

CPHCL Company Limited

**Report and Financial Statements
31 December 2024**

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Directors' report

The Directors present their report together with the audited financial statements of CPHCL Company Limited, (the 'Company' or 'CPHCL') and the consolidated financial statements of the Group of which it is the parent, for the year ended 31 December 2024.

Principal Activities

The Group's main business is the ownership, development and operation of hotels, leisure facilities, and other activities related to the tourism industry. The Group is also actively engaged in the provision of residential accommodation, the rental of retail and office space, the origination of projects for the Group and third-party investors and services related to construction, project management and catering.

Results and Review of Performance

Total revenue for the year under review increased to €348.66 million from €326.89 million last year, an increase of 7%. The financial performance for 2024, particularly for the Group's operations in Russia, continued to be impacted by the military conflict which erupted in February 2022 between Russia and Ukraine. This conflict led to international sanctions on Russia, which had an effect on the Group's results and assets held in Russia as disclosed in Note 5.2. The geopolitical situation between Russia and the West resulted in a drop in international business. Nevertheless, the hotel still increased occupancy levels during the year over 2023 in view of the local trade that the hotel always enjoyed.

On the strength of the increased revenue, the Group recorded a gain on operating results before depreciation and fair value adjustments of €62.68 million compared to €59.82 million in 2023, an increase of €2.86 million. This after deducting one-off preopening costs in 2024 amounting to €6.1 million, relating to the opening in Rome and Brussels. The Group recognised uplifts on its investment properties amounting to €11.58 million in the income statement. These related mainly to an uplift of €5.36 million on land held in Marsa, a €3.04 million uplift on the Tripoli Commercial Centre, a €2.61 million uplift on the Corinthia Hotel in Prague and a €1.08 million uplift on the St Petersburg Commercial Centre. There were decreases in fair value of €0.28 million on the apartments in Lisbon and €0.17 million on the offices in London. The uplift on the land held in Marsa was recognised pursuant to a promise of sale agreement which was signed in February 2025. The asset was also reclassified as a current asset as an 'asset held for sale.'

In the income statement, the Group also recognised a reversal of a previous impairment on the Corinthia Tripoli Hotel of €6.48 million. This was partially offset by an impairment of €0.15 million on the office block in London.

As a result of the improved performance from group operations and the above gains, the results from operating activities increased from €33.26 million in 2023 to €50.85 million in 2024, an increase of 52.9%.

The Group's share of net profit of associates and joint ventures amounted to €6.83 million (2023: €6.36 million). This primarily relates to MIH p.l.c. through its principal subsidiary company Palm City Limited, owner of the Palm City Residences in Libya.

Notwithstanding higher interest costs of €47.91 million in 2024 compared to €42.51 million in 2023, the Group recorded a profit before tax for the year of €9.81 million compared to a loss of €5.25 million recorded in 2023.

Directors' report - continued

In other comprehensive income, the net surplus on the revaluation of hotel properties amounted to €74.4 million compared to €59.0 million in 2023. These include €27.69 million on the Corinthia Hotel Lisbon; €15.36 million on the Corinthia Hotel London; €11.99 million on the Golden Sands Resort; €9.26 million on the Corinthia Oasis, €6.26 million on the Prague property and €8.35 million on the Corinthia Hotel St Petersburg. These gains were partially offset by less fair value losses of €3.02 million on the Corinthia Hotel Budapest, €0.90 million on the Thermal Hotel Aquincum and €0.60 million on the Ramada Plaza Tunis.

Translation gains of €13.33 million in Other Comprehensive Income were reported relative to a loss of €19.69 million registered in 2023. The strengthening of the Pound Sterling in 2024, relative to the reporting currency of the Group, which is the Euro, resulted in a gain on translation of the investment in London. This was partially offset by the weakening of the Rouble in relation to the Group's operations in Russia.

The Group registered other comprehensive income of €71.98 million against an income of €27.79 million registered in 2023. The share of total comprehensive income attributable to the shareholders of CPHCL amounted to €40.89 million for the year under review. The corresponding figure for 2023 was a profit of €2.21 million.

Details of the results for the year under review are set out in the consolidated income statement and the statement of comprehensive income on pages 11 to 12 and in the related notes to the audited financial statements for the year ended 31 December 2024.

At 31 December 2024, the Group is reporting a positive working capital of €105.19 million relative to a positive position of €9.19 million reported in 2023. As disclosed in note 12, the significant increase in the positive working capital position was mainly due to the reclassification of €144 million relating to Corinthia Lisbon, from property, plant and equipment to assets held for sale. The 2024 current liabilities include a bond issued by International Hotel Investments P.l.c (IHI), a major subsidiary of the group, of €45 million which is due for redemption in May 2025. To partially refinance this bond, IHI issued a €35 million bond and has already successfully secured the necessary funding.

Future Developments

The Group remains committed to driving growth through its core service companies, Corinthia Hotels Limited (CHL) and QPM Limited (QP). Leveraging the extensive know-how and goodwill that these companies have built throughout the years in hotel and project management, the Group is able to expand further with minimal capital investment. CHL is set to further elevate the Corinthia brand with new luxury hotels opening in Rome, Doha, Riyadh and Maldives in the coming years.

In parallel, the Group is also focusing on capitalising on its expertise in real estate acquisition, financing, planning and redevelopment within the hospitality and serviced residential sectors. This is spearheaded by a new division, C-Rev, set up in 2024 which focuses on exploring real estate deals in the USA and Europe. This venture has already signed projects in Beverly Hills, California and Grace Bay on Turks & Caicos. Besides generating fee income, these projects will also lead to new engagements for CHL and QP, in addition to further strengthening the Corinthia Brand's global footprint.

Separate to C-Rev, a wholly owned leasing company has been set up to undertake long-term rent commitments for new hotels developed by third parties. This entity will enter into leasing and operating arrangements for flagship properties owned by third parties, as is the case for the Corinthia Rome Hotel.

In Malta, the zoning permits for the Oasis project have been secured and planning permits for the hotel and serviced villas are expected in 2025.

Directors' report - continued

At CPHCL Company level, the Group's strategy is to pursue new revenue streams in Malta and overseas.

Going concern

The Directors have reviewed the Company's and the Group's operational and cash flow forecasts. Based on this review, after making enquiries, and in the light of the current financial position, the existing banking facilities and other funding arrangements, the Directors confirm that they have a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future.

Principal risks and uncertainties

The hotel industry globally is marked by strong and increasing consolidation and many of the Group's current and potential competitors may thus have bigger name recognition, larger customer bases and greater financial and other resources than the companies within the Group.

The Group is subject to general market and economic risks that may have a significant impact on the valuations of its properties (comprising hotels and investment property). A number of the Group's major operations are located in stable economies. The Group also owns certain subsidiaries that have operations situated in emerging or unstable markets. Such markets present different economic and political conditions from those of the more developed markets and present less social, political and economic stability. Businesses in unstable markets are not operating in a market-oriented economy as known in other developed or emerging markets. Further information about the significant uncertainties being faced in Libya and Russia are included in Note 5.

The Group is exposed to various risks arising through its use of financial instruments including market risk, credit risk and liquidity risk, which result from both its operating activities. The most significant financial risks as well as an explanation of the risk management policies employed by the Group are included in Note 35 of the financial statements.

Reserves

The movements on reserves are as set out in the statements of changes in equity.

Directors

The following have served as directors of CPHCL during 2024 and until the date of these financial statements:

Mr Alfred Pisani – Chairman
Mr Moussa A. Atiq Ali – Vice Chairman, appointed 7 January 2025
Mr Khaled Amr Algonsel – resigned 8th August 2024
Mr Emhemmed AB Ghula - resigned 22nd January 2024
Mr Mohamed Monder Al Moktar Alghnimi - appointed 22nd January 2024
Mr Abdulrahman A M Dibiba – deceased 31st July 2024
Mr Samer Abuajaja – appointed 29th October 2024
Mr Joseph Pisani
Mr Victor Pisani

The Company's Articles of Association do not require any of the directors to retire.

Directors' report - continued

Statement of Directors' responsibilities for the Financial Statements

The Directors are required by the Maltese Companies Act, (Cap. 386) to prepare financial statements which give a true and fair view of the state of affairs of the Company and the Group as at the end of each reporting period and of the profit or loss for that period.

In preparing the financial statements, the Directors are responsible for:

- ensuring that the financial statements have been drawn up in accordance with International Financial Reporting Standards as adopted by the EU;
- selecting and applying appropriate accounting policies;
- making accounting estimates that are reasonable in the circumstances; and
- ensuring that the financial statements are prepared on the going concern basis unless it is inappropriate to presume that the Company will continue in business as a going concern.

Even though not required by law, the Group has set up an independent audit committee which meets regularly.

The Directors are also responsible for designing, implementing and maintaining internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and that comply with the Maltese Companies Act, (Cap. 386). They are also responsible for safeguarding the assets of the Company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditors

PricewaterhouseCoopers have expressed their willingness to continue in office. A resolution proposing the re-appointment of PricewaterhouseCoopers as auditors of the Company will be submitted at the forthcoming Annual General Meeting.

Approved by the board of Directors and signed on its behalf by:



Alfred Pisani
Director



Moussa A. Atiq Ali
Director

22 Europa Centre,
Floriana FRN 1400,
Malta

30 April 2025



Independent auditor's report

To the Shareholders of CPHCL Company Limited

Report on the audit of the financial statements

Our opinion

In our opinion:

- The Group financial statements and the Parent Company financial statements (the “financial statements”) of CPHCL Company Limited give a true and fair view of the Group and the Parent Company’s financial position as at 31 December 2024, and of their financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards (“IFRSs”) as adopted by the EU; and
- The financial statements have been prepared in accordance with the requirements of the Maltese Companies Act (Cap. 386).

What we have audited

CPHCL Company Limited’s financial statements, set out on pages 11 to 126 comprise:

- the Consolidated and Parent Company income statements and statements of total comprehensive income for the year ended 31 December 2024;
- the Consolidated and Parent Company statements of financial position as at the year then ended;
- the Consolidated and Parent Company statements of changes in equity for the year then ended;
- the Consolidated and Parent Company statements of cash flows for the year then ended; and
- the notes to the financial statements, comprising material accounting policy information and other explanatory information.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor’s Responsibilities for the Audit of the Financial Statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group and the Parent Company in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code) together with the ethical requirements of the Accountancy Profession (Code of Ethics for Warrant Holders) Directive issued in terms of the Accountancy Profession Act (Cap. 281) that are relevant to our audit of the financial statements in Malta. We have fulfilled our other ethical responsibilities in accordance with these Codes.



Independent auditor's report - continued
To the Shareholders of CPHCL Company Limited

Emphasis of matter – significant uncertainty

We draw attention to the Note 5 in the financial statements, which highlights the significant geopolitical risks associated with Russia and in Libya and their impact on the Group's financial statements.

As it is uncertain as to when these risks will subside, the estimation uncertainty related to the valuation of the Group's assets in these territories remains heightened. We believe that different plausible scenarios may impact the financial performance of both the Russia and Libya operations and the valuation of related assets in a significant manner. Developments and revisions to forecast economic and market conditions after the date of approval of the financial statements might give rise to potential changes in the outcome of management assessments carried out subsequent to that date. This matter is considered to be of fundamental importance to the users' understanding of the financial statements because of the potential impact that this uncertainty may have on the valuation of the Group's assets in Russia and Libya.

Other information

The directors are responsible for the other information. The other information comprises the Directors' report (but does not include the financial statements and our auditor's report thereon).

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon except as explicitly stated within the *Report on other legal and regulatory requirements*.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



Independent auditor's report - continued

To the Shareholders of CPHCL Company Limited

Responsibilities of the directors and those charged with governance for the financial statements

The directors are responsible for the preparation of financial statements that give a true and fair view in accordance with IFRSs as adopted by the EU and the requirements of the Maltese Companies Act (Cap. 386), and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Group's and the Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the Parent Company or to cease operations, or have no realistic alternative but to do so.

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Parent Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.



Independent auditor's report - continued

To the Shareholders of CPHCL Company Limited

Auditor's responsibilities for the audit of the financial statements - continued

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Parent Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group or the Parent Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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

Report on other legal and regulatory requirements

The *Report and Financial Statements 2024* contains other areas required by legislation or regulation on which we are required to report. The Directors are responsible for these other areas.

The table below sets out these areas presented within the Annual Report, our related responsibilities and reporting, in addition to our responsibilities and reporting reflected in the *Other information* section of our report. Except as outlined in the table, we have not provided an audit opinion or any form of assurance.



Independent auditor's report - continued

To the Shareholders of CPHCL Company Limited

Area of the Report and Financial Statements 2024 and the related Directors' responsibilities	Our responsibilities	Our reporting
<p>Directors' report (on pages 1 to 5)</p> <p>The Maltese Companies Act (Cap. 386) requires the directors to prepare a Directors' report, which includes the contents required by Article 177 of the Act and the Sixth Schedule to the Act.</p>	<p>We are required to consider whether the information given in the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.</p> <p>We are also required to express an opinion as to whether the Directors' report has been prepared in accordance with the applicable legal requirements.</p> <p>In addition, we are required to state whether, in the light of the knowledge and understanding of the Company and its environment obtained in the course of our audit, we have identified any material misstatements in the Directors' report, and if so to give an indication of the nature of any such misstatements.</p>	<p>In our opinion:</p> <ul style="list-style-type: none"> the information given in the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and the Directors' report has been prepared in accordance with the Maltese Companies Act (Cap. 386). <p>We have nothing to report to you in respect of the other responsibilities, as explicitly stated within the <i>Other information</i> section.</p>
<p>Other matters on which we are required to report by exception</p> <p>We also have responsibilities under the Maltese Companies Act (Cap. 386) to report to you if, in our opinion:</p> <ul style="list-style-type: none"> adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us. the financial statements are not in agreement with the accounting records and returns. we have not received all the information and explanations which, to the best of our knowledge and belief, we require for our audit. 	<p>Other matters on which we are required to report by exception</p> <p>We also have responsibilities under the Maltese Companies Act (Cap. 386) to report to you if, in our opinion:</p> <ul style="list-style-type: none"> adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us. the financial statements are not in agreement with the accounting records and returns. we have not received all the information and explanations which, to the best of our knowledge and belief, we require for our audit. 	<p>We have nothing to report to you in respect of these responsibilities.</p>



Independent auditor's report - continued
To the Shareholders of CPHCL Company Limited

Other matter – use of this report

Our report, including the opinions, has been prepared for and only for the Parent Company's shareholders as a body in accordance with Article 179 of the Maltese Companies Act (Cap. 386) and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior written consent.

A handwritten signature in blue ink, appearing to read 'Lucienne Pace Ross', is written over a light blue horizontal line.

Lucienne Pace Ross
Principal

For and on behalf of
PricewaterhouseCoopers
78, Mill Street
Zone 5, Central Business District
Qormi
Malta

30 April 2025

Income statements

	Notes	The Group		The Company	
		2024 €'000	2023 €'000	2024 €'000	2023 €'000
Revenue	6.1	348,660	326,893	5,294	6,899
Costs of providing services	6.2	(177,591)	(171,858)	-	-
		171,069	155,035	5,294	6,899
Marketing costs		(14,453)	(12,893)	-	-
Administrative expenses	6.2	(69,407)	(59,166)	(5,131)	(5,090)
Other operating costs		(24,533)	(23,158)	-	-
Other operating results before depreciation, impairments and fair value movements		62,676	59,818	163	1,809
Depreciation and amortisation	6.2	(30,497)	(30,092)	(47)	(25)
Impairments on investments in subsidiaries	14.2	-	-	(1,901)	(4,201)
Other losses arising on property, plant and equipment	12	(115)	(1,680)	-	-
Other operational exchange gains/(losses)		871	(1,480)	62	(186)
Impairment gains on property, plant and equipment	12	6,329	275	-	-
Net changes in fair value of investment property	11	11,584	6,423	-	-
Results from operating activities		50,848	33,264	(1,723)	(2,603)
Net changes in fair value of financial assets through profit and loss	19	57	(1,541)	57	245
Finance income					
- interest and similar income	8	1,576	1,251	1,288	1,091
Finance costs					
- interest expense and similar charges	8	(47,905)	(42,511)	(5,277)	(5,192)
- net exchange differences on borrowings	8	(2,075)	(2,037)	-	-
Share of net profit of associates and joint ventures accounted for using the equity method	15.1	6,834	6,360	-	-
Other gains/(losses)		476	(40)	-	(14)
Profit/(loss) before tax		9,811	(5,254)	(5,655)	(6,473)
Tax expense	9	(4,415)	(5,817)	-	(1)
Profit/(loss) for the year		5,396	(11,071)	(5,655)	(6,474)
Profit/(loss) for the year attributable to:					
- Owners of CPHCL		11,409	(5,482)	(5,655)	(6,474)
- Non-controlling interests		(6,013)	(5,589)	-	-
		5,396	(11,071)	(5,655)	(6,474)

Statements of total comprehensive income

	Notes	The Group		The Company	
		2024 €'000	2023 €'000	2024 €'000	2023 €'000
Profit/(loss) for the year		5,396	(11,071)	(5,655)	(6,474)
Other comprehensive income					
<i>Items that will not be subsequently reclassified to profit or loss</i>					
Net surplus arising on revaluation of hotel properties	12	74,394	58,999	-	-
Deferred tax arising on revaluation of hotel properties	9	(17,478)	(15,283)	-	-
Share of other comprehensive income of joint ventures and associates accounted for using the equity method:					
- Surplus arising on revaluation of hotel and other property		212	266	-	-
Costs of hedging		(148)	-	-	-
Deferred tax on hedging	9	33	-	-	-
<i>Items that may be subsequently reclassified to profit or loss</i>					
Currency translation differences		13,325	(19,687)	-	-
Deferred tax arising on currency translation differences	9	1,947	3,701	-	-
Deferred tax arising on change in tax rate		(602)	-	-	-
Other		19	-	-	-
Share of other comprehensive income of joint ventures and associates accounted for using the equity method:					
- Currency translation differences		277	(209)	-	-
Other comprehensive income for the year, net of tax		71,979	27,787	-	-
Total comprehensive income for the year		77,375	16,716	(5,655)	(6,474)
Total comprehensive income for the year attributable to:					
- Owners of CPHCL		40,892	2,211	(5,655)	(6,474)
- Non-controlling interests		36,483	14,505	-	-
		77,375	16,716	(5,655)	(6,474)

Statements of financial position

	Notes	The Group		The Company	
		31 December 2024 €'000	31 December 2023 €'000	31 December 2024 €'000	31 December 2023 €'000
Assets					
Non-current					
Intangible assets	10	9,941	9,463	-	-
Property, plant and equipment	12	1,300,471	1,383,567	172	140
Right-of-use assets	13	16,423	18,628	116	142
Investment property	11	261,451	179,377	820	820
Deferred tax assets	29	45,605	37,766	3,555	3,555
Investments in subsidiaries	14	-	-	349,009	350,659
Investments in associates and joint ventures	15	111,920	108,103	24,002	24,002
Financial assets at fair value through profit or loss	19	3,411	3,411	-	-
Other financial assets at amortised cost	16	6,412	6,120	23,223	24,623
Trade and other receivables	18	11,173	687	-	-
Total non-current assets		1,766,807	1,747,122	400,897	403,941
Current					
Inventories	17	21,341	16,755	-	-
Assets classified as held for sale	21	162,386	62	-	-
Other financial assets at amortised cost	16	87	110	-	-
Trade and other receivables	18	54,344	45,042	10,305	10,062
Current tax assets		759	2,300	-	1,580
Financial assets at fair value through profit or loss	19	160	386	1,254	1,479
Assets placed under trust arrangement	26.2	77	77	-	-
Cash and cash equivalents	20	83,238	101,398	5,190	9,448
Total current assets		322,392	166,130	16,749	22,569
Total assets		2,089,199	1,913,252	417,646	426,510

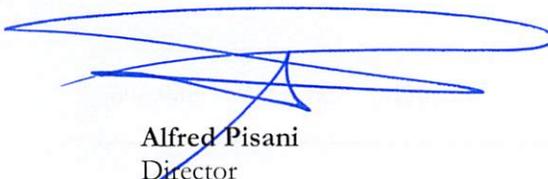
Statements of financial position - continued

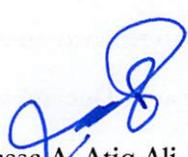
	Notes	The Group		The Company	
		31 December 2024 €'000	31 December 2023 €'000	31 December 2024 €'000	31 December 2023 €'000
Equity and liabilities					
Equity					
Issued capital	22	20,000	20,000	20,000	20,000
Other reserves	23	170,620	142,157	2,950	2,950
Retained earnings		261,431	249,002	263,944	269,599
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Capital and reserves attributable to owners of CPHCL		452,051	411,159	286,894	292,549
Non-controlling interests	14.3	517,255	480,772	-	-
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Total equity		969,306	891,931	286,894	292,549
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Statements of financial position - continued

