitality.

Further details can be found in the stakeholder engagement section on pages 64 to 67.

Industry recognition

We are delighted that our properties, brands and concepts continue to be recognised through industry awards and accreditations. Notably, in London, art'otel London Battersea Power Station was awarded 'Hotel of the Year' at The Cateys 2025 and 'Best Luxury Rooftop View Hotel' at the Luxury Lifestyle Awards 2025. Our TOZI restaurant in Victoria, London, received an 'Authentic Italian Restaurant' award from the Italian Chamber of Commerce and 'Best International Cuisine' at the British Restaurant Awards 2025. In Croatia, Arena Grand Kazela Campsite, Arena One 99 Glamping and Arena Stoja Campsite have all been awarded 'Croatia's Best Campsite' by the Croatian Camping Union. art'otel Rome Piazza Sallustio was ranked among the 'Top 50 Best Hotels in Italy' by Travel + Leisure.

Technology transformation

We are continuing to adopt technologies that simplify back-office functions, support our operations, and drive guest experience and topline growth. Notably, we are well advanced in transitioning to a new cloud-based core infrastructure for our properties, with our migration to a new Oracle's cloud-based Property Management System. Our hotels in the Netherlands, Italy and most of the hotels in the UK have been migrated to this new platform in recent months, which is envisioned to bring efficiency benefits, unlock third party software integrations, and leverage data to improve the guest experience and drive efficiencies and growth.

Technology to enhance guests' overall experience

While technology is an important enabler to enhance guests' overall experience and improve efficiencies, we remain highly focused on ensuring our guests are warmly welcomed to our hotels and technology helps our teams continue to deliver high levels of service.

Further details can be found on pages 28 and 29.

As part of this transformation, we have developed a new suite of Digital Experience solutions, some of which we have started to roll out already. This includes the development of a new self-service kiosk option for the UK and the Netherlands, which provides guests with a choice of how they wish to check in and out, by either using their mobile phone or these new kiosks, or going to the reception desk. By offering our guests a choice, we can better meet expectations and deliver a faster and more personalised service. New functionalities in our online check in experience will include Google Wallet and Apple Wallet mobile keys for guests to use. Our newly developed guest experience platform includes an improved room service ordering system, which is anticipated to improve conversion, and real-time guest messaging options, for which the back-end lends itself for integrations with our operations ticketing system and will unlock further opportunities to leverage Artificial Intelligence (AI) and Robotic Process Automation (RPA).

Across the operation, in back of house, in support functions and in our customer service centre, we have identified significant opportunities to leverage AI and RPA to drive efficiency, simplify processes and positively impact the guest experience. A dedicated team drives this transformation of our operation, working closely with the business units to ensure optimum results are delivered. Successes in the year include the introduction of AI and RPA in the customer service centre, where over 50% of emails are now managed through AI and with the vast majority of guest surveys and guest feedback responded to by AI. This has enabled our team to provide greater focus on more complex matters and value generating initiatives.

In 2026, we will be implementing Dayforce, which is an AI-powered platform, bringing together our HR, payroll, compensation and benefits, workforce management and talent management functions into a single application to streamline people operations. By introducing this new platform, we anticipate benefiting from tasks automation, and data, analytics, and self-service tools for our team members.

While technology is an important enabler to enhance guests' overall experience and improve efficiencies, we remain highly focused on ensuring our guests are warmly welcomed to our hotels, and technology helps our teams continue to deliver high levels of service.

Guest experience

Our expert teams are dedicated to delivering unparalleled hospitality experiences, seamlessly blending exceptional service with premium products and thoughtfully designed offerings. Our unwavering commitment to excellence ensures that every guest enjoys unforgettable moments tailored to their needs and expectations, fostering lasting impressions and inspiring loyalty. In 2025, our teams achieved a robust and consistent guest experience across our portfolio. Despite ongoing cost pressures and increasing guest expectations, overall guest satisfaction rose from 87.8% to 88.1% (on a scale of 1–100%). This improvement can be attributed to the excellent feedback received by our newly opened properties and the rigorous service focus maintained by our established locations. Service quality and cleanliness remain the most significant drivers of positive guest sentiment. Additionally, we have increased the number of guest responses and implemented a more consistent approach to service recovery, supported by refreshed brand standards and comprehensive training programmes.

Longer-term development pipeline

We are always identifying and assessing new opportunities where we can leverage our unique business model and drive value for our stakeholders through the hospitality real estate value chain. This includes reviewing opportunities to enhance existing assets in existing markets, as well as exploring opportunities to expand our portfolio in existing and new markets.

Our longer-term development pipeline in London currently comprises four development sites, of which three sites have planning.

In September 2025, through a subsidiary of our European Hospitality Real Estate Fund, we acquired a prime mixed-use development site near the City of London for £17.5 million. The project, which is expected to be completed in 2029, will feature a select service Radisson RED lifestyle hotel. The hotel will have a minimum of 182 rooms, a restaurant, bar and gym, as well as approximately 4,000m² of office space. The total investment in the project is expected to be approximately £90 million, including the site acquisition price, with an expected running unlevered annual yield of high single digits at stabilisation. The development will focus on sustainability, targeting a BREEAM 'Excellent' environmental accreditation.

In the South Bank area of London, close to our Park Plaza London Waterloo and Park Plaza London Westminster Bridge properties, we have planning permission for a hotel-led, mixed-use development at 79–87 Westminster Bridge Road, purchased for £12.9 million in 2019. The hotel will be a midscale, design-led concept comprising up to 186 rooms over 15 floors, and it will include two floors of office and light industrial space (approximately 800m²), activated by a flexible-use ground floor public space featuring an all-day dining bar and café. The building's design will focus heavily on sustainability, transforming a former brownfield site, and will also target a BREEAM 'Excellent' environmental accreditation.

In central London, at our Park Plaza London Victoria property, we are advancing our design scheme to create an additional 79 subterranean rooms. By amending our originally consented scheme of 179 subterranean rooms, we are fully optimising value through retaining the meetings and events spaces, which have seen good demand since the pandemic.

In west London, for the landsite adjacent to our Park Plaza London Park Royal property, our original design scheme for the development of a 465-room hotel (for which planning was granted) has been amended to develop a 616-room co-living aparthotel. This new scheme has been granted planning consent and we are currently exploring further value generating options for this development project.

In New York, where we own a landsite near Hudson Yards, we demolished the existing structures in 2024 and acquired the air rights in 2025, creating further value for the development site. The site has been sold post balance sheet to a Real Estate developer for $33.5 million.

Focus on sustainability

We made further progress against our sustainability commitments. As planned, we submitted the Group's emission reduction targets to the Science Based Targets initiative (SBTi). This includes both 2035 near-term targets and 2050 long-term and net zero targets, covering Scopes 1, 2 and 3. The submission was backed by an extensive decarbonisation plan developed in collaboration with the Engineering and Procurement teams, with support from external specialists, which provides a clear roadmap to achieve the targets. Another area of progress in 2025 is waste management, with an increase in recycling rates across many of our hotels. This was achieved by introducing food waste bins in more properties and running training sessions on waste segregation with our team members. We also made further progress towards BREEAM In-Use building certifications, with three of our properties expected to be certified in early 2026 and more to follow later in the year.

We have expanded our engagement with local communities through more structured partnerships with charities, such as The Children's Society in the UK and JINC in the Netherlands, and we have seen an increased uptake of the volunteering day by team members. We have also stepped up communication of sustainability efforts, both internally and externally, through more regular use of social media and our internal communications platform Youniverse.

Looking ahead

Notwithstanding wider macro-economic volatility and fiscal headwinds, the Board expects to build on the Group's 2025 performance and further grow revenue and EBITDA in 2026, driven by the growing contribution from recent investments and our newly opened hotels.

As at the end of February 2026, forward booking momentum across all regions is encouraging following a strong start to the year, and the Board remains confident in delivering results for the financial year ending 31 December 2026 in line with market expectations*.

We extend our heartfelt gratitude to all our team members for their dedication and exceptional service, which has resulted in high levels of guest satisfaction. Furthermore, we want to thank our shareholders for their support.

Boris Ivesha
President & Chief Executive Officer

Greg Hegarty
Co-Chief Executive Officer

* At 26 February 2026, the Company compiled analyst consensus forecast range for the financial year ending 31 December 2026 showed a revenue range of £473 million to £489 million and an EBITDA range of £147 million to £148 million.

Strategy at a glance

Our vision

Our strategic framework is built across a series of distinct objectives, supported by PPHE's pillars and enablers, which allow us to achieve our vision of delivering a best-in-class performance through building further scale and depth in our real estate portfolio and growing the platform with our integrated 'Buy, Build, Operate' model.

Strategic blocks / 2025 performance / 2026 priorities / Principal risks and opportunities

1. Strategic priority – CORE, UPPER UPSCALE, CITY CENTRE HOTELS · REAL ESTATE

Property:
- Full launch of art'otel London Hoxton, following the soft opening in 2024, with the 23rd floor skyline suites, 24th floor meetings and events space and 25th floor restaurant and bar now all operational. The 5,000m² of office space is currently being marketed to prospective tenants
- Launched five-star art'otel Rome Piazza Sallustio and YEZI Restaurant & Bar
- Extended long-term development pipeline with acquisition of mixed-use development site near the City of London, earmarked for a Radisson RED upscale, select service hotel
- Acquired freehold of existing leasehold of hotel and adjacent development site at Park Royal in London
- Significant property refinancing activities completed in the year
- Detailed decarbonisation plan for each property in the Group developed to support the submission of the SBTi targets.
- Work is underway to obtain the BREEAM In-Use certification for Park Plaza London Westminster Bridge, Park Plaza London Riverbank and art'otel Rome Piazza Sallustio, with the certifications expected in early 2026.

Operations:
- Build the opening team leading up to the opening of art'otel Rome Piazza Sallustio and YEZI Restaurant & Bar
- Continued focus on learning and development, improved productivity and team member engagement
- Drove the commercial launch strategies for new properties and for existing portfolio
- Continued to drive efficiencies through technology implementations and efficiency programmes

2026 priorities

Property:
- Secure tenants for the 5,000m² of office space at art'otel London Hoxton
- Drive detailed design stage, define operating models and select brands for development sites in London (Westminster Bridge Road, Leman Street and Park Royal)
- Activate and drive a range of asset optimisation projects within the existing portfolio
- Explore new growth opportunities
- Post balance sheet, the Group sold its development site in New York

Operations:
- Review operating structures in light of portfolio growth and wider macro-economic environment
- Continue to drive performance of newly opened hotels during 2024/2025
- Implement the actions in the decarbonisation plan, such as continuing to replace gas equipment with more energy efficient electric equipment.
- Continue to focus on learning and development, improved productivity and team member engagement
- Drive the commercial performance of all properties in their respective markets and support the maturity of newly launched properties
- Continue to drive operational efficiencies through technology implementations and efficiency programmes
- Create and implement a new Food & Beverage Operating Model to further enhance performance in terms of procurement benefits and a consistent guest experience

Principal risks and opportunities

Effective delivery of our strategic priorities depends on strong management of the Group's principal risks and the ability to capitalise on emerging opportunities.

Property:
Progress depends on navigating economic and market conditions, maintaining funding resilience, and managing development-related uncertainties, alongside continued attention to ESG expectations.

Principal Risks: 1 2 4 9 11

Operations:
Our ability to optimise the portfolio, enhance performance, and evolve our operating model is further shaped by operational, technology, cyber, and people-related risks. At the same time, opportunities in sustainability, guest experience, and AI-enabled efficiency support the successful execution of our plans and strengthen our long-term resilience.

Principal Risks: 1 2 3 5 6 7 8 9 10

Opportunities: 12 13 14

2. Strategic priority – LEISURE AND OUTDOOR HOSPITALITY

Property:
- Completed repositioning programmes of Arena Stupice and Arena Indije Campsites, with new premium lodges, upgraded facilities and increased star rating from two to four stars

Operations:
- Continued to focus on building the teams and improving the overall guest experience
- Continued to drive the performance of all properties
- Continued to drive efficiencies through technology implementations

Property:
- Drive the performance of the recently repositioned hotels and campsites

Operations:
- Continue to focus on improving the overall guest experience
- Continue to drive the performance of all properties
- Continue to drive efficiencies through technology implementations

Operations:
The delivery of these priorities relies on effective management of several of the Group's principal risks, particularly those relating to market conditions and operational resilience. Enhancing guest experience and property performance is supported by strong oversight of operational, technology, cyber and data-privacy risks, as well as the continued availability of skilled team members.

Principal Risks: 1 2 3 5 6 7 8 9 10

Opportunities: 12 13 14

3. Strategic priority – PLATFORM · HOSPITALITY MANAGEMENT

Operations:
- Embedded art'otel brand in new markets such as London Hoxton and Rome
- Drove brand Standards and quality across all properties through regular brand standards reviews, external brand audits and mystery shoppers, and utilising guest feedback
- Continued to drive efficiencies for the managed properties through centralisation and introduction of new technologies
- Continued to implement new ESG initiatives
- Continued to drive ESG progress through Responsible Business Ambassadors at every property
- Continued to drive recruitment programmes to create jobs and opportunities for local communities
- Migrated all hotels in the Netherlands, Italy and most of the hotels in the UK to a new Oracle's cloud-based Property Management System, unlocking significant data and connectivity options
- Prepared for 2026 launch of new Digital Experience Guest suite of products, which will deliver options for guests on how to check in or out (via mobiles, kiosks), and order food and drink online, as well as e-concierge options, real-time messaging and more. Operator benefits include a significant reduction of administrative and back-office tasks, and enriched data
- Continued to drive the extended partnership with Radisson Hotel Group, with increased collaboration on our art'otel brand and utilisation of Radisson Collection (in Croatia) and Radisson RED (in Belgrade and Berlin), and on a London project following a mixed-use site acquisition

Operations:
- Continue to develop art'otel brand following the four openings between 2022 and 2025, and in partnership with Radisson Hotel Group
- Continue to drive multi-brand and diversification strategy
- Focus on driving the maturing of newly opened properties
- Continue to drive efficiencies for the managed properties through centralisation and introduction and adoption of new technologies
- Continue to drive the ESG strategy
- Continue to drive learning and development programmes, further aided by the introduction of a new people management system
- Implement organisational changes following a period of significant growth and in line with market dynamics
- Finalise migration of all properties in the UK to new Property Management System
- Launch new Digital Experience Guest technologies

Operations:
Continued brand development, alongside planned technology and organisational change, depends on a resilient operating model supported by skilled and engaged teams. The successful rollout of new technology initiatives requires robust cyber security, data-privacy protections and resilient systems. Effective management of these risks enables the Group to enhance guest experience, improve operational efficiency and strengthen its brands across the portfolio.

Principal Risks: 1 2 3 5 6 7 8 9 10

Opportunities: 12 13 14

Key: Principal risks

1. Adverse economic climate
2. Market dynamics – Consumer spending slowdown
3. Cyber threat – unrestricted cyber security incidents
4. Funding and liquidity risk
5. Data privacy – risk of data breach
6. Technology disruption – prolonged failure of core technology
7. Operational disruption
8. Difficulty in attracting, engaging, and retaining a suitably skilled workforce
9. Negative stakeholder perception of the Group regarding ESG matters
10. Serious threat to guest, team member or third party health, safety and security
11. Development project delays or unforeseen cost increases

Opportunities for 2026

12. Embedding sustainability into our brand experience, attracting values-driven travellers and enhancing long-term customer loyalty
13. Enhancing guest experience - meeting growing demand for personalisation and experience-led travel that deepen guest engagement and strengthen brand loyalty
14. Harness AI driven technology to enhance efficiency, personalise guest experiences, and redeploy team members toward higher-value, guest-facing activities, strengthening service quality while optimising operational performance

Bringing the creativity, community and culture of Rome

art'otel Rome Piazza Sallustio

CORE, UPPER UPSCALE, CITY CENTRE HOTELS · 1. Strategic priority

art'otel Rome Piazza Sallustio

Rome remains one of Italy's prime hotel investment markets, fuelled by strong tourism demand from Europe, the Middle East and the US. Following a transformative refurbishment project, we proudly launched the five-star art'otel Rome Piazza Sallustio in March 2025, featuring our second YEZI Restaurant & Bar. The boutique lifestyle hotel has been met with exceptional guest feedback, gold-tier media coverage and strong digital engagement.

Situated in a charming local neighbourhood, walking distance from landmarks including Villa Borghese and the Spanish Steps, the hotel offers 99 guest rooms, including 11 suites with private terraces, a Pan-Asian restaurant and bar, art gallery, creative meeting spaces, and a technogym and sauna. Under the artistic vision of world-renowned Roman artist Pietro Ruffo, Italy's Artist of the Year 2024/25, the property stands as the largest permanent collection of his work to exist, complemented by regular cultural programming for guests and locals – from gallery exhibitions to art workshops, wellbeing events, concerts and book clubs.

Early accolades including Travel + Leisure's Top 50 Best Hotels in Italy, Condé Nast Traveler's Best Hotels in Rome and Gambero Rosso's Il Meglio del Lazio 2026, naming YEZI among the region's best restaurants, ensure art'otel Rome Piazza Sallustio stands as one of the city's most exciting new openings.

> "We are extremely proud to open this exciting new art'otel, further solidifying the presence and reputation of the lifestyle art'otel brand internationally."
>
> **Boris Ivesha**
> President & Chief Executive Officer

Creating four-star outdoor hospitality

Arena Stupice Campsite – Croatia

LEISURE AND OUTDOOR HOSPITALITY · 2. Strategic priority

Our hospitality offering in Istria

Unique holiday experiences across Istria

As part of our extensive hospitality offering, we provide unique holiday experiences throughout Croatia's Istrian peninsula. Our diverse portfolio includes hotels, resorts, self-catering apartments, campsites and glamping properties, ensuring a wide range of options to suit every traveller's preference.

Ongoing investments and property repositioning

Over the past 15 years, we have undertaken comprehensive repositioning programmes aimed at enhancing the quality and value of our properties. Significant, value-accretive investments have been made across our portfolio of campsites. As a result of these efforts, we have successfully transformed five out of our eight campsites, bringing them in line with the highest standards of service and comfort, while further strengthening our reputation for excellence in the region.

Upgrades to Arena Indije and Arena Stupice Campsites

Significant investments for the 2025 summer season

Ahead of the 2025 summer season, we successfully completed a series of investments at both Arena Indije and Arena Stupice Campsites. These efforts resulted in the transformation of each site, elevating their status from two-star to four-star rated properties. In addition, a selection of premium mobile homes was introduced, further enhancing the accommodation options and positively impacting overall earnings.

Enhancements at Arena Indije Campsite

At Arena Indije Campsite, extensive improvements were carried out to elevate the guest experience. Upscale mobile homes were installed, providing a higher standard of comfort and convenience. Pitches were improved to accommodate guests seeking exclusive holiday experiences. The sanitary blocks underwent significant upgrades, ensuring modern facilities for all visitors. Further enhancements included the refurbishment of the main restaurant, the addition of a new children's playground, an open-air fitness area and comprehensive landscaping to enrich the overall ambience of the site.

Upgrades at Arena Stupice Campsite

Similarly, Arena Stupice Campsite benefited from a range of upgrades. New upscale mobile homes were added, while pitches were developed in line with today's guest expectations. New sanitary blocks were constructed, and the beach bar received a substantial upgrade. The site now features an improved water sports and recreation centre, a new children's playground, an open-air fitness area, and general landscaping improvements to create a welcoming and attractive environment for all guests.

Our integrated platform delivers multiple benefits

art'otel London Hoxton

HOSPITALITY MANAGEMENT PLATFORM · 3. Strategic priority

Mastering hospitality with our integrated hospitality management platform

The Group's independent hospitality operating platform oversees the management of all properties either fully owned or part owned by PPHE, as well as select properties owned by third parties. This platform is designed to be fully scalable, encompassing all the specialist disciplines needed to acquire, develop, launch and operate hospitality properties effectively.

Our expertise in hospitality asset management

We are a specialist operator of hospitality assets across various market segments, boasting a track record of over 35 years. During this time, we have consistently delivered memorable guest experiences, fostered highly engaged teams and generated accretive returns for our owners.

Scale and reach

Our platform manages hospitality assets exceeding £2.2 billion in value. These assets include city centre hotels, leisure resorts, glamping properties and destination restaurants, showcasing our diverse and extensive management portfolio.

Currently, we are active in eight countries across Europe, further reinforcing our international presence. Our reach extends to 16 destinations, ranging from prime locations in major capital cities such as Amsterdam, Belgrade, Berlin, Budapest, London, Rome and Zagreb, to provincial cities and sought-after leisure destinations.

Trusted partnerships

We are a trusted partner, managing or having managed assets on behalf of prominent private investors and institutions. Some of our current and former partners include Goldman Sachs, Clal Insurance, Galliard Homes, Jordache Enterprises and Battersea Power Station Development Company.

Our ingredients for success

- Award-winning management platform, recognised for its strong culture and highly engaged team members
- A team of approximately 200 experienced hospitality specialists, strategically located across four service hubs: London, Amsterdam, Berlin and Pula, Croatia
- All disciplines are available in-house, driving innovation and continuous improvement for every asset under our management
- Centralised divisions for back-office functions such as housekeeping, recruitment and customer service, providing a comprehensive plug-and-play solution for property owners
- Proprietary learning and development platform, with access to third party training academies to further support our team's growth and expertise

Market segments and the importance of brands

Our extensive experience spans a broad range of hospitality offerings, managing hotels and assets across different market segments. This includes select service, upper upscale, lifestyle and luxury hotels, as well as resorts, glamping facilities, city centre hotels, event venues and destination restaurants.

We deploy a mix of established and emerging commercial brands, utilising both Group owned brands, and a number of brands operated under (exclusive) licence from third-party brand owners. We enjoy a particularly strong and long-standing strategic relationship with Radisson Hotel Group.

We believe in the commercial value that the right brand brings to each property – delivering greater awareness, trust and brand equity – while leveraging global distribution and marketing reach.

Our technology investments improve operations and enhance the guest experience

Our 2025 technology investments and deployments have significantly contributed to improved operational efficiencies, simplified workflows and an improved guest experience. They have freed up time from our team members for them to focus on delivering consistent and memorable guest experiences. We have also created an independent data repository, bringing together data collected through various systems and platforms, providing greater insights and actionable opportunities to improve processes and deliver higher levels of personalisation.

Supporting a more seamless stay

Mobile and kiosk check-ins and check-outs, digital room keys (mobile and wearables) and intuitive online platforms let guests interact at their own pace, easing congestion and helping teams manage peak demand. Our improved digital solutions include food and drink ordering, contactless payments, guest messaging and AI-powered agents available 24/7, all tailored to guest preferences.

Guest benefits:

- Mobile check-in and check-out and secure digital key
- Flexible, self-directed arrival and departure experience
- Personalised stays
- 24/7 direct messaging
- Online ordering of food and drink

More time for delivery

In 2025, most of our properties in the UK, the Netherlands and Italy migrated to Oracle's cloud-based Property Management System, improving daily operations and workflow consistency. Our other investments include automated integrations and self-service systems, reducing manual work, speeding up responses and providing actionable insights for management.

Operational benefits:

- Improved resolution of guest requests
- Reduced administration for hotel teams
- Improved consistency across properties
- Easier solution for innovation and customisation

Better planning and resource allocation

AI and Robotic Process Automation (RPA) are driving changes in operations and resource management, with proven benefits particularly for our finance and customer service functions. Building on our 2025 successes, we have identified a significant number of tasks or processes which are fit for automation. Supported by our proprietary business intelligence platform, we expect to be in an excellent position to boost efficiency and deliver topline growth.

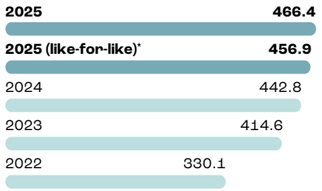
Servicing benefits:

- Improved forecasting, scenario planning and resource allocation
- Real-time insights across property and Group level
- Automation of repeat processes and tasks
- Improved response times to customer queries, new business enquiries and internal requests

Key performance indicators

Financial KPIs[1]

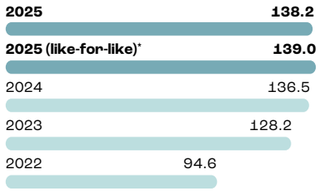
Total revenue £m



KPI definition

Total revenue includes all operating revenue generated by the Group's owned and leased hotels, management fees, franchise fees and marketing fees.

EBITDA* £m



KPI definition

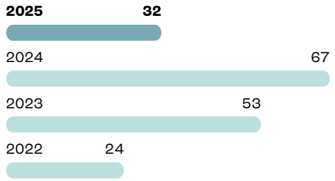
Earnings before interest* (financial income and expenses), tax, depreciation and amortisation, impairment loss, share in results of joint ventures and exceptional items presented as other income and expense.

Normalised profit before tax* £m

KPI definition

Profit before tax adjusted to remove exceptional or one-time influences which are not part of the Group's regular operations.

Reported basic earnings per share pence

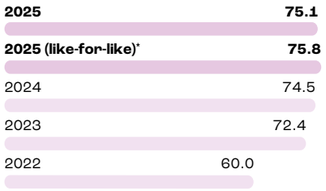


KPI definition

Earnings for the year, divided by the weighted average number of ordinary shares outstanding equals basic earnings per share during the year.

Operating KPIs[1]

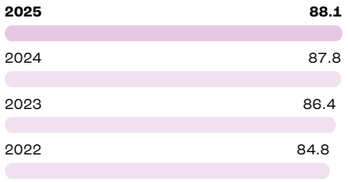
Occupancy %



KPI definition

Total rooms occupied divided by the available rooms.

Guest rating score %

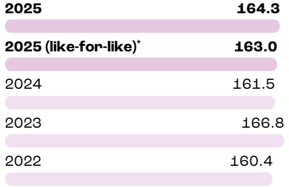


KPI definition

Guest satisfaction and a strong reputation are vital to our long-term success. We measure these through guest surveys and reviews completed on major travel review websites and booking platforms. The reported guest rating score is based on guest reviews from external platforms, reflecting our focus on delivering quality and exceptional experiences.

1 Further details on the key financial, operating and property KPIs can be found in the Financial Review on pages 32 to 53.

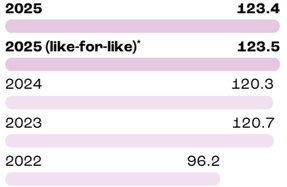
Average room rate* £



KPI definition

Total room revenue divided by the number of rooms sold.

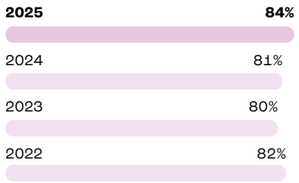
RevPAR* £



KPI definition

Revenue per available room; total room revenue divided by the number of available rooms.

Employee engagement %



KPI definition

Team member engagement is measured across the entire Group through surveys conducted throughout the year. Results are presented in dashboards, with integrated action planning tools, to support continuous improvement.

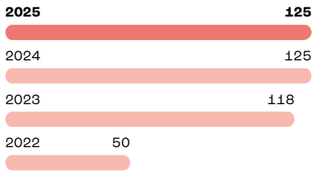
Property KPIs[1]

EPRA NRV per share* £m

KPI definition

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) divided by the dilutive number of shares. Adjustments to the recognised equity are calculated on the share allocated to the parent company's shareholders (net of non-controlling interest).

Adjusted EPRA EPS* pence



KPI definition

Shareholders' earnings from operational activities with the Company's specific adjustments. The main adjustment is adding back the reported depreciation charge, which is based on assets at historical cost, and replacing it with a charge calculated as 4% of the Group's total revenue, which represents the Group's expected average cost to maintain the real estate in good quality. The adjusted shareholders' earnings from operational activities are divided by the weighted average number of ordinary shares outstanding during the year.

Topline growth with newly opened hotels ramping up

"Despite the challenging macro backdrop and operating in a highly inflationary environment, the Group's strong focus on cost control enabled us to achieve EBITDA* growth."

Daniel Kos
Chief Financial Officer & Executive Director

Daniel Kos
Chief Financial Officer
& Executive Director

Overview of 2025

The year unfolded as a story of gradually strengthening performance, strategic expansion and improving balance sheet resilience amid a still volatile macro-economic backdrop. The Group reported a 5.3% increase in total revenue through rate and occupancy growth.

The Group experienced a slow start to the first half of the year, with ongoing normalisation of room rates across several markets. Strong occupancy growth, particularly in the second quarter, resulted in overall RevPAR* and total revenue growth in the first six months of the year. The second half of the year saw average room rates* increasing and, with occupancy growth, this resulted in an acceleration of the revenue growth for the year.

Whilst occupancy is an important contributor to RevPAR*, margins remain sensitive to movements in room rates and cost inflation. EBITDA* increased by 1.3%, the EBITDA margin* declined by 120 basis points, particularly due to the dilutive effect that newly opened hotels have with a maturing EBITDA* profile. Operational efficiency initiatives helped mitigate the impact of cost inflation and government-driven wage and tax increases.

The art'otel London Hoxton continued to ramp up, with the office space actively marketed and the top-floor restaurant and suites opening in the fourth quarter. The art'otel successfully opened in April, receiving strong guest feedback, and the Group further strengthened its future pipeline through the acquisition of a landsite near the City of London.

Liquidity and balance sheet resilience improved through a series of refinancings, extending average maturities and enhancing the Group's funding position. The Group also acquired the freehold of an existing leasehold hotel and adjacent development site located at Park Royal in London.

Financial results

Key financial statistics for the financial year ended 31 December 2025.

	Reported			Like-for-like*[1]		
	Year ended 31 December 2025	Year ended 31 December 2024	% change[2]	**Year ended 31 December 2025**	Year ended 31 December 2024	% change[2]
Occupancy[3]	**75.1%**	74.5%	60bps	**75.8%**	74.5%	130bps
Average room rate*[3]	**£164.3**	£161.5	1.7%	**£163.0**	£161.9	0.7%
RevPAR*[3]	**£123.4**	£120.3	2.6%	**£123.5**	£120.6	2.4%
Total revenue	**£466.4 million**	£442.8 million	5.3%	**£456.9 million**	£440.8 million	3.7%
Total room revenue[3]	**£330.4 million**	£317.2 million	4.2%	**£323.0 million**	£315.4 million	2.4%
EBITDA*	**£138.2 million**	£136.5 million	1.3%	**£139.0 million**	£136.1 million	2.1%
EBITDA margin*	**29.6%**	30.8%	(120)bps	**30.4%**	30.9%	(50)bps
Adjusted EPRA EPS*	**125p**	125p	(0.7)%	**n/a**	n/a	n/a
EPRA NRV per share*	**£27.35**	£27.51	(0.6)%	**n/a**	n/a	n/a
Reported PBT	**£1.5 million**	£30.6 million	(95.2)%	**n/a**	n/a	n/a
Normalised PBT*	**£34.2 million**	£38.8 million	(11.9)%	**n/a**	n/a	n/a
Reported EPS	**32p**	67p	(53.0)%	**n/a**	n/a	n/a
Reported diluted EPS	**31p**	66p	(53.0)%	**n/a**	n/a	n/a

1 The like-for-like* figures exclude the 2025 results from the newly opened art'otel Rome Piazza Sallustio, the results of the first three months of 2025 from art'otel London Hoxton and the last four months of 2024 of the recently terminated leasehold of Park Plaza Wallstreet Berlin Mitte.
2 Percentage change figures are calculated from actual figures as opposed to the rounded figures included in the above table.
3 The room revenue, average room rate*, occupancy and RevPAR* statistics include all accommodation units at hotels and self-catering apartment complexes and exclude campsites and mobile homes.

Revenue

Reported total revenue was up 5.3% to £466.4 million and like-for-like* total revenue rose 3.7% to £456.9 million. Like-for-like* revenue was supported by increased RevPAR* levels and solid meetings and events revenue growth and reported revenues were further positively impacted by the increased contribution of newly opened hotels.

2025 RevPAR* was £123.4, an increase of 2.6%. This reflected good growth in occupancy and an 1.7% increase in average room rates* to £164.3.

EBITDA*, profit and earnings per share

The Group reported EBITDA* of £138.2 million for 2025, compared to £136.5 million in the previous year. The EBITDA margin* showed a marginal year-on-year decline to 29.6%, down from 30.8% in 2024. This decline was largely caused due to the dilutive effect that newly opened hotels have with a maturing EBITDA* profile. As was the case last year, the Group this year focused on enhancing efficiencies within back-office functions through automation and increasing productivity levels.

Reported basic earnings per share for the period was 32 pence, compared to 67 pence in 2024. Depreciation for the year, including impairments of £23.7 million, amounted to £72.3 million (2024: £47.1 million). While depreciation is recorded in accordance with IFRS, internally, we consider the ongoing average capital expenditure (CAPEX) over the lifespan of our hotels as a more pertinent measure for determining profit. In the hospitality industry, this is approximately 4% of total revenue. Our EPRA earnings* are calculated using this 4% rate instead of the reported non-cash depreciation change (refer to the EPRA earnings* table on page 37).

Normalised profit before tax* declined to £34.2 million, compared to £38.8 million in 2024. Reported profit before tax decreased by £29.1 million to £1.5 million (2024: £30.6 million), mainly due impairments of £23.7 million recorded this year. Further details can be found in the normalisation adjustments table on page 34.

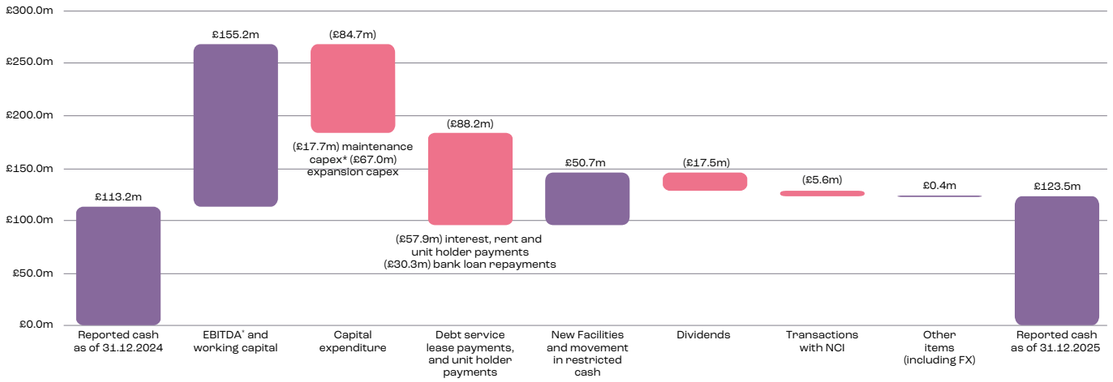
Cash flow and EPRA earnings*

In 2025, the Group had a positive operational cash flow of £155.2 million. Debt service costs decreased to £88.2 million (2024: £95.2 million), mainly due to a decrease of loan amortisation to £30.3 million (2024: £41.2 million) offset by an increase in net interest expenses to £54.0 million (2024: £49.9 million). Main driver for the change compared to last year is the refinance of the Dutch hotel portfolio last year and the finance costs contribution of newly opened hotels.

Investment cash flows reported an outflow of £84.7 million, with around £67.0 million due to developments and acquisitions and £17.7 million dedicated to maintenance CAPEX* projects. The £300+ million investment pipeline is now largely complete.

The Group reported adjusted EPRA earnings* of £52.9 million (2024: £53.2 million), with adjusted EPRA earnings per share* of 125 pence (2024: 125 pence). Adjusted EPRA earnings* was affected by the increase in the net interest expenses offset by the increased ownership stake of the Group in Arena Hospitality Group.

Free cash flow allocated to expansion and dividend distributions



Normalised profit before tax*

£million	12 months ended 31 December 2025	12 months ended 31 December 2024
Reported profit before tax	**1.5**	30.6
Loss on buy-back of units in Park Plaza London Westminster Bridge from private investors	**1.1**	1.5
Non-cash re-measurement of lease liability	**4.1**	4.0
Refinance expenses	**–**	2.6
Gain on lease termination	**(2.1)**	–
Non-cash changes in fair value of Park Plaza County Hall London Income Units	**(0.2)**	(0.5)
Pre-opening expenses and other non-recurring expenses	**1.5**	3.9
Capital loss on disposal of fixed assets and inventory, net	**0.2**	0.2
Non-cash changes in fair value of financial instruments	**4.4**	(3.5)
Property impairment	**23.7**	–
Normalised profit before tax*	**34.2**	38.8

Real estate performance

Valuations

The Group is an integrated developer, owner and operator of hotels, resorts and campsites with a business model centred on real estate. We generate returns and enhance value for all stakeholders by developing our owned assets and optimising the operation of our properties. Certain EPRA performance measures are disclosed to assist investors in analysing the Group's performance and assessing the value of its assets and earnings from a property perspective.

In December 2025, the Group's properties (excluding operating leases and managed and franchised properties) were independently valued primarily by Savills for properties in the Netherlands, the UK, Germany and Italy, and by Zagreb Nekretnine Ltd (Zane) for the properties in Croatia.

Based on these valuations, we have calculated the Group's EPRA NRV*, EPRA NTA* and EPRA NDV*. As of 31 December 2025, the EPRA NRV*, as detailed in the EPRA performance measurement section below, amounts to £1,157.4 million (2024: £1,163.3), equating to £27.35 per share (2024: £27.51 per share).

The EPRA NRV* was positively impacted by the £13.2 million profit for the year, as well as a £22.2 million increase resulting from favourable foreign currency translation to the British Pound and the increased ownership stake in Arena Hospitality Group. However, this was offset by a £15.9 million reduction due to dividend distributions and £75m due to negative property revaluations in the UK following increases in business rates.

The table below provides additional information regarding the discount and cap rates used.

Actualised trading versus assumption in 2024 valuations

	Discount rates		Cap rates	
	2025 Valuations	2024 Valuations	**2025 Valuations**	2024 Valuations
United Kingdom	**7.75%–10.75%**	7.75%–10.50%	**5.25%–8.25%**	5.25%–8.00%
The Netherlands	**8.00%–10.25%**	8.25%–9.75%	**5.50%–7.75%**	5.75%–7.25%
Germany	**8.25%–9.25%**	8.25%–9.25%	**5.75%–6.75%**	5.75%–6.75%
Croatia	**8.00%–11.00%**	8.00%–11.00%	**6.00%–9.00%**	6.00%–9.00%

EPRA performance measurement

EPRA summary

	Summary of EPRA performance indicators			
	Year ended 31 December 2025		Year ended 31 December 2024	
	£ million	**Per share**	£ million	Per share
EPRA NRV (Net Reinstatement Value)*	**1,157.4**	**£27.35**	1,163.3	£27.51
EPRA NTA (Net Tangible Assets)*	**1,129.1**	**£26.69**	1,134.1	£26.82
EPRA NDV (Net Disposal Value)*	**1,076.8**	**£25.45**	1,101.3	£26.05
EPRA earnings*	**66.9**	**160p**	60.7	143p
Adjusted EPRA earnings*	**52.9**	**125p**	53.2	125p

EPRA NRV*

	31 December 2025			31 December 2024		
£ million	**EPRA NRV***	**EPRA NTA*[4]**	**EPRA NDV***	EPRA NRV*	EPRA NTA*[4]	EPRA NDV*
NAV per the financial statements	**321.4**	**321.4**	**321.4**	312.7	312.7	312.7
Effect of exercise of options	**0.7**	**0.7**	**0.7**	0.5	0.5	0.5
Diluted NAV, after the exercise of options[1]	**322.1**	**322.1**	**322.1**	313.2	313.2	313.2
Includes:						
Revaluation of owned properties in operation (net of non-controlling interest)[2]	**803.2**	**803.2**	**803.2**	824.5	824.5	824.5
Revaluation of the joint venture interest held in two German properties (net of non-controlling interest)[2]	**8.1**	**8.1**	**8.1**	6.3	6.3	6.3
Fair value of fixed interest rate debt	**–**	**–**	**(11.5)**	–	–	(6.8)
Deferred tax on revaluation of properties	**–**	**–**	**(45.1)**	–	–	(35.9)
Real estate transfer tax[3]	**21.7**	**–**	**–**	21.6	–	–
Excludes:						
Fair value of financial instruments	**14.3**	**14.3**	**–**	18.3	18.3	–
Deferred tax	**(16.6)**	**(16.6)**	**–**	(16.0)	(16.0)	–
Intangibles as per the IFRS balance sheet	**–**	**6.6**	**–**	–	7.6	–
NAV	**1,157.4**	**1,129.1**	**1,076.8**	1,163.3	1,134.1	1,101.3
Fully diluted number of shares (in thousands)[1]	**42,311**	**42,311**	**42,311**	42,288	42,288	42,288
NAV per share (in £)	**27.35**	**26.69**	**25.45**	27.51	26.82	26.05

1 The fully diluted number of shares excludes treasury shares but includes 454,824 outstanding dilutive options (as at 31 December 2024: 498,248).
2 The fair values of the properties were determined on the basis of independent external valuations prepared in December 2025.
3 EPRA NTA* and EPRA NDV* reflect fair value net of transfer costs. Transfer costs are added back when calculating EPRA NRV*.
4 NTA is calculated under the assumption that the Group does not intend to sell any of its properties in the long run.

EPRA earnings*

	12 months ended 31 December 2025 £ million	12 months ended 31 December 2024 £ million
Earnings attributed to equity holders of the parent company	**13.2**	28.2
Depreciation, amortisation and impairment	**72.3**	47.1
Revaluation of Park Plaza County Hall London Income Units	**(0.2)**	(0.5)
Changes in fair value of financial instruments	**4.4**	(3.5)
Non-controlling interests in respect of the above[3]	**(22.8)**	(10.6)
EPRA earnings*	**66.9**	60.7
Weighted average number of ordinary shares outstanding (in thousands)	**41,840**	42,045
EPRA earnings per share* (in pence)	**160**	143
Company specific adjustments[1]:		
Capital loss on buy-back of Income Units in Park Plaza London Westminster Bridge	**1.1**	1.5
Re-measurement of lease liability[4]	**4.1**	4.0
Disposals and other non-recurring expenses (including pre-opening expenses)[7]	**1.7**	4.1
Refinance expenses	**–**	2.6
Adjustment of lease payments[5]	**(2.5)**	(2.6)
One-off tax adjustments[6]	**(0.7)**	(1.7)
Maintenance CAPEX*[2]	**(18.7)**	(17.7)
Lease termination[8]	**(2.1)**	–
Non-controlling interests in respect of maintenance CAPEX* and the adjustments above[3]	**3.1**	2.3
Company specific adjusted EPRA earnings*	**52.9**	53.2
Company specific adjusted EPRA earnings per share* (in pence)	**125**	125
Reconciliation Company adjusted EPRA earnings* to normalised PBT*:		
Company adjusted EPRA earnings*	**52.9**	53.2
Reported depreciation and amortisation	**(72.3)**	(47.1)
Non-controlling interest in respect of reported depreciation	**22.8**	10.6
Maintenance CAPEX*[2]	**18.7**	17.7
Non-controlling interest on Maintenance CAPEX* and the Company specific adjustments[3]	**(3.1)**	(2.3)
Adjustment of lease payments[5]	**2.5**	2.6
One-off tax adjustments[6]	**0.7**	1.7
Profit attributable to non-controlling interest[3]	**(12.6)**	(0.5)
Impairment[9]	**23.7**	–
Reported tax	**0.9**	2.9
Normalised profit before tax*	**34.2**	38.8

1 The 'Company specific adjustments' represent adjustments of non-recurring or non-trading items.
2 Calculated as 4% of revenues, which represents the expected average maintenance capital expenditure required in the operating properties.
3 Non-controlling interests include the non-controlling shareholders in Arena, third party investors in Income Units of Park Plaza London Westminster Bridge and the non-controlling shareholders in the partnerships with Clal that were entered into in June 2021 and in March 2023.
4 Non-cash revaluation of finance lease liability relating to minimum future CPI/RPI increases.
5 Lease cash payments which are not recorded as an expense in the Group's income statement due to the implementation of IFRS 16.
6 Mainly relates to deferred tax asset on carry forward losses recorded in 2024 and 2025.
7 Mainly relates to pre-opening expense and net profit and loss on disposal of property, plant and equipment.
8 Profit recorded as a result of the early termination of the Park Plaza Wallstreet Berlin Mitte lease.
9 Impairments of PP&E (see Note 4b in the annual consolidated financial statements).

Category	Year ended 31 December 2025 £ million Group[1]	Year ended 31 December 2024 £ million Group[1]
Acquisitions	**18.4**	–
Development	**41.6**	53.3
Investment properties	**17.7**	16.0
Incremental lettable space	**–**	–
No incremental lettable space	**17.7**	16.0
Tenant incentives	**–**	–
Other material non-allocated types of expenditure	**–**	–
Capitalised interest	**0.2**	1.9
Total CAPEX	**77.9**	71.2
Conversion from accrual to cash basis	**1.9**	2.9
Total CAPEX on cash basis	**79.8**	74.1

1 Proportionate consolidation was not applied to the joint ventures as it is considered as not material.

Other EPRA measurements

Given that the Group's asset portfolio is comprised of hotels, resorts and campsites which are also operated by the Group, a few of EPRA's performance measurements, which are relevant to real estate companies with passive rental income, have not been disclosed as they are not relevant or non-existent. Those EPRA performance measurements include EPRA Net Initial Yield (NIY), EPRA 'Topped-up' NIY, EPRA Vacancy Rate and EPRA Cost Ratios.

Capital structure

As part of our strategy, we unlock capital from our assets through various methods. This includes raising debt, securing equity via multiple partnership forms or sometimes entering into ground rent structures exceeding 100 years. This funding approach allows us to leverage the fair value of our assets, while balancing liquidity and interest rate risk within our capital structure.

Our partnerships, including third party unit holders in Park Plaza London Westminster Bridge, shareholders in our listed Croatian subsidiary and individual professional partners across several assets, provide long-term equity, thereby sharing the risks and returns on each asset. In 2025, the Group acquired a further stake in its subsidiary Arena Hospitality Group d.d. ('AHG') from minority shareholders and, following this acquisition, the Group holds 66.1% of the share capital of AHG.

The 100+ year ground rent structures offer long-term access to capital without covenants, recourse to the Group, refinance risk or interest rate exposure. These arrangements are typically linked to inflation, often capped at approximately 4–5% annually.

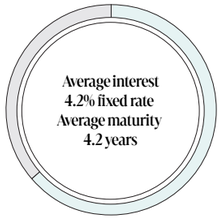
In 2025, the Group bought back the freehold of the existing leasehold hotel and adjacent development site located at Park Royal in London for £10 million, equating to a yield of 4.8%.

Furthermore, our asset-backed mortgages are mainly established with long-standing banking partners, featuring one- to ten-year maturities and either fixed or variable rates with hedging arrangements. These mortgages include covenants relating to asset value (loan-to-value) and trading performance (interest or debt service cover ratios*). The debt raised on trading assets generally represents about up to 50% of their value, with appropriate buffers maintained towards loan covenants. Additionally, some loans are amortised annually with a fixed percentage of the nominal amount over the term. The current net bank debt leverage (EPRA LTV*) percentage stands at 34.8%.