	Notes	The Group		The Company	
		31 December 2024 €'000	31 December 2023 €'000	31 December 2024 €'000	31 December 2023 €'000
Liabilities					
Non-current					
Trade and other payables	30	27,894	10,121	240	436
Bank borrowings	25	385,609	345,006	121	207
Bonds	26	292,079	336,492	-	-
Lease liabilities	13	16,479	17,943	85	116
Other financial liabilities	27	35,846	34,685	90,256	105,503
Deferred tax liabilities	29	143,996	119,763	-	-
Indemnification liabilities	28	-	-	17,168	17,168
Provisions		783	368	-	-
Total non-current liabilities		902,686	864,378	107,870	123,430
Current					
Trade and other payables	30	110,222	99,578	9,770	9,908
Bank borrowings	25	50,335	41,352	86	594
Bonds	26	44,953	10,362	-	-
Lease liabilities	13	2,388	2,889	36	29
Other financial liabilities	27	5,500	91	12,990	-
Current tax liabilities		3,809	2,671	-	-
Total current liabilities		217,207	156,943	22,882	10,531
Total liabilities		1,119,893	1,021,321	130,752	133,961
Total equity and liabilities		2,089,199	1,913,252	417,646	426,510

The financial statements on pages 11 to 127 were approved by the board of directors, authorised for issue on 30 April 2025 and signed on its behalf by:


Alfred Pisani
Director


Moussa A. Atiq Ali
Director

Statement of changes in equity - the Group

	Notes	Issued capital €'000	Other reserves €'000	Retained earnings €'000	Total attributable to owners of CPHCL €'000	Non controlling interest €'000	Total equity €'000
Balance at 1 January 2023		20,000	135,677	253,271	408,948	466,477	875,425
Comprehensive income:							
Loss for the year		-	-	(5,482)	(5,482)	(5,589)	(11,071)
Other comprehensive income		-	7,693	-	7,693	20,094	27,787
Total comprehensive income		-	7,693	(5,482)	2,211	14,505	16,716
Transfer to retained earnings	23	-	(1,213)	1,213	-	-	-
Transactions with owners:							
Dividends distributed	14.3	-	-	-	-	(210)	(210)
Total transactions with owners		-	-	-	-	(210)	(210)
Balance at 31 December 2023		20,000	142,157	249,002	411,159	480,772	891,931
Balance at 1 January 2024		20,000	142,157	249,002	411,159	480,772	891,931
Comprehensive income:							
Profit for the year		-	-	11,409	11,409	(6,013)	5,396
Other comprehensive income		-	29,483	-	29,483	42,496	71,979
Total comprehensive income		-	29,483	11,409	40,892	36,483	77,375
Transfer to retained earnings	23	-	(1,020)	1,020	-	-	-
Balance at 31 December 2024		20,000	170,620	261,431	452,051	517,255	969,306

Statement of changes in equity - the Company

	Issued capital €'000	Other reserves €'000	Retained earnings €'000	Total equity €'000
Balance at 1 January 2023	20,000	2,950	276,073	299,023
Comprehensive income:				
Loss for the year	-	-	(6,474)	(6,474)
Total comprehensive income	-	-	(6,474)	(6,474)
Balance at 31 December 2023	20,000	2,950	269,599	292,549
Balance at 1 January 2024	20,000	2,950	269,599	292,549
Comprehensive income:				
Loss for the year	-	-	(5,655)	(5,655)
Total comprehensive income	-	-	(5,655)	(5,655)
Balance at 31 December 2024	20,000	2,950	263,944	286,894

Statements of cash flows

	Notes	The Group		The Company	
		2024 €'000	2023 €'000	2024 €'000	2023 €'000
Profit/(loss) before tax		9,811	(5,254)	(5,655)	(6,473)
Adjustments	31.1	53,500	65,706	2,139	2,904
Working capital changes:					
Inventories		(4,429)	189	-	-
Trade and other receivables		(20,440)	(4,674)	902	1,145
Trade and other payables		18,212	3,901	(738)	(2,252)
Cash generated from/(used in) operating activities		56,654	59,868	(3,352)	(4,676)
Tax paid		(2,623)	(1,785)	-	(2)
Tax refund received		1,580	36	1,580	36
Net cash generated from/(used in) operating activities		55,611	58,119	(1,772)	(4,642)
Investing activities					
Payments to acquire investment property	11	(517)	105	-	-
Payments to acquire intangible assets	10	(1,457)	(1,043)	-	-
Payments to acquire property, plant and equipment		(72,010)	(58,820)	(39)	(12)
Proceeds from disposal of investment property	11	3,021	-	-	-
Proceeds from disposal of financial assets at FVTPL		280	3,845	280	3,342
Payments to acquire financial assets at FVTPL		-	(294)	-	(294)
Payments for acquisition of subsidiaries, net of cash acquired	34	-	-	-	(2)
Loan advances to subsidiary companies		-	-	225	913
Loan advances to associate companies		-	-	-	2,602
Dividends received		3,500	3,000	3,707	4,352
Interest received		1,576	1,251	140	95
Net cash (used in)/generated from investing activities		(65,607)	(51,956)	4,313	10,996

Statements of cash flows - continued

	Note	The Group		The Company	
		2024 €'000	2023 €'000	2024 €'000	2023 €'000
Financing activities					
Repayments of bank borrowings		(25,244)	(185,555)	(595)	(1,291)
Proceeds from bank borrowings		66,179	221,342	-	-
Proceeds from issue of bonds		-	30,102	-	-
Repayments of shareholders' loans		-	-	(10,000)	-
Proceeds from related party loans		-	-	24	-
Proceeds from associates' loans		5,500	-	5,500	-
Payments for redemption of bonds		(10,392)	(4,110)	-	-
Bond issue costs		-	(780)	-	-
Bank loan arrangement fees		(866)	(2,846)	-	-
Principal elements of lease payments		(3,529)	(3,372)	(14)	(105)
Repayments of loans from related parties		(184)	2,511	-	-
Interest paid		(44,625)	(39,669)	(1,714)	(1,771)
Dividend payments		-	(210)	-	-
Net cash (used in)/generated from from financing activities		(13,161)	17,413	(6,799)	(3,167)
Net change in cash and cash equivalents		(23,157)	23,576	(4,258)	3,187
Cash and cash equivalents at beginning of year		92,643	66,629	9,448	6,261
Effect of translation of group entities to presentation currency		4,307	2,438	-	-
Cash and cash equivalents at end of year	20	73,793	92,643	5,190	9,448

Notes to the financial statements

1. General information

CPHCL Company Limited, (the 'Company'), is a private limited liability company incorporated and domiciled in Malta. The address of the Company's registered office and principal place of business is 22, Europa Centre, Floriana FRN 1400, Malta. The Company is the ultimate parent company of the Group.

2. Nature of operations

CPHCL Company Limited and its subsidiaries' (the 'Group' or 'CPHCL') principal activities include the ownership, development and operation of hotels, leisure facilities, and other activities related to the tourism industry and commercial centres. The Group is also actively engaged in the provision of residential accommodation, project management services and industrial catering.

3. Summary of material accounting policies

This note provides a list of the material accounting policies adopted in the preparation of these consolidated financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

3.1 Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with of International Financial Reporting Standards (IFRS) as adopted by the European Union (EU) and the requirements of the Maltese Companies Act, (Cap.386).

The financial statements have been prepared on a historical cost basis, except for financial assets classified at fair value through profit or loss (FVTPL), the land and buildings class within property, plant and equipment and investment property – which are measured at fair value.

The preparation of consolidated financial statements in conformity with IFRSs as adopted by the EU requires the use of certain accounting estimates. It also requires the directors to exercise their judgement in the process of applying the Group's and the Company's accounting policies (see Note 4 - Critical accounting estimates and judgements). As explained further in this note, the Group has secured financing and taken other measures to improve the Group's liquidity and to enable the Group to settle its short-term obligations as and when they fall due. Accordingly, these consolidated financial statements have been prepared on a going concern basis.

Going concern

Operating conditions continued to improve during 2024 as almost all operations recovered from the effects of the COVID-19 pandemic. In 2024, the Group recorded an improved operating result before depreciation and fair value adjustments of €62.68 million after one-off preopening costs of €6.1 million, compared to €59.82 million last year. The Group is projecting that consolidated revenue levels will continue to improve during 2025 and beyond, as the hotels that opened towards the end of 2024, and the new openings come into play.

The Group's liquidity situation is being kept under constant review, particularly in view of increased interest costs and certain projects and commitments that the Group is currently engaged in.

At 31 December 2024, the Group had access to €193.5 million, comprising €101.4 million of undrawn committed facilities, €8.9 million of unutilised bank overdrafts and €83.2 million of cash balances. This liquidity position enables the Group to sustain its operations as well as meet its capital commitments. Overall, the Group's balance sheet position remains robust.

3. Summary of material accounting policies - continued

3.1 Basis of preparation - continued

Going concern - continued

Accordingly, the Directors and senior management consider the going concern assumption in the preparation of the Group's financial statements as appropriate as at the date of authorisation for issue of the 2024 financial statements. In their view, as at that date, there were no material uncertainties that may cast significant doubt on the Group's ability to continue operating as a going concern.

The board of directors and senior management remain vigilant on developments and will take appropriate measures as and when necessary to ensure the continued viability of the Group.

Working capital position

The Group's working capital position as at the end of December 2024 reflects a surplus of €105.19 million (2023: surplus of €9.19 million). This is largely due to the classification of assets held for sale in 2024. As disclosed in Note 12, in 2024, the Corinthia Lisbon valued at €144 million was reclassified to assets held for sale and is thus included with current assets. In February 2025, the Group entered into a promise of sale agreement to sell a plot of land in Marsa, and this was also reclassified to assets held for sale. The 2024 current liabilities include a bond of €45 million which is due for redemption in May 2025. To partially refinance this bond, the Group issued a €35 million bond and has already successfully secured the necessary funding.

Apart from the surplus cash flows generated from the Group's operations, the Group maintains a policy of supplementing cash available for its working capital requirements with various financing initiatives and, when market conditions permit the disposal of non-core assets. Further disclosures on liquidity risk are included in Note 35.2.

3.2 Standards, interpretations and amendments to published standards effective in 2024

The following amended standards become applicable for the current reporting period. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting these amended standards.

- Amendments to IAS 1 – classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants
- Amendment to IAS 7 and IFRS 7 – Supplier Finance Arrangements

3.3 Standards, interpretations and amendments to published standards that are not yet effective

Certain new standards, amendments and interpretations to existing standards have been published by the date of authorisation for issue of these financial statements but are mandatory for accounting periods beginning 1 January 2024 and after. The Group and the Company have not early adopted these revisions to the requirements of IFRSs as adopted by the EU and the directors are of the opinion that there are no requirements that will have a possible material impact on the Group and the Company's current or future reporting periods and on foreseeable future transactions.

3. Summary of material accounting policies - continued

3.4 Principles of consolidation and equity accounting

(i) Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the income statement, statement of comprehensive income, statement of changes in equity and statement of financial position respectively.

(ii) Associates

Associates are all entities over which the Group has significant influence but not control or joint control. This is generally the case where the Group holds between 20% and 50% of the voting rights. In the Group's financial statements, investments in associates are accounted for using the equity method of accounting (see (iii) below), after initially being recognised at cost.

(iii) Equity method

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the investee in profit or loss, and the Group's share of movements in other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates and joint ventures are recognised as a reduction in the carrying amount of the investment.

When the Group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

The Group determines at each reporting date whether there is objective evidence that the investment in associate is impaired. If this is the case, the Group calculates the amount of the impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount adjacent to 'share of net loss of associates' in the statement of comprehensive income.

Unrealised gains on transactions between the Group and its associates and joint ventures are eliminated to the extent of the Group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity accounted investees have been changed where necessary to ensure consistency with the policies adopted by the Group.

The carrying amount of equity-accounted investments is tested for impairment in accordance with the policy described in Note 3.10.

3. Summary of material accounting policies - continued

3.5 Investments in subsidiaries, associates and joint ventures in the Company's stand-alone financial statements

In the Company's separate financial statements, investments in subsidiaries, associates and joint ventures are accounted for by the cost method of accounting i.e. at cost less impairment. Cost includes directly attributable costs of the investment. Provisions are recorded where, in the opinion of the directors, there is an impairment in value. Where there has been an impairment in the value of an investment, it is recognised as an expense in the period in which the diminution is identified. The results of subsidiaries, associates and joint ventures are reflected in the Company's separate financial statements only to the extent of dividends receivable. On disposal of an investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to profit or loss.

3.6 Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated and company financial statements are presented in Euro, which is CPHCL's functional and presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss. They are deferred in equity if they relate to part of the net investment in a foreign operation.

Foreign exchange gains and losses that relate to borrowings and cash balances are presented in the income statement, within finance costs. All other foreign exchange gains and losses are presented in the income statement on a net basis within results from operating activities as a separate line item.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss.

(iii) Group companies

The results and financial position of foreign operations that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;
- income and expenses for each income statement and statement of comprehensive income are translated at average exchange rates or a monthly weighted average rate when there are significant fluctuations in the currency during the year (unless these are not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and
- all resulting exchange differences are recognised in other comprehensive income.

3. Summary of material accounting policies - continued

3.6 Foreign currency translation- continued

On consolidation, exchange differences arising from the translation of any net investment in foreign entities are recognised in other comprehensive income. When a foreign operation is sold or any borrowings forming part of the net investment are repaid, the associated exchange differences are reclassified to profit or loss, as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

3.7 Property, plant and equipment

Property, plant and equipment is initially recorded at historical cost. Land and buildings are subsequently shown at fair value, based on periodic valuations by professional valuers, less subsequent depreciation for buildings. Valuations are carried out on a regular basis such that the carrying amount of property does not differ materially from that which would be determined using fair values at the end of the reporting period. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset, and the net amount is restated to the revalued amount of the asset. All other property, plant and equipment is subsequently stated at historical cost less depreciation and impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Borrowing costs which are incurred for the purpose of acquiring or constructing a qualifying asset are capitalised as part of its cost. Borrowing costs are capitalised while acquisition or construction is actively underway. Capitalisation of borrowing costs is ceased once the asset is substantially complete and is suspended if the development of the asset is suspended.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

Increases in the carrying amount arising on revaluation of land and buildings are credited to other comprehensive income and shown as a revaluation reserve in shareholders' equity. However, the increase shall be recognised in profit or loss to the extent that it reverses a revaluation decrease of the same asset previously recognised in profit or loss. Decreases that offset previous increases of the same asset are charged in other comprehensive income and debited against the revaluation reserve; all other decreases are charged to profit or loss. In some cases each year the difference between depreciation based on the revalued carrying amount of the asset (the depreciation charged to profit or loss) and depreciation based on the asset's original cost, net of any related deferred income taxes, is transferred from the revaluation reserve to retained earnings.

Depreciation is calculated using the straight-line method to allocate the cost or revalued amounts of the assets to their residual values over their estimated useful lives, as follows:

	Years
Freehold buildings	33 - 150
Plant and equipment	3 - 20
Motor vehicles	5 - 6

Freehold land is not depreciated as it is deemed to have an indefinite life. Assets in the course of construction and payments on account are not depreciated.

3. Summary of material accounting policies - continued

3.7 Property, plant and equipment - continued

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Property, plant and equipment is reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable (refer to Note 12). An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. Property, plant and equipment that suffered an impairment is reviewed for possible reversal of the impairment at the end of each reporting period.

Gains and losses on disposals of property, plant and equipment are determined by comparing proceeds with carrying amount and are recognised in profit or loss. When revalued assets are disposed of, the amounts included in the revaluation reserve relating to the assets are transferred to retained earnings.

3.8 Investment property

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by entities forming part of the Group is classified as investment property. Investment property also includes property that is being constructed or developed for future use as investment property, when such identification is made. Investment property principally comprises land and buildings.

Investment property is measured initially at its historical cost, including related transaction costs and borrowing costs. Borrowing costs which are incurred for the purpose of acquiring or constructing a qualifying investment property are capitalised as part of its cost. Borrowing costs are capitalised while acquisition or construction is actively underway. Capitalisation of borrowing costs is ceased once the asset is substantially complete and is suspended if the development of the asset is suspended. After initial recognition, investment property is carried at fair value, representing open market value determined annually.

These fair valuations are reviewed regularly by a professional valuer. The fair value of investment property generally reflects, among other things, rental income from current leases and assumptions about rental income from future leases in the light of current market conditions. The fair value also reflects, on a similar basis, any cash outflows that could be expected in respect of the property.

Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are charged to profit or loss during the financial period in which they are incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognised.

Changes in fair values are recognised in profit or loss. Investment properties are derecognised either when they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal.

If an investment property becomes owner-occupied, it is reclassified as property, plant and equipment. Its fair value at the date of the reclassification becomes its cost for subsequent accounting purposes.

If an item of property, plant and equipment becomes an investment property because its use has changed, any difference resulting between the carrying amount and the fair value of this item at the date of transfer is treated in the same way as a revaluation surplus under IAS 16.

3. Summary of material accounting policies - continued

3.9 Intangible assets

(a) Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets of the acquired subsidiary or associate at the date of acquisition. Goodwill on acquisitions of subsidiaries is included in 'Intangible assets'. Goodwill on acquisitions of associates is included within the carrying amount of the investments. Separately recognised goodwill is not amortised but it is tested annually for impairment, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose. The units or groups of units are identified at the lowest level at which goodwill is monitored for internal management purposes, being the operating segments.

(b) Brands

The brands mainly comprise the 'Henry J. Bean's' trademark relating to catering. The 'Henry J. Bean's' trademark was acquired from third parties, and represents the consideration paid on its acquisition.

The brands do not have a finite life and are measured at cost less accumulated impairment losses. The brands are regarded as having an indefinite life, since based on all relevant factors, there is no foreseeable limit to the period over which the assets are expected to generate cash inflows.

(c) Other intangible assets

Separately acquired intangible assets, such as purchased computer software are shown at historical cost. Customer contracts acquired in a business combination are recognised at fair value at the acquisition date. These intangible assets have a finite useful life and are subsequently carried at cost less accumulated amortisation and impairment losses.

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it related. All other expenditure including costs incurred in the ongoing maintenance of software, is recognised in profit or loss as incurred.

Intangible assets include intangibles with finite lives, which are amortised, on a straight-line basis over their estimated useful lives. Estimated useful life is the lower of legal duration and expected useful life. The estimated useful lives are as follows:

	Years
Brand design fee and other rights	5 - 10
Concessions	2 - 10
Operating contracts	20
Others	3

3. Summary of material accounting policies - continued

3.10 Financial instruments - continued

Financial instruments are recognised when the Group has become a party to the contractual provisions of the instrument. Financial instruments include investments in listed equity securities, derivative financial instruments, loans receivable, trade and other receivables, cash and cash equivalents, interest-bearing borrowings, loans payable and trade and other payables.

Financial instruments are initially recognised at fair value including transaction costs, except for those measured at fair value through profit or loss, for which transaction costs are recognised in profit or loss as part of administrative and other expenses.

Trade receivables are initially recognised at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognized at fair value.

Derivatives are recognised initially at fair value at the date the derivative contract are entered into. Directly attributable transaction costs are recognised in profit or loss when incurred.

Subsequent to initial recognition, these financial instruments are classified and measured as detailed below.

3.10.1 Classification of financial assets

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through OCI or through profit or loss), and
- those to be measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI).

The Group reclassifies debt investments when and only when its business model for managing those assets changes.

3.10.2 Recognition and derecognition of financial assets

Regular way purchases and sales of financial assets are recognised on settlement date, which is the date on which an asset is delivered to or by the Group. Any change in fair value for the asset to be received, is recognised between the trade date and settlement date in respect of assets which are carried at fair value in accordance with the measurement rules applicable to the respective financial assets.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

3. Summary of material accounting policies - continued

3.10 Financial instruments - continued

3.10.3 Subsequent measurement of financial assets - continued

Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. The Group's and the Company's debt instruments principally comprise loans and advances to other undertakings and investments in bonds. The Group also holds investments in mutual funds; management has assessed that such investments do not meet the definition of equity in accordance with IAS 32 from the issuer's perspective since the Group can sell its holding back to the fund in return for cash. Accordingly, these investments are considered to be debt instruments from the Group's perspective.

There are two measurement categories into which the Group classifies its debt instruments:

- **Amortised cost:** Financial assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other operating expenses together with foreign exchange gains and losses. Impairment losses are presented under net movements in credit losses on loans receivable in the income statement.
- **FVTPL:** Financial assets that do not meet the criteria for amortised cost or FVOCI are measured at FVTPL. A gain or loss on a debt investment that is subsequently measured at FVTPL is recognised in profit or loss and presented net within net changes in fair value of financial assets in the period in which it arises. The Group classified its investments in mutual funds in this category, on the basis that such investments fail to meet the 'solely payments of principal and interest' test.

Equity instruments

The Group subsequently measures all its financial assets in equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as investment income, when the entity's right to receive payments is established.

Changes in the fair value of financial assets at FVTPL are shown separately within net changes in fair value of financial assets through profit or loss in the income statement.

3.10.4 Trade receivables

Trade and other receivables comprise amounts due from customers for goods sold or services provided in the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the business, if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade and other receivables are subsequently measured at amortised cost using the effective interest method, less loss allowance. The Group holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method. Details about the Group's impairment policies and the calculation of the loss allowance are provided in Note 35.

3. Summary of material accounting policies - continued

3.10 Financial instruments - continued

3.10.5 Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the statement of financial position. Cash and cash equivalents are carried at amortised costs.

3.10.6 Impairment of financial assets

The Group assesses the expected credit losses associated with its debt instruments carried at amortised cost on a forward-looking basis. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables the Group applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables, see Note 35.1 for further details.

3.10.7 Classification, recognition and derecognition of financial liabilities

The Group's financial liabilities, other than derivative financial instruments, are classified as financial liabilities which are not at fair value through profit or loss (classified as 'Other liabilities') under IFRS 9. Financial liabilities not at fair value through profit or loss are recognised initially at fair value, being the fair value of consideration received, net of transaction costs that are directly attributable to the acquisition or the issue of the financial liability. Financial liabilities held at fair value through profit or loss would be initially recognised at fair value through profit or loss with transaction costs expensed in profit or loss. The Group derecognises a financial liability from its statement of financial position when the obligation specified in the contract or arrangement is discharged, is cancelled or expires.