During the year, the Group successfully refinanced three loan facilities totalling approximately £220 million that were due to mature in early 2026. The £88 million facility previously financed by MassMutual was refinanced with ABN AMRO Bank and Santander. Importantly, the interest rate on this facility had been prehedged in 2022—prior to the significant uplift in global interest rates—locking in an all-in rate of 3.9%. The remaining two maturing loans were refinanced with existing lenders at prevailing market rates.

The Group's average interest is now 4.2% (89.1% fixed or hedged), with an average remaining maturity of 4.2 years.

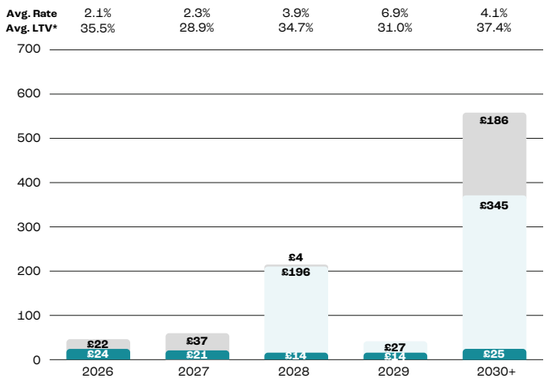
Gross debt composition and metrics



£582m GBP denominated
£330m EUR denominated

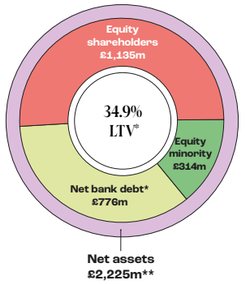
Debt maturity schedule

(£ in millions)



Regular amortisation
EUR facility
GBP facility

Net bank debt leverage (LTV)*

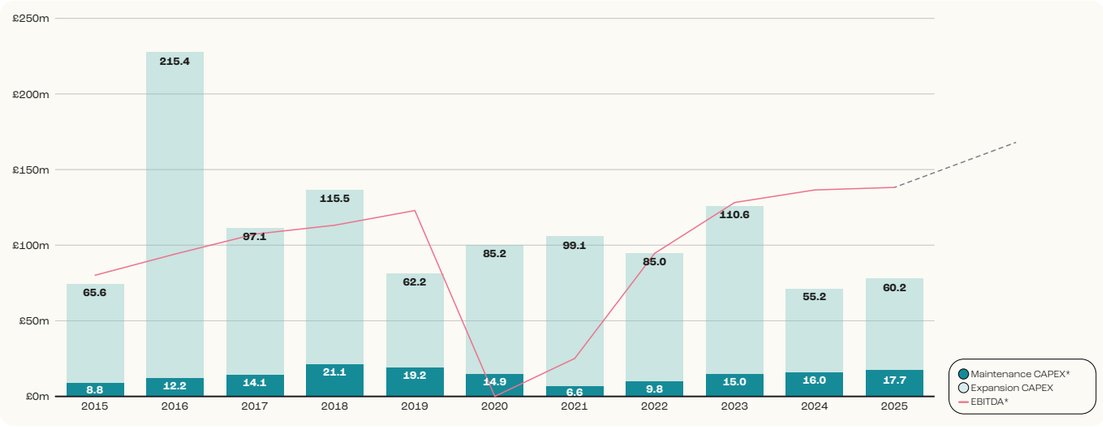


** Includes assets at market value, with ground rent liabilities included in the asset valuation. Units at Park Plaza London Westminster Bridge owned by private investors are netted off with the unit holder liability.

Net debt* leverage/EPRA LTV* reconciliation

	Group as reported under IFRS £ million	Adjustments to arrive at EPRA Group LTV* £ million	Group EPRA LTV* before non-controlling interest adjustment £ million	Proportionate consolidation (non-controlling interest) £ million	Combined EPRA LTV* £ million
Include:					
Borrowings (short-/long-term)	913.5	-	913.5	(187.2)	726.3
Exclude:					
Cash and cash equivalents and restricted cash	(138.0)	-	(138.0)	18.3	(119.7)
Net debt* (a)	**775.5**	**-**	**775.5**	**(168.9)**	**606.6**
Include:					
Property, plant and equipment	1.460.7	759.0	2,219.7	(485.0)	1,734.7
Right-of-use assets	222.9	(222.9)	-	-	-
Lease liabilities	(281.6)	281.6	-	-	-
Liability to Income Units at Westminster Bridge hotels	(108.0)	108.0	-	-	-
Intangible assets	6.6	-	6.6	(0.4)	6.2
Investments in joint ventures[1]	8.1	12.3	20.4	(7.0)	13.4
Other assets and liabilities, net	(20.6)	(1.5)	(22.1)	9.4	(12.7)
Total property value (b)	**1,288.1**	**936.5**	**2,224.6**	**(483.0)**	**1,741.6**
EPRA LTV* (a/b)	**60.2%**		**34.9%**		**34.8%**
Adjustments to reported EPRA NRV*:					
Real estate transfer tax	-	27.0	27.0	(5.3)	21.7
Effect of exercise of options	-	0.7	0.7	-	0.7
Total property value after adjustments (c)	**1,288.1**	**964.2**	**2,252.3**	**(488.3)**	**1,764.0**
Total equity (c-a)	**512.6**	**964.2**	**1,476.8**	**(319.4)**	**1,157.4**

1 Proportionate consolidation was not applied to the joint ventures as it is considered as not material.



Capital expenditure/development pipeline update

With the tail of our expansion CAPEX of £60.2 million, we have now come to an end of a multi-year £300+ million expansion, with five hotels opening in the last 24 months.

The construction phase of our new hotel in Hoxton, London (art'otel London Hoxton) was largely completed in December 2025, following a phased opening and continues to be carefully managed to maximise the long-term financial potential of the property. The 25th-floor French Mediterranean restaurant, Solaya, opened in September. The 5,000m² of premium office space is currently being marketed to prospective tenants.

In Rome, the full repositioning and construction of art'otel Rome Piazza Sallustio was completed, and the hotel opened in March. The hotel continues to establish its market position and to receive excellent feedback.

We are continuously striving to enhance our existing portfolio and seek out promising opportunities to acquire additional assets to expand the Group's holdings. In 2025, the Group , via the European Hospitality Fund, acquired a development site near the City of London for £17.5 million, earmarked for PPHE's first select service hotel in London. The Group expects an investment of c.£90 million for this project, including the site acquisition price, with an expected running unlevered yield of a high single digit at stabilisation.

The diagram above summarises our investments over the past decade, with the capital expenditures of the last four years attributable to recent openings.

Dividend

The Board proposes increasing the final dividend to 22 pence per share (2024: 21 pence). Combined with the interim dividend of 17 pence, the total for the financial year will be 39 pence per share, a 2.6% increase from 2024.

Pending approval at the 2026 Annual General Meeting in May 2026, the final dividend will be paid on 29 May 2026 to all shareholders who are on the register as of 24 April 2026.

This follows the Company's policy of distributing around 30% of adjusted EPRA earnings*, supporting both returns and future growth investments.

Daniel Kos
Chief Financial Officer & Executive Director

Unlocking Growth in the United Kingdom

Property portfolio

Total value of the UK property portfolio[2]
£1,253 million (2024: £1,328 million)

The Group has a well-invested 12-strong property portfolio of more than 4,200 rooms in the upper upscale segment of the UK hotel market. This consists of four hotels located in London's popular South Bank area and further properties in Hoxton, Victoria, Marylebone, Battersea and Park Royal. Three of the Group's properties are in the UK regional cities of Nottingham, Leeds and Cardiff.

The Group has an ownership interest in ten properties: Park Plaza London Westminster Bridge, Park Plaza London Riverbank, Park Plaza London Waterloo, Park Plaza County Hall London[3], Park Plaza Victoria London, Park Plaza London Park Royal, art'otel London Hoxton, Holmes Hotel London, Park Plaza Leeds and Park Plaza Nottingham. Park Plaza Cardiff[3] operates under a franchise agreement and art'otel London Battersea Power Station[3] operates under a long-term management agreement through the Group's hospitality platform.

The Group also has four development sites in London, which are expected to add more than 1,100 rooms to its UK portfolio over the medium term.

art'otel London Hoxton

Our flagship art'otel London Hoxton continued to grow from strength to strength, with operations gaining momentum, guests positively rating their hotel experience, and all areas and outlets of the property now fully launched.

visit artotellondonhoxton.com

Financial performance

	Reported in Pound Sterling (£)			Like-for-like*[1] in Pound Sterling (£)		
UK	**Year ended 31 Dec 2025**	Year ended 31 Dec 2024	% change[4]	**Year ended 31 Dec 2025**	Year ended 31 Dec 2024	% change[4]
Total revenue	**£263.4m**	£248.6m	6.0%	**£258.6m**	£248.6m	4.0%
Room revenue	**£202.6m**	£192.2m	5.4%	**£198.9m**	£192.2m	3.5%
EBITDA*	**£83.0m**	£77.4m	7.3%	**£83.1m**	£77.4m	7.4%
EBITDA margin*	**31.5%**	31.1%	40 bps	**32.1%**	31.1%	100 bps
Occupancy	**85.3%**	83.0%	230 bps	**85.9%**	83.0%	290 bps
Average room rate*	**£185.1**	£186.0	(0.5)%	**£185.2**	£186.0	(0.4)%
RevPAR*	**£158.0**	£154.4	2.3%	**£159.1**	£154.4	3.1%

1 The like-for-like* figures exclude the results of the first three months of 2025 and 2024 from art'otel London Hoxton.
2 Independent valuation by Savills in December 2025, excluding the London development sites at Westminster Bridge Road and Leman St.
3 Revenues derived from these hotels are accounted for in Management and Holdings, and their values and results are excluded from the data provided in this section.
4 Percentage change figures are calculated from actual figures as opposed to the rounded figures included in the above table.

1 Park Plaza London Park Royal

- Adjacent to the Park Plaza London Park Royal, we have a development site with planning

2 Holmes Hotel London

3 art'otel London Hoxton

4 Park Plaza Victoria London

- At Park Plaza Victoria London, we have a development project with planning

5 Park Plaza London Riverbank

6 art'otel London Battersea Power Station

7 Park Plaza County Hall London
8 Park Plaza London Waterloo
9 Park Plaza London Westminster Bridge

- Westminster Bridge Road (development site, with planning)

- This tag indicates a property currently in development
- Leman Street currently in development

Total value of the UK property portfolio

£1,253m

(2024: £1,328m)

Room count

4,200+

Number of employees across the UK

3,000

Portfolio performance

The United Kingdom remains the most significant operating region for the Group, in terms of revenue generated and the value of its property portfolio.

The solid performance was characterised by a continued increase in occupancy throughout the year as the business mix normalised, with increasing demand from corporates, groups, and meetings and events alongside the leisure segment. Alongside this, the average room rate* was flat compared to 2024.

During the year, art'otel London Hoxton further enhanced its profile in the London market and continues to be very well received by guests, with excellent guest feedback and reviews, recognised with a 9.2 score on Booking.com (on a scale of 1–10), earning a 4.7-star score on Tripadvisor.com (on a scale of 1-5) and ranked in 89th position on Tripadvisor.com (out of 1,186 hotels in London as listed on Tripadvisor.com).

In April 2025, the 24th floor meetings and events space provided the opportunity to expand corporate and meeting and events activities at the hotel. Offering diners stunning panoramic views of London, the 25th floor French Mediterranean restaurant, Solaya, in partnership with Michelin-starred chef Kenny Atkinson, opened in September 2025. The 5,000m^2 of premium office space is being marketed to prospective tenants, and the premium 23th floor suites became fully operational in the fourth quarter.

While, as previously communicated, the carefully managed phased opening has resulted in a slower initial profit contribution from this asset, the Group believes this phased approach will maximise the long-term financial potential of the property.

Reported revenue grew by 6% to £263.4 million, (2024: £248.6 million), driven by improved occupancy from 83.0% to 85.3%, and a slightly lower average room rate* at £185.1 (2024: £186.0). This resulted in RevPAR* of £158.0, an increase of 2.3% (2024: £154.4).

Reported EBITDA* was £83.0 million (2024: £77.4 million), which delivered an EBITDA margin* of 31.5% (2024: 31.1%).

On a like-for-like* basis, which excludes art'otel London Hoxton for the first three months in 2024 and 2025, revenue improved slightly at £258.6 million (2024: £248.6 million).

Like-for-like* EBITDA* increased to £83.1 million (2024: £77.4 million), delivering a like-for-like* EBITDA margin* of 32.1% (2024: 31.1%).

The United Kingdom hotel market**

In the United Kingdom, RevPAR* was up 1.0% at £95.52, driven by a 1.1% increase in the average room rate* to £123.20 and a 0.1% decline in occupancy to 77.5%.

In London, the Group's main market, RevPAR* declined by 0.2% to £157.17 compared with 2024, resulting from a 0.2% increase in occupancy to 81.2% and a 0.4% decline in the average room rate* to £193.51.

**Source STR European Hotel Review, December 2025.

art'otel London Hoxton

The Netherlands

Property portfolio

Total value of the Netherlands property portfolio[2] £333 million (2024: £319 million)

The Group has an ownership interest in three hotels in the centre of Amsterdam (Park Plaza Victoria Amsterdam, art'otel Amsterdam and Park Plaza Vondelpark, Amsterdam), and a fourth property located near Schiphol Airport (Park Plaza Amsterdam Airport). It also owns Park Plaza branded hotels in Utrecht and Eindhoven.

Portfolio performance

Throughout the year, the performance of the Group's Dutch properties was more subdued compared with the prior year, with pressure on both average room rate* and occupancy*.

Total revenue (in local currency) was 3.2% lower at €75.9 million (2024: €78.4 million). The average room rate* was slightly lower at €169.2 (2024: €171.2) and occupancy was lower at 84.2% (2024: 86.5%). As a result, RevPAR* was 3.7% lower at €142.6 (2024: €148.0).

EBITDA* was €23.5 million (2024: €26.2 million), delivering an EBITDA margin* of 30.9% (2024: 33.4%).

The Dutch hotel market**

RevPAR* increased by 2.1% to €110.12 compared with 2024. Occupancy increased by 2.0% to 74.1%, and the average room rate* was €148.59, 0.1% higher than in 2024.

In Amsterdam, the Group's main market in the Netherlands, RevPAR* increased by 0.8% to €132.17. Occupancy levels increased by 2.3% to 77.5% with the average room rate* decreasing by 1.5% to €170.61.

** Source: STR European Hotel Review, December 2025.

Park Plaza Victoria Amsterdam

Financial performance

	Reported in Pound Sterling (£)			Reported in local currency Euro[1] (€)		
The Netherlands	**Year ended 31 Dec 2025**	Year ended 31 Dec 2024	% change[3]	**Year ended 31 Dec 2025**	Year ended 31 Dec 2024	% change[3]
Total revenue	**£65.0m**	£66.2m	(1.8)%	**€75.9m**	€78.4m	(3.2)%
Room revenue	**£47.8m**	£49.1m	(2.6)%	**€55.8m**	€58.1m	(3.9)%
EBITDA*	**£20.1m**	£22.1m	(9.2)%	**€23.5m**	€26.2m	(10.5)%
EBITDA margin*	**30.9%**	33.4%	(250) bps	**30.9%**	33.4%	(250) bps
Occupancy	**84.2%**	86.5%	(220) bps	**84.2%**	86.5%	(220) bps
Average room rate*	**£144.9**	£144.5	0.3%	**€169.2**	€171.2	(1.1)%
RevPAR**	**£122.1**	£124.9	(2.3)%	**€142.6**	€148.0	(3.7)%

1 Average exchange rate from Euro to Pound Sterling for the period ended 31 December 2025 was 1.168 and for the period ended 31 December 2024 was 1.185, representing a 1.4% decrease.
2 Independent valuation by Savills in December 2025.
3 Percentage change figures are calculated from actual figures as opposed to the rounded figures included in the above table.

1 Park Plaza Amsterdam Airport

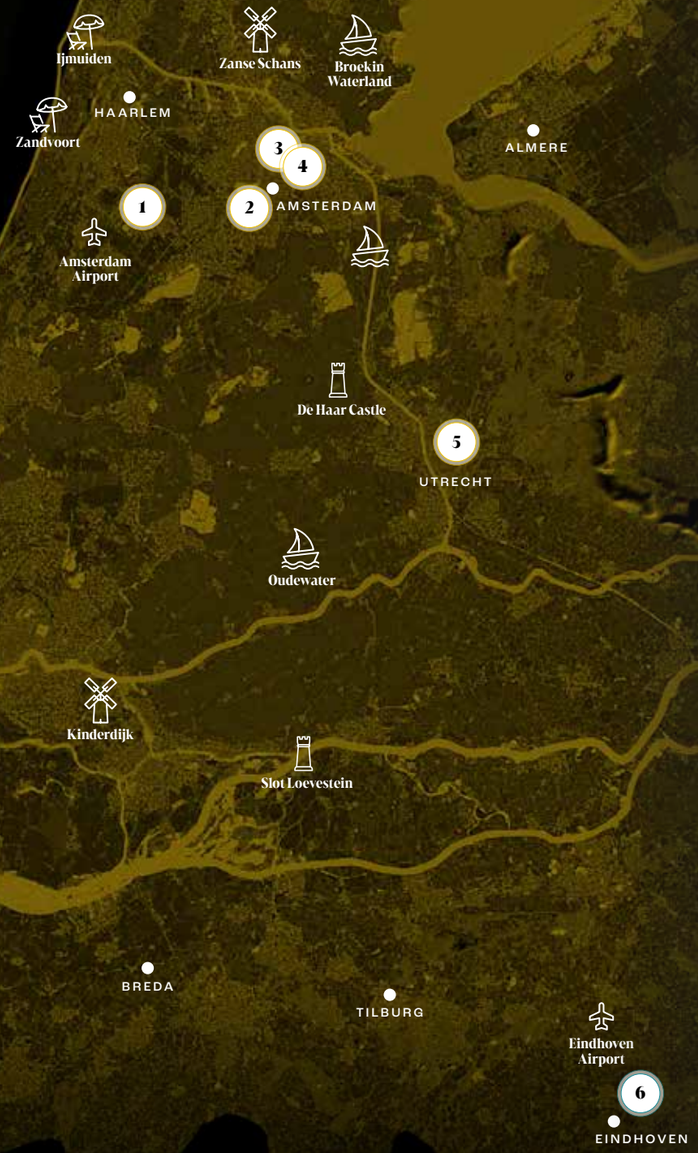
2 Park Plaza Vondelpark, Amsterdam

3 art'otel Amsterdam

4 Park Plaza Victoria Amsterdam

5 Park Plaza Utrecht

6 Park Plaza Eindhoven



Total value of the Netherlands property portfolio[2]

£333m

(2024: ££319m)

Room count

1,000+

Number of employees across the Netherlands

450

Unlocking growth in Croatia

Property portfolio

Total value of the Croatian property portfolio[2] £370 million (2024: £351 million)

The Group's subsidiary Arena Hospitality Group d.d. owns and operates a Croatian portfolio comprising nearly 8,400 rooms and accommodation units across eight hotels, six resorts and eight campsites (including one all-glamping property). Four of these properties are Park Plaza branded, one property is art'otel branded and Grand Hotel Brioni Pula is a Radisson Collection hotel. The remainder of the portfolio operates as part of the Arena Hotels & Apartments and Arena Campsites brands. Except for art'otel Zagreb, all properties are located in Istria, Croatia's most prominent tourist region, which benefits from easy access from Italy, the DACH countries, and Central and Eastern Europe.

Portfolio performance

The Group's operations in Croatia delivered another strong summer season, with a rise in average room rate* driving revenue growth. The portfolio continued to benefit from recent investments in repositioning properties to upper upscale, which has significantly enhanced the proposition for guests, improved guest satisfaction and overall performance.

Croatian operations are primarily seasonal and aimed at the leisure segment. Most hotels, resorts and campsites open for guests from early spring, around Easter time, with demand and activity accelerating during Q2 ahead of the peak season in June, July and August. Most properties are closed during the first and last quarters of the year.

All three operating segments – hotels, resorts and campsites – reported growth in average daily rates, with significant growth reported in the campsites segment.

Arena Stupice Campsite and Arena Indije Campsite were both successfully repositioned from two-star to four-star rated campsites in Q2 2025 following the initiation of works in late 2024. All existing mobile homes were replaced with modern, spacious and premium mobile homes, sanitary blocks were refurbished and modernised to a premium standard, and landscaping, pitches and recreational areas were improved. These investment projects delivered substantial year-on-year growth.

The recently repositioned Grand Hotel Brioni Pula and art'otel Zagreb both operate throughout the year and have continued to build their market presence.

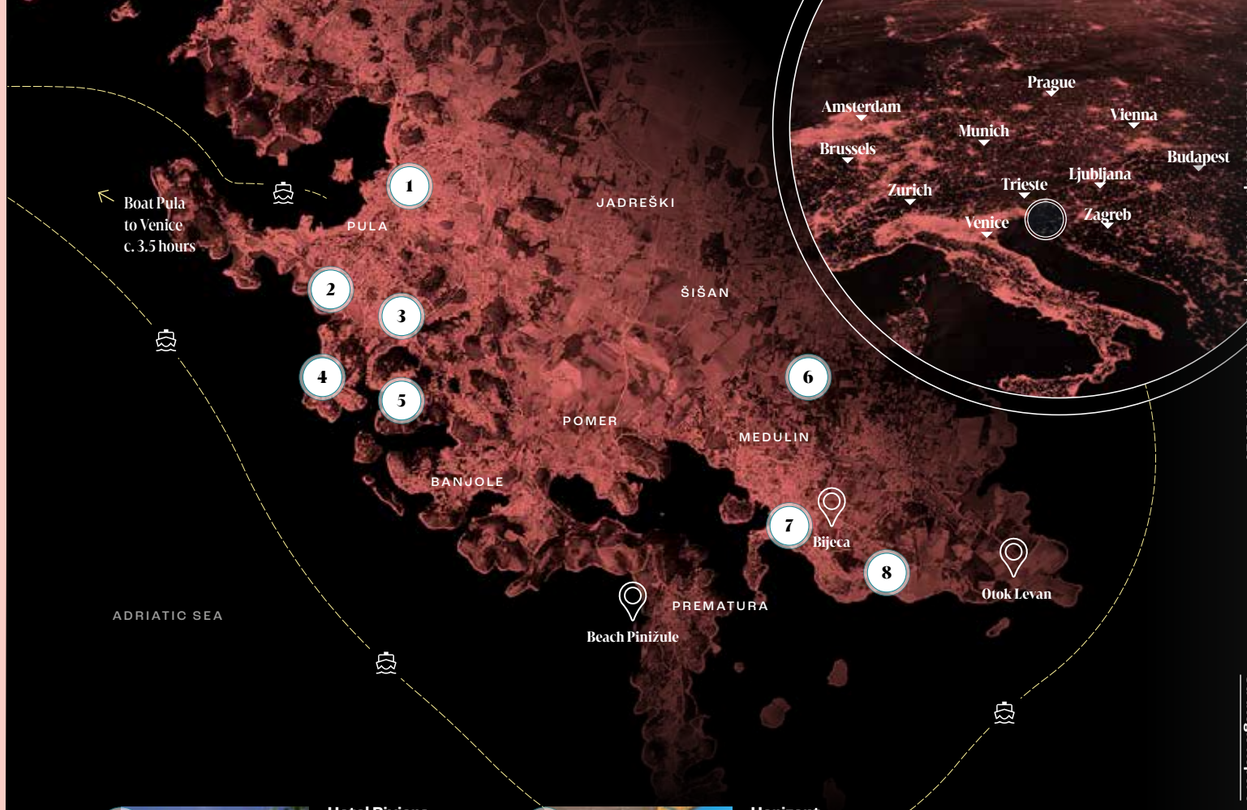
Total reported revenue (in local currency) was up 4.9% to €104.4 million (2024: €99.6 million). RevPAR* increased by 4.7% to €93.9, which reflected a 5.6% higher average room rate* to £173.0 (2024: €163.8), while occupancy was 50 bps lower at 54.3% (2024: 54.8%).

Reported EBITDA* increased by 14.8% to €29.2 million (2024: €25.4 million), which delivered an EBITDA margin* of 28.0% (2024: 25.6%).

Financial performance

	Reported in Pound Sterling (£)			Reported in local currency Euro[1] (€)		
Croatia	**Year ended 31 Dec 2025**	Year ended 31 Dec 2024	% change[3]	**Year ended 31 Dec 2025**	Year ended 31 Dec 2024	% change[3]
Total revenue	**£89.4m**	£84.1m	6.4%	**€104.4m**	€99.6m	4.9%
Room revenue[4]	**£49.0m**	£46.6m	5.1%	**€57.2m**	€55.2m	3.6%
EBITDA*	**£25.0m**	£21.5m	16.4%	**€29.2m**	€25.4m	14.8%
EBITDA margin*	**28.0%**	25.6%	240 bps	**28.0%**	25.6%	240 bps
Occupancy[4]	**54.3%**	54.8%	(50) bps	**54.3%**	54.8%	(50) bps
Average room rate*[4]	**£148.1**	£138.3	7.1%	**€173.0**	€163.8	5.6%
RevPAR*[4]	**£80.4**	£75.7	6.2%	**€93.9**	€89.7	4.7%

1 Average exchange rate from Euro and Pound Sterling for the period ended 31 December 2025 was 1.168 and for the period ended 31 December 2024 was 1.185, representing a 1.4% decrease.
2 Independent valuation by Zagreb Nekretnine Ltd in December 2025.
3 Percentage change figures are calculated from actual figures as opposed to the rounded figures included in the above table.
4 The room revenue, average room rate*, occupancy and RevPAR* statistics include all accommodation units at hotels and self-catering apartment complexes, and exclude campsites and mobile homes.



1 **Hotel Riviera**

2 **Horizont Resort**

3 **Splendid Resort**

4 **Grand Hotel Brioni Pula, Park Plaza Arena Pula**

5 **Arena Verudela Beach**

6 **Arena Verudela Beach & Villas, Park Plaza Verudela Pula, Park Plaza Histria Pula**

7 **TUI Blue Medulin, Park Plaza Belvedere Medulin**

8 **Kamp Kažela apartments**

From:	Distance to Pula in km
Vienna	583km
Venice	282km
Triest	121km
Ljubljana	202km
Munich	603km
Amsterdam	1,433km
Zurich	809km
Zagreb	269km
Budapest	607km
Brussels	1,360km
Prague	811km

Total value of the Croatia property portfolio
£370m
(2024: £351m)

Room count
2,700+

Number of employees across Croatia
755

Number of people within driving distance
c.0.5bn

Germany

Property portfolio

Total value of the German property portfolio[2]
£92 million (2024: £85 million)

The Group's portfolio includes three properties in Berlin and one hotel each in Cologne, Nuremberg and Trier. Hotels with an ownership interest include Radisson RED Berlin Kudamm[3], Park Plaza Nuremberg, art'otel Berlin Mitte[3], Park Plaza Berlin and art'otel Cologne. Park Plaza Wallstreet Berlin Mitte operated under an operating lease until September 2025, and Park Plaza Trier[3] operates under a franchise agreement.

Portfolio performance

The Group's portfolio in Germany was subdued throughout the year, due to moderated demand putting pressure on both occupancy and average room rate*. While demand was underpinned by major international trade fairs and events in Berlin, Cologne and Nuremberg, in 2024, the performance benefited from the European UEFA Football Championship in Berlin and Cologne, which was not repeated in 2025.

As a result, total revenue (in local currency) was 12.9% lower at €25.2 million (2024: €28.9 million). RevPAR* declined by 6.2% to €89.0 (2024: €94.9), primarily due to a 6.3% reduction in average room rate*[1] to €128.0 (2024: €136.6), while occupancy marginally improved to 69.6% (2024: 69.5%).

EBITDA* was down 26.2% at €6.0 million (2024: €8.1 million), which delivered an EBITDA margin* of 23.7% (2024: 28.0%).

In Berlin, the lease for Park Plaza Wallstreet Berlin Mitte was due to expire at the end of 2025. However, a mutually beneficial agreement with the landlord resulted in the termination of the lease four months earlier than scheduled, in early September. This four-month operational gap did not have a material impact on the Group's 2025 results.

On a like-for-like* basis, excluding Park Plaza Wallstreet Berlin Mitte, revenue (in local currency) was €25.1 million (2024: €26.5 million) and EBITDA* was €6.1 million (2024: €7.4 million), which delivered an EBITDA margin* of 24.2% (2024: 28.0%).

Radisson RED Berlin Kudamm had its first full year of operation being refurbished and rebranded, and is achieving excellent guest feedback. This is the second Radisson RED branded hotel operated by PPHE's Croatian subsidiary Arena Hospitality Group d.d. The property is a joint venture, so its performance in not included in the metrics reported above.

The German hotel market**

The German market saw a 0.7% decrease in RevPAR* to €78.85, resulting from a 1.1% increase in occupancy to 67.6% and a 1.8% decline in average room rate* to €116.61. In Berlin, RevPAR* decreased by 4.1% to €89.46. Occupancy increased by 0.7% to 74.2%. The average room rate* declined 4.8% to €120.52.

Financial performance

	Reported in Pound Sterling (£)			Like-for-like*[1] in Pound Sterling (£)		
Germany	**Year ended 31 Dec 2025**	Year ended 31 Dec 2024	% change[4]	**Year ended 31 Dec 2025**	Year ended 31 Dec 2024	% change[4]
Total revenue	**£21.6m**	£24.4m	(11.7)%	**£21.5m**	£22.4m	(4.0)%
Room revenue	**£18.2m**	£20.9m	(12.9)%	**£18.2m**	£19.2m	(5.0)%
EBITDA*	**£5.1m**	£6.8m	(25.1)%	**£5.2m**	£6.3m	(16.8)%
EBITDA margin*	**23.7%**	28.0%	(430) bps	**24.2%**	28.0%	(380) bps
Occupancy	**69.6%**	69.5%	10 bps	**69.6%**	69.1%	50 bps
Average room rate*	**£109.6**	£115.3	(5.0)%	**£109.4**	£115.2	(5.0)%
RevPAR*	**£76.2**	£80.1	(4.9)%	**£76.1**	£79.6	(4.4)%

Financial performance

	Reported in local currency Euro[2] (€)			Like-for-like*[1] in local currency Euro[2] (€)		
Germany	**Year ended 31 Dec 2025**	Year ended 31 Dec 2024	% change[4]	**Year ended 31 Dec 2025**	Year ended 31 Dec 2024	% change[4]
Total revenue	**€25.2m**	€28.9m	(12.9)%	**€25.1m**	€26.5m	(5.1)%
Room revenue	**€21.3m**	€24.8m	(14.1)%	**€21.3m**	€22.7m	(6.1)%
EBITDA*	**€6.0m**	€8.1m	(26.2)%	**€6.1m**	€7.4m	(17.9)%
EBITDA margin*	**23.7%**	28.0%	(430) bps	**24.2%**	28.0%	(380) bps
Occupancy	**69.6%**	69.5%	10 bps	**69.6%**	69.1%	50 bps
Average room rate*	**€128.0**	€136.6	(6.3)%	**€128.0**	€136.4	(6.1)%
RevPAR*	**€89.0**	€94.9	(6.2)%	**€89.0**	€94.2	(5.5)%

1 The like-for-like* figures exclude the last four months of 2024 and 2025 of the recently terminated leasehold of Park Plaza Wallstreet Berlin Mitte.
2 Average exchange rate from Euro to Pound Sterling for the period ended 31 December 2025 was 1.168 and for the period ended 31 December 2024 was 1.185, representing a 1.4% decrease.
3 Independent valuation by Savills in December 2025.
4 Percentage change figures are calculated from actual figures as opposed to the rounded figures included in the above table.
** Source: STR European Hotel Review, December 2025.

1 art'otel Cologne

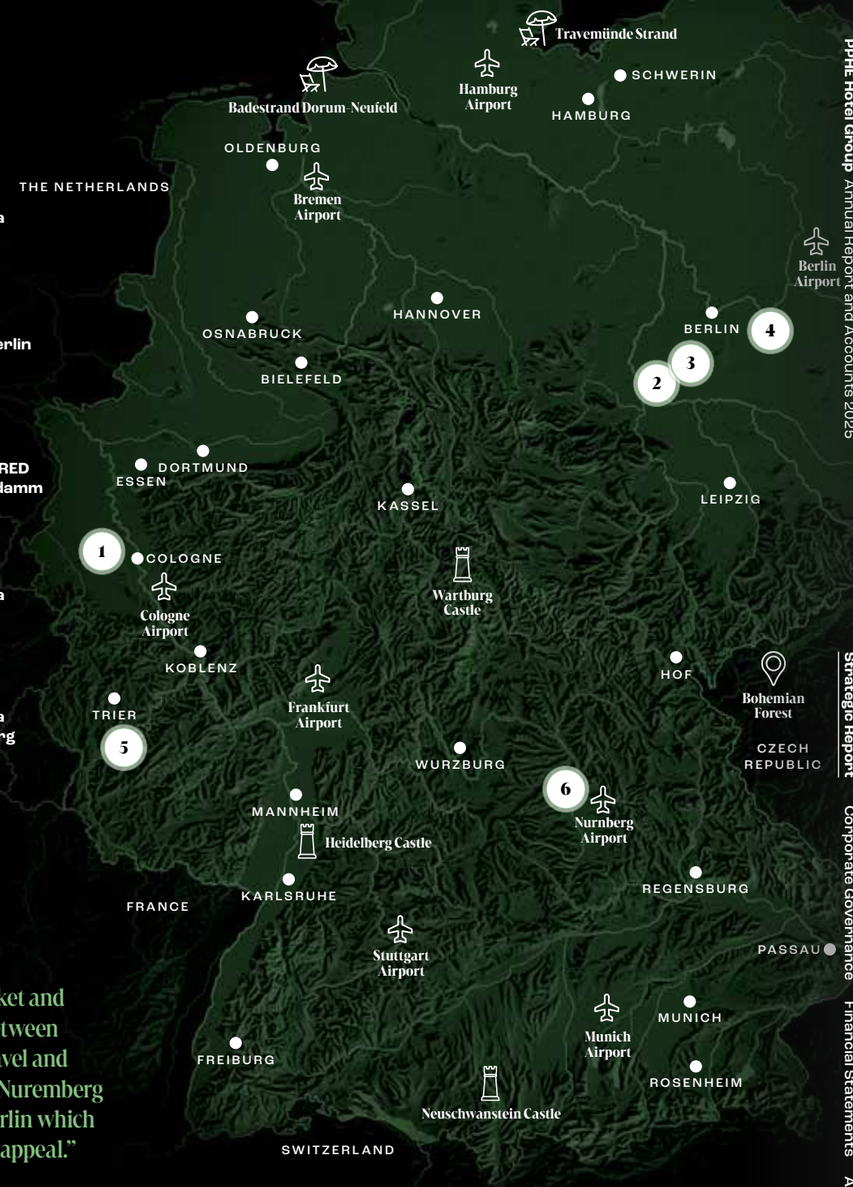
2 Park Plaza Berlin

3 art'otel Berlin Mitte

4 Radisson RED Berlin Kudamm

5 Park Plaza Trier

6 Park Plaza Nuremberg



"Germany is a growing market and our presence is balanced between predominantly corporate travel and conference destinations such as Nuremberg and Cologne, and the capital Berlin which benefits from a strong leisure appeal."

Total value of the Germany property portfolio
£92m
(2024: £85m)

Room count
900+

Number of employees across Germany
250

Other markets **Italy, Hungary, Serbia and Austria**

This includes the Group's properties in Austria, Italy and Serbia, and a property operated in Hungary.

Our performance

The Group's properties in Austria, Serbia and Hungary all performed well and delivered revenue and, on a like-for-like* basis, occupancy growth, supported by a notable increase in business activity in the year. The newly opened hotel in Italy was open for nine months of the year, with pre-opening and marketing costs ahead of opening.

Total revenue significantly increased by 52.2% to £16.2 million, RevPAR* increased by 20.3% to £82.7, driven by the average room rate*, which increased to £142.6. Occupancy slightly decreased to 58.0%. EBITDA* decreased by 5.8% to £1.2 million primarily as a result of the stabilisation phase of art'otel Rome Piazza Sallustio.

Nassfeld, Austria

The Arena Franz Ferdinand, a 144-room mountain resort in the Austrian Alps, which operates for 10 months of the year, performed strongly. The hotel delivered revenue growth, driven by growth in the average room rate* and occupancy*. As usual, the hotel closed at the end of March for several months and reopened for the summer season at the end of May.

Rome, Italy

On 6 March 2025, art'otel Rome Piazza Sallustio opened, following a transformational investment programme to reposition this property to a five-star luxury boutique hotel. The hotel, situated in a prime position in the heart of the city of Rome near iconic landmarks, features 99 rooms, including 11 stunning suites and private terraces, a YEZI Restaurant & Bar and terrace and terrace, a state-of-the-art fitness centre and sauna. The hotel is also home to the largest permanent collection of the renowned Italian artist Pietro Ruffo's work.

Since opening, the hotel has received excellent guest feedback and reviews, and demand has consistently grown. The hotel is recognised with a 9.3 score on Booking.com (on a scale of 1–10) and is rated a 4.7-star score on Tripadvisor.com (on a scale of 1–5).

Belgrade, Serbia

The Radisson RED Belgrade, despite ongoing political tensions, reported improved revenue and EBITDA* as it continued to build its market position. This was achieved despite the current political situation, which resulted in events in the capital being cancelled and softer travel demand.

Budapest, Hungary

Park Plaza Budapest performed well, reporting EBITDA* growth, driven by an improvement in occupancy.

The hotel markets**

The Budapest hotel market

In Budapest, RevPAR* increased by 5.8% to €90.34 and occupancy increased by 4.8% to 73.8%. The average room rate* increased by 1.0% to €122.39.

The Belgrade hotel market

In Belgrade, RevPAR* declined 1.9% to €83.95. Occupancy decreased by 9.0% to 61.3%, with the average room rate* increasing 7.7% to €136.97.

The Rome hotel market

In Rome, RevPAR* increased by 3.3% to €178.20 and occupancy increased by 0.2% to 73.0%. The average room rate* increased by 3.1% to €243.96.

**Source STR European Hotel Review, December 2025

Financial performance

	Reported in Pound Sterling (£)			Like-for-like*[1] in Pound Sterling (£)		
Italy, Hungary, Serbia and Austria	**Year ended 31 Dec 2025**	Year ended 31 Dec 2024	% change[2]	**Year ended 31 Dec 2025**	Year ended 31 Dec 2024	% change[2]
Total revenue	**£16.2m**	£10.7m	52.2%	**£11.6m**	£10.7m	9.0%
Room revenue	**£12.8m**	£8.3m	53.8%	**£9.1m**	£8.3m	9.0%
EBITDA*	**£1.2m**	£1.3m	(5.8)%	**£1.8m**	£1.5m	22.6%
EBITDA margin*	**7.3%**	11.8%	(450) bps	**15.6%**	13.8%	170 bps
Occupancy	**58.0%**	59.3%	(130) bps	**63.8%**	59.3%	450 bps
Average room rate*	**£142.6**	£116.1	22.9%	**£113.9**	£116.1	(1.9)%
RevPAR*	**£82.7**	£68.8	20.3%	**£72.7**	£68.8	5.6%

1 The like-for-like* figures exclude the 2025 results from the newly opened art'otel Rome Piazza Sallustio.
2 Percentage change figures are calculated from actual figures as opposed to the rounded figures included in the above table.

Management and Central Services

Our performance

The revenue in this segment is primarily related to management, sales, marketing and franchise fees, and other charges for Central Services. This includes properties operated by the Group's hospitality management platform, such as art'otel London Battersea Power Station.

These fees and costs are mainly charged within the Group and therefore eliminated upon consolidation. For the year ended 31 December 2025, the segment showed an EBITDA* profit of £3.8 million, as internally and externally charged management fees exceeded the costs in this segment.

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

	Reported in Pound Sterling (£) Year ended 31 Dec 2025				
	Listed Company	Development projects	Management platform	Arena Hospitality Group	Total
Management revenue	–	–	£39.5m	–	£39.5m
Central Services revenue	–	–	–	£15.9m	£15.9m
Revenues within the consolidated Group	–	–	£(29.9)m	£(14.7)m	£(44.6)m
External and reported revenue	**–**	**–**	**£9.6m**	**£1.2m**	**£10.8m**
EBITDA*	**£(4.1)m**	**£(0.2)m**	**£9.6m**	**£(1.5)m**	**£3.8m**

	Reported in Pound Sterling (£) Year ended 31 Dec 2024				
	Listed Company	Development projects	Management platform	Arena Hospitality Group	Total
Management revenue	–	£0.1m	£40.0m	–	£40.1m
Central Services revenue	–	–	–	£15.8m	£15.8m
Revenues within the consolidated Group	–	–	£(32.2)m	£(14.9)m	£(47.1)m
External and reported revenue	**–**	**£0.1m**	**£7.8m**	**£0.9m**	**£8.8m**
EBITDA*	**£(3.2)m**	**£(0.3)m**	**£11.1m**	**£(0.2)m**	**£7.4m**

art'otel Zagreb

Stakeholder engagement

In line with our three-year cycle, we conducted a new double materiality assessment in 2025. Central to this process was a stakeholder engagement exercise, through which we consulted key stakeholder groups to identify their material topics and assess the Company's activities in these areas. The following sections outline stakeholder priorities and our engagement approach as part of this assessment.

Guests

Stakeholder priorities

- Unique, memorable experiences
- Consistency in service and product
- To enjoy our hotels in a responsible way through a proactive approach to reducing carbon, plastics and other waste
- Multiple, easy communication channels throughout the guest journey
- A personalised approach
- Rewarding their loyalty

How we engaged in 2025

Our teams engage with guests and monitor feedback through multiple channels, including face-to-face interactions during their stay, our dedicated WhatsApp service, and pre and post stay support from our customer service centre. We also gather insights through social media, post stay surveys and more than 90,000 guest reviews each year. Social media listening tools enable real-time engagement, and our hotel websites offer a live chat function during office hours. Guests may also contact us through the Radisson Contact Centres. This year, we enhanced ESG related content across our hotel websites to ensure guests have clear, accessible information about our sustainability activities.

Investors

Stakeholder priorities

- Transparency and accountability to ensure that what we do drives long-term, sustainable returns on investment
- Good corporate governance
- Reduced carbon emissions
- Diversity, Equity and Inclusion at leadership level

How we engaged in 2025

Our Executive Leadership Team follows our full-year and half-year results announcements with an Investor Roadshow, creating an opportunity for open dialogue around our performance and strategic direction. This approach strengthens transparency and enhances accountability to our investor community.

We provide live video presentations on the results, with recordings made available on our website so all investors can easily access key messages and updates at their convenience. We also continue to host regular investor lunches at our hotels and arrange site visits to highlight selected properties.

In addition, we remain available for ad hoc investor calls and presentations, supported by our online communication channels, including LinkedIn and a dedicated investor email newsletter.

Communities

Stakeholder priorities

- Creation of good jobs to support the local economy
- Care for our environment through clean air, waste reduction and biodiversity
- Engagement with local non-profit organisations
- Attraction of consumers and investments to the local communities

How we engaged in 2025

We maintain a consistent approach to engaging with and supporting local communities across all our hotels, while still giving each property the flexibility to focus on the causes most meaningful to them. In 2025, this commitment strengthened our relationships with local organisations—including The Felix Project, The Children's Society, and others—through team-led fundraising initiatives and volunteering activities.

Our community support efforts also extend to employment. We welcomed new team members through partnerships with UK-based charities and through direct engagement at our London Victoria Jobcentre, helping us create opportunities for local talent while contributing positively to the communities we serve.

Team members

Stakeholder priorities

- Working for an employer that cares about their wellbeing and development
- Contributing to environmental and social progress
- A great place to work that is safe, flexible, diverse and inclusive
- A job to be proud of
- Health, physical and mental
- Being rewarded for loyalty and dedication

How we engaged in 2025

We continue to hold monthly Team Member Forums across our hotels and quarterly regional forums with the Executive Vice President of Operations. These sessions are attended by elected representatives from each department, ensuring meaningful, two-way communication between our people and the business. Alongside these forums, we host regular 'Let's Connect' town-hall-style sessions, where all employees are invited to hear updates from the Executive Leadership Team and share their feedback.

In 2025, we further strengthened engagement on ESG topics through our internal communications platform, Youniverse, enhancing transparency and encouraging wider participation. Our network of ESG Ambassadors also remained instrumental in gathering local insights and cascading information within hotels, helping to reinforce ESG communication and action across the organisation.

This year, we launched a Diversity, Equity and Inclusion (DE&I) Working Group, comprising representatives from both the HR and ESG teams. Its purpose is to assess current practices at PPHE and develop recommendations to enhance our approach in this important area.

Affiliates

Stakeholder priorities

- A strong business partnership through shared stewardship of brand standards
- Safeguarding brand reputation for environmental and social issues

How we engaged in 2025

In 2025, we continued to engage regularly with Radisson to ensure strong alignment between our organisations, both on brand standards and across broader opportunities for collaboration. Our partnership remains robust and spans multiple specialist teams – including Commercial, Learning and Development, ESG, Procurement, Business Development and Health & Safety.

One example of this collaboration is our support for Radisson's ESG reporting. Each year, we provide a detailed breakdown of our activities and carbon footprint, helping to enhance accuracy, transparency and consistency across shared reporting frameworks.

Teams across PPHE maintain frequent contact with their Radisson counterparts to ensure that initiatives remain aligned and that we fully leverage Radisson's technologies, commercial programmes and consumer brands. This ongoing coordination strengthens our joint capabilities and supports a coherent experience for guests, partners and employees.

Suppliers

Stakeholder priorities

- Ensure that suppliers are able to meet our sustainability demands
- Alignment and collaboration on sustainability goals

How we engaged in 2025

In 2025, we focused on assessing the ESG performance of both existing and potential suppliers, identifying opportunities to collaborate on improving the sustainability of the products and services we procure. We broadened the number of suppliers we actively engage with on sustainability matters. For example, we are working closely with our laundry service providers to reduce the energy and water consumption associated with their operations, and with our waste management partners to enhance recycling and waste-segregation practices across our properties.

This year, we also developed a new Supplier Code of Conduct with strengthened sustainability requirements. This updated Code was launched in February 2026, further embedding responsible sourcing practices across our supply chain.

Environmental, Social and Governance

"In 2025, we continued to make significant progress on our ESG strategy, focusing on various areas of environmental sustainability and social responsibility. We have achieved the targets that we set in previous years, while also setting new ones for the years to come."

Inbar Zilberman
Chief Corporate & Legal Officer

Inbar Zilberman
Chief Corporate & Legal Officer

In 2025, we continued to make significant progress on our ESG strategy, focusing on various areas of environmental sustainability and social responsibility. We have achieved the targets that we set in previous years, such as completing the submission to SBTi and expanding our support to local communities, while also setting new ones for the years to come.