3.10.8 Subsequent measurement of financial liabilities

Financial liabilities held at fair value through profit or loss would be subsequently measured at fair value. Other financial liabilities are subsequently measured at amortised cost.

3.10.9 Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial year which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

3.10.10 Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

3. Summary of material accounting policies - continued

3.10 Financial instruments - continued

3.10.10 Borrowings - continued

Borrowings are removed from the statement of financial position when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash asset transferred or liabilities assumed, is recognized in profit or loss as other income or finance costs.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

3.10.11 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

3.11 Inventories

Inventories are stated at the lower of cost and net realisable value. Costs are assigned to individual items of inventory on the basis of weighted average costs. The cost of inventories comprises the invoice value of goods and, in general, includes transport and handling costs. Costs of purchased inventory are determined after deducting rebates and discounts. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs necessary to make the sale.

3.12 Current and deferred tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Company's subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

The deferred tax liability in relation to investment property that is measured at fair value is determined assuming the property will be recovered entirely through sale.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in foreign operations where the Company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

3. Summary of material accounting policies - continued

3.12 Current and deferred tax - continued

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Deferred tax assets are recognised only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

3.13 Provisions

Provisions for legal claims, service warranties and make good obligations are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

3.14 Contingent liabilities

Contingent liabilities are possible obligations that arise from past events whose existence will be confirmed only by occurrence, or non-occurrence, of one or more uncertain future event not wholly within the control of the Group; or are present obligations that have arisen from past events but are not recognised because it is not probable that settlement will require the outflow of economic benefits, or because the amount of the obligations cannot be reliably measured. Contingent liabilities are not recognised in the financial statements but are disclosed unless the probability of settlement is remote.

3.15 Revenue recognition

Revenue includes all revenues from the ordinary business activities. Ordinary activities do not only refer to the core business but also to other recurring sale of goods or rendering of services. Revenues are recorded net of value added tax.

(a) Revenue from hotel operations

Revenue from hotel operations includes revenue from accommodation, food and beverage services, and other ancillary services. The substantial majority of services are provided to customers during their stays in one of the Group's hotels, and, depending on the type of booking, some services would generally be amalgamated into one 'contract' (for example, bed and breakfast).

Each of the services rendered is assessed to be a distinct performance obligation, and if applicable, the Group allocates the transaction price to each of the services rendered to the customer on a relative basis, based on their stand-alone selling price. Revenue from such operations is recognised over time since the customer benefits as the Group is performing; the majority of revenue relates to accommodation (i.e. the amount allocated to such performance obligation is recognised over the customer's stay at the respective hotel).

3. Summary of material accounting policies - continued

3.15 Revenue recognition - continued

(b) Catering, laundry and event organisation services

The Group provides services in the catering, laundry and event organisation industry. The transaction price comprises a fixed amount agreed with the respective customer. Any upfront payments are deferred as contract liabilities, and revenue is recognised in the period that the services are provided to the customer.

(c) Project management services

The Group provides a wide range of project management services, some of which may span over multiple accounting periods. Some contracts require the provision of multiple services, and the Group assesses whether these constitute distinct performance obligations in the context of the arrangement. In any case, revenue from such performance obligations is recognised over time, using an input method of progress to calculate the stage of completion.

The consideration for project management services is based on the expected number of hours that the Group expects to be required for the project to be completed. Revenue and contract costs are recognised over the period of the contract, respectively, as revenue and expenses. When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

The stage of completion is measured by reference to the proportion of contract costs incurred for work performed up to the end of the reporting period in relation to the estimated total costs for the contract. Costs incurred during the year that relate to future activity on a contract are excluded from contract costs in determining the stage of completion and are shown as contract assets.

The aggregate of the costs incurred and the profit or loss recognised on each contract is compared against the progress billings up to the end of the reporting period. The Group presents as a contract asset the gross amount due from customers for contract work for all contracts in progress for which costs incurred plus recognised profits (less recognised losses) exceed progress billings, within trade and other receivables. The Group presents as a contract liability the gross amount due to customers for contract work for all contracts in progress for which progress billings exceed costs incurred plus recognised profits (less recognised losses), within trade and other payables.

(d) Hotel management agreements

The Group enters into hotel management agreements with hotel property owners and under these agreements, the Group's performance obligation is to provide hotel management services and a license to use Corinthia's brand. Base and incentive management fees are typically charged. Base management fees are typically a percentage of total hotel operating revenues and incentive fees are generally based on the hotel's operating profits. Both are treated as variable consideration. Base management fees are recognised as the underlying hotel revenues occur. Incentive management fees are recognised over time when it is highly probable that the related performance criteria for each annual period will be met, provided there is no expectation of a subsequent reversal of the revenue. Costs incurred to enter into a contract are expensed as incurred unless they are incremental in obtaining the contract.

3. Summary of material accounting policies - continued

3.15 Revenue recognition - continued

Contract assets

Amounts paid to hotel owners to secure hotel management agreements ('key money') are treated as consideration payable to a customer. A contract asset is recorded and eventually recognised as a deduction to revenue over the term of the contract. Contract assets are not financial assets as they represent amounts paid by the Group at the beginning of a contract and accordingly, are tested for impairment based on value in use. Contract assets are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

3.16 Leases

3.16.1 Accounting policy where the Group is the lessor

Lease income from operating leases where the Group is a lessor is recognised in income on a straight-line basis over the lease term. Initial direct costs incurred in obtaining an operating lease are added to the carrying amount of the underlying asset and recognised as expense over the lease term on the same basis as lease income. The respective leased assets are included in the statement of financial position based on their nature.

3.16.2 Accounting policy where the Group is the lessee

The Group's leasing policy is described in Note 13.

3.17 Employee benefits

(a) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits and accumulating leave that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented under trade and other payables in the statement of financial position.

(b) Bonus plans

The Group recognises a liability and an expense for bonuses based on a formula that takes into consideration the profit attributable to the Company's shareholders after certain adjustments. The Group recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

(c) Contributions to defined contribution pension plans

The Group contributes towards the State defined contribution pension plan in accordance with local legislation in exchange for services rendered by employees and to which it has no commitment beyond the payment of fixed contributions. Obligations for contributions are recognised as an employee benefit in profit or loss in the periods during which services are rendered by employees.

3. Summary of material accounting policies - continued

3.18 Government grants

Grants are recognised when there is reasonable assurance that all the conditions attached to them are complied with and the grants will be received. Grants related to income are recognised in the profit or loss over the periods necessary to match them with the related costs which they are intended to compensate. Such grants are presented as part of profit or loss, by deducting them from the related expense. Grants related to assets are deducted from the asset's carrying amount. The accounting policy for grants related to assets was changed in the reporting period and no change was required in this regard to the comparative figures.

3.19 Assets held for sale

Non-current assets (or disposal groups) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell, except for assets such as deferred tax assets, assets arising from employee benefits, financial assets and investment property that are carried at fair value.

4. Critical accounting estimates and judgements

Management makes estimates, assumptions and judgements that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year. The resulting accounting estimates will, by definition, seldom equal actual results.

The fair value of property, plant and equipment and investment properties is determined by using valuation techniques. Further details of the judgements and assumptions made are disclosed in Note 12 to these financial statements which highlights information about the fair value estimation of land and buildings and investment property, together with a sensitivity analysis of the effect of shifts in unobservable inputs used in determining these fair values.

Additionally, the significant estimates and uncertainties arising from the Group's operations in Libya and Russia are disclosed in Note 5.

Other areas where management judgments are required include determining the lease term in relation to lease accounting are disclosed in Note 13.

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of taxable profits, together with future tax planning strategies. Additional information on the unrecognised deferred tax assets are included in Note 29.

In the opinion of the directors, with exceptions to those listed above, the accounting estimates and judgements made in the course of preparing these financial statements are not difficult, subjective or complex to a degree which would warrant their description as critical in terms of the requirements of IAS 1.

5. The Group's operations in Libya and Russia

5.1 The Group's operations in Libya

The Group's investments in Libya principally comprise:

- The Corinthia Hotel Tripoli, a fully owned five-star hotel in Tripoli with a carrying amount of €70.89 million (2023: €65.40 million) managed through Corinthia Towers Tripoli Limited (CTTL), a company registered in Malta with a branch in Libya, owned by IHI p.l.c., a subsidiary of CPHCL;
- An adjoining Commercial Centre to the above-mentioned hotel, with a carrying amount of €86.30 million (2023: €83.26 million) also operated by CTTL;
- A site surrounding the Hotel, with a carrying amount of €29.50 million (2023: €29.50 million) also operated by CTTL;
- The Palm City Residences, a large-scale complex in Janzour, Libya, owned by an associate company, Mediterranean Investments Holding p.l.c. (MIH p.l.c.), in which the CPHCL Group holds a 50% share. The book value of this property is €272.62 million (2023: €272.57 million) and the Group's share of this asset and of another site owned by MIH p.l.c. in Libya is €139.63 million (2023: €139.30 million); and
- The development of the Medina Tower Project through IHI p.l.c. and MIH p.l.c., with the group holding directly and indirectly a 37.5% share amounting to €9.50 million (2023: €8.96 million).

Since 2014, Libya experienced severe political instability due to the collapse of the central government during the same year and the country has been going through difficult times ever since. A United Nations-brokered ceasefire deal was reached in December 2015 and the Libyan Political Agreement to form a Government of National Accord was signed. On 31 March 2016, the leaders of the new UN-supported unity government arrived in Tripoli. In May 2018 Libya's rival leaders agreed to hold parliamentary and presidential elections following a meeting in Paris. No election has been held as rival leaders were jostling for territory. In March 2021, however, Libya's parliament endorsed a new, unified government, and the two previous rival governments agreed to dissolve. This transitional government was due to stay in power until the end of 2021, when national presidential and legislative elections were due to take place. The elections were however postponed again after the head of High National Election Commission ordered the dissolution of the electoral committees nationwide. The elections which were initially scheduled for June 2022, were pushed back to the end of 2022 and later pushed back again. The delay of national elections together with the confirmation of a new government cabinet by the eastern-based House of Representatives in February 2022, has returned Libya to a state of institutional division with two parallel government administrations in the East and West.

Encouragingly in March 2024, the speaker of the eastern based House of Representatives and the head of the western based High Council of State met in Egypt and agreed to unify sovereign positions stressing Libya's sovereignty, independence and territorial integrity and rejecting any foreign intervention that affects the Libyan political process negatively. Despite this concerted effort towards resolving the political crises, tangible progress remained limited and the proposed elections remaining indefinitely postponed.

5. The Group's operations in Libya and Russia - continued

5.1 The Group's operations in Libya - continued

The state of economic uncertainty that continued to prevail during the financial year ended 31 December 2024 continues to impact negatively the Libyan hospitality and real estate sectors which in turn impacts the Group's financial results in Libya. Having stated the above, it should be noted that the turnover registered during 2024 by Corinthia Towers Tripoli Limited amounts to €14.74 million (2023: €11.86 million) representing 4.23% (2023: 4.12%) of the Group's Revenue. Occupancy was at 41.98% in 2024 versus 18.18% in 2023, and Profit before tax amounted to €13.70 million after recognizing a fair value gain of €3.04 million on the investment property and an impairment reversal of €6.48 million on the hotel (2023: profit before tax of €10.90 million after recognising a fair value gain of €7.92 million on the investment property). Current year's revenue includes €5.33 million (2023: €7.45 million) generated from rental contracts attributable to the Commercial Centre that remained in full operation throughout since its opening, generating a steady income from the lease of commercial offices within the Centre to international blue-chip companies. The existence of long-term leases has mitigated the impact of the continued political instability and state of uncertainty on the Commercial Centre. The Commercial Centre remained fully leased out in 2024.

Whilst the Commercial Centre continued to generate positive net contributions as in previous years, the year ended 2024 saw the hotel also closing with a positive net operational financial result of €2.75 million (2023: loss of €0.50 million) mainly due to increased occupancy. Management's objective for the hotel is to continue to build on the positive results achieved and to ensure that payroll and other operating costs are managed in the context of reduced operating income levels. At the same time, however, the company continues to invest in maintenance and security costs to ensure that the hotel is kept in a pristine condition to allow it to benefit from increased revenues once the situation improves.

There were no major changes during the last year when it comes to the significant economic and political uncertainty prevailing in Libya. This renders fair valuation of property assets situated in Libya, by reference to projected cash flows from operating the asset or to market sales prices, extremely difficult and judgmental. Nevertheless, the operating performance of the assets in Libya improved during the current year when compared to last year.

The Palm City Residences, operated through an associate company in which the Group owns a 50% share, continued to perform resolutely during the year under review, despite the unstable political situation. The closing occupancy in December 2024 was 61.1% (2023: 58.0%). Palm City Residences enjoyed 13.8% higher revenues compared to 2023 through both higher average rates and higher occupancy levels. Operating costs and other expenses were retained at relatively low levels. Company operating profit amounted to €21.47 million (2023: operating profit of €19.41 million). The company registered a profit after tax of €13.46 million compared to €12.57 million in 2023.

The exposures emanating from the Group's activities in Libya are summarised in the table below:

	Carrying amount 31 December 2024 €'000	Carrying amount 31 December 2023 €'000
Corinthia Towers Tripoli Limited		
Property, plant and equipment	70.9	65.4
Investment property	115.8	112.8
Inventories	2.1	1.9
Trade receivables, net of provisions	1.7	0.5
Mediterranean Investments Holding p.l.c.		
Share of net assets	102.0	99.0
Medina Tower J.S.C.		
Investment in associate accounted for using the equity method of accounting	9.5	9.0

5. The Group's operations in Libya and Russia - continued

5.1 The Group's operations in Libya - continued

The future performance of the Hotel, the Commercial Centre and other operations referred to above, together with the fair value of the related and other property assets situated in Libya are largely dependent on how soon the political situation in Libya will return to normality and on how quickly the international oil and gas industry recovers once political risks subside.

In assessing the value of the Hotel, the Directors recognise the improvements registered in 2024, despite the political outlook not changing significantly over the past twelve months. The Directors also recognise the interest registered from a number of sources for short and long-term accommodation, but have retained the expectations of a gradual recovery for the Hotel. Hotel occupancy rates in the initial months of 2025 are encouraging and occupancy levels of 46% have been reached. As a result, the results of the valuation assessment supporting the carrying amount of the Hotel in Libya showed a substantial head room, with the Directors acting prudently, only recognising a partial uplift of €6.48 million.

In the case of the Commercial Centre, the valuation takes into account the consistent cashflows based on long-term agreements. An uplift in the carrying amount of €3.04 million was recognised during the current year (2023: an uplift of €7.92 million).

The Group's investment property also includes a site surrounding the Hotel, with no determined commercial use, having a carrying amount of €29.50 million as at 31 December 2024, which is unchanged from the carrying amount as at 31 December 2023.

Further information on the key assumptions and judgements underlying the valuation of the property assets is disclosed in Note 12, together with an analysis of sensitivity of the valuations to shifts or changes in the key parameters reflected.

The fair value of Palm City Residences as at 31 December 2024, carried out by the Directors of Palm City Limited, was determined by discounting the forecast future cash flows generated for the remaining period of 47 years of the Build-Operate-Transfer agreement signed between CPHCL Company Limited and Palm City Limited. In the previous reporting period, a valuation exercise was carried out by the directors to determine the fair value of the investment property, and a composite pre-tax discount rate of 9.6% in real terms was applied to the projected cash flows. The resultant valuation in 2023 reflected an increase in the carrying value of €6.02 million, which the directors, acting prudently, opted not to recognise in the reporting period. During the current reporting period, another exercise was carried out by the Directors to determine the fair value of the investment property. The valuation arrived at was a result of specific premiums being applied including country risk, property risk and projection risk premium. The composite pre-tax discount rate utilised for the year under review is 9.7% in real terms. The resultant valuation in 2023 reflected an increase in the carrying value of €6.94 million which the directors opted not to recognise in this reporting period. This takes into consideration the prevailing political uncertainty in the country.

In view of the prevailing circumstances in Libya, The Medina Tower Project owned by an associate of the Group has slowed down considerably. The key assets within this company as at 31 December 2024 held in Libyan Dinar comprise the project site carried at LYD 133.4 million equivalent to €26.1 million (2023: LYD 127.00 million equivalent to €24.12 million), and Euro denominated cash balances amounting to €7.64 million (2023: €7.35 million). The carrying amount of investment held by the Group in this project amounts to €9.50 million (2023: €8.96 million).

At this point in time, different scenarios in terms of the future political landscape in Libya are plausible, which scenarios, negative and positive, could significantly influence the timing and amount of projected cash flows and the availability of property market sales price information. The impact of these different plausible scenarios on the operating and financial performance of the Hotel, Commercial Centre and Palm City Residences, and on the fair valuation of the related property assets would accordingly vary in a significant manner.

5. The Group's operations in Libya and Russia - continued

5.1 The Group's operations in Libya - continued

It is somewhat difficult to predict when the political situation in the country will start stabilising and forecasting the timing of any economic recovery in Libya is judgemental. Past experience has shown that, because of the keen interest by the international oil and gas industry to return to Libya, the Group's performance in respect of its operations in Libya is likely to recover quickly once the situation in the country improves in a meaningful manner.

5.2 The Group's operations in Russia

The Group's investments in Russia principally comprise:

- The Corinthia Hotel St Petersburg, a fully owned five-star hotel in St. Petersburg with a carrying amount of €56.95 million (2023: €53.46 million) managed through Corinthia Hotels Limited a subsidiary of IHI p.l.c.;
- An adjoining Commercial Centre to the above-mentioned hotel, with a carrying amount of €36.83 million (2023: €38.32 million) operated by IHI Benelux B.V., a subsidiary of IHI p.l.c.; and
- A 10% equity investment in Lizar Holdings Limited, a hotel and residential development in Moscow, having a carrying amount of €0.03 million (2023: €0.03 million).

In February 2022, a military conflict erupted between Russia and Ukraine with consequential international sanctions being imposed on Russia. The situation regarding these sanctions and counter-sanctions imposed by Russia itself continues to evolve. Despite the various diplomatic efforts and significant international involvement, the situation surrounding the conflict remains volatile with evolving dynamics, shifting geopolitical alliances and adjustments to sanctions on both sides. The consequences of these sanctions on the group as well as their future effects on operational income are difficult to determine and depend on the duration of this conflict and the evolving geopolitical landscape. The Group has engaged international legal advisers to assist in managing the challenges arising from such sanctions.

The geopolitical situation between Russia and the west resulted in a drop in international business. Nevertheless, the hotel still increased occupancy levels during the year over 2023 in view of the local trade that the hotel always enjoyed.

Both the hotel and the Commercial Centre have remained operational since the eruption of the conflict. The turnover registered during 2024 by IHI Benelux BV and Corinthia St. Petersburg LLC amounts to €17.80 million (2023: €14.22 million) representing 5.80% (2023: 4.94%) of the Group's Revenue, with a profit before tax (net of intra group eliminations) of €8.56 million after registering a fair value gain of €1.01 million on the investment property (2023: profit before tax of €1.67 million). Current year's revenue includes €3.64 million (2023: €2.28 million) generated from rental contracts attributable to the Commercial Centre.

Management's objective for the hotel and the Commercial Centre is to continue to build on the local trade and to ensure that payroll and other operating costs are managed in the context of the reduced operating income levels. At the same time, the company continues to invest in maintenance to ensure that the hotel is kept in a pristine condition to allow it to benefit from increased revenues once the situation improves and international travelers return.

5. The Group's operations in Libya and Russia - continued

5.2 The Group's operations in Russia - continued

The exposures emanating from the Group's activities in Russia are summarised in the table below:

	Carrying amount 31 December 2024 €'m	Carrying amount 31 December 2023 €'m
IHI Benelux BV		
Property, plant and equipment	56.9	53.5
Investment property	36.8	38.3
Inventories	0.6	0.6
Trade receivables, net of provisions	0.5	0.3
Moscow project		
Investment and loans	6.4	6.1

The future performance of the Hotel, the Commercial Centre and other operations referred to above, together with the fair value of the related and other property assets situated in Russia are largely dependent on how soon the economic and political situation in and around Russia will return to normality and on how quickly international sanctions are lifted.

In assessing the value of the Hotel, the Directors recognise the current geo-political situation and the implications on the valuation assessment carried out by professional valuers. This valuation includes a higher element of uncertainty. Nevertheless, and as a consequence of the strong local trade, the carrying amount of the hotel increased by €8.30 million before a negative translation difference of €3.40 million in 2024 (2023: nil). Similarly, a fair value gain of €1.01 million on the Commercial Centre was reported in the income statement (2023: fair value loss of €1.71 million). The translation effect on the Commercial Centre amounted to a reduction of €2.50 million.

In view of the prevailing circumstances in Russia, the Moscow hotel project owned by an associate of the Group was suspended.

It is somewhat difficult to predict when the political situation in the country will start stabilising and forecasting the timing of any economic recovery in Russia is judgmental. Considering the central and strategic location of the hotel and Commercial Centre, the Group's performance in respect of its operations in Russia is likely to recover quickly once the situation in the country improves in a meaningful manner.