As in recent years, the implementation of the strategy is led by the ESG Manager, who reports to the Chief Legal & Corporate Officer. They meet quarterly with the ESG Committee of the Board to share recent progress and the plan for the upcoming quarter. We continue to be members of the Energy & Environment Alliance, while also reporting to CDP (formerly known as Carbon Disclosure Project) and WDI (Workforce Disclosure Initiative). An important advancement worth noting about the CDP disclosures is that PPHE was awarded a B- CDP rating on its climate disclosure for 2025, showing a significant improvement compared to previous years.

One of our key achievements in 2025 was the submission of our targets to the Science Based Targets initiative (SBTi), marking a significant milestone in our formal commitment to reducing carbon emissions and progressing towards net zero. Alongside this, we advanced several other ESG priorities, including improvements in waste management and deeper engagement with local communities. For example, we increased the recycling rate and enhanced the collection of food waste across many of our properties, enabling positive sustainability outcomes together with financial savings. We also strengthened our community engagement efforts, expanding our collaboration with local and international charities through a wider range of volunteering and fundraising activities.

The following sections provide detailed insights into these developments and the broader scope of our ESG initiatives throughout 2025.

Below we present some of the main material IROs identified through the double materiality assessment process.

Material impacts

Positive:
- Climate change adaptation through the procurement of renewable energy
- Water provision and sanitation for communities in developing countries through the partnership with Just a Drop

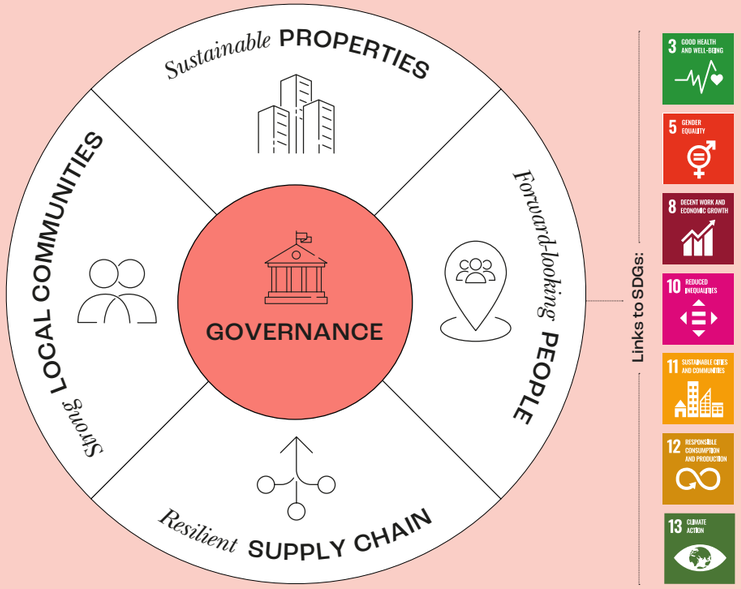
Negative:
- Increase in greenhouse gas (GHG) concentration in the atmosphere due to our business model and value chain
- Soil pollution generating from upstream activities in the supply chain

Material risks

- Climate change increasing input costs
- Anti-bribery and corruption legislation

Material opportunities

- Reduction of carbon emissions
- Investment in energy efficiency measures



Each of our targets is intended to contribute to one or more of the United Nations Sustainable Development Goals (SDGs). The SDGs that we support the most are the ones opposite.

ESG strategic objectives

Our ESG targets are designed to support ten strategic objectives, which are presented in the table below. These remain the same as in previous years, with the exception of Achieving net zero, for which the target year has now moved to 2050. The explanation for this change is presented on pages 61.

Strategic objective	Strategic pillar
Achieve net zero by 2050	
Adapt to climate change	
Attract and retain talent	
Communicate our ESG efforts to stakeholders	
Enhance biodiversity	
Ensure waste management best practice	
Promote Diversity, Equity and Inclusion	
Promote ESG across our supply chain	
Ensure good stewardship of water resources	
Support local communities	

Double materiality assessment

Following the 2022 double materiality assessment (DMA), we conducted a new assessment in 2025 in line with a three-year cycle. While still not in scope of CSRD, we have aligned our DMA to its requirements on a voluntary basis, to allow us to be fully ready when compliance will become mandatory. Within this framework, we have identified a list of impacts, risks and opportunities (IROs), and assessed their relevance to the business. It is worth noting that AHG had already conducted its DMA in 2024, as this was its first year in scope for CSRD. Although the DMAs for PPHE and AHG were carried out in different years, the outcomes show strong alignment, with similar results and overlaps across the identified IROs.

The consultants Code Gaia supported us in the DMA and provided their proprietary software to conduct the analysis. The process took place in the first half of the year and was marked by a set of four workshops, involving senior representatives of all relevant teams (ESG, Legal, Finance, Engineering, Procurement, HR, Risk and Internal Audit). Throughout these meetings, we went through the list of IROs provided by the ESRS (European Sustainability Reporting Standards) and assessed the various criteria to determine their materiality (e.g. severity, timeframe and reversibility of impacts).

Decarbonisation journey

PPHE has implemented various carbon-reduction initiatives over several years, with a more formalised approach to decarbonisation in recent years with the work on SBTi targets.

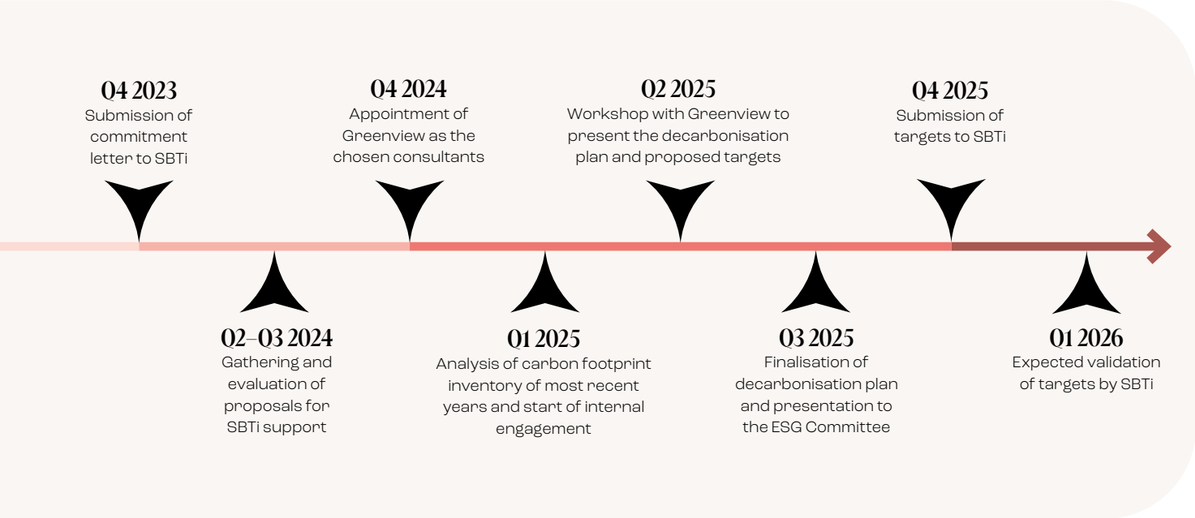
In 2025, the Group engaged Greenview as an external specialist consultancy to support the development of a decarbonisation plan intended to underpin the SBTi submission and ensure the robustness of PPHE's commitments. As part of this process, PPHE reviewed its recent carbon footprint inventory to confirm alignment with SBTi requirements. The Group also conducted detailed engagement with senior internal stakeholders, including the Heads of Engineering and Procurement, to identify existing and planned decarbonisation initiatives. This information served as the basis for the development of two emission reduction scenarios: a baseline reflecting projected emissions without SBTi-aligned action, and an enhanced scenario incorporating the additional measures required to meet PPHE's SBTi commitments. The modelling also included an assessment of the capital expenditure associated with achieving the near-term 2035 reduction target.

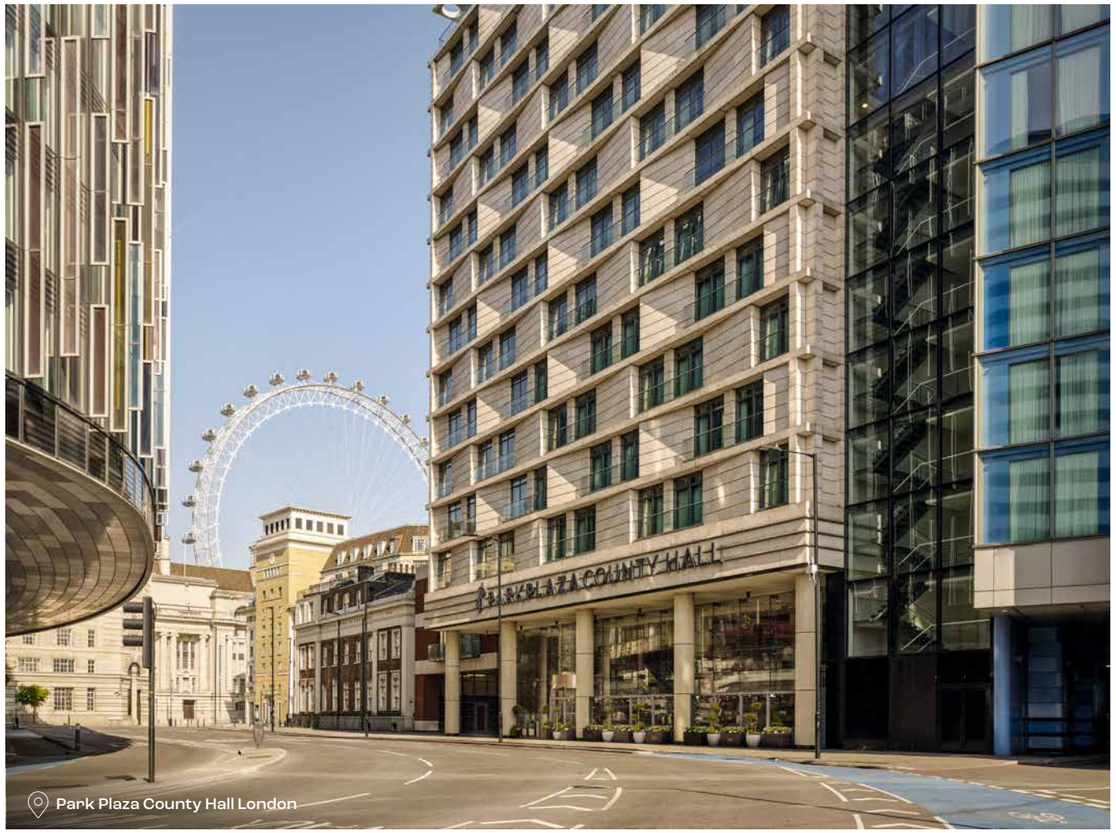
Park Plaza London Waterloo

A key step in the process was the presentation of the initial draft decarbonisation plan during a workshop held in London in June 2025. Feedback from internal stakeholders was incorporated into the plan during the subsequent months. The finalised version was presented to the ESG Committee of the Board, and the resulting actions were integrated into capital expenditure plans at the property level.

During the development of the plan, PPHE also reassessed the Group's previous 2040 net zero target year. Since a detailed analysis indicated that this date was not achievable, particularly in relation to Scope 3 emissions, the target year was revised to 2050. This updated timeframe aligns with anticipated decarbonisation trajectories across the hospitality sector and allows sufficient time for supply chain partners to adapt and support PPHE in achieving its long-term net zero objective.

The submission of our targets to SBTi was completed in December, with SBTi validation expected in Q1 2026.





Park Plaza County Hall London

Sustainable properties

Links to UN SDGs

art'otel London Battersea Power Station

Waste management

We continue to send zero waste to landfill in the UK and we are working to achieve this in all other countries in our portfolio as well in the coming years. For the past two years, we have been working with the company The Waste Specialists (TWS), who are supporting us in aligning waste management practices across our UK properties. 2025 was a year of progress in this area, as we introduced food waste bins in all UK properties and standardised data collection across them through TWS. This allowed us to have a better understanding of the different potential for waste segregation across the hotels (mainly differing due to the space available in the waste loading bay) and introduce recycling targets tailored to each hotel based on this. Training sessions for team members were delivered across all hotels, to ensure alignment and a clear understanding of the use of the various bins in the back of house area. Our work throughout 2025 quickly showed improved segregation rates across all properties, also leading to lower waste management costs, due to food waste and DMR (dry mixed recycling) being cheaper to dispose of than general waste.

In the past year, we piloted the Orbisk system in Park Plaza Victoria Amsterdam. This is an AI-powered food waste monitoring system that uses smart cameras and image recognition to track, analyse and provide insights to reduce food waste in kitchens. The results of the pilot showed clear improvements in the amount of food waste generated in just a few months after installation, together with lower food purchasing costs thanks to better menu planning and lower waste collection costs. With this success in mind, we are now looking to expand the use of this technology to other UK hotels as well, to maximise the food waste reduction potential across our portfolio.

Since 2024, we have been working with Clean the World, an organisation specialised in waste recycling that collects and processes the used bathroom dispensers from our properties. This collaboration resulted in the collection and recycling of nearly 18,000 kg of plastic in 2025 alone. We are also progressing with the elimination of other single-use plastic items in our hotels, such as the gradual replacement of plastic bottles with either aluminium cans or water fountains in the corridors.

Another new initiative we launched in 2025 is a pilot of Olio in art'otel London Battersea Power Station. Olio is a sharing app that connects neighbours and local businesses to give away surplus food and household items instead of throwing them away. Through this platform, art'otel London Battersea Power Station has helped reduce food waste while supporting the local community. We will expand the use of this app to new hotels in 2026, to further reduce food waste across our operations.

Building certifications

In 2025, we started the process to obtain the BREEAM In-Use certification for Park Plaza London Westminster Bridge, Park Plaza London Riverbank and art'otel Rome Piazza Sallustio. The evidence for Park Plaza London Westminster Bridge and Park Plaza London Riverbank was gathered and submitted to BRE, and we are currently awaiting BRE's feedback. The submission for art'otel Rome Piazza Sallustio will be completed in 2026, with further properties expected to undergo the assessment throughout the year as well.

In 2025, art'otel Rome Piazza Sallustio also received the BREEAM certification, recognising the environmental upgrades brought by the refurbishment of the property. The hotel now joins other PPHE properties with a BREEAM certification, including Park Plaza London Riverbank, Park Plaza London Waterloo, Park Plaza London Park Royal, art'otel London Hoxton and art'otel London Battersea Power Station.

Hotel sustainability certifications and awards

Strong environmental performance across our properties has played a key role in helping our hotels earn top ratings in respected sustainability certifications. These include Green Tourism, Green Globe, Green Key, Travelife and Blue Flag, reflecting our commitment to responsible operations and continuous improvement.

Having received a BREEAM 'Excellent' certification in 2024, art'otel London Hoxton was eligible for the 2025 BREEAM Awards, for which it was shortlisted in the category of People's Choice – Commercial Building. Although the hotel was not the final winner, this was a great opportunity to showcase the environmental performance of this new-build and present PPHE as a leader in real estate sustainability.

2025 has also seen AHG receiving recognitions for its ESG work. For the second consecutive year, AHG ranked third among 59 companies in AmCham's ESG Maturity Assessment (American Chamber of Commerce in Croatia). AHG also proudly secured third place among all tourism companies in the ESG assessment conducted by the Croatian Chamber of Economy, placing it among the top tier of sustainable businesses in Croatia. Finally, in 2025, AHG was awarded the ESG rating 'Very High' by the Croatian Chamber of Commerce, recognising the Company's efforts in operating as a responsible business.

Drip Drop

In 2025, we started replacing our umbrellas with the Drip Drop system in some of our London and Amsterdam hotels. With this, guests can borrow a Drip Drop umbrella from the front desk or concierge for a small fee, use it during their stay and return it when they no longer need it, with the fee refunded to them. Drip Drop umbrellas are made entirely with recycled plastic and are more durable than traditional ones, making it both a convenient and more sustainable amenity for our guests.

drip drop

Forward-looking people

Links to UN SDGs

YEZI team

Team member engagement

To track progress on engagement of our team members, we ran two engagement surveys throughout the year, one at PPHE and one at AHG, ensuring we gather valuable insights from our diverse workforce.

In 2025, PPHE achieved an average engagement score of

86.5%

outperforming the sector benchmark as in previous years by

6%

At AHG, where seasonal employment is common, we again refined its survey approach to better include permanent, seasonal and international team members.

This allowed us to set a tailored engagement metric, which this year reached

77%

an increase of

2%

compared to 2024

Wellbeing remained a key priority, with the relevant indicaton from the engagement survey showing that 79% of team members believe PPHE supports their wellbeing at work, marking a 2% increase compared to 2024. These results were supported by initiatives such as a continued focus on Vitality at Work and our Employee Assistance Programme, helping us create a healthier and more supportive workplace across a wide range of topics important to our people.

Workforce retention

Retention remained a key focus throughout 2025, with improvements linked to stronger engagement, targeted development programmes and inclusive recruitment practices.

PPHE saw an increase in the retention rate to 63%, reflecting the positive impact of initiatives such as the Graduate Managers Cohort, internal promotions campaigns and enhanced wellbeing support. These efforts have helped create a more stable workforce, reduce turnover costs and foster long-term career growth for our team members. The 2025 retention rate for AHG sits at 57%, which reflects the specific challenge of having a large number of seasonal workers.

Learning and Development

We continue to invest in the growth and development of our people through a range of innovative programmes. The Graduate Managers Cohort who started in 2023 celebrated the successful completion of their programme in March 2025, marking a significant milestone in building our future leadership pipeline. We introduced a new format for people development workshops creating informal spaces for knowledge sharing and collaboration. To strengthen leadership capability, we launched The NextGen programme for team leaders, equipping them with even more skills to lead effectively in a dynamic environment. Additionally, we began piloting immersive learning using virtual reality technology to deliver engaging and impactful training experiences.

art'otel Rome Piazza Sallustio

Employee Engagement and Culture

Our commitment to fostering a strong, inclusive culture was reinforced through the introduction of three key internal focus areas: Connect, Create and Grow. These pillars serve to support the foundation of our people strategy, ensuring alignment across teams and promoting engagement. We also developed a more structured recognition programme to unify all team member-led support groups under one scalable framework. This initiative not only celebrates achievements but also strengthens our sense of community and belonging.

To ensure a high level of engagement, in the following paragraphs we bring examples of some feedback given by our team members and how the Company responded to it.

Our team members said:

"Many people across properties expressed that they value working in a fun and exciting environment."

What we did:
To build on this feedback, we introduced engagement calendars across multiple hotels, ensuring every department could participate in activities that foster team spirit. At art'otel London Hoxton, the teams organised themed lunches, departmental recognition days and competitions. Park Plaza London Waterloo and Park Plaza London Westminster Bridge hosted social events and departmental celebrations, while Park Plaza London Riverbank and art'otel London Battersea Power Station rolled out full engagement calendars tied to national events. In Park Plaza Leeds, senior management arranged dinners and off-site activities to keep the teams engaged.

Our team members said:

"Career development aspirations matter and should be supported."

What we did:
We delivered on this by focusing on internal promotions across departments and recognising talent. At Park Plaza London Waterloo and Park Plaza London Westminster Bridge, we introduced leadership enablement training, succession planning and focused development huddles. These initiatives ensure that talent is recognised and supported, creating clear pathways for growth within the Company.

Radisson RED Belgrade

Our team members said:

"Achieving a healthy balance between work and home life is important."

What we did:
We acted by improving scheduling practices. Rotas are now shared at least two weeks in advance (four weeks in some properties), giving team members more time to plan their personal and professional lives. This change reflects our commitment to flexibility and wellbeing across all hotels.

Our team members said:

"Better workspaces and facilities would enhance the experience at work."

What we did:
We invested in refurbishing offices and working spaces, including upgrades at Park Plaza London Westminster Bridge and Park Plaza Eindhoven. We also launched new uniforms and improved staff restaurant offerings, creating a more comfortable and professional environment for our teams.

Recruitment and job creation

The launch of Solaya at art'otel London Hoxton in September 2025 and the opening of art'otel Rome Piazza Sallustio in March 2025 created valuable employment opportunities, with around 30 and 70 roles created in each location, respectively. In Rome, our collaboration with the local government enabled us to support individuals who had experienced long-term unemployment, helping them re-enter the workforce through meaningful hospitality careers. These initiatives not only strengthened our operational capacity and supported successful openings but also reinforced our commitment to inclusive hiring practices and community impact, empowering people with new opportunities while building diverse, resilient teams across our portfolio.

In 2025, we further expanded our social impact through strategic partnerships and internal mobility initiatives. In the UK, we partnered with Only A Pavement Away, a charity supporting individuals facing barriers to employment – including the homeless, prison leavers, refugees and those with mental health challenges – into hospitality careers. Through this partnership, we attended external events and successfully hired candidates within a range of roles. Across the UK, the Netherlands and Italy, we launched a quarterly campaign to spotlight internal talent and showcase career development opportunities both internally and externally. To further support mobility, we implemented a new matrix and internal reporting, enabling recruitment teams to access key talent data and promote internal opportunities.

In the Netherlands, our new partnership with JINC aligns us with its mission to support more than 80,000 young people each year in gaining a strong start in the job market through educational programmes and career guidance.

Degree and apprenticeship programmes

Our degree and apprenticeship programmes remain a cornerstone of our talent development strategy. These programmes provide structured career pathways, ensuring that team members have opportunities to grow and thrive within our organisation. The current cohort continues to progress and will graduate in 2027.

Solaya London

DE&I

In 2025, we set up a DE&I (Diversity, Equity and Inclusion) working group made up of representatives from the HR and ESG teams. The objective of this group was to assess current practices at PPHE and propose recommendations for improvements. An important milestone was the presentation of these recommendations to the Co-CEO and Chief Corporate & Legal Officer, who have agreed on progressing with them and will receive quarterly updates by the working group.

ESG communications

In 2025, we set out the ambition to increase PPHE's presence on social media around ESG initiatives. This was achieved through regular ESG social media posts, especially on LinkedIn, with regular monthly posts highlighting initiatives both at the hotel and corporate levels (examples include updates on our SBTi journey, volunteering activities and local community partnerships).

We also identified an opportunity to enhance ESG awareness among our team members. To support this objective, we have introduced regular ESG related content on our internal communications platform, Youniverse. This platform enables us to share updates on recent initiatives, particularly those related to volunteering and community engagement, and to make this information accessible to all team members across the organisation.

Besides this general internal awareness, we also recognise the importance of some teams being more comfortable with the ESG strategy of the Company, namely the Sales and Recruitment teams. These teams regularly engage with corporate clients and prospective employees, both of whom increasingly expect transparent and informed responses on ESG matters. Therefore, it is essential that the teams feel confident addressing ESG related questions within their stakeholder groups. To support this, the ESG Manager delivered targeted training sessions to update these teams on the Company's ESG progress and priorities. This ensures they are well equipped to communicate our achievements and approach externally in a clear and credible way.

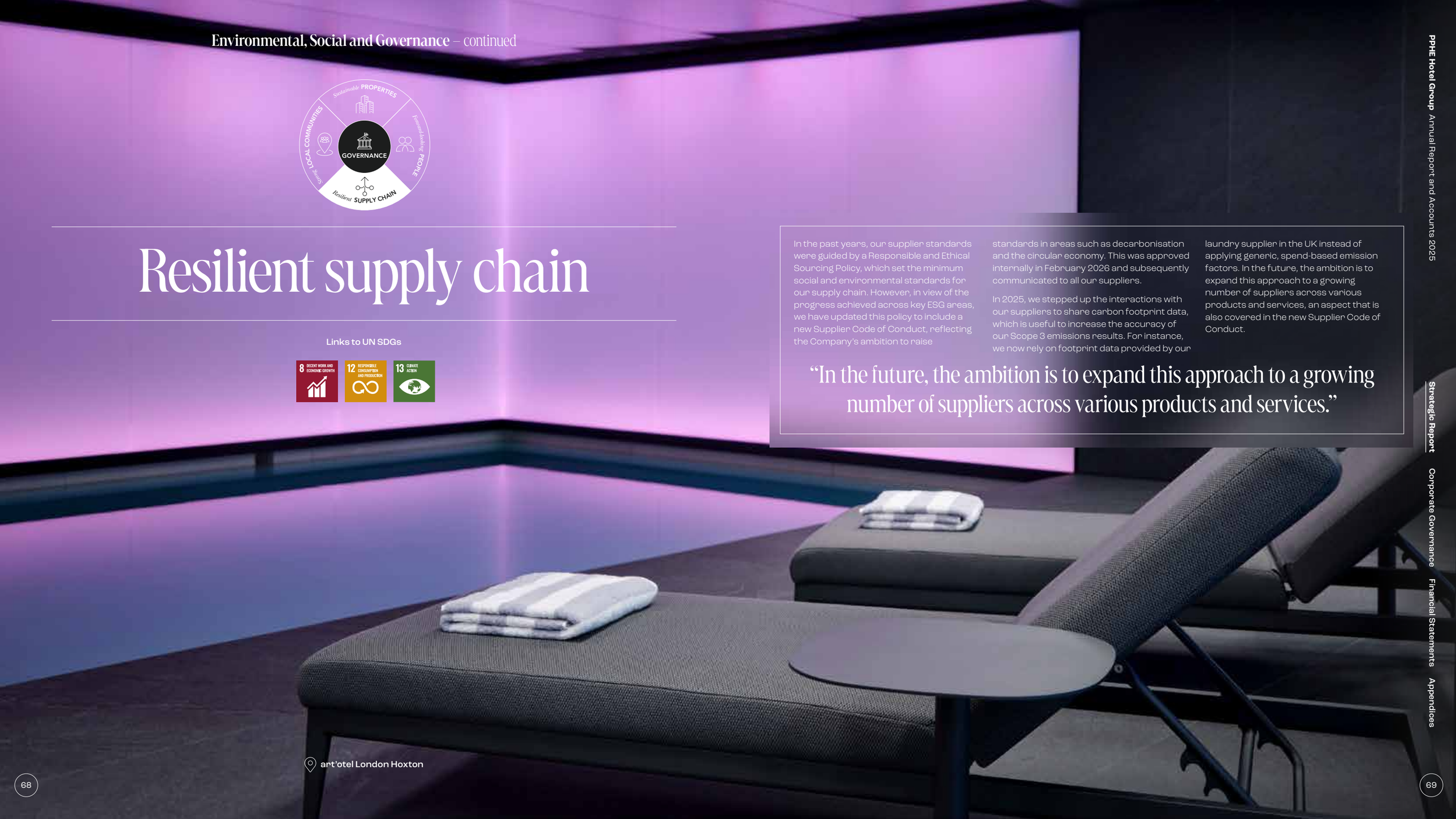
Resilient supply chain

Links to UN SDGs

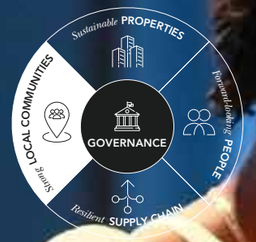
In the past years, our supplier standards were guided by a Responsible and Ethical Sourcing Policy, which set the minimum social and environmental standards for our supply chain. However, in view of the progress achieved across key ESG areas, we have updated this policy to include a new Supplier Code of Conduct, reflecting the Company's ambition to raise standards in areas such as decarbonisation and the circular economy. This was approved internally in February 2026 and subsequently communicated to all our suppliers.

In 2025, we stepped up the interactions with our suppliers to share carbon footprint data, which is useful to increase the accuracy of our Scope 3 emissions results. For instance, we now rely on footprint data provided by our laundry supplier in the UK instead of applying generic, spend-based emission factors. In the future, the ambition is to expand this approach to a growing number of suppliers across various products and services, an aspect that is also covered in the new Supplier Code of Conduct.

> "In the future, the ambition is to expand this approach to a growing number of suppliers across various products and services."



art'otel London Hoxton



Strong local communities

Links to UN SDGs

Charity partnerships

In 2025, PPHE joined the Lambeth Climate Partnership (LCP) and the Westminster Sustainable City Charter (WSCC), two voluntary frameworks set up by the London boroughs of Lambeth and Westminster, where many of our hotels are located. The LCP is a collaborative network of local organisations, businesses, schools and communities working together to deliver Lambeth's Climate Action Plan and achieve the borough's Net Zero 2030 vision. The WSCC is a voluntary climate action initiative that brings together businesses, public institutions and property owners to reduce emissions from non-domestic buildings, which are responsible for over 70% of Westminster's greenhouse gases.

Following the introduction of a dedicated volunteering day for all PPHE team members in 2024, this year, our teams took part in a variety of initiatives, including gardening projects at Jubilee Gardens and other community spaces across London.

We continue to work closely with a range of charity partners and, in 2025, expanded our collaborations to include new organisations, further strengthening our community impact.

Just a Drop: For the past years, we have been supporting Just a Drop through the Ecological Programme. This programme offers guests staying for two nights or more the option to decline housekeeping services, helping to reduce water, energy and detergent usage associated with linen cleaning. For each night a guest opts out, the hotel donates €/£1 to Just a Drop, supporting the charity's efforts to deliver vital water, sanitation and hygiene solutions to communities in developing countries. As a token of appreciation, guests can also select from a range of rewards in recognition of their contribution. In the period from September 2022 when the partnership started until the end of 2025, PPHE hotels have raised a total of £460,000 for Just a Drop (£195,000 in 2025 alone). The success of this collaboration earned PPHE and Just a Drop the 2025 Business Charity Award in the category Sports, Travel and Leisure.

The Felix Project: This is a London-based charity focused on reducing food waste and combating hunger by redistributing surplus food to those in need. For the second year in a row, between May and July 2025, various PPHE restaurants and bars in London supported the charity in its Restaurants Feed London campaign, helping to raise £4,000.

JINC: In 2025, we set up a partnership with the charity JINC in the Netherlands. It is an organisation that helps children aged 8 to 16 from disadvantaged backgrounds discover their talents, explore different professions and learn essential skills for entering the job market. The Dutch PPHE hotels have engaged in various activities to support JINC, such as volunteering to provide career advice to young students and help them transition to the workplace.

Jubilee Gardens Trust: In 2025, we also partnered with the Jubilee Gardens Trust, which manages Jubilee Gardens, a park located near PPHE's London Regional Office. Our financial support provided the Trust with the resources to plant new holly hedges around the gardens, while a group of PPHE volunteers helped them with planting tulip and daffodil bulbs. More volunteering days of this kind are planned for 2026, with a view to provide regular support to the gardens throughout the year.

PPHE volunteers gardening for the High Tree charity in Lambeth, London

PPHE volunteers gardening in London Jubilee Gardens

Rambert: One of the latest partnerships set up in 2025 is that with Rambert. This is a non-profit organisation providing world-class performances, dance and wellness classes, and programmes for people of all ages and abilities in the London borough of Lambeth. Besides its activities as a dance school, it is very involved in the local community in Lambeth, especially through its Future Movement Lambeth Programme, of which PPHE is now the main supporter. This is an initiative aimed at young people aged 16 to 21, designed to help them explore professional skills and connect with various industries through collaborative projects and mentorship.

Community engagement in Pula

In Croatia, AHG continues to support the Pula General Hospital through donations of medical equipment and sponsoring various other activities taking place at the hospital. Furthermore, AHG also sponsored major cultural and sporting events such as the Pula Marathon, Visualia Festival of Lights, Pula Film Festival, Jazz Waves, the 31st Pula Book Fair and the traditional humanitarian Christmas concert at the Istrian National Theatre.

AHG has been very active in environmental stewardship in the Istrian region as well. An important opportunity for this was the support of a reforestation project in Pula to plant 2,000 oak trees to restore areas affected by wildfires. The Company also maintains internationally recognised environmental certifications that support the preservation of the local area, such as Travelife, Green Key and Blue Flag.

TCFD report

The UK Listing Rules (6.6.6(8)R) require the Company to include a Task Force on Climate-related Financial Disclosures (TCFD) statement in the Annual Report.

This section is drafted in compliance with the 11 TCFD recommendations and, together with a climate scenario analysis, it provides an overview of the four pillars of the TCFD report for PPHE: Governance, Strategy, Risk Management, and Metrics and Targets. These pages also address our reporting obligations under the Streamlined Energy and Carbon Reporting (SECR) regulation and the requirements of the Companies Act 2006 as amended by the Companies (Strategic Report) (Climate-related Financial Disclosure) Regulations 2022.

Governance

As of 2024, climate related risks are no longer considered emerging risks but are integrated into our core business risk assessments, reflecting their strategic importance. Our ERM framework is built on four foundational pillars that enable informed decision-making: a risk-reward strategy, robust governance, a structured risk management process and comprehensive risk assurance. We conduct quarterly enterprise risk assessments, evaluating the likelihood and potential impact of each risk.

In 2021, we established an ESG Committee comprising four Non-Executive Directors. The Committee meets quarterly and works closely with the Executive Leadership Team to review climate related developments, approve proposed strategies and targets, and annually assess TCFD disclosures in February. It also oversees the broader ESG strategy, ensures stakeholder engagement on ESG initiatives, and monitors communication of these efforts both internally and externally.

The Audit Committee plays a key role in overseeing and advising the Board on the Group's risk exposure, appetite and future strategy. As part of its remit, the Committee meets quarterly to monitor both financial and non-financial climate related risks, identifying any shifts that could influence the Group's overall risk profile.

In Q4 2025, the Head of Internal Audit and Risk, supported by the ESG Manager, conducted routine functional risk reviews across all internal departments, focusing on climate related risks. The findings were presented to the Audit Committee, with no new issues or concerns identified during the process.

Responsibility for ESG and climate related matters within the Executive Leadership Team lies with the Chief Corporate & Legal Officer, Inbar Zilberman. She reports to the Co-CEO and regularly attends meetings of the ESG Committee of the Board. She oversees compliance with TCFD reporting requirements, as well as the Group's ESG policies, practices and procedures.

Throughout 2025, we continued our awareness campaign to embed environmental sustainability and social responsibility into daily operations. This included an internal awareness campaign through our team member communication platform, Youniverse, with regular content about ESG activities across the Company, as well as ESG Ambassadors in our hotels.

Strategy

We acknowledge the complexity of climate change and our responsibility to reduce the Company's environmental impact. With this in mind, we remain committed to lowering both our carbon footprint and overall environmental impact. Our ESG strategy, supported by clearly defined targets, is the cornerstone to this ambition.

As a Company that develops, owns, co-owns and manages many of its properties, we are uniquely positioned to implement sustainability initiatives across all stages of our business, from development through to day-to-day operations. By embedding sustainability into every aspect of our activities, we aim to generate long-term value for the Group and its stakeholders.

As part of the evolution of our ESG strategy, we have committed to developing a detailed decarbonisation plan to support our journey toward net zero by 2050, which formed the basis of our SBTi submission. In 2024, we engaged specialist consultancy Greenview to support this work. Its input resulted in a comprehensive action plan to address carbon emissions across our operations, which is a critical step in shaping our future decarbonisation efforts. We have also continued our collaboration with Energy and Environment Alliance, whose expertise continues to support our activities.

Climate scenario analysis

In line with our TCFD obligations, we reassessed PPHE's exposure to both transition and physical climate risks in 2025. As already started in 2024, this year, we continued to conduct our analysis of physical risks by examining risk profiles at the individual property level. To support this, we continued our partnership with Climatig, gaining access to its proprietary software to evaluate physical climate risks under two distinct climate scenarios:

- **Representative Concentration Pathway (RCP) 4.5:** An intermediate scenario from the IPCC, assuming greenhouse gas emissions peak around 2040 before declining.
- **RCP8.5:** A worst-case scenario where emissions continue to rise throughout the 21st century.

We chose these scenarios as they were created and endorsed by the IPCC (Intergovernmental Panel on Climate Change), the global scientific authority on climate change created by the United Nations. While the IPCC typically works under four scenarios in total, Climatig's analysis only focuses on two of them, RCP4.5 and RCP8.5, as these are deemed sufficient for climate risk analysis at the level of our organisation.

These two scenarios are used to inform the approach to the various climate-related risks in the ERM.

Time horizons

Given the long-term nature of climate change, risks were assessed across three timeframes:

- **Short term:** 2026–2028
- **Medium term:** 2029–2031
- **Long term:** 2032–2040

These horizons were selected to provide sufficient analytical depth without extending beyond the limits of reliable forecasting. Due to the inherent uncertainty in climate science and policy, we defined 2040 as the boundary for our long-term scenario, as projections beyond this point become increasingly speculative.

The tables that follow present our assessment of transition and physical risks, grouping financial impacts across the medium and long-term horizons. Our findings through this approach indicate that the potential financial impact of these risks would increase from the short-term to the medium/long-term. However, given the mitigation measures in place that are discussed below, we do not anticipate significant differences in the concrete financial impact between the two periods.

Transition risks

We identified and assessed four key transition risks, as detailed in Table 1. The risk profile for each varies significantly depending on the geographic location of our properties. For example, customer expectations regarding climate related issues tend to be more pronounced in certain countries, and local regulatory frameworks also differ, influencing the level and nature of exposure to these risks.

Table 1 Assessment of residual transition risks

Transition risk	Likelihood	Short-term financial impact*	Medium/ long-term financial impact*
Negative perception of the Group by stakeholders with regard to climate related matters	Unlikely	Moderate	Moderate
Climate change increasing input costs	Almost certain	Minor	Moderate
New climate related regulations impacting asset value	Very unlikely	Minor	Moderate
Cost and disruption of updating physical infrastructure to phase out non-renewable energy sources	Almost certain	Minor	Major
Increased cost of carbon credits	Very likely	Minor	Minor

* Minor: <£1.35 million; Moderate: £1.35–£6.75 million; Major: £6.75– £27 million. All refer to annual impact.

One of the transition risks identified is the potential for negative stakeholder perception regarding climate related matters. PPHE actively mitigates this risk through key elements of its ESG strategy, including our commitment to securing environmental building certifications and the submission of our decarbonisation targets to the SBTi.

We also highlighted the risk of climate change driving increased input costs. Food and beverage (F&B) costs have risen in recent years, partly due to climate related impacts on supply chains. Considering the central role of F&B and construction in our business model, this risk will remain a focus moving forward. Carbon pricing in construction materials such as steel and cement, both of which are critical to our property development activities, is affecting their cost. Another key risk is the impact of new climate related regulations on asset value. For example, mandates such as the UK's Energy Performance Certificate (EPC) requirements may affect property valuations. To mitigate this, we ensure that all new-build hotels, repositioning projects and refurbishments achieve certification from recognised schemes such as BREEAM. Additionally, we are conducting BREEAM In-Use assessments for selected properties to further strengthen our risk management approach.

We also identified the risk of cost and disruption associated with updating physical infrastructure to phase out non-renewable energy sources. Countries like the UK and the Netherlands have set ambitious targets for phasing out gas, which may require us to further accelerate our energy transition, potentially incurring higher costs.

All the risks above were already present in last year's assessment. However, in 2025, we added another risk to the register to account for the possible increase in the cost of carbon credits. While PPHE does not currently purchase any carbon credits, due to our net zero commitment, we will have to do so in the future to offset a maximum of 10% of our baseline emissions by the target year 2050. With an increasing number of companies making similar commitments, it is possible that high quality carbon credits will become scarcer and more expensive in the future.

For all identified risks, we have established control and mitigation measures that are reviewed annually. This ensures our response remains agile and aligned with any changes in the risk landscape.

Physical risks

The physical risks we consider material to our business are outlined in Table 2.

Table 2 Assessment of residual physical risks

Physical risk	Likelihood	Short-term financial impact*	Medium/ long-term financial impact*
Coastal flooding	Very unlikely	Minor	Minor
River flooding	Unlikely	Moderate	Moderate
Heavy precipitation	Likely	Minor	Minor
Drought	Possible	Minor	Minor
Wildfires	Unlikely	Moderate	Moderate
Heatwaves	Possible	Minor	Minor

* Minor: <£1.35 million; Moderate: £1.35–£6.75 million; Major: £6.75–£27 million. All refer to annual impact.

It is important to recognise that the significance of climate related risks varies considerably across our property portfolio. For example, heavy precipitation poses a greater threat to our London properties, while coastal flooding and wildfires are more relevant to assets in the Netherlands and Croatia, respectively. In contrast, risks such as heatwaves are applicable to all properties.

Some of our Dutch properties are located below sea level and therefore are potentially exposed to coastal flooding. However, the Netherlands has extensive coastal defence systems, significantly reducing the likelihood of such events. Similarly, while several of our hotels are situated near rivers, such as the River Thames in London, the risk of river flooding remains low due to robust flood protection infrastructure, including the Thames Barrier, which safeguards the city from tidal surges and rising sea levels.

Among the three flooding related risks – coastal, river and heavy precipitation – heavy precipitation is the most concerning, as it is the least mitigated at the city or regional level. Nevertheless, the expected impact on our properties remains minor.

Drought risk is particularly relevant to our Croatian properties. To reduce our exposure to this risk, desalination facilities were installed in Pula and Medulin in 2023. These plants now supply sufficient fresh water for landscape irrigation, helping to reduce freshwater withdrawal in the region.

Overall, while our properties are exposed to the transition and physical risks outlined above, none are expected to result in significant financial impact. For each risk, we have established control and mitigation measures, including insurance coverage and crisis management plans, which are reviewed regularly to ensure our response remains effective and adaptive.

Climate related opportunities

While climate change primarily presents risks to our business and the hospitality sector at large, we also actively seek to identify the opportunities it may bring. For PPHE, these opportunities often lie in our ability to adapt more swiftly than competitors, by offering more sustainable products and services to guests, and continuously improving the energy efficiency of our operations.

.These efforts will be further supported by the decarbonisation plan we developed in 2025, which outlines a detailed set of actions to reduce emissions across our assets and operations. Our commitment to reducing the Company's emissions through SBTi represents a strategic opportunity to enhance our competitiveness in climate related matters.

On the real estate side of our business, we are pursuing BREEAM In-Use certifications for selected properties, which will help us better understand the climate risks associated with each asset and improve our preparedness. They will also have the potential to enhance property value through third party validation of their sustainability performance and reduce refinancing costs through access to green loans.

Risk management

We operate a Group-wide Enterprise Risk Management (ERM) system that is embedded within the strategic planning of each corporate function. As noted earlier, we now treat climate related risks as core business risks, ensuring they receive appropriate attention in our planning and decision-making processes.

Our risk management framework is built on four key pillars that support informed decision-making: a) a risk-reward strategy; b) strong risk governance; c) a structured risk management process; and d) risk assurance.

We conduct quarterly enterprise risk assessments, evaluating the likelihood and potential impact of each identified risk. Following these assessments, the ESG Manager and the Head of Risk and Internal Audit inform the senior leadership team about any changes to the profile of existing risks or any new risks identified. This ensures that all relevant teams are promptly informed as appropriate, increasing ESG risk alignment across the organisation.

Metrics and targets

As part of our reporting obligations, every year, we provide a country-level breakdown of our carbon emissions for Scopes 1, 2 and 3 with related intensity metrics (see SECR paragraph). In 2026, we will also have our SBTi targets formally validated, adding to the metrics that we will report on yearly.

Besides these, other relevant environmental performance targets include:

- Certifying all new-build hotels, repositioning projects, and refurbishments through recognised building certification schemes. To support this, we have an internal policy to ensure consistent implementation.
- Procuring renewable electricity across all our properties. With our Radisson RED Belgrade property being supplied by renewable electricity from September 2025, this target has now been achieved and we aim to maintain this going forward.

Streamlined Energy and Carbon Reporting

Under the 2018 Regulations, the SECR requirements apply to quoted companies, large unquoted companies and large LLPs, for financial years starting on or after 1 April 2019.

This SECR report covers the reporting period from 1 January 2025 to 31 December 2025, and includes:

- Energy consumption data for 2025 and 2024
- Greenhouse gas (GHG) emissions for 2025 and 2024
- Intensity metrics for 2025 and 2024
- A summary of energy efficiency measures implemented in 2025
- The methodology used for calculating the above metrics

Our carbon footprint assessment follows the Greenhouse Gas Protocol, using region-specific emission factors. Emissions are reported across Scopes 1, 2 and 3.

Scope 1 emissions cover direct emissions from the combustion of gaseous and transportation fuels by the Company.

- **Scope 2** emissions include indirect emissions from purchased electricity and district heating and cooling used in our hotels and offices.
- **Scope 3** emissions account for indirect emissions from the products and services we procure. While we do not have direct control over these emissions, we actively collaborate with our value chain partners to develop strategies for reducing them as part of our goal to achieve net zero by 2050.

Following on from the work carried out in previous years, in 2025, we continued with the established approach to calculating our carbon footprint. This includes clear ownership of input data across various teams and continuous checks on this data throughout the year, as well as on the final calculations. This process requires the involvement of the ESG, Engineering, Data, Finance and Procurement teams, together with external consultants, all working together in ensemble to ensure that the results are as accurate as possible.

Scope 2 emissions can be calculated using either a location-based or market-based approach. The location-based method uses the average emission factor of the local energy grid where the electricity is consumed. In contrast, the market-based method reflects specific contractual arrangements for energy procurement, such as renewable energy agreements and on-site renewable generation.

Carbon footprint calculations were carried out by Zero Carbon Services (ZCS) for PPHE and by Code Gaia for AHG. ZCS then consolidated the results to produce the Group-wide figures. The reported figures include all hotels under management, regardless of ownership structure. This means that emissions from Park Plaza County Hall London and art'otel London Battersea Power Station are fully accounted for.

The tables below present our carbon footprint and energy consumption data for both the UK and the entire Group for the years 2025 and 2024.

Table 3 Carbon footprint of PPHE Hotel Group – 2025

	tCO_2e (market-based)	% of total (market-based)	tCO_2e (location-based)	% of total (location-based)
Scope 1	9,404	12%	9,404	10%
Scope 2	2,063	3%	16,503	18%
Scope 3	67,274	85%	67,274	72%
Total	**78,741**	**100%**	**93,181**	**100%**

Table 4 Carbon footprint of PPHE Hotel Group – 2024

	tCO_2e (market-based)	% of total (market-based)	tCO_2e (location-based)	% of total (location-based)
Scope 1	9,661	11%	9,661	9%
Scope 2	1,887	2%	17,654	17%
Scope 3	74,744	87%	74,744	73%
Total	**86,292**	**100%**	**102,059**	**100%**

Table 5 UK-only energy consumption (kWh) – 2025 vs 2024

Source	2025	2024[1]
Natural gas	**26,657,256**	27,542,200
Electricity, district heating and cooling	**35,585,884**	34,811,760
Total	**62,243,140**	62,353,960

1 The 2024 figure for Electricity, district heating and cooling is different compared to what was stated in the 2024 Annual Report. Due to billing issues on the supplier side, data reported in the 2024 Annual Report was overstated and this has now been amended in the current figure.

Table 6 PPHE Hotel Group energy consumption (kWh) – 2025 vs 2024

Source	2025	2024[1]
Natural gas, petrol, diesel, heating oil and liquid gas[2]	**43,214,898**	42,109,398
Electricity, district heating and cooling	**73,206,021**	79,915,706
Total	**116,420,918**	122,025,104

1 See note 1 in previous table.
2 Petrol, diesel, heating oil and liquid gas are only used in some AHG properties.

The tables above show that the Group's Scope 1 emissions have decreased year on year, which is due to two contributing factors:

- Some gas equipment was replaced with newer and more energy efficient electric equipment.
- Most hotels had lower refills of refrigerant gases, reducing related emissions.