6. Revenue and expenses

6.1 Revenue

The Group's revenues split by category, are disclosed below:

	The Group	
	2024	2023
	€'000	€'000
Hotel operations	288,395	276,706
Rental income	31,852	28,129
Catering	27,088	26,602
Project management	10,204	8,647
Laundry and dry cleaning	5,259	4,392
Event organisation	3,587	3,280
Others	4,185	1,289
Management company revenue	35,258	28,775
Elimination of intra group revenues	(57,168)	(50,927)
	348,660	326,893

The Company's revenue is mainly derived from dividend income and an element of management fees.

Contract assets and contract liabilities with respect to the Group's revenue from contracts are disclosed in Notes 18 and 30 respectively.

6.2 Expenses by nature

	The Group		The Company	
	2024	2023	2024	2023
	€'000	€'000	€'000	€'000
Directors' fees	170	170	-	-
Management fees	-	-	550	550
Food, beverage and other direct costs	31,386	31,161	-	-
Professional fees (excluding audit fees)	8,803	6,187	185	189
Energy costs	14,708	15,407	5	4
Depreciation of property, plant and equipment (Note 12)	26,802	26,806	7	8
Depreciation of right-of-use assets (Note 13)	2,715	2,673	40	17
Amortisation of intangible assets (Note 10)	980	613	-	-
Personnel expenses (Note 7)	116,523	103,185	2,516	2,335
Property taxes	4,872	4,620	-	-
Repairs and maintenance	9,039	9,369	-	-
Movement in impairment losses	451	611	-	275

The Group's Directors' remuneration charged in profit or loss in 2024 amounted to €1.62 million (2023: €2.19 million). Directors' remuneration for the Company charged in profit or loss in 2024 amounted to €0.71 million (2023: €0.77 million).

6. Revenue and expenses - continued

6.3 Auditor's fees

Fees charged by the auditor for services rendered during the financial years ended 31 December 2024 and 31 December 2023 including fees charged by other network firms are shown in the table below.

	The Group		The Company	
	2024	2023	2024	2023
	€'000	€'000	€'000	€'000
Annual statutory audit	1,192	998	125	117
Tax compliance and advisory services	74	45	-	-
Other non-audit services	109	115	-	26
	1,375	1,158	125	143

Fees charged by the parent company auditor for services rendered during the financial years ended 31 December 2024 and 2023 to the Group relating to annual statutory audit amounted to €0.59 million (2023: €0.54 million). Fees charged by connected undertakings of the company's parent auditor to the Group relating to tax compliance and advisory fees amounted to €0.18 million (2023: €0.16 million).

7. Personnel expenses

	The Group		The Company	
	2024	2023	2024	2023
	€'000	€'000	€'000	€'000
Wages and salaries	99,236	89,818	2,347	2,200
Social security contributions	10,136	8,463	55	45
Other staff costs	7,151	4,904	114	90
	116,523	103,185	2,516	2,335

In addition to the amounts shown in the above table, the Group also incurred outsourced labour costs amounting to €18.43 million (2023: €16.72 million).

The average number of employees is as follows:

	The Group		The Company	
	2024	2023	2024	2023
	No.	No.	No.	No.
Management and administrative	821	826	31	28
Operating	2,532	2,444	12	14
	3,353	3,270	43	42

8. Finance income and finance costs

	The Group		The Company	
	2024	2023	2024	2023
	€'000	€'000	€'000	€'000
Finance income:				
Interest income on loans to subsidiaries	-	-	1,148	919
Interest income on loans to associates	-	77	-	77
Interest income on bank balances	743	269	81	5
Interest income on loans to investee	243	242	-	-
Others	590	663	59	90
Total finance income	1,576	1,251	1,288	1,091
Finance costs:				
Interest expense on bank borrowings	27,319	23,179	14	36
Interest expense on bonds in issue	15,633	14,696	-	-
Interest expense on shareholders' loans	1,386	1,336	1,222	1,336
Interest expense on subsidiaries' loans	-	-	3,841	3,688
Interest expense on associates' loans	69	-	69	-
Interest expense on lease liabilities	1,031	1,076	8	5
Bond issue and other financing costs	1,347	1,026	-	-
Net exchange differences	2,075	2,037	-	-
Others	1,120	1,198	123	127
Total finance costs	49,980	44,548	5,277	5,192

9. Tax expense

The (charges)/credits for income tax on (losses)/profits derived from local and foreign operations have been calculated at the applicable tax rates.

	The Group		The Company	
	2024	2023	2024	2023
	€'000	€'000	€'000	€'000
Current taxation:				
- Current year tax	(3,722)	(513)	-	(1)
- Adjustment recognised in financial period for current tax of prior period	-	-	-	-
Deferred taxation:				
- Deferred tax expense	(425)	(5,310)	-	-
- Adjustment recognised in financial period for deferred tax of prior period	(268)	6	-	-
	(4,415)	(5,817)	-	(1)

Refer to Note 29 for information on the deferred tax assets and liabilities.

9. Tax expense - continued

9.1 Tax expense reconciliation

	The Group		The Company	
	2024 €'000	2023 €'000	2024 €'000	2023 €'000
Profit/(loss) before income tax expense	9,811	(5,254)	(5,655)	(6,473)
	9,811	(5,254)	(5,655)	(6,473)
Income tax using the Company's domestic tax rate at 35%	(3,434)	1,839	1,979	2,265
Effect of income/(losses) subject to foreign/different tax rates	4,795	(1,641)	361	(417)
Effect of reduction in tax rate on opening deferred tax assets	(280)	93	-	-
Non-taxable income	263	327	15	61
Non-tax deductible expenses	(1,630)	(2,014)	(1,795)	(2,481)
Movement in unrecognised deferred tax	(3,845)	(5,357)	(560)	571
Adjustments in respect of previous years taxes	(2,561)	76	-	-
Effect of Group's share of profit and loss attributable to investments accounted for using the equity method	2,331	2,226	-	-
Other	(54)	(1,366)	-	-
Tax expense	(4,415)	(5,817)	-	(1)

The tax impacts which are entirely attributable to deferred taxation, relating to components of other comprehensive income, are as follows:

	2024			2023		
	Before tax €'000	Tax (charge)/ credit €'000	Net of tax €'000	Before tax €'000	Tax charge €'000	Net of tax €'000
Group						
Net surplus arising on revaluation of hotel properties	74,394	(17,478)	56,916	58,999	(15,283)	43,716
Hedging	(148)	33	(115)	-	-	-
Currency translation differences	13,325	1,947	15,272	(19,687)	3,701	(15,986)
Other	-	(602)	(602)	-	-	-
	87,571	(16,100)	71,471	39,312	(11,582)	27,730

10. Intangible assets

	The Group						
	Goodwill €'000	Brand €'000	Brand design fee and other rights €'000	Con- cessions €'000	Operating contracts €'000	Others €'000	Total €'000
Cost							
At 1 January 2023	8,316	-	9,169	470	7,000	3,256	28,211
Additions	-	-	35	-	-	1,008	1,043
Disposals	-	-	(1)	-	-	-	(1)
Exchange differences	-	-	1	5	-	-	6
At 31 December 2023	8,316	-	9,204	475	7,000	4,264	29,259
At 1 January 2024	8,316	-	9,204	475	7,000	4,264	29,259
Additions	-	606	12	-	-	820	1,438
Disposals	-	-	-	-	-	(223)	(223)
Exchange differences	-	19	2	(1)	-	1	22
At 31 December 2024	8,316	625	9,218	474	7,000	4,862	30,496
Amortisation							
At 1 January 2023	766	-	8,960	470	5,808	3,174	19,178
Amortisation charge	-	-	25	-	350	238	613
Disposals	-	-	(1)	-	-	-	(1)
Exchange differences	-	-	1	5	-	-	6
At 31 December 2023	766	-	8,985	475	6,158	3,412	19,796
At 1 January 2024	766	-	8,985	475	6,158	3,412	19,796
Amortisation charge	-	-	22	-	350	607	980
Disposals	-	-	-	-	-	(223)	(223)
Exchange differences	-	-	2	(1)	-	1	2
At 31 December 2024	766	-	9,009	474	6,508	3,797	20,555
Carrying amount							
At 1 January 2023	7,550	-	209	-	1,192	82	9,033
At 31 December 2023	7,550	-	219	-	842	852	9,463
At 31 December 2024	7,550	625	209	-	492	1,065	9,941

10. **Intangible assets - continued**

Goodwill

The acquisition of CaterMax Limited and Malta Fairs and Conventions Centre Limited in 2016 gave rise to goodwill amounting to €0.78 million, attributable to synergies expected between the acquired business and the Group's previously owned business line operating within CaterMax's sector.

In 2015, IHI p.l.c. had acquired the IHGH Group. The goodwill arising on this major acquisition was of €1.40 million. The goodwill is attributable to cost synergies.

During the year 2021, the Group acquired the remaining 50% holding in Golden Sands Resort Limited. This gave rise to a goodwill of €5.41 million.

Relative to the Group's total asset base, the goodwill arising on these acquisitions are not material to warrant the disclosures that would have otherwise been required by IAS 36.

Brand design fees and other rights

The Group has franchise agreements with Costa International Limited to develop and operate the Costa Coffee brand in the Maltese Islands. This intangible arises from the acquisition of the IHGH Group in 2015. The total amount of brand design fees and other rights recognised on acquisition amounted to €2.6 million.

Costa Coffee Malta

This cash-generating unit includes the operation of the Costa Coffee retail brand in Malta. As at 31 December 2024 the Group operated fifteen outlets (2023: thirteen) each enjoying a strategic location in areas popular for retail operations. The carrying amount of the Brand design fees and other rights for Costa Coffee Malta amounted to €0.05 million (2023: €0.05 million).

Henry J. Bean's

This cash-generating unit includes the operation of the Henry J. Bean's trademark. The rights, title and interest in this trademark were acquired in quarter 2 of 2024 at a cost of €0.1 million.

The Surrey

The Group acquired 50% of the title, rights and interest in The Surrey trademark during the current year for an amount of €0.5 million.

Operating contracts

These contracts represent the assumed value attributable to the operation of hotel properties which arose on the re-acquisition of 30% shareholding of Corinthia Hotels Limited ('CHL').

Others

Other intangible assets represent website development costs and licenses.

The goodwill, brands and operating contracts were subject to an internal impairment assessment on the basis that these intangibles comprise one cash-generating unit. The indicative valuation is based on the discounted cash flows derived from hotel operating projections as prepared by specialists in hotel consulting, and confirm that no impairment charge is required as at 31 December 2024 and 2023.

10. Intangible assets - continued

The discounted cash flow calculation was determined by discounting the forecast future post-tax cash flows generated by CHL for a ten-year explicit period 2025 – 2034, followed by a terminal-value (also refer to Note 3.1). The following are the key assumptions underlying the projections:

- revenue from existing and signed management agreements is based on revenue projections from currently operating hotels and forecast revenue from hotels expected to start operating shortly. This revenue accounts for c. 74% of the total revenue in the explicit period;
- revenue from unconfirmed hotel management agreements is based on revenue projections from hotels which are not yet announced or signed as at 31 December 2024, but are expected to be achieved in the short to medium term (by 2032). This revenue accounts for c. 26% of the total revenue in the explicit period;
- subsequent to the ten-year projection period, revenue is assumed to grow at a rate of 2% p.a. in perpetuity; and
- a post-tax discount rate of 10.6% was applied to the post-tax free cash flows of CHL.

11. Investment property

	The Group		The Company	
	2024	2023	2024	2023
	€'000	€'000	€'000	€'000
At 1 January	179,377	185,624	820	820
Net fair value gains	11,584	6,423	-	-
Additions	517	2,235	-	-
Disposals	(3,021)	-	-	-
Transfer from/(to) property, plant and equipment (Note 12)	93,777	(2,340)	-	-
Transfer to assets held for sale	(18,342)	-	-	-
Currency translation differences	(2,441)	(12,565)	-	-
At 31 December	261,451	179,377	820	820

During the current year, the property in Prague, with a carrying amount of €93.78 million, was transferred from property, plant and equipment following the leasing out of the hotel to a third party. The 2024 figure also includes an amount of €0.2 million transferred to property, plant and equipment. In 2023, a similar transfer from investment property to property, plant and equipment, amounting to €2.3 million relating to Craven House, as additional parts of this office block were being used by the Group.

The transfer to assets held for sale relates to the apartment block in Lisbon and the plot of land in Marsa. The apartments were put on the market in 2024 with a number of them being sold during the year and the remaining being transferred to assets held for sale as disclosed in note 21. The group also entered into a promise of sale agreement to dispose of the plot of land in Marsa in February 2025.

The Group's investment properties are valued annually on 31 December at fair value by independent professionally qualified valuers having appropriate recognised professional qualifications and experience in the location and category of the property being valued.

11. Investment property - continued

The carrying amount of the investment properties is analysed as follows:

	The Group	
	2024	2023
	€'000	€'000
Investment property		
Commercial Centre in St Petersburg - Russia	36,829	38,316
Commercial Centre in Tripoli - Libya	86,300	83,260
Apartment block in Lisbon	-	6,386
Site in Tripoli - Libya	29,500	29,500
Hotel in Prague	96,563	-
Site in Marsa - Malta	-	9,636
Site in Konopiste - Czech Republic	7,533	7,673
Site in Misurata - Libya	87	87
Amber Hotels - Czech Republic	339	345
Office block - London	4,300	4,174
	261,451	179,377

Disclosures required in terms of IFRS 13 in relation to fair value measurements attributable to investment property are presented in Note 12.1.

- a) Investment properties with a carrying amount of €216.66 million (2023: €126.57 million) are hypothecated in favour of bankers as collateral for general banking facilities and loans granted to the Group.
- b) Rental income earned by the Group from investment property amounted to €13.45 million (2023: €10.13 million) while direct expenses amounted to €2.60 million (2023: €2.27 million).
- c) Direct operating expenses in relation to investment properties that did not generate rental income amounted to €0.23 million (2023: €0.10 million).
- d) All investment property is leased out under operating leases with rentals payable monthly. Lease payments for some contracts include Consumer Price Index (CPI) increases. Where considered necessary to reduce credit risk, the Group may obtain bank guarantees for the term of the lease.

The minimum lease payments receivable in accordance with IFRS 16 are as follows:

	The Group	
	2024	2023
	€'000	€'000
Within 1 year	14,554	7,556
Between 1 and 2 years	14,094	6,359
Between 2 and 3 years	12,875	5,821
Between 3 and 4 years	11,320	4,691
Between 4 and 5 years	3,173	3,224
Later than 5 years	-	702
	56,016	28,353

Although the Group is exposed to changes in the residual value at the end of the current leases, the Group typically enters into new operating leases and therefore will not immediately realise any reduction in residual value at the end of these leases. Expectations about the future residual values are reflected in the fair value of the properties.

12. Property, plant and equipment

	The Group				Total €'000
	Land and buildings €'000	Plant and equipment €'000	Motor vehicles €'000	Assets in the course of construction €'000	
Cost/valuation					
Balance at 1 January 2023	1,480,967	312,526	2,273	83,945	1,879,711
Revaluation surplus	66,999	-	-	-	66,999
Revaluation adjustment*	(44,916)	-	-	-	(44,916)
Additions	4,013	8,275	33	45,996	58,317
Reallocations	453	1,230	-	(1,683)	-
Disposals	(48)	(2,088)	(27)	(1,729)	(3,892)
Transfer from investment property (Note 11)	2,340	-	-	-	2,340
Other movements	-	-	-	(1,405)	(1,405)
Impairments	-	222	-	-	222
Currency translation differences	(5,320)	(1,385)	(17)	(37)	(6,759)
Balance at 31 December 2023	1,504,488	318,780	2,262	125,087	1,950,617
Balance at 1 January 2024	1,504,488	318,780	2,262	125,087	1,950,617
Revaluation surplus	74,394	-	-	-	74,394
Revaluation adjustment*	(34,017)	-	-	-	(34,017)
Additions	20,727	6,041	42	53,291	80,101
Reallocations	1,880	5,760	-	(7,640)	-
Disposals	-	(1,613)	(277)	(662)	(2,552)
Transfer to investment property (Note 11)	(134,867)	(4,863)	-	(54)	(139,784)
Transfer to assets held for sale (Note 21)	(132,377)	(50,966)	(160)	(389)	(183,892)
Other movements	-	-	-	(115)	(115)
Currency translation differences	20,049	4,363	(1)	191	24,602
Balance at 31 December 2024	1,320,277	277,502	1,866	169,709	1,769,354
Depreciation and impairment charges					
Balance at 1 January 2023	305,403	273,028	2,179	-	580,610
Depreciation for the year	17,693	9,046	67	-	26,806
Net impairment Losses	7,725	-	-	-	7,725
Revaluation adjustment*	(44,916)	-	-	-	(44,916)
Disposal adjustments	(20)	(1,961)	(22)	-	(2,003)
Currency translation differences	121	(1,277)	(16)	-	(1,172)
Balance at 31 December 2023	286,006	278,836	2,208	-	567,050
Balance at 1 January 2024	286,006	278,836	2,208	-	567,050
Depreciation for the year	17,437	9,299	66	-	26,802
Net impairment losses	(6,329)	-	-	-	(6,329)
Revaluation adjustment*	(34,017)	-	-	-	(34,017)
Reallocations	(307)	310	(3)	-	-
Transfer to investment property (Note 11)	(41,348)	(4,647)	-	(12)	(46,007)
Transfer to assets held for sale (Note 21)	-	(39,747)	(156)	-	(39,903)
Disposal adjustments	-	(1,377)	(264)	-	(1,641)
Currency translation differences	(1,110)	4,038	-	-	2,928
Balance at 31 December 2024	220,322	246,712	1,851	(12)	468,883
Carrying amounts					
At 1 January 2023	1,175,564	39,498	94	83,945	1,299,101
At 31 December 2023	1,218,482	39,944	54	125,087	1,383,567
At 31 December 2024	1,099,945	30,790	15	169,721	1,300,471

* Revaluation adjustments relate to the cumulative depreciation eliminated against the cost upon revaluation of the property during the current year.

12. Property, plant and equipment - continued

Changes in fair value during 2024 in respect of the Group's properties, amounting to €74.4 million have been recognised within other comprehensive income. These fair value movements relate to an uplift on the Corinthia Hotel Lisbon, Corinthia Hotel London, Golden Sands Resort Hotel, Corinthia Oasis and Corinthia Hotel St Petersburg, and a fair value loss on the Corinthia Hotel Budapest, Thermal Hotel Aquincum and Ramada Plaza Tunis. In 2023, changes in fair value in respect of the Group's properties amounting to €59.0 million have been recognised within other comprehensive income. These fair value movements relate to an uplift to Corinthia Hotel London, Corinthia Hotel St. George's, Baypoint Hotel, Marina Hotel, Golden Sands Resort Hotel and Corinthia Hotel Lisbon, and a fair value loss on the Corinthia Hotel Budapest.

An amount of €6.5 million was also recognised in the profit and loss account in relation to an impairment reversal on the Corinthia Hotel Tripoli. This was partially offset by an impairment of €0.2 million on the office block in London. In 2023 an uplift of €0.28 million had been recognized for the same office block in London.

	The Company			Total €'000
	Land and buildings €'000	Plant and equipment €'000	Motor vehicles €'000	
Cost/Valuation				
Balance at 1 January 2023	968	8,206	1,179	10,353
Additions	-	13	-	13
Balance at 31 December 2023	968	8,219	1,179	10,366
Balance at 1 January 2024	968	8,219	1,179	10,366
Additions	-	39	-	39
Balance at 31 December 2024	968	8,258	1,179	10,405
Depreciation and impairment charges				
Balance at 1 January 2023	848	8,191	1,179	10,218
Depreciation for the year	1	7	-	8
Balance at 31 December 2023	849	8,198	1,179	10,226
Balance at 1 January 2024	849	8,198	1,179	10,226
Depreciation for the year	1	6	-	7
Balance at 31 December 2024	850	8,204	1,179	10,233
Carrying amounts				
At 1 January 2023	120	15	-	135
At 31 December 2023	119	21	-	140
At 31 December 2024	118	54	-	172

12. Property, plant and equipment - continued

12.1 Fair valuation of property

The valuations reflected in the statement of financial position at reporting date take into account conditions existing at year end and do not reflect any subsequent developments.

In 2024, the directors appointed independent professionally qualified property valuers having appropriate recognised professional qualifications and the necessary experience. Where a valuation resulted in an amount that was significantly different than the carrying amount of the respective property, the book value of the property was adjusted as at the respective year end date, as the directors had reviewed the carrying amount of the properties on the basis of assessments by the property valuers.

In addition to the revaluations carried out on hotel properties, the Group's investment properties are measured at fair value on an annual basis as required by IAS 40.

The resultant shift in value, net of applicable deferred income taxes, was reflected within the revaluation reserve in shareholders' equity (note 23) or in profit or loss in accordance with the Group's accounting policies. Adjustments to the carrying amounts of the properties are disclosed in the tables below.

The Group is required to analyse non-financial assets carried at fair value by level of the fair value hierarchy within which the recurring fair value measurements are categorised in their entirety (Level 1, 2 or 3). The different levels of the fair value hierarchy have been defined as fair value measurements using:

- Quoted prices (unadjusted) in active markets for identical assets (Level 1);
- Inputs other than quoted prices included within Level 1 that are observable for the asset, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2);
- Inputs for the asset that are not based on observable market data (that is, unobservable inputs) (Level 3).