Gas use reductions were mostly achieved in the UK and Netherlands across many hotels, with Park Plaza Westminster Bridge and Park Plaza Riverbank being the largest contributors to this decrease.

Scope 2 emissions were maintained at similar levels to 2024. With new hotels in the portfolio (art'otel Rome Piazza Sallustio) and others no longer part of it (Park Plaza Berlin Mitte), electricity consumption is expected to settle at new levels. Furthermore, the increased electrification of our properties means that to lower gas use corresponds higher electricity use. At the same time, higher energy efficiency of newer equipment allows us to run the same level of operations with lower energy use overall. All these factors combined contribute to the Scope 2 emissions reported above.

As of 2025, electricity consumption in all our regions is covered by RECs (Renewable Energy Certificates). The remaining market-based emissions are largely due to district heating use in some properties, which is not yet considered renewable.

While the year-on-year comparison does not show marked variations, there was a notable change in the calculations due to some primary data in Germany. In particular, the district heating emission factor in Germany provided by the supplier shows a significant change year on year, which skews Scope 2 emissions results for the country and is visible at the Group level as well. However, it is worth noting that this change reflects a more accurate emission factor and will allow us to have more truthful reporting going forward.

Scope 3 emissions in 2025 were lower than in 2024. This is due to the combined effect of different emission categories moving in opposite directions:

- Category 3.1 Purchased Goods and Services increased across the whole Group as a result of expanded operations (new hotel openings and increased revenues in most regions).
- Category 3.2 Capital Goods showed a marked reduction, which more than compensates the increase in category 3.1. This is because construction works for art'otel London Hoxton were completed in 2024 and those for art'otel Rome Piazza Sallustio in early 2025, leaving only routine refurbishment activities in category 3.2 in the rest of 2025. In previous years, the construction of art'otel London Hoxton was responsible for a significant amount of Scope 3 emissions, hence the observed drop in 2025.

The tables above show that overall energy consumption for the UK remained similar to levels in 2024, while for the Group it decreased, driven by a reduction in the category 'electricity, district heating and cooling'. However, this does not reflect a real drop in energy consumption and it is due to the installation of solar panels in Croatia. While solar panels started powering Grand Hotel Brioni and Park Plaza Arena in 2025, data on the energy generated by these will only be available in 2026. This leads our energy monitoring system to show a decrease in consumption of purchased energy, which is not compensated by the amount of energy generated on site. This issue will be resolved in 2026 and should no longer affect future energy reporting.

Intensity metrics

The intensity metrics we calculated are tonnes of CO_2e/total revenue (£m) and $kgCO_2e$/occupied room, both calculated using market-based emissions for Scope 2. The table below presents these ratios for each country. Please note that figures are rounded to one decimal place.

Table 7 PPHE's carbon intensity metrics for 2025 and 2024

	UK		The Netherlands		Croatia		Germany	
	2025	2024	**2025**	2024	**2025**	2024	**2025**	2024
Scope 1 and 2 emissions (tCO_2e)	**5,901**	6,401	**1,166**	1,431	**2,339**	1,882	**1,046**	699
Revenue (£m)	**315.2**	301.0	**63.8**	66.2	**89.4**	84.1	**29.5**	30.4
tCO_2e/£m	**18.7**	21.3	**18.3**	21.6	**26.2**	22.4	**35.5**	23.0
Rooms sold	**1,279,239**	1,208,901	**332,348**	339,560	**793,998**	790,695	**232,078**	228,060
$kgCO_2e$/room sold	**4.6**	5.3	**3.5**	4.2	**2.9**	2.4	**4.5**	3.1

	Italy		Austria		Hungary		Serbia	
	2025	2024	**2025**	2024	**2025**	2024	**2025**	2024
Scope 1 and 2 emissions (tCO_2e)	**8**	-	**194**	236	**275**	275	**538**	623
Revenue (£m)	**4.6**	-	**4.8**	4.2	**5.4**	5.3	**1.4**	1.1
tCO_2e/£m	**1.7**	-	**40.1**	56.2	**50.9**	51.5	**391.1**	560.7
Rooms sold	**10,874**	-	**17,101**	16,274	**47,460**	44,597	**15,259**	10,838
$kgCO_2e$/room sold	**0.7**	-	**11.3**	14.5	**5.8**	6.2	**35.3**	57.5

Most countries show a decrease in both metrics, with reductions in the UK, the Netherlands, Austria, Hungary and Serbia. This is especially significant considering that most of the emissions and revenues for the Group are generated in the UK and the Netherlands. In particular, the decrease of emissions in the Netherlands largely comes from art'otel Amsterdam. This is because in early 2025 we conducted a comprehensive maintenance service in the property to minimise damage to aircon system, markedly reducing breakage rate and associated f-gas emissions.

However, Croatia and Germany show the opposite trend. In Germany, this is largely justified by the change in district heating emission factor that was previously discussed. In Croatia, the increase is driven by two factors: 1) Higher gas consumption in the campsites due to operational changes; 2) Higher purchases of heating oil for storage. However, the latter is only an accounting issue, as larger than usual amounts of heating oil were purchased in 2025 and are only due to be used in 2026. Since it is not possible to determine exactly how much oil is used in a given period, the emissions are allocated to the year the oil was purchased in, that is 2025.

The 2024 figures for Italy are not shown in the table as art'otel Rome Piazza Sallustio was not yet operational, having opened only in March 2025. The reason for the Scope 1+2 value for 2025 being very low is that the hotel is almost entirely electrified and 100% of electricity is covered by RECs (Renewable Energy Certificates), therefore Scope 2 market-based emissions are zero and Scope 1 emissions are minimal.

Radisson RED Belgrade became the last property of the Group to be covered by RECs in September 2025. Therefore, to calculate the hotel's Scope 2 market-based emissions we have applied an emission factor of zero for the period September-December 2025, which explains the drop in Scope 1+2 year on year. While the hotel's revenues have increased, its occupancy was still low in 2025, contributing to the high intensity metrics in the table.

Energy efficiency actions

In 2025, we upgraded some of the equipment in our hotels to achieve energy efficiency gains, with the key improvements made across our portfolio described in the following paragraphs. In various hotels in the UK and the Netherlands, we have installed a new kitchen extract control system, leading to substantial energy savings in these areas. In Park Plaza London Westminster Bridge, we installed more efficient room lighting controllers, replaced hundreds of showerheads with more water-efficient ones, installed hundreds of new thermoelectric minibars and replaced older ovens with the latest model.

In Park Plaza London Riverbank and Park Plaza London Waterloo, we upgraded the room control system with new generation PIR sensors (Passive Infrared) in all rooms. In Park Plaza London Waterloo, we also replaced many minibars with more energy efficient ones and installed new circulation pumps, while in Park Plaza Victoria London, we installed new undercounter fridges in the restaurant and upgraded the walk-in fridges.

Carbon footprint quantification and reporting methodology

Our carbon footprint assessments were carried out by Zero Carbon Services for PPHE and by Code Gaia for AHG, following the guidelines of the GHG Protocol Corporate Accounting and Reporting Standard.
The sections below outline how data was collected across different emission scopes.

Scope 1 – Direct emissions

- Gas usage is tracked via automatic meter readings.
- F-gas emissions are reported by our suppliers, including data on refills and recovered gases.
- Company vehicle emissions are estimated based on fuel refill records, though these emissions are minimal.

Scope 2 – Indirect emissions from energy

- Electricity and district heating consumption is also monitored through automatic meter readings.
- In locations where we have renewable energy contracts, we apply an emission factor of zero to electricity use when calculating market-based emissions.

Scope 3 – Other indirect emissions

- Where feasible, Scope 3 emissions were calculated using the volume-based method, which accounts for over a third of total Scope 3 emissions.
- The majority were assessed using the spend-based method, with a small portion estimated using average data.

Further details on each emission category are provided in the table below.

	Category	Description	Calculation method
1.	**Purchased goods and services**	Data comes from our procurement system and it is integrated with our financial accounting system to ensure completeness and consistency.	F&B products: volume-based Non-F&B products and services: spend-based
2.	**Capital goods**	Data comes from the CAPEX reports of each individual property.	Spend-based
3.	**Fuel- and energy-related activities (FERA)**	This is based on energy consumption captured for Scope 1 and 2.	Volume-based
4.	**Upstream transportation and distribution**	Not applicable to PPHE.	
5.	**Waste generated in operations**	Data comes from reports shared by our waste management suppliers.	Volume-based
6.	**Business travel**	Data comes partly from reports shared by our travel agencies and partly from invoices, depending on the provider.	Mix of volume- and spend-based
7.	**Employee commuting**	Calculations based on number of employees and average emission factors for the areas in which they are located.	Average data
8.	**Upstream leased assets**	Not applicable to PPHE.	
9.	**Downstream transport and distribution**	Not applicable to PPHE.	
10.	**Processing of sold products**	The only input data for this category is that related to cooking oil, which is sold to companies that then recycle and repurpose it into new products.	Volume-based
11.	**Use of sold products**	Not applicable to PPHE.	
12.	**End-of-life treatment of sold products**	Not applicable to PPHE.	
13.	**Downstream leased assets**	Not applicable to PPHE. While we do have some downstream leased assets (e.g. rented office and F&B areas), we are responsible for paying the utility bills for these assets, meaning that the associated emissions fall into our Scope 1 and 2 and not Scope 3.	
14.	**Franchises**	We have two franchised properties in our portfolio, Park Plaza Cardiff (Wales) and Park Plaza Trier (Germany). Data for these calculations comes from the utility reports received directly from the hotels.	Volume-based
15.	**Investments**	Not applicable to PPHE.	

Risk management overview

Our risk management framework strengthens organisational resilience by anticipating and addressing risks before they materialise. It is firmly established and adaptable, drawing on insights from functional management, executive leadership and the Board to enable effective decision-making, support sustainable growth and safeguard operational stability.

The external environment remains challenging, with the hospitality industry increasingly affected by geo-political instability, economic uncertainty and evolving government policies. Wage inflation caused by statutory increases and recent changes in tax policy, such as changes to business rates in the UK and VAT adjustments in the Netherlands, create additional headwinds for the sector. Despite these pressures, the Group has a proven ability to adapt, remain agile, and take the initiative to deliver efficiencies and protect profitability.

Resilience to challenging conditions remains a priority. We continue to respond decisively through disciplined capital and debt management, rigorous cost control, dynamic revenue strategies and technology-driven process improvements to enhance efficiency.

A key aspect of our risk management framework is monitoring for emerging threats and developing risk drivers. Emerging risks are actively explored during each functional risk update and Executive Risk Forum to strengthen response strategies and identify potential opportunities. Key trends are reported alongside the enterprise risk assessment in quarterly updates to the Audit Committee.

The rapid advancement of Artificial Intelligence continues to present new opportunities to improve our central processes, hotel operations and guest experience. We are actively pursuing these opportunities while ensuring robust governance and safeguards are in place to manage the associated risks.

Cyber risk remains a high priority. As organisations strengthen detection and response capabilities, attackers have accelerated their methods, leveraging AI-driven tools to enhance speed, sophistication and impact. To address the evolving threat landscape, we are transitioning to AI-driven security solutions that enhance detection and response capabilities, safeguarding operations and resilience.

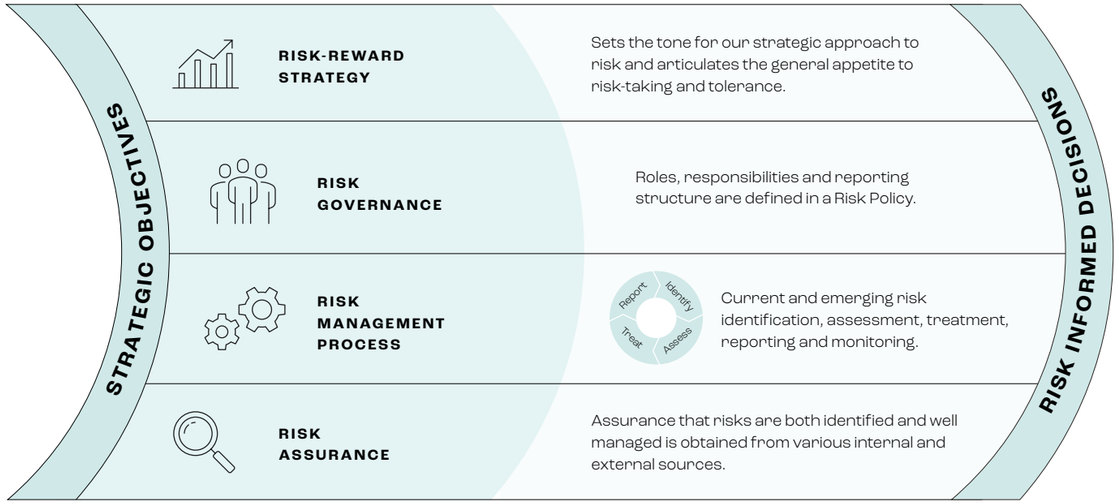
We continue to evaluate and monitor climate-related risks within our risk management framework. These risks are closely interconnected with other functional risks and play a role in shaping our assessment of several principal risks.

Principal risks – at a glance

We define our principal risks as those which could have the greatest impact on our business and represent the most significant threats to the achievement of our objectives in the year ahead. To be considered a principal risk the potential downside must be assessed as 'Major' or above. Under our current risk management methodology, this corresponds to a negative financial impact or a decline in asset values exceeding 5% of annual EBITDA* (under normal operating conditions). Risk impact is also assessed beyond direct financial implications. We evaluate reputational effects and stakeholder confidence, potential disruption to business operations and continuity of guest services, health and safety considerations for our people and guests, as well as legal and regulatory consequences associated with certain risks.

Principal risks	Inherent risk assessment	Residual risk assessment	Trend from previous year	Oversight responsibility	Page reference
1 Adverse economic climate	High	High	← →	CFO	Page 85
2 Market dynamics – consumer spending slowdown	High	High	↑	EVP Commercial Affairs	Page 86
3 Cyber threat – unrestricted cyber security incidents	Very High	High	← →	CFO	Page 87
4 Funding and liquidity risk	High	Medium	← →	CFO	Page 86
5 Data privacy – risk of data breach	Very High	Medium	← →	CCLO	Page 88
6 Technology disruption – prolonged failure of core technology	High	Medium	← →	CFO	Page 88
7 Operational disruption	High	Medium	← →	Co-CEO	Page 89
8 Difficulty in attracting, engaging and retaining a suitably skilled workforce	High	Medium	← →	Co-CEO	Page 90
9 Negative stakeholder perception of the Group regarding Environmental, Social and Governance (ESG) matters	High	Medium	← →	CCLO	Page 91
10 Serious threat to guest, team member or third party health, safety and security	High	Medium	← →	Co-CEO	Page 89
11 Development project delays or unforeseen cost increases	Medium	Low	↓	CCLO and Co-CEO	Page 87

Our risk management framework



Our risk-reward strategy

Our risk-reward strategy defines our risk appetite across key business activities and aligns with our strategic objectives. The appetite is reviewed annually and remains unchanged this year. However, we have expanded the statement to include additional categories.

Risk appetite levels	Definition	Business area/activity	Strategic enablers
Active	We will **proactively pursue opportunities that involve calculated risk** in support of our strategic objectives, provided the potential benefits clearly outweigh the associated impacts and the risk remains within defined tolerances. Appropriate safeguards will be applied to ensure responsible risk-taking.	· Acquisitions and development opportunities · Innovative technologies	Diverse prime property portfolio International network Our people and culture In-house hospitality management platform
Neutral	We will **accept a modest increase in risk exposure** to advance our strategic objectives, provided the anticipated benefits outweigh the potential impacts and the risk remains within established tolerances. Appropriate safeguards will be implemented to ensure prudent risk management.	· Development projects (construction) · Working with third parties · Funding · Commercial and promotional activity	Financial strength and non-dilutive capital approach International network Multi-brand approach
Averse	We will **seek to minimise risk exposure** in these areas and will only accept risk when absolutely necessary to achieve critical objectives. Any risk taken must remain within strict tolerances, and robust safeguards will be applied to ensure the highest level of protection.	· Environmental impact · Responsible and ethical sourcing · Human rights · Operational resilience · Health and safety · Financial operations and reporting · Tax · Technology resilience · Data privacy · Compliance	In-house hospitality management platform Our people and culture

Our risk governance and risk management process

Governance

Executive Leadership Team – Risk Forum
- Agrees the Risk Policy and Framework and formulates a risk-reward strategy (risk appetite) for proposal to the Board.
- Challenges the robustness and completeness of the full-year and half-year updates to the Group's risk registers, including key actions.
- Reports PPHE principal risks for Board approval and inclusion in the Annual Report.
- Ensures effective monitoring of emerging risk and progress against key risk mitigation actions.

Audit Committee
- Reviews the effectiveness of the Group's procedures for identifying, assessing and reporting risks, supporting the Board in overseeing risk management systems.
- Oversees internal and external assurance requirements.

ESG Committee
- Reviews ESG and climate-related risk assessment.

Board
Holds ultimate responsibility for risk management, including approval of:
- the Group risk profile;
- the Group Risk Policy & Framework;
- the Risk and Reward Strategy;
- the Principal risk statement in the Annual Report.

Process

ENTERPRISE RISK ASSESSMENT
Consolidates functional and subsidiary risks into a single enterprise-wide view reported to the Board.
Underpins the Group's principal risk disclosures.

CURRENT RISKS
Existing threats to achieving business objectives.

Regular risk updates from functional management to identify, assess and respond to current risks. Key steps include:
- Assessment of the severity of each risk using the Group risk assessment criteria, considering the effectiveness of the current controls and mitigating activity.
- Establishing clear actions with assigned accountability where further mitigation is required.
- Regular risk reporting to the Executive Leadership Team to support informed decision-making and resource prioritisation.
- Reporting the enterprise risk profile to the Audit Committee quarterly.

EMERGING RISKS
Future threats that cannot be accurately assessed now but could have a material impact on the business in the future through either heightening existing risks or becoming new stand alone risks.
- Horizon scanning during functional risk workshops and Executive Risk Forums to strengthen response plans and identify opportunities.
- Reporting emerging risk trends alongside the enterprise risk assessment to the Audit Committee quarterly.

When identifying emerging risk, we consider several drivers of change including:
- Market dynamics
- Social, geo-political, macro-economic and environmental factors
- Technological trends
- Legal and regulatory developments

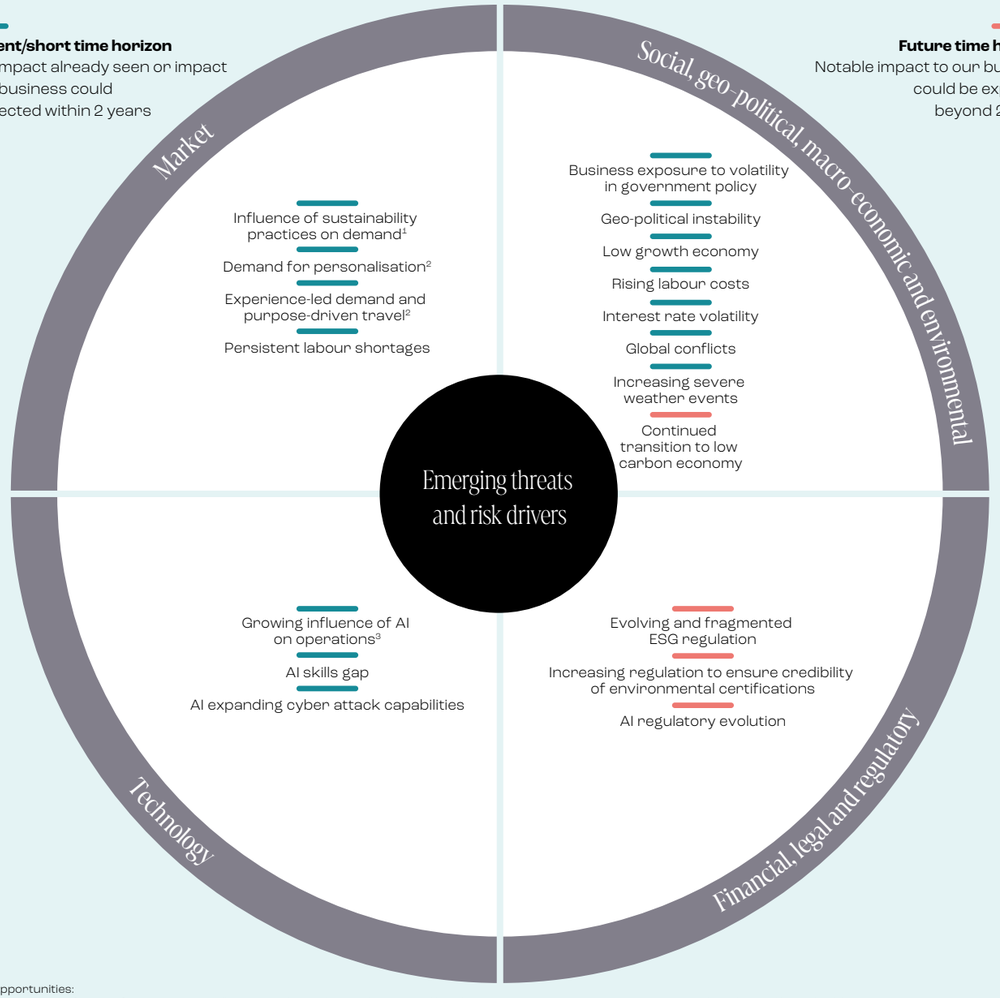
FUNCTIONAL AND SUBSIDIARY RISK ASSESSMENTS
Management identifies, assesses and manages risks and controls across all business functions.

Emerging risk

We actively monitor emerging threats and risk drivers that could materially impact the business in the future, aiming to strengthen our response plans and identify opportunities. Near-term threats are already factored into our principal risk assessments and influence the prioritisation of risk mitigation actions.

Imminent/short time horizon
Some impact already seen or impact to our business could be expected within 2 years

Future time horizon
Notable impact to our business could be expected beyond 2 years



Related opportunities:
1 Growing guest preference for environmentally responsible and ethically operated hotels presents a strong opportunity to strengthen demand by embedding sustainability into our brand experience, attracting values-driven travellers and enhancing long-term customer loyalty.
2 Growing guest demand for personalisation and purpose-driven, experience-led travel presents a significant opportunity to create more tailored, meaningful stays that deepen guest engagement and strengthen brand loyalty.
3 The increasing use of AI across operations presents a significant opportunity to enhance efficiency, personalise guest experiences and redeploy team members toward higher-value, guest-facing activities, strengthening service quality while optimising operational performance.

Principal risks

The following tables detail our principal risks for the year ahead. The reported risks are those we consider could have the greatest impact on our business and represent the most significant threats to the achievement of our objectives. This is not an exhaustive list of all risks identified and monitored through our risk management process, which includes the consolidation of underlying functional and subsidiary risk registers into a single view of risk reported to the Board. Our risk level is decided through an assessment of the likelihood of the risk and its impact should it materialise. Our assessments are weighted towards impact to encourage prioritisation of high impact risks.