The Group's land and buildings, within property, plant and equipment, consist principally of hotel and other properties that are owned and managed by companies forming part of the Group. The Group's investment property comprises property that is held for long-term rental yields or for capital appreciation or both. The main investment properties are the Commercial Centre in St Petersburg, the Commercial Centre in Tripoli, a site forming part of the grounds of the Corinthia Hotel in Tripoli, the hotel in Prague as from the second quarter of 2024, site in Konopiste and an office block in London. All the recurring property fair value measurements as at 31 December 2024 and 2023 use significant unobservable inputs and are accordingly categorised within Level 3 of the fair valuation hierarchy.

The Group's policy is to recognise transfers into and out of fair value hierarchy levels as of the beginning of the reporting period. There were no transfers between different levels of the fair value hierarchy during the current and preceding financial years.

A reconciliation from the opening balance to the closing balance of property for recurring fair value measurements categorised within Level 3 of the fair value hierarchy, for the current and preceding financial years, is reflected in the table above and in Note 11 for investment property.

12. **Property, plant and equipment - continued**

12.1 **Fair valuation of property - continued**

Valuation processes

The valuations of the properties are performed regularly for property, plant and equipment and annually for investment property on the basis of valuation reports prepared by third party qualified valuers. These reports are based on both:

- information provided by the Group which is derived from the respective subsidiary's financial systems and is subject to the subsidiary's overall control environment; and
- assumptions and valuation models used by the valuers; with assumptions being typically market related and based on professional judgement and market observation.

The information provided to the valuers, together with the assumptions and the valuation models used by the valuers, are reviewed by designated officers within the Group. This includes a review of fair value movements over the period. When the designated officers consider that the valuation report is appropriate, the valuation report is recommended to the Audit Committee and Board of Directors. The Committee and Board then consider the valuation report as part of their overall responsibilities.

Valuation techniques

The external valuations of the Level 3 property as at 31 December 2024 and 2023, have been performed using a multi-criteria approach, with every property being valued utilising the valuation technique considered by the external valuer to be the most appropriate for the respective property.

In view of a limited number of similar or comparable properties and property transactions, comprising sales or rentals in the respective market in which the properties are located, the valuations have been performed using unobservable inputs. The significant inputs to the approaches used are generally those described below:

- Income capitalisation or discounted cash flow ("DCF") approach: considers the free cash flows arising from the projected income streams expected to be derived from the operation of the property, discounted to present value using an estimate of the weighted average cost of capital that would be available to finance such an operation. The significant unobservable inputs utilised with this technique include:

Operating results before depreciation and fair value gains/(losses)	based on projected income streams less operating expenditure necessary to operate the property, but prior to depreciation and financing charges;
Growth rate	based on management's estimated average growth of EBITDA levels, mainly determined by projected growth in income streams;
Discount rate	reflecting the current market assessment of the uncertainty in the amount and timing of projected cash flows. The discount rate reflects the estimated weighted average cost of capital that would be available for financing such an operation. The discount rate is based on an assumed debt to equity ratio; estimation of cost of equity is based on risk free interest rates adjusted for country risk and equity risk premium adjusted for entity-specific risk factor; estimation of cost of debt is based on risk free interest rates adjusted for country risk and assumed credit spread;

12. Property, plant and equipment - continued

12.1 Fair valuation of property - continued

Valuation processes - continued

Capitalisation rate mainly a function of the WACC rate and taking into consideration the assumed stabilised growth rate for the remaining life of the asset.

- Adjusted sales comparison approach: a sales price per square metre related to transactions in comparable properties located in proximity to the respective property, with significant adjustments for differences in the size, age, exact location and condition of the property.

The table below includes information about fair value measurements of hotel properties (classified within property, plant and equipment) and investment properties using significant unobservable inputs (Level 3). For hotel properties, where, following management's assessment or an independent valuation, the fair value of the respective property did not differ materially from its carrying amount as at year-end, the fair value inputs disclosed for that respective property are those that were used in the last valuation that gave rise to a revaluation.

12. Property, plant and equipment - continued

12.1 Fair valuation of property - continued

Valuation techniques - continued

Information about fair value measurements using significant unobservable inputs (Level 3) as at 31 December 2024 and 2023 in respect of the key properties:

Description by class based on highest and best use	Fair value at		Significant unobservable inputs							
	31 Dec 2024	31 Dec 2023	Valuation technique - Income capitalisation approach (DCF)							
	€'000	€'000	Evolution of EBITDA over initial projected five-year period		Pre-tax rate (WACC)		Growth rate		Capitalisation rate	
Current use as hotel/other properties (classified as property, plant and equipment):			2024	2023	2024	2023	2024	2023	2024	2023
					%	%	%	%	%	%
Corinthia Hotel & SPA Lisbon*	-	119,091	-							
Corinthia Hotel Prague**	-	87,980	-							
Marina Hotel, St. George's Bay, Malta	34,239	34,800	€2.6m - €2.8m		9.98	10.47	2.00	2.00	7.98	8.47
Corinthia Hotel, St. George's Bay, Malta	55,562	56,039	€3.9m - €4.2m		9.27	10.54	2.00	2.00	7.27	8.54
Corinthia Hotel St Petersburg	56,945	53,458	RUB656.5m – RUB819.7m		14.25	13.30	4.50	4.00	9.75	9.30
Corinthia Hotel Tripoli	70,888	65,400	€2.9m - €6.3m		15.60	14.14	2.00	2.00	13.60	12.14
Radisson Blu Resort, Malta	45,059	46,000	€3.7m - €4.0m		10.66	10.51	2.00	2.00	8.66	8.51

*Corinthia Hotel & Spa Lisbon was transferred to assets held for sale as disclosed in Note 21

**Corinthia Hotel Prague was transferred to investment property as disclosed in Note 11

12. Property, plant and equipment - continued

12.1 Fair valuation of property - continued

Valuation techniques - continued

Description by class based on highest and best use	Fair value at		Significant unobservable inputs							
	31 Dec 2024	31 Dec 2023	Evolution of EBITDA over initial projected five-year period		Pre-tax rate (WACC)		Growth rate		Capitalisation rate	
Current use as hotel properties (classified as property, plant and equipment):	€'000	€'000	2024	2023	2024	2023	2024	2023	2024	2023
					%	%	%	%	%	%
			<i>FY25-FY29</i>	<i>FY24-FY28</i>						
Corinthia Hotel London	580,091	536,218	£23.2m - £28.9m	£20.0m - £25.52m	7.90	8.60	12.50-1	2.00	4.00	4.00
Corinthia Grand Hotel Astoria, Brussels	124,709	82,118	€134k - €7.7m	-	7.00	-	2,736-3	-	4.25	-
IHI Palace Hotel Company Limited	31,223	31,482	-€0.4m - €3.2m	€0.1m - €3.7m	11.60	10.20	2.00	2.00	9.60	8.20
Golden Sands Resort Malta	91,001	68,000	€5.4m - €6.9m	-€4.3m - €6.5m	9.31	10.39	2.00	2.00	7.31	8.39
Corinthia Hotel Budapest	112,600	116,025	€6.3m - €8.9m	€5.3m - €10.0m	9.48	10.02	2.00	2.00	7.48	8.02
Aquincum Hotel Budapest	17,819	20,638	€0.3m - €0.9m	€0.2m - €1.1m	9.85	9.25	2.00	2.00	7.85	7.25
Ramada Plaza Tunis	13,616	14,308	€1.0m - €1.7m	€1.0m - €1.8m	13.65	13.61	2.00	2.00	11.65	11.61
					Valuation technique – Adjusted sales-comparison approach					
					Sales price per square meter					
Office block in London	7,375	7,160	£11,854	£11,508						
Corinthia Oasis Malta	48,200	30,817	€595	-						

12. Property, plant and equipment - continued

12.1 Fair valuation of property - continued

Valuation techniques - continued

Description by class based on highest and best use	Fair value at		Significant unobservable inputs							
	31 Dec 2024	31 Dec 2023	Valuation technique - Income capitalisation approach (DCF)				Capitalisation			
	€'000	€'000	Evolution of EBITDA over initial projected five-year period	Pre-tax rate (WACC)	Growth rate	Rate	Rate	Rate		
			2024	2023	2024	2023	2024	2023		
					%	%	%	%		
Current property for commercial use (classified as investment property):										
Commercial Centre in St Petersburg	36,829	38,316	<i>FY25-FY29</i> RUB81.1m – RUB466.8m	<i>FY24-FY28</i> RUB77.1m - RUB390.0m	13.62	12.33	4.00	4.00	9.62	8.8
Commercial Centre in Tripoli	86,300	83,260	<i>FY25-FY29</i> €4.6m - €6.3m	<i>FY24-FY28</i> €4.5m - €3.8m	7.72	7.63	0.00	0.00	7.72	7.63
Corinthia Hotel Prague*	96,563	-	<i>FY25-FY29</i> €5.5m - €4.6m	-	8.43	-	2.00	-	6.43	-
Current property for commercial use (classified as investment property):										
Apartment block in Lisbon	-	6,386	-	€8,833						
Site in Marsa**	-	9,636	€700	€700						
Site in Tripoli	29,500	29,500	€2,300	€2,300						
Site in Czech Republic	7,586	7,673	€94	€94						
Office block in London	4,300	4,173	£11,854	£11,508						

*Corinthia Hotel Prague was transferred to investment property as disclosed in Note 11

** Site in Marsa was transferred to assets held for sale as disclosed in Note 21

12. Property, plant and equipment - continued

12.1 Fair valuation of property - continued

In relation to the DCF approach, an increase in the projected level of operating results before depreciation and fair value and growth rate would result in an increased fair value of the property, whereas a higher discount rate would give rise to a lower fair value. With respect to the adjusted sales comparison approach, the higher the sales price per square metre, the higher the resultant fair valuation.

During the current year, the Group recognized a significant fair value uplift in respect to Corinthia Hotel Lisbon using a market value approach (refer also to note 21). Fair value increases were also recognised for, Corinthia Hotel London, Golden Sands Resort Hotel, Corinthia Oasis and Corinthia Hotel St. Petersburg, against a fair value loss on the Corinthia Hotel Budapest, Ramada Plaza Tunis and Thermal Hotel Aquincum. In 2023, uplifts were recognised for Corinthia Hotel London, Corinthia St. George's Bay, Baypoint Hotel, Marina Hotel, Golden Sands Resort Hotel and Corinthia Hotel Lisbon against fair value losses recognised in Corinthia Hotel Budapest, Ramada Plaza Tunis and Thermal Hotel Aquincum. The shift in the carrying amounts of the Corinthia Hotel St. Petersburg and Corinthia Hotel London in 2024 and 2023 were also affected by translating the financial position of the respective subsidiaries that own these properties from their functional currencies (RUB and GBP respectively) into the Group's presentation currency (EUR) at year end.

As evidenced in the tables above, the highest and best use of the Group properties is equivalent to their current use as at 31 December 2024.

As explained in Note 5 to the financial statements, the future performance of the Group's hotels and the Commercial Centres situated in Tripoli and Russia and the fair value of the related property assets are largely dependent on how soon the political and economical situation in Libya and the geopolitical situation between Russia and the west will return to normality and on how quickly the international oil and gas industry recovers and how soon international sanctions are lifted once political risks subside. In assessing the fair value of both the Tripoli and Russia properties, the Directors recognise the improvements registered in 2024, the interest registered from a number of sources for short and long-term accommodation and the strong local trade in Russia.

12. Property, plant and equipment - continued

12.1 Fair valuation of property - continued

The sensitivity of the property valuations to possible shifts in key assumptions is illustrated in the table below:

	Shift in discount rate (+/-1%)		Shift in cash flows (EBITDA) (+/-5.00%)	
	2024 €'000	(+/-1%) 2023 €'000	2024 €'000	2023 €'000
Corinthia Hotel & Spa Lisbon*	-	-12,145 to +15,357	-	+/- 5,957
Corinthia Hotel Budapest	-13,076 to +17,111	-12,912 to +16,599	+/- 5,627	+/- 5,801
Corinthia Hotel Prague	-11,515 to +15,757	-10,300 to +13,501	+/- 4,515	+/- 4,399
Marina Hotel, St George's Bay, Malta	-3,695 to +4,753	-3,551 to +4,501	+/- 1,722	+/- 1,740
Corinthia Hotel, St George's Bay, Malta	-6,526 to +8,606	-5,672 to +7,175	+/- 2,791	+/- 2,802
Corinthia Hotel, St Petersburg	-4,574 to +5,591	-5,074 to +6,308	+/- 2,847	+/- 2,673
Corinthia Hotel Tripoli	-6,553 to +7,718	-7,910 to +9,557	+/- 3,545	+/- 3,246
Commercial Centre in St Petersburg	-3,623 to +4,475	-4,265 to +5,442	+/- 1,841	+/- 1,911
Commercial Centre in Tripoli	-11,515 to +15,757	-10,460 to +13,722	+/- 4,315	+/- 4,163
Radisson Blu Resort, Malta	-4,495 to +5,668	-4,667 to +5,909	+/- 2,258	+/- 2,300
Corinthia Hotel London	-47,990 to +43,601	+/- 7,987	+/- 29,565	+/- 8,170
IHI Palace Hotel Company Limited	-2,802 to +3,475	-4,449 to +5,712	+/- 1,173	+/- 1,574
Golden Sands Resort, Malta	-10,611 to +13,972	-7,611 to +9,677	+/-4,500	+/- 3,400
Corinthia Grand Hotel Astoria, Brussels	-11,854 to +10,749	-	+/-6,799	-
Aquincum Hotel Budapest	-1,168 to +1,509	-1,700 to +2,200	+/- 513	+/- 657
Ramada Plaza Tunis Hotel	-1,244 to +1,525	-1,100 to +1,400	+/- 681	+/- 717

12.2 Historic cost basis of properties

If the cost model had been used, the carrying amounts of the revalued properties would be €766.11 million (2023: €977.18 million). The revalued amounts include a revaluation surplus of €153.69 million after tax (2023: €126.58 million), which is not available for distribution to the shareholders of CPHCL.

12.3 Use as collateral

All tangible fixed assets owned by the Group, except for the Corinthia Hotel and Commercial Centre in St. Petersburg, the Corinthia Oasis land, the BCM plant and underlying land in Benghazi, Libya, the land in Misurata, Libya, and the Konopiste property in the Czech Republic, are hypothecated in favour of the Group's bankers as collateral for amounts borrowed as stated in Note 25. The Corinthia Hotel Budapest is hypothecated in favour of a bond as stated in Note 26.

13. Leases

This note provides information for leases where the Group is a lessee. For leases where the Group is a lessor, see Note 11.

i. Amounts recognised in the statement of financial position

The statement of financial position shows the following amounts relating to leases:

	The Group		The Company	
	31 December 2024 €'000	31 December 2023 €'000	31 December 2024 €'000	31 December 2023 €'000
Right-of-use assets				
Land and buildings	14,144	15,830	-	-
Plant and equipment	1,550	2,127	-	-
Motor vehicles	729	671	116	142
	16,423	18,628	116	142
Lease liabilities				
Current	2,388	2,889	36	29
Non-current	16,479	17,943	85	116
	18,867	20,832	121	145

Additions to the Group's and the Company's right-of-use assets during the 2024 financial year were €0.99 million (2023: €6.01 million) and €0.01 million (2023: €0.11 million) respectively. Movement during the year also includes €0.59 million in relation to disposals and other movements.

ii. Amounts recognised in the income statement

The income statement shows the following amounts relating to leases:

	The Group		The Company	
	31 December 2024 €'000	31 December 2023 €'000	31 December 2024 €'000	31 December 2023 €'000
Depreciation charge of right-of-use assets				
Land and buildings	1,905	1,870	-	-
Plant and equipment	585	602	-	-
Motor vehicles	225	201	40	17
	2,715	2,673	40	17
Interest expense (included in finance cost)	1,031	1,076	8	5
Expense relating to variable lease payments not included in lease liabilities (included in administrative expenses)	519	596	-	-
Expenses relating to short-term leases and low-value assets (included in administrative expenses)	422	208	91	81

13. Leases - continued

ii. Amounts recognised in the income statement - continued

The total cash outflow for leases in 2024 was €4.51 million (2023: €4.08 million) for the Group and €0.15 million (2023: €0.11 million) for the Company.

iii. The Group's leasing activities and how these are accounted for

The Group leases various offices, land, retail outlets, plant and equipment and motor vehicles. Emphyteutical grants from the government pertaining to land on which the Group's Malta hotel properties are built are typically made for fixed periods of up to 99 years. Other contracts are made for periods up to 12 years and may include extension options as described further below. The Company's leases pertain to offices used for administration purposes, retail stores and motor vehicles and are typically made for periods of up to 9 years.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payments that are based on an index or a rate, initially measured using the index or rate as at the commencement date
- amounts expected to be payable by the Group under residual value guarantees, and
- the exercise price of a purchase option if the Group is reasonably certain to exercise that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the Group uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received, and for other items specific to the leased asset.

The Group is exposed to potential future increases in variable lease payments based on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

13. Leases - continued

iii. The Group's leasing activities and how these are accounted for - continued

Right-of-use assets are measured at cost comprising the amount of the initial measurement of lease liability. Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life. While the Group revalues its land and buildings that are presented within property, plant and equipment, it has chosen not to do so for the right-of-use assets attributable to land and buildings held by the Group.

Payments associated with short-term leases and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less.

iv. Variable lease payments

Variable payment terms are used for a variety of reasons including minimising the fixed costs base for newly established stores.

Some property leases contain variable payment terms that are linked to sales generated from retail stores, and which range from 10.00% to 24.50% of sales. An increase of €1.00 million in sales per store in the Group with such variable lease contracts would increase variable lease payments by approximately €0.10 million (12.00%).

Other property leases contain variable payment terms that are linked to sales generated from catering establishments. Variable payment on such leases range from 15.00% to 25.00% of sales. An increase of €1.00 million in sales per catering establishment in the Group with such variable lease contracts would increase total lease payments by approximately €0.21 million (21.00%).

The variable lease payments element amounts to €0.50 million for the year ended 31 December 2024 (2023: €0.60 million). Variable lease payments that depend on sales are excluded from the measurement of the lease liability and are recognised in profit or loss in the period in which the condition that triggers those payments occurs.

13. **Leases - continued**

v. Extension and termination options

Extension and termination options are included in a number of property and equipment leases across the Group. These are used to maximise operational flexibility in terms of managing the assets used in the Group's operations.

Judgements in determining the lease term

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

For leases of retail outlets, the following factors are normally the most relevant:

- If there are significant penalties to terminate (or not extend), the Group is typically reasonably certain to extend (or not terminate).
- If any leasehold improvements are expected to have a significant remaining value, the Group is typically reasonably certain to extend (or not terminate).
- Otherwise, the Group considers other factors including historical lease durations and the costs and business disruption required to replace the leased asset.

Most extension options in offices and motor vehicles leases have not been included in the lease liability, because the Group could replace the assets without significant cost or business disruption.

14. **Investments in subsidiaries**

The amounts stated in the statement of financial position of the Company are analysed as follows:

	2024	2023
	€'000	€'000
Equity in subsidiary companies	344,543	346,444
Loans to subsidiary companies	4,466	4,215
	349,009	350,659

14. Investments in subsidiaries - continued

14.1 Principal subsidiaries

The Group had the following subsidiaries as at 31 December:

Subsidiary company	Registered office	Nature of business	Percentage of ownership and voting rights held directly by the Group		Percentage of ownership and voting rights held directly by the Company		Percentage of ownership and voting rights held by non-controlling interests	
			2024 %	2023 %	2024 %	2023 %	2024 %	2023 %
Quoted								
International Hotel Investments p.l.c. (IHI p.l.c.)	22, Europa Centre, Floriana, Malta	Investment company	58	58	58	58	42	42
Unquoted								
16 Craven House Limited	10 Whitehall Place, London SW1A 28D, UK	Property owner	58	58	-	-	42	42
Afina Ag	c/o TreuhandBaar AG, Mühlegasse 12a, 6341 Baar	Investment company	100	100	-	-	-	-
Alfa Investimentos Turisticos Lda	Avenida Columbana Bordalo Pinheiro, 105, Lisboa 1099-031, Portugal	Hotel owner and operator	58	58	-	-	42	42
Amber Hotels s.r.o.	Milevska 7, Prague 4, Czech Republic	Hotel owner and operator	100	100	100	100	-	-
Bay Point Hotel Limited	22, Europa Centre, Floriana, Malta	Hotel owner and operator	58	58	-	-	42	42
Bay Point Collection Limited	First Name House, Victoria Residence, Douglas, Isle of Man	Vacation ownership company	58	58	-	-	42	42

14. Investments in subsidiaries - continued

14.1 Principal subsidiaries - continued

Subsidiary company	Registered office	Nature of business	Percentage of ownership and voting rights held directly by the Group		Percentage of ownership and voting rights held directly by the Company		Percentage of ownership and voting rights held by non-controlling interests	
			2024 %	2023 %	2024 %	2023 %	2024 %	2023 %
Benghasir Concrete Manufacturing Joint Stock Company	Airport Highway, Tripoli, Libya	Non-trading company	100	100	10	10	-	-
Benghasir for Construction Company	Souk Al Thulatha Al Gadim, Tripoli, Libya	Non-trading company	90	90	-	-	10	10
Catering Contractors Limited*	22, Europa Centre, Floriana, Malta	Non-trading company	-	100	-	100	-	-
CaterMax Limited	22, Europa Centre, Floriana, Malta	Event catering	58	58	-	-	42	42
Comox Enterprises Limited	Agiou Nicolau, 41-49 Nimeli Court, Egkomi PC2408, Nicosia Cyprus	Investment company	100	100	100	100	-	-

*Catering Contractors Limited was put into liquidation in 2022 and was struck off on 5 January 2024.

14. Investments in subsidiaries - continued

14.1 Principal subsidiaries - continued

Subsidiary company	Registered office	Nature of business	Percentage of ownership and voting rights held directly by the Group		Percentage of ownership and voting rights held directly by the Company		Percentage of ownership and voting rights held by non-controlling interests	
			2024	2023	2024	2023	2024	2023
			%	%	%	%	%	%
Corinthia Hotels Limited	1, Europa Centre, Floriana, Malta	Hotel management company	58	58	-	-	42	42
Corinthia Hotels (UK) Limited	Corinthia Hotel London, Whitehall Place, London SW1A 28D	Management consultancy services	58	58	-	-	42	42
CHL US Parent, Inc	251, Little Falls Drive Wilmington, New Castle Delaware DE 19808 United States	Investment company	58	58	-	-	42	42
CHL Surrey, Inc	251, Little Falls Drive Wilmington, New Castle Delaware DE 19808 United States	Hotel management company	58	58	-	-	42	42
Corinthia Hotels Holdings s.r.l.	8, Piazza Di San Silvestro, Rome CAP 00187, Italy	Holding company	58	58	-	-	42	42
Corinthia Hotels (Maldives) Private Limited	#02-01, Millenia Tower 10, Ameer Ahmed Magu Male', 20026 Republic of the Maldives	Hotel management company	58	58	-	-	42	42

14. Investments in subsidiaries - continued

14.1 Principal subsidiaries - continued

Subsidiary company	Registered office	Nature of business	Percentage of ownership and voting rights held directly by the Group		Percentage of ownership and voting rights held directly by the Company		Percentage of ownership and voting rights held by non-controlling interests	
			2024 %	2023 %	2024 %	2023 %	2024 %	2023 %
CHL Hotels Brussels s.r.l.	Rue Royale, 103 1000, Brussels Belgium	Hotel management company	58	58	-	-	42	42
Corinthia Parlamento s.r.l.	8, Piazza Di San Silvestro, Rome CAP 00187, Italy	Hotel management company	58	58	-	-	42	42
Corinthia Caterers Limited	22, Europa Centre, Floriana, Malta	Event catering	58	58	-	-	42	42
Corinthia Company Limited	22, Europa Centre, Floriana, Malta	Investment company	58	58	-	-	42	42
CPHCL Construction (Overseas) Limited	22, Europa Centre, Floriana, Malta	Non-trading company	100	100	100	100	-	-
Corinthia Developments International Limited	22, Europa Centre, Floriana, Malta	Project management	58	58	-	-	42	42
CPHCL Finance p.l.c.	22, Europa Centre, Floriana, Malta	Investment company	100	100	100	100	-	-
Corinthia Holdings Overseas Limited	22, Europa Centre, Floriana, Malta	Investment company	100	100	100	100	-	-
Bezemer Limited	Nerine Chambers, PO Box 905, Road Town, Tortola, BVI	Holding company	58	58	-	-	42	42

14. Investments in subsidiaries - continued

14.1 Principal subsidiaries - continued

Subsidiary company	Registered office	Nature of business	Percentage of ownership and voting rights held directly by the Group		Percentage of ownership and voting rights held directly by the Company		Percentage of ownership and voting rights held by non-controlling interests	
			2024	2023	2024	2023	2024	2023
			%	%	%	%	%	%
CPHCL Investments (UK) Limited	1, Brentham House 43c High Street Hampton Wick Kingston-Upon-Thames, Surrey, UK	Investment company	100	100	100	100	-	-
Corinthia (Malta) Staff Services Limited	22, Europa Centre, Floriana, Malta	Holding company	58	58	-	-	42	42
CPHCL Holdings Limited	22, Europa Centre, Floriana, Malta	Investment company	100	100	100	100	-	-
CPHCL Panorama s.r.o.	Milevska 7, Prague 4 Czech Republic	Hotel operator	100	100	100	100	-	-

14. Investments in subsidiaries - continued

14.1 Principal subsidiaries - continued

Subsidiary company	Registered office	Nature of business	Percentage of ownership and voting rights held directly by the Group		Percentage of ownership and voting rights held directly by the Company		Percentage of ownership and voting rights held by non-controlling interests	
			2024	2023	2024	2023	2024	2023
			%	%	%	%	%	%
Corinthia Services Limited	34, Place de 7 November 1987, Tunis, Tunisia	Non-trading company	100	100	100	100	-	-
Corinthia Towers Tripoli Limited	22, Europa Centre, Floriana, Malta	Hotel & Commercial Centre owner and operator	58	58	-	-	42	42
Corinthia Hotels Management DMCC	Unit No. AG-13-H-F121, AG Tower, Plot No. JLT-PH1-I1A, Jumeirah Lakes Towers, Dubai, United Arab Emirates	Hotel management company	58	58	-	-	42	42
Corinthia Tunisie sarl	Les Cotes de Carthage Ghammarth, Tunisia	Non-trading company	100	100	100	100	-	-
Summerday Turizm Yatirimlari Ticaret a.s.	Tayyareci Ethem Sokak No.24 Kat4 Daire 13, 80090 Gumussuyu Istanbul Turkey	Hotel owner	100	100	-	-	-	-
CPHCL Investments Limited	22, Europa Centre, Floriana, Malta	Investment company	100	100	100	100	-	-

14. Investments in subsidiaries - continued

14.1 Principal subsidiaries - continued

Subsidiary company	Registered office	Nature of business	Percentage of ownership and voting rights held directly by the Group		Percentage of ownership and voting rights held directly by the Company		Percentage of ownership and voting rights held by non-controlling interests	
			2024	2023	2024	2023	2024	2023
			%	%	%	%	%	%
Danish Bakery Limited	22, Europa Centre, Floriana, Malta	Industrial bakery operations	65	65	65	65	35	35
D.X. Design Consultancy Limited	22, Europa Centre, Floriana, Malta	Project management	58	58	-	-	42	42
Five Star Hotels Limited	22, Europa Centre, Floriana, Malta	Hotel owner and operator	58	58	-	-	42	42
Golden Sands Resort Limited	The Radisson SAS Golden Sands Resort & Spa Golden Bay I/o Mellieha, Malta	Hotel owner and operator	58	58	-	-	42	42
Quality Talent Limited (formerly Recruitment & Quality Talent Limited)	22, Europa Centre, Floriana, Malta	Consultancy services	100	100	100	100	-	-
Hotel Astoria SA	Rue Royale, 103 1000, Brussels Belgium	Owns and operates Corinthia Brussels	29	29	-	-	71	71
House of Catering for Catering Services Co. Limited	Souk Al Thulatha Al Gadim Tripoli, Libya	Non-trading company	100	100	10	10	-	-

14. Investments in subsidiaries - continued

14.1 Principal subsidiaries - continued

Subsidiary company	Registered office	Nature of business	Percentage of ownership and voting rights held directly by the Group		Percentage of ownership and voting rights held directly by the Company		Percentage of ownership voting rights held by non-controlling interests	
			2024 %	2023 %	2024 %	2023 %	2024 %	2023 %
IHI Holdings Limited	34, Kosti Palama 1096, Aspelia Court 4 th Floor, Office D4 Nicosia, Cyprus	Investment company	58	58	-	-	42	42
IHI Hungary Zrt	Erzsebet Krt, 43-49 H-1073 Budapest Hungary	Hotel owner and operator	58	58	-	-	42	42
IHI Lisbon Limited	22, Europa Centre, Floriana, Malta	Investment company	58	58	-	-	42	42
IHI Palace Hotel Company Limited	22, Europa Centre, Floriana, Malta	Hotel owner and operator	58	58	-	-	42	42
IHI St Petersburg LLC	57, Nevskij Prospect St Petersburg 191025, Russian Federation	Hotel and Commercial Centre operator	58	58	-	-	42	42
IHI Towers s.r.o	Kongresova 1655/1 1406/69 Praha 4 Czech Republic	Hotel owner and operator	58	58	-	-	42	42

14. Investments in subsidiaries - continued

14.1 Principal subsidiaries - continued

Subsidiary company	Registered office	Nature of business	Percentage of ownership and voting rights held directly by the Group		Percentage of ownership and voting rights held directly by the Company		Percentage of ownership and voting rights held by non-controlling interests	
			2024	2023	2024	2023	2024	2023
			%	%	%	%	%	%
IHI Zagreb d.d.	Centar Kaptol Nova Kes 11, 10000 Zagreb, Croatia	Investment company	58	58	-	-	42	42
IHI Benelux B.V.	Kingsfordweg 151 1043 GR Amsterdam The Netherlands	Hotel and Commercial Centre owner	58	58	-	-	42	42
International Operating and Managing Facilities Establishments Limited	Souk Al Thulatha Al Gadim Tripoli, Libya	Non-trading company	100	100	10	10	-	-

14. Investments in subsidiaries - continued

14.1 Principal subsidiaries - continued

Subsidiary company	Registered office	Nature of business	Percentage of ownership and voting rights held directly by the Group		Percentage of ownership and voting rights held directly by the Company		Percentage of ownership and voting rights held by non-controlling interests	
			2024	2023	2024	2023	2024	2023
			%	%	%	%	%	%
Island Resorts International Limited	First Name House Victoria Residence Douglas, Isle of Man	Investment company	58	58	-	-	42	42
Konopiste Property Holding s.r.o.	Milevska 1695/7 Prague 4 Czech Republic	Hotel owner	100	100	100	100	-	-
Libya Hotels & Development Investments J.S.C.	Benghazi, Libya	Hotel project owner	32	32	-	-	68	68
Malta Fairs and Conventions Centre Limited (MFCC Limited)	Millenium Stand Level 1, National Stadium Ta' Qali, Attard	Trade conference and leisure conventions	100	100	-	-	-	-
Marina San Gorg Limited	22, Europa Centre, Floriana, Malta	Hotel owner and operator	58	58	-	-	42	42
Marsa Investments Limited	22, Europa Centre, Floriana, Malta	Owner of land held for sale	100	100	100	100	-	-
Misurata Holdings Limited	22, Europa Centre, Floriana, Malta	Non-trading company	100	100	100	100	-	-

14. Investments in subsidiaries - continued

14.1 Principal subsidiaries - continued

Subsidiary company	Registered office	Nature of business	Percentage of ownership and voting rights held directly by the Group		Percentage of ownership and voting rights held directly by the Company		Percentage of ownership and voting rights held by non-controlling interests	
			2024	2023	2024	2023	2024	2023
			%	%	%	%	%	%
NLI Holdings Limited	CTV House La Pouquelaye St Helier Jersey	Parent company of a group that owns and operates the Corinthia Hotel London and 10 Whitehall Place in London, UK	29	29	-	-	71	71
NLI Hotels Limited	CTV House La Pouquelaye St Helier Jersey	Hotel owner	29	29	-	-	71	71
NLI Operator Limited	Corinthia Hotel London, Whitehall Place, London SW1A 28D	Hotel operator	29	29	-	-	71	71
NLI Brussels Limited	22, Europa Centre, Floriana, Malta	Holding company	29	29	-	-	71	71

14. Investments in subsidiaries - continued

14.1 Principal subsidiaries - continued

Subsidiary company	Registered office	Nature of business	Percentage of ownership and voting rights held directly by the Group		Percentage of ownership and voting rights held directly by the Company		Percentage of ownership and voting rights held by non-controlling interests	
			2024	2023	2024	2023	2024	2023
			%	%	%	%	%	%
Palm Waterfront Development Limited	22, Europa Centre, Floriana, Malta	Non-trading company	100	100	100	100	-	-
Palm Waterfront J.S.C.	Tripoli, Libya	Investment company	100	100	5	5	-	-
QPM Africa Limited	22, Europa Centre, Floriana, Malta	Non-trading company	58	58	-	-	42	42
QPM Belgium SPRL	Avenue de Tervueren 168/18 1150 Woluwe-Saint Pierre, Brussels Belgium	Project management services	58	58	-	-	42	42
QPM Limited	22, Europa Centre, Floriana, Malta	Project management services	58	58	-	-	42	42
Right Structures Limited**	22, Europa Centre, Floriana, Malta	Non-trading company	-	100	-	-	-	-
Societe De Promotion Hoteliere Khamsa	Les Cotes de Carthage Gammarth, Tunisia	Hotel owner and operator	100	100	63	63	-	-
Medi International Limited	Level 1, Palm Grove House Wickham's Cay 1 Road Town, Tortola British Virgin Islands	Internal financing	58	58	-	-	42	42

** Right Structures Limited was put into liquidation in 2022 and was struck off on 5 January 2024.

14. Investments in subsidiaries - continued

14.1 Principal subsidiaries - continued

Subsidiary company	Registered office	Nature of business	Percentage of ownership and voting rights held directly by the Group		Percentage of ownership and voting rights held directly by the Company		Percentage of ownership and voting rights held by non-controlling interests	
			2024	2023	2024	2023	2024	2023
			%	%	%	%	%	%
Swan Laundry and Dry Cleaning Company Limited	22, Europa Centre, Floriana, Malta	Industrial laundry operations	100	100	100	100	-	-
The Coffee Company Malta Limited	22, Europa Centre, Floriana, Malta	Franchise retail catering	58	58	-	-	42	42
Corinthia Oasis Company Limited	22, Europa Centre, Floriana, Malta	Property owner	58	58	-	-	42	42
Thermal Hotel Aquincum Rt	Arpad Fejedelem Utja 94, H-1036 Budapest Hungary	Hotel owner and operator	100	100	-	-	-	-
Verdi Hospitality Limited	1, Europa Centre, Floriana, Malta	Hotel management company	58	58	-	-	42	42

14. Investments in subsidiaries - continued

14.1 Principal subsidiaries - continued

All subsidiary undertakings are included in the consolidation.

14.2 Movements in investment in subsidiaries

	The Company €'000
<u>Equity investments in subsidiaries</u>	
At 1 January 2023	350,643
Acquisition	2
Impairment on equity investments	(4,201)
	346,444
At 1 January 2024	346,444
Impairment on equity investments	(1,901)
	344,543

All investments were purchased by the Company at the nominal value of shares received i.e. at par, except for Corinthia Construction (Overseas) Limited which was acquired for €3.40 million.

Debt investments in subsidiaries

The Company effected additional advances to its subsidiaries which are considered to be a component of the long-term investment. The net advances amounted to €0.25 million which principally relate to Konopiste Property Holdings s.r.o.. (2023: €0.16 million primarily to Amber Hotels s.r.o.)

14.3 Subsidiaries with material non-controlling interests

The Group includes two subsidiaries, Danish Bakery Limited and International Hotel Investments p.l.c. (IHI Group), with material non-controlling interests (NCI):

Name of subsidiary	Proportion of ownership interest and voting rights held by NCI		Profit/(loss) allocated to NCI		Accumulated NCI	
	2024	2023	2024	2023	2024	2023
	%	%	€'000	€'000	€'000	€'000
Danish Bakery Limited	35	35	133	135	1,298	1,173
IHI Group (incl. NLI Group)	42	42	(6,138)	(5,724)	515,959	479,601

Dividends paid to NCI of Danish Bakery Limited were nil (2023: €0.21 million) whilst no dividends were paid to NCI from International Hotel Investments p.l.c. in 2024 and 2023.

The total non-controlling interests as at 31 December 2024 is €517.26 million (2023: €480.78 million), of which €515.96 million (2023: €479.61 million) is attributable to the IHI Group and €1.30 million (2023: €1.17 million) is attributable to Danish Bakery Limited.

14. Investments in subsidiaries - continued

14.3 Subsidiaries with material non-controlling interests - continued

Summarised financial information for Danish Bakery Limited, the IHI Group (including the NLI Group), and separately, the NLI Group, before intragroup eliminations, is set out below:

	Danish Bakery Limited		IHI Group (including NLI Group)		NLI Group	
	2024 €'000	2023 €'000	2024 €'000	2023 €'000	2024 €'000	2023 €'000
Non-current assets	2,067	2,156	1,645,935	1,617,595	718,764	633,108
Current assets	3,937	3,309	296,742	150,741	54,146	48,838
Total assets	6,004	5,465	1,942,677	1,768,336	772,910	681,946
Non-current liabilities	(98)	(3)	(840,641)	(787,583)	(244,727)	(186,438)
Current liabilities	(2,087)	(2,046)	(191,660)	(144,405)	(55,374)	(48,619)
Total liabilities	(2,185)	(2,049)	(1,032,301)	(931,988)	(300,101)	(235,057)
Equity attributable to owners of CPHCL	2,482	2,220	394,417	356,747	137,115	129,598
Non-controlling interests	1,337	1,196	515,959	479,601	335,694	317,291

14. Investments in subsidiaries - continued

14.3 Subsidiaries with material non-controlling interests - continued

	Danish Bakery		IHI Group (including NLI Group)		NLI Group	
	2024 €'000	2023 €'000	2024 €'000	2023 €'000	2024 €'000	2023 €'000
Revenue	7,358	6,834	306,788	287,773	96,570	92,605
Profit/(loss) for the year attributable to owners of the parent	248	250	4,892	(5,579)	(3,269)	(546)
Profit/(loss) for the year attributable to NCI	133	135	(6,138)	(5,724)	(8,003)	(1,337)
Profit/(loss) for the year	381	385	(1,246)	(11,303)	(11,272)	(1,883)
Other comprehensive income attributable to owners of the parent	-	-	32,778	9,673	10,786	7,557
Other comprehensive income attributable to NCI	-	-	42,496	20,086	26,406	18,503
Other comprehensive income for the year	-	-	75,274	29,759	37,192	26,060
Total comprehensive income for the year attributable to owners of the parent	248	250	37,670	4,094	7,517	7,011
Total comprehensive income for the year attributable to NCI	133	135	36,358	14,362	18,403	17,166
Total comprehensive income for the year	381	385	74,028	18,456	25,920	24,177

14. Investments in subsidiaries - continued

14.3 Subsidiaries with material non-controlling interests - continued

	Danish Bakery Limited		IHI Group (including NLI Group)		NLI Group	
	2024	2023	2024	2023	2024	2023
	€'000	€'000	€'000	€'000	€'000	€'000
Net cash generated from operating activities	961	805	53,070	57,521	7,938	22,135
Net cash used in investing activities	(332)	(459)	(68,017)	(54,066)	(45,869)	(35,714)
Net cash (used in)/generated from financing activities	-	(600)	(5,067)	19,180	19,195	20,100
Net cash inflow/(outflow)	629	(254)	(20,014)	22,635	(18,736)	6,521

14.4 Impairment allowances

The carrying amount of the investment and loan in/to Corinthia Tunisie Sarl, Catering Contractors Limited, Corinthia Holdings Overseas Limited, Corinthia Palace Holdings Limited and Societe de Promotion Hoteliere Khamsa had been impaired in prior years. During 2024, impairments of €1.90 million were recognised with respect to the investments in Societe de Promotion Hoteliere Khamsa and Amber Hotels s.r.o. There has been no impairment in the carrying values of the other investments.

15. Investments in associates and joint ventures

15.1 Investments accounted for using the equity method - Group

The amounts recognised in the consolidated statement of financial position are as follows:

	The Group	
	2024	2023
	€'000	€'000
Associates (Note 15.3)	111,920	108,103
At 31 December	111,920	108,103

15. Investments in associates and joint ventures - continued

15.1 Investments accounted for using the equity method - Group - continued

The amounts recognised in the consolidated income statement are as follows:

	The Group	
	2024	2023
	€'000	€'000
Associates (Note 15.3.1)	6,834	6,360
For the year ended 31 December	6,834	6,360

The amounts recognised in the consolidated other comprehensive income are as follows:

	The Group	
	2024	2023
	€'000	€'000
Associates (Note 15.3.1)	489	57
For the year ended 31 December	489	57

15.2 Investments in associates using cost model - Company

The amounts recognised in the Company's statement of financial position are as follows:

	The Company	
	2024	2023
	€'000	€'000
Associates - at 31 December (Note 15.3)	24,002	24,002

15.3 Investments in associates

The amounts stated in the statement of financial position of the Group and Company are analysed as follows:

	The Group		The Company	
	2024	2023	2024	2023
	€'000	€'000	€'000	€'000
Equity in associate companies (Note 15.3.1)	108,624	104,788	24,002	24,002
Loans to associate companies	3,296	3,315	-	-
	111,920	108,103	24,002	24,002

15. Investments in associates and joint ventures - continued

15.3 Investments in associates - continued

15.3.1 Equity in associate companies

	The Group		The Company	
	2024 €'000	2023 €'000	2024 €'000	2023 €'000
At 1 January	104,788	101,377	24,002	24,002
Share of results	6,834	6,360	-	-
Share of other comprehensive income	489	57	-	-
Dividend	(3,500)	(3,000)	-	-
Other movements	13	(6)	-	-
At 31 December	108,624	104,788	24,002	24,002

Set out below are the associates of the Group as at 31 December 2024 and 31 December 2023. The associates listed below have share capital consisting solely of ordinary shares.

Company name	Registered office	Nature of business	% of ownership interest held by			
			The Group		The Company	
			2024 %	2023 %	2024 %	2023 %
B.C.W. Limited	3, Princess Elizabeth Terrace, Ta' Xbiex Malta	Non-trading company	33	33	33	33
Café Jubilee Zrt	1055 Budapest Szent Istvan krt. 13 Hungary	Non-trading company	50	50	50	50
Crust Foods Limited	22, Europa Centre Floriana Malta	Restaurant and café	26	26	-	-
EUBFLE S.R.L. (previously Jespers Italia S.R.L.)*	Piazza Monsignor Umberto Rossi, 2 14032 Casorzo, Asti Italy	Bakery, retail shop	33	33	-	-
Medina Tower J.S.C.	Suite 107, Tower 2 Level 10 Burj Al Fateh Tripoli, Libya	Owns the Medina Tower Project	27	27	-	-
Mediterranean Investments Holding p.l.c. (Quoted)	22, Europa Centre Floriana, Malta	Investment company	50	50	50	50

* Put into liquidation in 2023.