Strategic blocks	Sources of value	
1 Core, upper upscale, city centre hotels	**4** Diverse prime property portfolio	**7** International network
2 Leisure and outdoor hospitality	**5** Multi-brand approach	**8** Our people and culture
3 Hospitality management platform	**6** In-house hospitality management platform	**9** Financial strength and non-dilutive capital approach

Movement from last year: ↔ Unchanged ↑ Increased ↓ Reduced

Market and macro-economic environment

Risk appetite: Not applicable

Principal risk description	Residual risk level	Outlook and risk response
Adverse economic climate Persistent uncertainty in global macro-economic and geo-political conditions could challenge the Group's ability to sustain or grow revenue and profitability. Economic stress, amplified by geo-political volatility, could manifest through wage inflation, rising costs of goods and services, unstable interest rates, fluctuations in energy and commodity prices, currency volatility, supply chain disruptions and more stringent borrowing requirements. **Strategic links:** 1, 2, 3, 7, 8, 9 **Risk drivers and emerging threats:** • Geo-political instability • Business exposure to volatility in government policy • Low growth economy • Rising labour costs • Global conflicts	**High** ↔	Established mitigations: • Budgetary control and proactive business performance oversight through monthly and quarterly reviews to discuss key variances, identify root causes and agree on corrective actions • Sensitivity analysis on key budget assumptions (e.g. occupancy rates, food and beverage revenue) to assess the financial impact of potential changes in market conditions, operational performance or external factors • Periodic cross-functional meetings with the Executive Leadership Team to review and align strategic priorities Mitigations and initiatives in 2025: • Initiative to drive process efficiency, introducing new AI-driven technology for the customer support centre to manage a high volume of customer contacts • Focused project to improve food and beverage margins • Supply chain consolidation to reduce complexity, improve value for money, strengthen supplier performance and enable better operational control • EDI (Electronic Data Interchange) introduced to streamline product pricing in priority supply areas, delivering greater efficiency, clearer visibility and improved pricing accuracy • New fixed interest rate agreements and utilisation of interest rate swaps to mitigate volatility associated with variable-rate borrowing • Long-term hedging of energy Outlook for 2026: While macro-economic conditions are expected to remain challenging in 2026, the resilience embedded in our business model positions us to navigate these headwinds effectively, leveraging innovation and disciplined cost management to sustain performance and support long-term growth. Exposure to volatility in government policy and regulatory decisions continues to pose a risk to business performance, with shifts in taxation and legislative priorities directly influencing costs and growth potential. In 2026, UK hotels face a sharp increase in rateable values, while the Netherlands' significant VAT rise is expected to suppress RevPAR* growth. Strong cost management and further development of process automation are critical strategic priorities to counter the external pressures. Initiatives include: • Deployment of new technology and AI-enabled solutions to streamline operations, automate back-office processes and introduce self-service check-in/out kiosks across reception areas • Continued emphasis on strengthening food and beverage margins by building on the efficiencies already achieved

Market and macro-economic environment continued

Risk appetite: Not applicable

Principal risk description	Residual risk level	Outlook and risk response
Market dynamics – consumer spending slowdown Reduced consumer spending could arise, stemming from volatile macro-economic conditions such as inflationary pressures, increased taxes, interest rate fluctuations or weakening economic growth. Additionally, geo-political instability, trade disruptions or significant global incidents (e.g. pandemics, natural disasters or security threats) could influence global travel patterns and overall market sentiment, creating challenges in forecasting demand and maintaining stable revenue. **Strategic links:** 1, 2, 3, 4, 5 **Risk drivers and emerging threats:** · Low growth economy · Influence of sustainability practices on demand · Demand for personalisation · Experience-led demand and purpose-driven travel	**High** ↑	Established mitigation: · Regular business reviews and commercial meetings to proactively monitor performance and forecasts, and initiate actions where required · Analysis of guest feedback and guest experience data and benchmarking against competition. This is then fed back to Operating teams to ensure changes or improvements are made · AI-enabled revenue management and pricing system, rate shopping software, benchmarking software and industry reports · Close collaboration with Radisson Hotel Group and leveraging its reach for promotional campaigns · Actively use and promote the Radisson Rewards programme to drive new bookings and repeat stays · Brand audit programmes and mystery shopper programmes to ensure brand consistency Mitigations and initiatives in 2025: · Implemented Revenue Forecasting tool to help drive data-driven decision-making · Implemented a range of guest experience initiatives to increase guest satisfaction, from new concepts, packages and offers, to service flows, training and auditing, and mystery shopper programmes · Embedded AI- and RPA-enabled technology for guest interactions · Introduced AI-generated summaries for each General Manager, collating guest feedback shared through surveys and from guest reviews · Increased investments in property and brand advertising across key direct booking channels and third party channels such as Global Distribution Systems, OTAs, and meetings and events booking platforms Outlook for 2026: In 2026, we are launching a series of significant projects in anticipation of shifting demand drivers and customer behaviours. A central focus is the roll out of smart technology designed to elevate the guest experience and empower our teams to deliver confident, consistent and memorable experiences for our guests. This includes the introduction of a central guest experience platform, which enables the introduction of mobile solutions and kiosks for checking in and out, digital wallet keys for guests, AI-enabled real-time messaging, upgraded ordering platforms for food and drink, and more. Focused projects are also planned to further elevate the guest experience through refreshed brand standards, training programmes and regular third party audits.

Funding and investment

Risk appetite: Neutral

Principal risk description	Residual risk level	Outlook and risk response
Funding and liquidity risk Failure to proactively manage funding and liquidity risks could result in breaches of debt covenants, restricted access to cash, erosion of stakeholder confidence and exposure to less favourable refinancing terms in the future. Such outcomes may significantly impair financial flexibility. **Strategic links:** 1, 2, 7, 9 **Risk drivers and emerging threats:** · Low growth economy · Interest rate volatility · Geo-political instability · Global conflicts	**Medium** ↔	Established mitigation: · Board-approved Treasury Policy · Monthly forward covenant testing · Monthly treasury monitoring and reporting to the Board · Proactive and regular liaison with our lenders Mitigations and initiatives in 2025: · Proactive refinancing to secure fixed interest rates on at least 85% of property loans, ensuring alignment with Board-approved policy and risk appetite. This included early refinancing of 2026 maturities to mitigate liquidity risk · See page 39 for further details on new financing arrangements Outlook for 2026: Macro-economic pressures are likely to see continued market uncertainty and refinancing pressures during the year ahead. Following the proactive steps taken during 2025, we are well positioned and considered this risk manageable. With our market dynamics risk being high, robust covenant monitoring and communication with lenders will remain a continued focus.

Development projects

Risk appetite: Neutral

Principal risk description	Residual risk level	Outlook and risk response
Development project delays or unforeseen cost increases Delivery of major construction projects may be adversely affected by factors such as supply chain disruptions, labour market constraints and sharp increases in material costs. Additional pressures may arise from regulatory changes, planning delays, contractor performance issues and fluctuations in foreign exchange rates for imported materials. These challenges can lead to project delays, budget overruns and postponed new openings, ultimately impacting strategic growth plans and return on investment. **Strategic links:** 1, 2, 4, 7 **Risk drivers and emerging threats:** · Geo-political instability · Increasing severe weather events · Persistent labour shortages · Rising labour costs · Interest rate volatility	**Low** ↓	Established mitigation: · Regular project meetings with our contractors to identify and tackle any approaching issues which could impact the overall cost, targeted delivery schedule or the expected quality standards · Independent monitoring of projects by appointed third party experts Mitigations and initiatives in 2025: · Enhanced design certainty by progressing design work to a more advanced stage and conducting proactive market testing of design packages throughout the design evolution, reducing the risk of late-stage variations and unexpected cost pressures · Adopted a flexible and creative delivery approach to accelerate completion and unlock the full potential of new schemes, while proactively addressing and mitigating project bottlenecks · Introduced an enhanced planning approach that includes multiple pre-application meetings with local councils, enabling early evaluation of new projects and proactive identification and resolution of potential planning challenges Outlook for 2026: The risk profile for 2026 has eased, aligned with the Group moving into a quieter stage of the development cycle. We will continue to prioritise cost efficiency by leveraging in-house expertise for minor and lower-complexity works, minimising external dependency and maintaining strong oversight of delivery. Looking ahead, we will continue to apply rigorous and diligent planning across the development pipeline, ensuring that upcoming projects are thoroughly assessed, risks are identified early and mitigation strategies are embedded from the outset. This forward-looking approach will help maintain stability in the risk profile, support predictable delivery timelines and strengthen cost control across future developments.

Technology and information security

Risk appetite: Averse

Principal risk description	Residual risk level	Outlook and risk response
Cyber threat – unrestricted cyber security incidents A significant cyber attack could disrupt critical operations and lead to substantial financial and reputational damage. Potential impacts include loss of revenue due to operational downtime, high recovery and remediation costs, regulatory penalties and fines in the event of a data breach, and erosion of stakeholder trust. **Strategic links:** 3, 6 **Risk drivers and emerging threats:** · AI expanding cyber attack intensity · AI skills gap · Geo-political instability	**High** ↔	Established mitigation: · Information security policies · Network security · AI-powered network monitoring and detection, and autonomously responding to threats · Continuous vulnerability scanning and remediation · Penetration testing programme · Targeted phishing exercises and training · Enhanced filtering of malicious phishing sites · Incident management and recovery procedures Mitigations and initiatives in 2025: · New monitoring tool implemented to monitor new hybrid environment. · New vulnerability management and patching tool implemented · Continued growth of resource within Information Security department · New procedures for onboarding suppliers ensuring baseline security · Increased intensity of phishing training Outlook for 2026: Cyber risk is expected to remain a significant challenge in 2026, with persistent threats to operational systems, data and third party platforms requiring ongoing focus on resilience, monitoring and rapid response. In the year ahead, our plans include: · Continued growth of information security resource · Modernisation and alignment of information security policies to reflect current operations and best-practice frameworks · Assessment of options to enhance and optimise email security controls · Exploring applications that allow listing solutions to enhance malware protection · Delivering an AI risk awareness programme

Technology and information security continued

Risk appetite: Averse

Principal risk description	Residual risk level	Outlook and risk response
Data privacy – risk of data breach A significant data breach that could expose sensitive personal or corporate information. Such an incident may trigger regulatory investigations and result in substantial fines. Beyond financial penalties, a breach could severely damage stakeholder trust, harm the Group's reputation, and lead to legal liabilities and operational disruption. **Strategic links:** 3, 6, 8 **Risk drivers and emerging threats:** · Growing influence of AI on operations · AI regulatory evolution	**Medium**	Established mitigation: · Centralised records of personal data processing activity maintained within a data protection and information security platform · Internal awareness campaigns and training programmes · Documented data protection and privacy procedures · Monitoring of databases containing Personally Identifiable Information, with data owners · Renewing and updating data privacy risk assessments and other documentation required under GDPR Mitigations and initiatives in 2025: · New business-wide policy for internal AI use to mitigate data breach risk linked to the threat of shadow AI Outlook for 2026: A key driver of data privacy risk in 2026 is the accelerating influence of AI and the introduction of new AI-driven technologies into the core processes of the business. As we increasingly embed AI into customer interactions and operational workflows, the volume and sensitivity of data being processed can also grow. While this expansion can elevate the potential for unintended data exposure, or breaches of regulatory requirements, we are committed to upholding a strong data privacy framework supported by effective, consistently applied controls.
Technology disruption A prolonged outage or failure in core technology infrastructure could severely disrupt business operations, particularly systems critical to hotel management and reservations. Key drivers include hardware or software failures, inadequate disaster recovery capabilities, cyber incidents and third party service disruptions. Such failures may result in operational downtime, revenue loss and customer dissatisfaction, as well as increased recovery costs. **Strategic links:** 3, 6 **Risk drivers and emerging threats:** · Growing influence of AI on operations · AI skills gap · AI expanding cyber attack intensity	**Medium**	Established mitigation: · Network monitoring and vulnerability scanning · Multi-layer backup strategy · Resilient network infrastructure · Business redundancy capabilities Mitigations and initiatives in 2025: · Successfully transitioned core infrastructure from a local data centre to a leading cloud provider, significantly strengthening operational resilience and enhancing disaster recovery capabilities · Improved technology change management processes to reinforce governance, operational control and the stability of system changes across the technology estate · Implemented the new cloud-based Property Management System, increasing operational resilience, improving service reliability and enabling future scalability · Completed a comprehensive external audit of the technology environment, providing independent assurance and identifying key areas for remediation and future improvement · Executed targeted remediation and uplift activities across network infrastructure to address identified vulnerabilities and improve overall stability and resilience Outlook for 2026: In 2026, we will continue to advance the strong foundations established last year, concentrating on architectural resilience, enhanced information security, proven recovery capabilities, disciplined change management and effective third party oversight. Key areas of focus in the year ahead include: · Deployment of a modernised wireless infrastructure to improve network performance, guest connectivity and operational reliability across all sites · Replacement of legacy telephony systems with the 3CX cloud-based unified communications solution to enhance availability, flexibility and long-term supportability · Build out of a secondary, high availability cloud-based environment to support disaster recovery capabilities and provide a resilient platform for future AI workloads · Continued adoption of cloud-based solutions aligned to business strategy, focusing on reducing technical debt, improving scalability and improving delivery agility · Further roll out of Single Sign On (SSO) and Multi Factor Authentication (MFA) to strengthen identity and access management and enhance overall cyber security posture · Comprehensive review and continuous improvement of disaster recovery processes, ensuring alignment with evolving business needs and resilience requirements

Safety and continuity

Risk appetite: Averse

Principal risk description	Residual risk level	Outlook and risk response
Operational disruption Major global events such as pandemics, conflicts or large-scale environmental disasters pose a significant risk of widespread disruption, impacting guests, supply chains and hotel operations. These events can lead to travel restrictions, resource shortages and operational instability. In addition, localised incidents at or near our properties such as extreme weather events, social unrest, terrorism or other security threats, could disrupt operations, compromise guest safety and damage assets. Both global and local disruptions may result in revenue loss, increased operating costs, reputational harm and challenges in maintaining business continuity. **Strategic links:** 3, 6, 8 **Risk drivers and emerging threats:** · Global conflicts · Increasing severe weather events · Persistent labour shortages	**Medium**	Established mitigation: · Established crisis management plans and procedures · Regular crisis management training for management and team members · Relationship management with key suppliers and partners to identify and mitigate any potential issues which could impact the continuity of their service Mitigations and initiatives in 2025: · Introduction of new system failure operations guide providing continuity procedures to respond to significant threats which could impact the continuity of our critical hotel services and operations · Review and optimisation of supply chain contingency measures, ensuring dual-sourcing and sufficient supplier Outlook for 2026: To deliver a consistently smooth experience for our guests, we work to sustain resilient operations, dependable supply chains, and stable hotel management and reservation systems. In 2026, resilience will be fundamental to delivering our new technology-driven initiatives, enabling us to re-imagine the guest experience and optimise operational performance. A key focus will be on the resilience of AI-driven processes and the robustness of their redundancy measures. Additionally, key areas of our supply chain will be reviewed, with opportunities explored to adapt supplier models to enhance overall resilience.
Serious health, safety and security incidents The Group faces the risk of significant health and safety, food safety or physical security incidents. Failure to implement adequate preventive measures or respond effectively to such events could lead to serious harm to guests and team members, operational disruption, reputational damage and a loss of confidence among stakeholders. **Strategic links:** 3, 6, 8 **Risk drivers and emerging threats:** · Increasing severe weather events · Persistent labour shortages · AI expanding cyber attack intensity	**Medium**	Established mitigation: · Regular risk assessments including those specific to large events · Security and fire safety procedures · Health and Safety audit programmes · In-house and supplier food safety audit programmes · Team member training programmes · Mental health and wellbeing training · Centralised incident reporting · Proactive gathering of intelligence and advice on potential security risks through regular liaison with local police and security services Mitigations and initiatives in 2025: · Review and update of large meetings and events procedures to ensure compliance with the new Terrorism (Protection of Premises) Act 2025 · Enhanced employee training on recognising and mitigating the risk of hotels being used for human trafficking Outlook for 2026: Serious health, safety and security incidents remain an ever-present operational risk, and the business will continue to prioritise high standards, ensuring that procedures are regularly tested for effectiveness and suitability. Protecting our critical operational safety and security systems remains a key aspect of our cyber security defences, ensuring we safeguard the physical wellbeing of both our team members and our guests.

People

Risk appetite: Averse

Principal risk description	Residual risk level	Outlook and risk response
Difficulty in attracting, engaging and retaining a suitably skilled workforce Challenges in attracting, retaining and developing an engaged and appropriately skilled workforce could undermine service quality, increase operating costs, disrupt day-to-day operations and hinder the successful delivery of key strategic objectives. Factors such as labour market constraints, rising wage pressures and evolving skill requirements may exacerbate this risk. **Strategic links:** 3, 6, 8 **Risk drivers and emerging threats:** · Low growth economy · Persistent labour shortages · Rising labour costs · AI skills gap	**Medium**	Established mitigation: · Employee experience programmes focused on employee needs and the delivery of group initiatives for developing retention, wellbeing and engagement · Employer value proposition development to attract candidates and drive retention · Learning and development programmes with focus on technical skills and management development · Internal communication strategy and use of related technologies for employee voice enablement · Talent management and succession planning to promote intra-Company mobility options · Regular talent reviews and learning need analysis · Physical health and wellbeing initiatives Mitigations and initiatives in 2025: · In 2025, we began to implement Dayforce as our group unified HCM system (Human Capital Management), bringing together disparate employee data, and aligning and automating processes across our operating regions. This should enable our talent acquisition and onboarding activities to be more efficient and effective. Much improved analytics capabilities will, with the centralisation of our data, allow us to have better insights into our workforce and enable planning and deployment of talent · Redefined our Competency Framework with leadership competencies reflective of labour market shifts. These have been built into new management job descriptions, allowing for related performance management alignment · Annual engagement surveys to gather valuable insights from our diverse workforce, consolidating our strong employee engagement results and maintaining them through a challenging economic backdrop · Retention initiatives including Graduate Managers Cohort, internal promotions campaign and enhanced wellbeing support · Launched The NextGen programme for team leaders, to strengthen leadership capability · Piloted immersive learning using virtual reality technology to deliver engaging and impactful training experiences Outlook for 2026: We anticipate that this risk will continue to present challenges in 2026, but its overall profile is expected to remain stable. Our priorities will include advancing our technology modernisation agenda, notably through the roll out of the new HCM system and the introduction of an enhanced internal communications platform designed to strengthen engagement across the organisation. The significant improvements to our Internal Communications framework include the relaunch of our intranet and the launch of a Company app, enabling us to better reach and interact with our predominantly deskless workforce. A key focus for 2026 will be developing a fully formed Group Diversity, Equity and Inclusion strategy, ensuring we identify and develop talent from a wide range of backgrounds and supporting improved decision-making and organisational performance.

Environmental, Social and Governance

Risk appetite: Averse

Principal risk description	Residual risk level	Outlook and risk response
Negative stakeholder perception of the Group with regard to Environmental, Social and Governance matters With ESG remaining a priority for our stakeholders, any perception that the Group fails to uphold best-practice corporate governance principles or act responsibly in protecting the environment and supporting the communities in which we operate could significantly damage our reputation. This may reduce our attractiveness to guests, investors, and business partners, and impair our ability to attract and retain talent. **Strategic links:** 1, 2, 3, 8 **Risk drivers and emerging threats:** · Evolving and fragmented ESG regulation · Increasing regulation to ensure credibility of environmental certifications · Continued transition to low carbon economy · Experience-led demand and purpose driven travel	**Medium**	Established mitigation: · ESG strategy (aligned to Radisson Hotel Group's Responsible Business Programme) · Externally certified performance against recognised standards, e.g. Green Key · Initiatives to reduce energy consumption in our properties · Property sustainability certifications e.g. BREEAM (Building Research Establishment Environmental Assessment Methodology) · Member of the Energy & Environment Alliance · CDP independent environmental disclosures and Workforce Disclosure Initiative (WDI) reporting · Regular social media communications about ESG strategic approach, priorities and initiatives · Climate risk analysis Mitigations and initiatives in 2025: · Preparation of a comprehensive decarbonisation plan and submission of the Group's targets to SBTi (Science Based Targets initiative) · Improved waste management practices through increased recycling rate, leading to both positive environmental outcomes and cost savings · Enhanced support of local community organisations through fundraising events and volunteering by team members Outlook for 2026: In the year ahead, stakeholder expectations around ESG standards will continue to intensify. Delivering our ESG strategy will be essential to meeting these rising expectations. Our key areas of focus will include: · Updated Supplier Code of Conduct to increase sustainability requirements in our supply chain. · Continued phase out of single-use plastic items from hotel rooms and other areas of the business · Continued improvement of internal communications on ESG to increase team member engagement in this area

Viability Statement 2025

The Group entered 2025 against a backdrop of macro-economic headwinds, with weaker consumer sentiment and inflationary pressures contributing to softer room rates in several of our key markets. As the year progressed, trading conditions improved meaningfully. The second half saw a steady recovery in demand, resulting in higher room rates, increased occupancy levels and an overall strengthening of RevPAR* across the portfolio. This performance underscores the resilience of our business model and the effectiveness of our commercial and revenue management strategies.

During the year, the Group successfully refinanced three loan facilities totalling approximately £220 million that were due to mature in early 2026. The £88 million facility previously financed by MassMutual was refinanced with ABN AMRO Bank and Santander. Importantly, the interest rate on this facility had been prehedged in 2022 – prior to the significant uplift in global interest rates – locking in an all-in rate of 3.9%, which represents a strong strategic outcome in the current high rate environment. The remaining two maturing loans were refinanced with existing lenders at prevailing market rates. As a result, the Group has extended its average debt maturity to 4.2 years and further strengthened its liquidity profile and medium-term financial resilience.

To assess the Group's viability, the Board has again undertaken a comprehensive review of current and emerging risks that may affect our strategy, operational performance and liquidity position. This review incorporates detailed cash flow forecasts for the three-year period ending 31 December 2028 and considers both a base case and a downside case scenario, consistent with the prior year methodology.

Our base case scenario begins with the actual trading results for 2025 and projects continued momentum following the improved performance in the second half of the year. Revenue growth assumptions remain broadly aligned with, or slightly above, external market benchmarks, reflecting specific commercial initiatives in our key territories. EBITDA* forecasts incorporate elevated wage expectations, general inflationary pressures and the operational ramp-up of recent openings. Beyond 2026, the Group assumes a 2.5% annual EBITDA* increase and continued stabilisation of the new pipeline. Debt service requirements reflect the updated refinancing arrangements and current market interest rate conditions.

The downside case assumes a 15% reduction in EBITDA* each year relative to the base case, reflecting both sustained pressure on room rates and the impact of new hotels ramp-ups on profit conversion. While operating hotels remain comfortably within their covenant limits under this scenario, certain newly opened hotels would require temporary covenant waivers during their ramp-up period due to the lower EBITDA* under the downside case. The forecast period extends beyond normal booking visibility; however, even with these adjustments, the downside scenario does not require mandatory prepayments or trigger cash traps under existing loan agreements. The Group's available liquidity remains sufficient to support operations without the need for broader restructuring measures.

The refinancing completed during the year, together with strong lender relationships, conservative leverage levels and continued covenant headroom at operating hotels, provides comfort in both the base and downside scenarios. Even in the unlikely event that temporary covenant waivers are required for ramp-up hotels, the Group is confident in its strong relationships with its banking partners and the support of lenders following the recent refinancing.

After reviewing both scenarios, and taking into account the Group's current financial position, strong cash flow generation, extended debt maturity profile and overall strategic outlook, the Directors have a reasonable expectation that the Group will be able to continue operating and meet its obligations as they fall due over the three-year assessment period to 31 December 2028. The Board considers a three-year timeframe to be appropriate, reflecting the period over which new developments will stabilise and contribute to Group profitability.

The Board will continue to monitor performance against both base and downside scenarios, assess changing trading conditions and evaluate the Group's long-term strategy as part of its ongoing viability assessment.