15. Investments in associates and joint ventures - continued

15.3 Investments in associates - continued

15.3.1 Equity in associate companies - continued

Company name	Registered office	Nature of business	% of ownership interest held by			
			The Group		The Company	
			2024	2023	2024	2023
			%	%	%	%
Palm City Limited	22, Europa Centre Floriana, Malta	Property development and owner	50	50	-	-
Palm Waterfront Limited	22, Europa Centre Floriana, Malta	Property development and operator	50	50	-	-
Scalotel-Sociedade Escalabitana Hoteleira s.a.	Avenida Madre Andaluz Freguesia de Marvila, Cancelho de Santarem, Portugal	Hotel owner	41	41	-	-

All associates except for Mediterranean Investments Holding p.l.c. are private companies. There is no quoted market price available for the shares of all associates.

The directors consider Medina Tower J.S.C. and Mediterranean Investments Holding p.l.c. to be material associates of the Group.

15.3.2 Summarised financial information for material associates

Summarised financial information of the material associates is included in the table below:

	Medina Tower J.S.C	
	2024	2023
	€'000	€'000
Non-current assets	17,703	16,627
Current assets	7,642	7,350
Total assets	25,345	23,977
Current liabilities	90	91
Total liabilities	90	91
Profit/(loss) for the year	361	(99)
Other comprehensive income	1,008	(656)
Total comprehensive income	1,369	(755)

15. Investments in associates and joint ventures - continued

15.3 Investments in associates - continued

15.3.2 Summarised financial information for material associates - continued

Reconciliation of summarised financial information

Reconciliation of the summarised information presented to the carrying amount of its interest in the associate:

	Medina Tower J.S.C	
	2024	2023
	€'000	€'000
Opening net assets	23,886	24,641
Profit/(loss) for the year	361	(99)
Other comprehensive income	1,008	(656)
	25,255	23,886
Closing net assets		
Interest in associate (37.50%)*	9,471	8,957
Carrying value	9,471	8,957

*The Group's interest in Medina Tower J.S.C. as reflected in the Group's consolidated financial statements, is made up of a 25.00% shareholding held by IHI p.l.c. and another 25.00% shareholding held by Mediterranean Investment Holdings p.l.c. (MIH p.l.c.). Whereas the Group's interest in IHI p.l.c. is 57.80%, its interest in MIH p.l.c. is 50.00% (accounted for using the equity method).

The Group's ultimate percentage ownership in Medina Tower J.S.C. is 27.00%.

	Mediterranean Investments Holdings p.l.c. Group	
	2024	2023
	€'000	€'000
Non-current assets	291,054	290,582
Current assets	27,072	18,510
Total assets	318,126	309,092
Non-current liabilities	76,775	86,239
Current liabilities	28,802	16,945
Total liabilities	105,577	103,184
Revenue	31,224	27,441
Profit for the year	13,463	12,573
Other comprehensive income	178	(139)
Total comprehensive income	13,641	12,434

15. Investments in associates and joint ventures - continued

15.3 Investments in associates - continued

15.3.2 Summarised financial information for material associates - continued

Reconciliation of the summarised information presented to the carrying amount of its interest in the associate:

	Mediterranean Investments	
	Holdings p.l.c. Group	
	2024	2023
	€'000	€'000
Opening net assets	205,908	199,474
Profit for the year	13,463	12,573
Other comprehensive income	178	(139)
Dividend	(7,000)	(6,000)
Closing net assets	212,549	205,908
Interest in associate (50.00%)	106,275	102,954
Carrying value	106,275	102,954

Included in the above financial information is 25.00% share of the financial information attributable to Medina Tower J.S.C.

15.3.3 Summarised financial information of associate companies that are not individually material

	2024	2023
	€'000	€'000
Profit for the year	118	98
Other comprehensive income	212	266
Total comprehensive income	330	364

15. Investments in associates and joint ventures - continued

15.4 Investments in joint ventures

15.4.1 Equity in joint ventures

Set out below are the joint ventures of the Group as at 31 December 2024 and 31 December 2023. The joint ventures listed below have share capital consisting solely of ordinary shares, which are held by the Group through IHI p.l.c.

Company name	Registered office	Nature of business	% of ownership interest held by the Group	
			2024	2023
Quality Catering & Retail Services Ltd	Miller House Airport Way Tarxien Road Luqa Malta	Catering company	50	50

All joint ventures are private companies and there is no quoted market price available for their shares.

There are no contingent liabilities relating to the Group's interest in the joint ventures.

16. Other financial assets at amortised cost

	The Group		The Company	
	2024	2023	2024	2023
	€'000	€'000	€'000	€'000
Non-current				
Loans to investee	6,396	6,083	-	-
Loans to subsidiaries	-	-	23,223	24,623
Others	16	37	-	-
Total non-current loans receivable	6,412	6,120	23,223	24,623
Current				
Others	87	110	-	-
Total current loans receivable	87	110	-	-

The fair value of the other financial assets at amortised is disclosed in Note 35.7.

Information about the impairment of financial assets at amortised cost and the Group's and the Company's exposure to credit risk, foreign currency risk and interest rate risk can be found in Note 35.

Terms

Current

The Group's loans to others amounting to €0.09 million (2023: €0.11 million) are unsecured and interest free and are repayable within one year.

Non-current

The Group's loans to investee comprising €6.40 million (2023: €6.08 million) are unsecured, bear interest at 4% and are repayable not later than April 2033.

The Group's loans to others amounting to €0.02 million (2023: €0.04 million) are unsecured, bear interest at 3.00% and are repayable not later than May 2026.

The Company's loans to subsidiaries amounting to €23.22 million (2024: €24.62 million) are unsecured, bear interest at Euribor + 1.5% margin and are repayable not later than January 2026.

17. Inventories

	The Group	
	2024	2023
	€'000	€'000
Food and beverages	4,078	3,697
Consumables and other	15,526	12,142
Goods held for resale	605	201
Loose tools	1,132	715
	21,341	16,755

18. Trade and other receivables

	The Group		The Company	
	2024 €'000	2023 €'000	2024 €'000	2023 €'000
Non-Current				
Other receivables	161	235	-	-
Contract assets	11,012	452	-	-
Total receivables - non-current	11,173	687	-	-
Current				
Trade receivables	38,547	31,871	-	-
Credit loss allowances	(6,032)	(5,575)	-	-
	32,515	26,296	-	-
Amounts owed by:				
- Subsidiary companies	-	-	9,467	9,225
- Associate companies	1,082	1,465	256	443
- Joint ventures	202	202	-	-
- Related parties	2,436	2,500	-	-
Other receivables	6,487	4,073	439	250
Financial assets	42,722	34,536	10,162	9,918
Contract assets/accrued income	3,481	3,218	21	13
Advance payments in respect of capital creditors	299	334	-	-
Statutory receivables	2,787	2,572	64	48
Prepayments	5,055	4,382	58	83
Total trade and other receivables - current	54,344	45,042	10,305	10,062
Total trade and other receivables	65,517	45,729	10,305	10,062

Amounts owed by related parties are unsecured, interest free and repayable on demand.

The carrying values of trade and other receivables are considered to be a reasonable approximation of fair value.

Information about the credit losses attributable to trade receivables and the Group's and the Company's exposure to credit risk, foreign currency risk and interest rate risk can be found in Note 35.

The Group's contract assets classified as non-current asset relate to key monies and are assessed for impairment at each reporting date in line with IAS 36.

The Group's contract assets which are classified as current asset primarily comprise balances from services in relation to project management for which the Group would not yet have an unconditional right to receive payment. These contract assets are subject to IFRS 9 expected credit losses model as disclosed in Note 35.

19. Financial assets at fair value through profit or loss

Classification of financial assets at fair value through profit or loss

The Group classifies the following financial assets at fair value through profit or loss (FVTPL):

- Debt investments that do not qualify for measurement at either amortised cost or FVOCI. As at 31 December 2024 and 2023, these include investments in funds and mutual funds whose instruments fail to meet the definition of equity from the issuer's perspective.
- Equity investments for which the Group has not elected to recognise fair value gains and losses through OCI.

	The Group		The Company	
	2024	2023	2024	2023
	€'000	€'000	€'000	€'000
Non-current assets				
Unlisted equity securities	3,411	3,411	-	-
Current assets				
<i>Listed securities:</i>				
Bond securities	160	386	1,254	1,479
Total	160	386	1,254	1,479

During the year, the Group recognised a net fair value gain of €0.06 million (2023: loss of €1.54 million), whilst the Company recognised a fair value gain of €0.06 million (2023: gain of €0.25 million), in profit or loss on financial assets at fair value through profit or loss. In 2024, the fair value gain relates to listed bond securities. In 2023, €1.54 million related to a fair value loss of €1.96 million on the Group's investment in Azure Resorts Group and a gain of €0.42 million relating to fair value movement on listed securities.

19. Financial assets at fair value through profit or loss - continued

Set out below are the unlisted equity securities held by the Group:

Company name	Registered office	Nature of business	% of ownership interest held by the Group	
			2024	2023
Azure Resorts Limited (in liquidation)	Level 1, Palm Grove House Wickham's Cay 1 Road Town, Tortola British Virgin Islands	Vacation ownership selling agent	29	29
Azure Services Limited (in liquidation)	Level 1, LM Complex Brewery Street Mriehel, Malta	Marketing and promotional services	29	29
Azure Ultra Limited (in liquidation)	Level 1, LM Complex Brewery Street Mriehel, Malta	Luxury yacht leasing	29	29
Azure XP Limited (in liquidation)	Level 1, Palm Grove House Wickham's Cay 1 Road Town, Tortola British Virgin Islands	Financing of vacation ownership	29	29
Brooksfield Overseas Limited (in liquidation)	Level 1, Palm Grove House Wickham's Cay 1 Road Town, Tortola British Virgin Islands	Marketing and promotional services	29	29
Heathfield Overseas Limited (in liquidation)	Level 1, Palm Grove House Wickham's Cay 1 Road Town, Tortola British Virgin Islands	Payment solutions	29	29

The Group's unlisted equity securities also include 13.10% (2023: 13.10%) holdings in Global Hotel Alliance and 10.00% holdings in Lizar Holdings Limited, earmarked for a hotel and residential development in Moscow.

Information on the fair value hierarchy and valuation techniques used by management as well as a reconciliation of the unlisted equity securities are disclosed in Note 35.

20. Cash and cash equivalents

Cash and cash equivalents include the following components:

	The Group		The Company	
	2024 €'000	2023 €'000	2024 €'000	2023 €'000
Cash and bank balances:				
Current	83,238	101,398	5,190	9,448
Cash and cash equivalents in the statement of financial position	83,238	101,398	5,190	9,448
Bank overdrafts (Note 25)	(9,445)	(8,755)	-	-
Cash and cash equivalents	73,793	92,643	5,190	9,448

The Group's bank balances include amounts of €7.68 million (2023: €6.34 million) set aside for debt servicing requirements and treasury bills amounting to nil (2023: €29.41 million) set aside for bond redemption purposes. At 31 December 2024, no funds were set aside for capital expenditure purposes (2023: nil). Furthermore, a guarantee of €4 million was set aside by the Group and the Company in relation to the amounts due on the Rome project.

21. Assets classified as held for sale

	The Group	
	2024 €'000	2023 €'000
At 1 January	62	62
Transfer from investment property	18,342	-
Transfer from property, plant and equipment	143,988	-
Net exchange differences	(6)	-
At 31 December	162,386	62

On 31 December 2024, the Group recognised as held for sale, assets actively marketed for which IFRS 5 criteria were met.

The Group's assets held for sale include:

- A 3-star hotel property located in Bodrum, Turkey with a stock of 72 beds. Since this property does not have the level of luxury of the other hotels operated by the Group, it has been put on the market and it is expected that it will be sold within the next 12 months;
- A plot of land held in Marsa. As at 31 December 2024 this land was hypothecated in favour of a bank. A promise of sale was signed in February 2025, and in order to clear its title, during April 2025 the hypothec on the property was removed. The contract is expected to be signed in 2026. This was reclassified during the year from investment property to assets held for sale;
- The Corinthia Hotel Lisbon. During the current year, the Group has gone to market and is considering offers for the Corinthia Hotel Lisbon, on the basis of a sale and management and / or leaseback. Consequently, the property in Lisbon was reclassified from property, plant and equipment to assets held for sale; and

21. Assets classified as held for sale - continued

- Similarly, the apartment block in Lisbon was actively marketed for sale in 2024, with three apartments being sold during the year with the remaining apartments being reclassified from investment property to assets held for sale.

Management remains committed to finalising the disposal plan in the twelve-month period subsequent to 31 December 2024.

22. Share capital

	The Group and the Company	
	2024	2023
	€'000	€'000
Authorised, issued and fully paid		
20,000,000 ordinary shares at €1 each	20,000	20,000

22.1 Shareholder rights

Shareholders are entitled to vote at shareholders' meetings of the Company on the basis of one vote for each share held. They are entitled to receive dividends as declared from time to time. The shares in issue shall, at all times, rank *pari passu* with respect to any distribution whether of dividends or capital, in a winding up or otherwise.

23. Other reserves

The balance on other reserves, which is not available for distribution, represents profits not realised at the end of the reporting period including those arising from foreign exchange translations and revaluations of property, net of tax.

The Group	Translation reserves €'000	Revaluation reserve €'000	Other equity components €'000	Total €'000
At 1 January 2024	5,640	126,575	9,942	142,157
Recognised in other comprehensive income:				
Net revaluation of properties	-	27,926	-	27,926
Exchange difference arising from translating foreign operations:				
- on net assets, excluding deferred tax	1,716	-	-	1,716
Share of other comprehensive income of associates and joint ventures:				
- Exchange difference arising from translating foreign operations	278	-	-	278
- Revaluation of properties	-	212	-	212
Other	-	-	(649)	(649)
Recognised directly in equity:				
Reclassifications to retained earnings	-	(1,020)	-	(1,020)
At 31 December 2024	7,634	153,693	9,293	170,620

23. Other reserves – continued

The Group	Translation reserves €'000	Revaluation reserve €'000	Other equity components €'000	Total €'000
At 1 January 2023	17,089	108,672	9,916	135,677
Recognised in other comprehensive income:				
Net revaluation of properties	-	18,850	-	18,850
Exchange difference arising from translating foreign operations:				
- on net assets, excluding deferred tax	(11,240)	-	-	(11,240)
Share of other comprehensive income of associates and joint ventures:				
- Exchange difference arising from translating foreign operations	(209)	-	-	(209)
- Revaluation of properties	-	266	-	266
Other	-	-	26	26
Recognised directly in equity:				
Reclassifications to retained earnings	-	(1,213)	-	(1,213)
At 31 December 2023	5,640	126,575	9,942	142,157

The Company

	Translation reserves	
	2024 €'000	2023 €'000
At 1 January and 31 December	2,950	2,950

24. Retained earnings

The result for the year has been transferred to retained earnings as set out in the statements of changes in equity.

25. Bank borrowings

	The Group		The Company	
	2024	2023	2024	2023
	€'000	€'000	€'000	€'000
Bank overdrafts	9,445	8,755	-	-
Bank loans	426,499	377,603	207	801
	435,944	386,358	207	801
Comprising:				
Non-current bank borrowings				
Bank loans due within 2 – 5 years	332,057	326,526	121	207
Bank loans due later than 5 years	53,552	18,480	-	-
	385,609	345,006	121	207
Current bank borrowings				
Bank overdrafts	9,445	8,755	-	-
Bank loans due within 1 year	40,890	32,597	86	594
	50,335	41,352	86	594

Bank borrowings are subject to variable interest rates based on Euribor or other such bank base rates plus margins with a total weighted average interest rate of 6.64% per annum at 31 December 2024 (2023: 6.28% per annum) for the group, and 2.87% per annum (2023: 2.49% per annum) for the Company.

These facilities are secured by general and special hypothecs on the Group's assets, privileges on certain assets and guarantees given by related parties, as well as pledges over the shares in subsidiaries and joint ventures.

The carrying amount of bank borrowings is considered a reasonable approximation of fair value based on discounted cash flows, taking cognisance of the variable interest nature of the borrowings.

26. Bonds

26.1 Bonds in issue

	The Group	
	2024	2023
	€'000	€'000
<i>Redeemable bonds</i>		
Bond 13	44,953	44,830
Bond 15	-	10,362
Bond 16	39,898	39,817
Bond 17	54,853	54,763
Bond 18	59,763	59,652
Bond 19	78,286	78,210
Bond 20	59,279	59,220
	337,032	346,854
Non-current	292,079	336,492
Current	44,953	10,362
	337,032	346,854

(i) The Group has the following bonds in issue:

	Issuing company	Year of issue	Nominal amounts €'000	Rate of interest %	Maturity date
<i>Redeemable bonds</i>					
Bond 13	IHI p.l.c.	2015	45,000	5.75	13 May 2025
Bond 16	CPHCL Finance p.l.c.	2016	40,000	4.25	12 April 2026
Bond 17	IHI p.l.c.	2016	55,000	4.00	29 July 2026
Bond 18	IHI p.l.c.	2016	60,000	4.00	20 December 2026
Bond 19	IHI p.l.c.	2021	80,000	3.65	7 December 2031
Bond 20	IHI p.l.c.	2023	60,000	6.00	14 November 2033

26. Bonds - continued

26.1 Bonds in issue - continued

In 2024, IHI p.l.c. redeemed Bond 15 amounting to €10.4 million. In 2023, IHI p.l.c. redeemed Bond 12 amounting to €10.0 million, part of Bond 15 and issued Bond 20 for a total amount of €60.0 million. During 2025, IHI p.l.c will be refinancing €35.0 million of Bond 13.

(ii) Interest

Interest is payable annually in arrears on the due date.

(iii) Security

The bonds constitute the general, direct, unconditional, unsecured and unsubordinated obligations of the issuing companies and will rank *pari passu*, without any priority or preference, with all other present and future unsecured and unsubordinated obligations of the issuing companies. The only exception is Bond 17 for €55.00 million which is secured by the Hotel property owned by IHI Hungary.

(iv) Sinking funds

The required contributions to the sinking funds as deposited under a trust arrangement as at 31 December 2024 amounted to €0.08 million (2023: €0.08 million).

(v) The carrying amount of the bonds is as follows:

	€'000
At 1 January 2024	346,854
Redemptions	(10,392)
Amortisation of issue costs	570
	337,032
At 31 December 2024	337,032

26. Bonds - continued

26.1 Bonds in issue - continued

The market price of bonds in issue as at year end is as follows:

	2024	2023
	€	€
Bond 13	100.50	100.50
Bond 16	97.45	99.80
Bond 17	99.00	100.00
Bond 18	98.90	97.50
Bond 19	95.01	91.30
Bond 20	106.98	103.97

The fair value of the bonds at year end is disclosed in Note 35.7.

26.2 Investments held by trustees

Investments held by trustees comprise the following:

The Group	2024	2023
	€'000	€'000
Cash at bank:		
- Interest-bearing bank accounts	77	77
	77	77

27. Other financial liabilities

	The Group		The Company	
	2024	2023	2024	2023
	€'000	€'000	€'000	€'000
Shareholders' loans	35,846	34,685	25,846	34,685
Loans from subsidiaries	-	-	71,900	70,818
Loans from associates	5,500	-	5,500	-
Others	-	91	-	-
	41,346	34,776	103,246	105,503
Non-current	35,846	34,685	90,256	105,503
Current	5,500	91	12,990	-
	41,346	34,776	103,246	105,503

The movements in the shareholders' loans represent the interest incurred thereon.

The loans from subsidiaries increased by €1.10 million (2023: €0.70 million). This movement represents net payments of €0.42 million to Thermal Hotel Aquincum Rt offset by capitalised interest amounting to €0.68 million. The loan from associates represents a loan from Mediterranean Investments Holding p.l.c. This is payable in September 2025 and bears interest at 2% margin above the 3-month Euribor.

27. Other financial liabilities - continued

As at 31 December 2024

€'000	Interest Rate	Repayable
The Group		
35,846	4.00%	After more than 1 year
5,500	2% over 3 month Euribor	15 September 2025
<hr/>		
41,346		
<hr/>		
The Company		
40,000	4.45%	12 April 2026
12,183	1.95% over 3-month Euribor	After more than 1 year
251	4.60%	31 December 2026
7,489	3.5% over 3-month Euribor	10 September 2025
11,977	3.5% over 3-month Euribor	After more than 1 year
5,500	2% over 3-month Euribor	15 September 2025
25,846	4.00%	After more than 1 year
<hr/>		
103,246		
<hr/>		

As at 31 December 2023

€'000	Interest Rate	Repayable
The Group		
34,685	4.00%	After more than 1 year
91	8.70%	Within 1 year
<hr/>		
34,776		
<hr/>		
The Company		
40,000	4.45%	12 April 2026
11,523	1.95% over 3-month Euribor	After more than 1 year
251	4.60%	After more than 1 year
19,044	2.25% over 3-month Euribor	After more than 1 year
34,685	4.00%	After more than 1 year
<hr/>		
105,503		
<hr/>		

None of the loans are secured.

The carrying amount of the borrowings subject to a variable interest rate is considered a reasonable approximation of fair value on the basis of discounted cash flows. In the case of borrowing subject to a fixed rate of interest, the fair value is disclosed in Note 35.7.

28. Indemnification liabilities

	The Company	
	2024	2023
	€'000	€'000
At 1 January and 31 December	17,168	17,168

In view of group tax relief provisions applicable in Malta any tax due by CPHCL on the transfer of the shares in IHI Towers s.r.o. (IHIT) and Corinthia Towers Tripoli Limited (CTTL) to International Hotel Investments p.l.c. (IHI p.l.c.) effected in 2007 was deferred. This tax will only become due in the eventuality that IHI p.l.c. sells the shares in IHIT and/or CTTL and/or their underlying properties outside the Group. In accordance with the indemnity agreement prepared at the time of the acquisition, CPHCL has indemnified IHI p.l.c. for future tax it may incur should IHI p.l.c. sell the shares or the underlying properties outside the Group. This indemnity will be equivalent to the tax that will be due by IHI p.l.c. on the gain that was untaxed in the hands of CPHCL. The indemnity has no time limit and has a maximum value of €45.00 million. In 2021, a reduction of €6.23 million in the indemnification liability held in the records of the Company was recognised to reflect a reduced rate of tax that would be applicable in the eventuality of a sale of CTTL.

As outlined above the indemnity agreement provides that in the event of a sale of the shares in IHIT and/or CTTL and/or their underlying properties outside the Group, CPHCL will be liable for the tax that will be due on the gain that was exempt in the hands of CPHCL at the time of the sale. Since it is certain that reimbursements will be paid by CPHCL if IHI p.l.c. settles the obligation, the reimbursements have been recognised and treated as separate liabilities.

On the sale of its shares in QPM Limited effected during the year ended 31 December 2016, CPHCL provided a tax indemnity to IHI p.l.c. The sales contract was exempt from taxation on the basis that CPHCL and IHI p.l.c. form part of the same ultimate group for tax purposes. Should IHI p.l.c. dispose of the shares outside of the Group, it may become liable to tax that it would not have become liable to pay had CPHCL not been a related party. The indemnity was estimated to amount to €2.00 million and has been recognised as an indemnification liability representing the tax that will be due by IHI p.l.c. on the gain that was untaxed in the hands of CPHCL.

29. Deferred tax assets and liabilities

Deferred taxes are calculated on all temporary differences under the liability method and are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled based on tax rates (and tax laws) that have been substantively enacted by the end of the reporting period.

29. Deferred tax assets and liabilities - continued

The balance at 31 December represents temporary differences attributable to:

The Group	Assets		Liabilities		Net	
	2024 €'000	2023 €'000	2024 €'000	2023 €'000	2024 €'000	2023 €'000
Depreciation of property, plant and equipment	-	-	(35,189)	(35,191)	(35,189)	(35,191)
Right of use assets	-	-	(5,681)	-	(5,681)	-
Lease liabilities	6,551	-	-	-	6,551	-
Fair valuation of land and buildings	-	-	(110,591)	(92,051)	(110,591)	(92,051)
Fair valuation of investment property	-	-	(15,870)	(14,083)	(15,870)	(14,083)
Intangible assets	-	-	(1,464)	(1,536)	(1,464)	(1,536)
Investments in associates	101	101	-	-	101	101
Unrelieved tax losses and unabsorbed capital allowances	61,974	58,972	-	-	61,974	58,972
Exchange differences	268	389	-	-	268	389
Provision on trade receivables	1,039	898	-	-	1,039	898
Others	471	504	-	-	471	504
Deferred tax assets/(liabilities) – before offsetting	70,404	60,864	(168,795)	(142,861)	(98,391)	(81,997)
Offset in the statement of financial position	(24,799)	(23,098)	24,799	23,098	-	-
Deferred tax assets/(liabilities) – as presented in statement of financial position	45,605	37,766	(143,996)	(119,763)	(98,391)	(81,997)

29. Deferred tax assets and liabilities - continued

The Company	Assets		Liabilities		Net	
	2024 €'000	2023 €'000	2024 €'000	2023 €'000	2024 €'000	2023 €'000
Unrelieved tax losses and unabsorbed capital allowances	3,555	3,555	-	-	3,555	3,555
Deferred tax assets – before offsetting	3,555	3,555	-	-	3,555	3,555
Deferred tax assets – as presented in statement of financial position	3,555	3,555	-	-	3,555	3,555

The recognised deferred tax assets and liabilities are expected to be recovered or settled principally after more than twelve months from the end of the reporting period.

The movement on the Group's deferred tax assets and liabilities during the year, without taking into consideration offsetting of balances, is as follows:

The Group

	Balance 1.1.2024 €'000	Recognised in profit or loss €'000	Recognised in other comprehensive income €'000	Currency translation differences €'000	Balance
					31.12.2024 €'000
Property, plant and equipment	(127,242)	(1,175)	(18,070)	707	(145,780)
Investment property	(14,083)	(1,971)	-	184	(15,870)
Intangible assets	(1,536)	71	-	1	(1,464)
Investments in associates	101	-	-	-	101
Right-of-use assets	-	(5,681)	-	-	(5,681)
Lease liabilities	-	6,551	-	-	6,551
Unrelieved tax losses and capital allowances	58,972	1,632	1,953	(583)	61,974
Exchange differences	389	(218)	-	97	268
Provision on trade receivables	898	141	-	-	1,039
Others	504	(43)	17	(7)	471
	(81,997)	(693)	(16,100)	399	(98,391)

29. Deferred tax assets and liabilities - continued

The Group

	Balance 1.1.2023 €'000	Recognised in profit or loss €'000	Recognised in other comprehensive income €'000	Currency translation differences €'000	Balance 31.12.2023 €'000
Property, plant and equipment	(115,963)	608	(15,309)	3,422	(127,242)
Investment property	(13,361)	(1,571)	-	849	(14,083)
Intangible assets	(404)	(1,127)	-	(5)	(1,536)
Investments in associates	101	-	-	-	101
Unrelieved tax losses and capital allowances	62,776	(3,542)	3,707	(3,969)	58,972
Exchange differences	235	160	26	(32)	389
Provision on trade receivables	856	42	-	-	898
Others	455	126	(6)	(71)	504
	(65,305)	(5,304)	(11,582)	194	(81,997)

The movement on the Company's deferred tax assets and liabilities during the year, without taking into consideration offsetting of balances, is as follows:

The Company

	Balance 1.1.2024 €'000	Recognised in profit or loss €'000	Other movements €'000	Balance 31.12.2024 €'000
Unrelieved tax losses and unabsorbed capital allowances	3,555	-	-	3,555
	3,555	-	-	3,555

The Company

	Balance 1.1.2023 €'000	Recognised in profit or loss €'000	Other movements €'000	Balance 31.12.2023 €'000
Unrelieved tax losses and unabsorbed capital allowances	3,555	-	-	3,555
	3,555	-	-	3,555

29. **Deferred tax assets and liabilities - continued**

Unrecognised deferred tax assets

Deferred income taxes are recognised for tax loss carry-forwards to the extent that the realisation of the related tax benefit through future taxable profits is probable. The Company did not recognise deferred income tax assets of €15.21 million (2023: €14.65 million) in respect of losses amounting to €60.85 million (2023: €58.60 million) that can be carried forward against future taxable income.

The Group did not recognise deferred income tax assets of €37.69 million (2023: €37.61 million) in respect of losses amounting to €143.71 million (2023: €142.85 million) that can be carried forward against future taxable income.

30. **Trade and other payables**

	The Group		The Company	
	2024	2023	2024	2023
	€'000	€'000	€'000	€'000
Non-current				
Other payables	22,624	3,106	-	-
Refundable lease deposits	646	201	-	-
Financial liabilities	23,270	3,307	-	-
Contract liabilities	1,179	997	-	-
Statutory liabilities	3,445	5,817	240	436
Total payables - non-current	27,894	10,121	240	436
Current				
Trade payables	26,797	25,392	61	80
Amounts owed to:				
Subsidiary companies	-	-	7,733	8,081
Associate companies	436	933	-	-
Other related parties	7,224	6,892	-	-
Capital creditors	4,106	2,427	-	-
Other payables	10,273	7,666	4	92
Refundable lease deposits	103	595	-	-
Accrued expenses	37,998	34,963	1,712	1,475
Financial liabilities	86,937	78,868	9,510	9,728
Contract liabilities	5,766	5,591	-	-
Advance payments	7,333	5,340	-	-
Lease payments received in advance	754	541	-	-
Statutory liabilities	9,432	9,238	260	180
Total payables - current	110,222	99,578	9,770	9,908

Amounts owed to related parties are unsecured, interest free and repayable on demand. The carrying amount of trade and other payables is considered a reasonable approximation of fair value.

30. Trade and other payables - continued

Current contract liabilities mainly include advance deposits on hotel bookings and cash received for vouchers to be redeemed by customers in hotels. The revenue in relation to these amounts received in advance is recognised only when the Group satisfies its performance obligation (i.e. as the customer utilises their right to use the hotel room).

Non-current contract liabilities emanate from a transaction in which the Group sold a block of serviced apartments but retained the obligation to maintain such apartments for the very long-term. The consideration that was paid by the buyer to the Group was partly allocated to the service element in the arrangement and will be recognised over the remaining number of years for which the obligation remains.

The aggregate transaction price allocated to this long-term arrangement amounted to £2.30 million, equivalent to €2.80 million (2023: £2.30 million, €2.70 million), of which £1.80 million, equivalent to €2.1 million (2023: £1.80 million, equivalent to €2.0 million), remains unsatisfied as at year-end.

Management expects that the unsatisfied portion of the transaction price will be recognised as revenue on a straight-line basis over the remaining term of 40 years, since the directors consider the arrangement consistent with a stand-ready obligation to perform.

Revenue recognised during 2024 that was included in the contract liability balance at the beginning of the period amounted to €0.40 million (2023: €0.80 million).

31. Cash flow information

31.1 Adjustments

	The Group		The Company	
	2024	2023	2024	2023
	€'000	€'000	€'000	€'000
Amortisation of intangible assets	980	613	-	-
Depreciation of property, plant and equipment	26,802	26,806	7	8
Depreciation of right-of-use assets	2,715	2,673	40	17
Other losses arising on property, plant and equipment	115	1,680	-	-
Other (gains)/losses	(814)	40	-	-
Impairment losses on investments	-	-	1,901	4,475
Impairment (gain) on property, plant and equipment	(6,329)	(275)	-	-
Finance lease concessions	-	-	(46)	(21)
Fair value movements on investment properties	(11,584)	(6,423)	-	-
Share of results of associates and joint ventures	(6,834)	(6,360)	-	-
Fair value movement on financial assets at FVTPL	281	1,541	(54)	(245)
Change in credit loss allowances	655	611	-	-
Net (gain) / loss on disposal of property, plant and equipment	(20)	22	-	-
Amortisation of transaction costs	1,347	1,026	80	80
Interest income	(1,576)	(1,251)	(1,287)	(1,091)
Interest expense	46,557	41,485	5,205	5,117
Dividend income	-	-	(3,707)	(5,431)
Net exchange differences	1,205	3,518	-	(5)
	53,500	65,706	2,139	2,904

Significant non-cash financing and investing transactions

The Group's significant non-cash financing and investing transactions for 2024 amounted to nil (2023: €30.50 million). These represented the portion of bonds that were redeemed through the re-issue of new bonds. The Company's significant non-cash transactions are nil (2023: €2.00 million). These represent an offset against loans receivable.

31. Cash flow information - continued

31.2 Reconciliation of financing assets and liabilities

The Group	Assets		Liabilities from financing activities			
	Assets placed under trust arrangement €'000	Bonds €'000	Bank loans €'000	Other borrowings €'000	Lease liabilities €'000	Total €'000
As at 1 January 2023						
- Principal	77	(321,091)	(340,576)	(33,690)	(17,232)	(712,512)
- Accrued interest	-	(5,492)	(3,067)	-	-	(8,559)
	77	(326,583)	(343,643)	(33,690)	(17,232)	(721,071)
Net Cash flow movements	-	(10,516)	(12,608)	(2,511)	3,372	(22,263)
Foreign exchange differences	-	-	(3,184)	-	-	(3,184)
Other movements including interest	-	(14,493)	(20,654)	1,425	(6,972)	(40,694)
As at 31 December 2023	77	(351,592)	(380,089)	(34,776)	(20,832)	(787,212)
Comprising:						
- Principal	77	(346,854)	(377,603)	(34,776)	(20,832)	(779,988)
- Accrued interest	-	(4,738)	(2,486)	-	-	(7,224)
As at 31 December 2023	77	(351,592)	(380,089)	(34,776)	(20,832)	(787,212)
As at 1 January 2024						
- Principal	77	(346,854)	(377,603)	(34,776)	(20,832)	(779,988)
- Accrued interest	-	(4,738)	(2,486)	-	-	(7,224)
	77	(351,592)	(380,089)	(34,776)	(20,832)	(787,212)
Net Cash flow movements	-	26,195	(11,990)	(5,316)	3,529	12,418
Foreign exchange differences	-	-	(8,050)	-	-	(8,050)
Other movements including interest	-	(16,203)	(28,096)	(1,276)	(1,564)	(47,139)
As at 31 December 2024	77	(341,600)	(428,225)	(41,368)	(18,867)	(829,983)
Comprising:						
- Principal	77	(337,032)	(426,499)	(41,346)	(18,867)	(823,667)
- Accrued interest	-	(4,568)	(1,726)	(22)	-	(6,316)
As at 31 December 2024	77	(341,600)	(428,225)	(41,368)	(18,867)	(829,983)

31. Cash flow information - continued

31.2 Reconciliation of financing assets and liabilities - continued

The Company	Liabilities from financing activities		Total €'000
	Bank loans €'000	Other borrowings €'000	
As at 1 January 2023			
- Principal	(2,092)	(103,607)	(105,699)
- Accrued interest	(19)	(1,345)	(1,364)
	(2,111)	(104,952)	(107,063)
Net cash flow movements	1,347	1,792	3,139
Other movements including interest	(37)	(3,657)	(3,694)
As at 31 December 2023	(801)	(106,817)	(107,618)
Comprising:			
- Principal	(801)	(105,503)	(106,304)
- Accrued interest	-	(1,314)	(1,314)
As at 31 December 2023	(801)	(106,817)	(107,618)
As at 1 January 2024			
- Principal	(801)	(105,503)	(106,304)
- Accrued interest	-	(1,314)	(1,314)
	(801)	(106,817)	(107,618)
Net cash flow movements	608	8,939	9,547
Other movements including interest	(14)	(5,544)	(5,558)
As at 31 December 2024	(207)	(103,422)	(103,629)
Comprising:			
- Principal	(207)	(103,367)	(103,574)
- Accrued interest	-	(55)	(55)
As at 31 December 2024	(207)	(103,422)	(103,629)

32. Commitments

Capital expenditure commitments at the end of the reporting period are as follows:

	The Group		The Company	
	2024	2023	2024	2023
	€'000	€'000	€'000	€'000
Contracted for:				
Property, plant and equipment	22,723	90,425	-	-
Authorised but not yet contracted for:				
Property, plant and equipment	21,411	18,688	-	-
	44,134	109,113	-	-

33. Contingencies

A claim in relation to brokerage fees on the sale of Lisbon Hotel to IHI p.l.c. in 2000 amounting to €1.70 million is being made by an individual against 8 defendants including IHI p.l.c. No provision has been made in these financial statements for this claim as the Company and the Group believe that they have a strong defence in respect of these claims.

A client has instituted proceedings against a subsidiary of IHI p.l.c. for damages sustained in relation to professional works. The Directors do not expect the cash outflow net of insurance recoveries to be material.

Additionally, the Group and the Company have the following guarantees:

The Group	2024	2023
	€'000	€'000
Guarantees given to secure bank facilities of associate companies	82	266
Guarantees given to secure bonds of associate company (MIH p.l.c.)	50,000	50,000
	50,082	50,266
The Company	2024	2023
	€'000	€'000
Guarantees given to secure bonds	90,000	90,000
Guarantees given to secure bank facilities for related companies	11,692	13,807
	101,692	103,807

34. Related parties

All companies controlled, jointly controlled or significantly influenced by CPHCL are considered to be related parties. A list of these companies is included in Notes 14 and 15. Related parties also comprise the shareholders of CPHCL together with the Group companies' key management personnel.

Key management personnel include directors (executive and non-executive) and senior management members of both the Company and of all the group entities located in Malta and in various other countries. The compensation paid or payable to key management personnel for employee services is disclosed in Note 34.1.

None of the transactions with related parties incorporate special terms and conditions. Transactions with related companies are generally affected on a cost-plus basis or on the basis of pre-agreed arrangements. Outstanding balances are usually settled in cash. Amounts owed by/to related parties are shown separately in Notes 14, 15, 16, 18, 27 and 30.

	The Group		The Company	
	2024	2023	2024	2023
	€'000	€'000	€'000	€'000
Revenue				
Services rendered to:				
Associates	800	754	832	816
Related companies	-	75	698	634
	800	829	1,530	1,450
Financing				
Interest income				
- Subsidiaries	-	-	1,148	919
- Associates	-	77	-	77
Interest expense				
- Subsidiaries	-	-	(3,841)	(3,688)
- Associates	69	-	-	-
- Shareholders' loan	(1,386)	(1,336)	(1,222)	(1,336)
	(1,317)	(1,259)	(3,915)	(4,028)
Dividend income from subsidiaries	-	-	207	851
Dividend income from associates	3,500	4,580	3,500	4,580
Management fee	-	-	(550)	(550)

34.1 Transactions with key management personnel

In addition to the remuneration paid to the Directors included in Note 6.2, in the course of its operations, the Group has a number of arrangements in place with its officers, executives and other related parties whereby concessions are made available for hospitality services rendered to them according to accepted industry norms.

In 2024, the total remuneration of the executive directors and the senior management members of both the Company and of all the group entities located in Malta and in various other countries amounted to €12.0 million (2023: €9.6 million).

35. Risk management objectives and policies

The Group is exposed to various risks through its use of financial instruments. The main types of risks are market risk, credit risk and liquidity risk, which result from both its operating and investing activities. The Group's risk management is coordinated at its head office, in close co-operation with the board of directors and focuses on actively securing the Group's short to medium term cash flows by minimising the exposure to financial markets. Long-term financial investments are managed to generate lasting returns.

The board of directors has overall responsibility for the establishment and oversight of the Group's risk management framework.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The audit committee oversees how management monitors compliance with the Group's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

The most significant financial risks to which the Group is exposed to are described below. See also Note 35.5 for a summary of the Group's financial assets and liabilities by category.

35.1 Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Group's receivables from related parties, customers, investment in debt instruments and cash at bank. The Group's exposure to credit risk is measured by reference to the carrying amount of financial assets recognised at the statement of financial position date, as summarised below:

35. Risk management objectives and policies - continued

35.1 Credit risk - continued

	The Group		The Company	
	2024	2023	2024	2023
	€'000	€'000	€'000	€'000
Financial assets at fair value through profit or loss				
Investments in debt instruments	160	386	1,254	1,479
Financial assets at amortised cost				
Trade and other receivables (including contract assets)	63,408	46,922	10,793	10,525
Long term receivables from related parties and other investees	6,499	6,230	23,223	24,623
Cash in hand and at bank	81,840	101,398	5,190	9,448
Assets held by trustee placed under trust arrangement	77	77	-	-
Gross exposure	151,984	155,013	40,460	46,075
Credit loss allowances	(6,032)	(5,575)	(546)	(546)
Net exposure	145,952	149,438	39,914	45,529

The maximum exposure to credit risk at the end of the reporting period in respect of financial assets mentioned above is equivalent to their gross carrying amount as disclosed in the respective notes to the financial statements. The Group does not hold any significant collateral in this respect.

Risk management and security

The subsidiary companies within the Group have, over the years, conducted business with various corporates, tour operators and individuals located in different jurisdictions and, owing to the spread of the Group's debtor base, there is no concentration of credit risk.

The Group has a credit policy in place under which new customers are analysed individually for creditworthiness before the Group's standard payment and delivery terms and conditions are offered. The Group's review includes external ratings, where available, and in some cases bank references. Customers that fail to meet the Group's benchmark creditworthiness may transact with the Group only on a cash basis.

In monitoring customer credit risk, customers are individually assessed. Customers that are graded as "high risk" are placed on a restricted customer list and future sales are only made on a prepayment basis.

The Group does not require collateral in respect of trade and other receivables. The Group establishes an allowance for credit losses that represents its estimate of losses in respect of trade and other receivables.

35. Risk management objectives and policies - continued

35.1 Credit risk - continued

The Company has a concentration of credit risk on its exposures to loans receivables from the subsidiaries. The Company monitors intra-group credit exposures at individual entity level on a regular basis and ensures timely performance of these assets in the context of overall Group liquidity management. The Company assesses the credit quality of these related parties taking into account financial positions, performance and other factors. The Company takes cognisance of the related party relationship with these entities and management does not expect any significant losses from non-performance or default beyond amounts actually provided in respect of uncollectible amounts. Accordingly, credit risk with respect to these receivables is expected to be limited.

Impairment of financial assets

The Group and the Company have three types of financial assets that are subject to the expected credit loss model:

- trade receivables and contract assets relating to the provision of services;
- other financial assets at amortised cost, comprising loans receivable from related parties and, in the case of the Company, subsidiary undertakings;
- financial assets at fair value through profit or loss; and
- cash held with banks and financial institutions.

Trade receivables and contract assets

The Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables and contract assets.

To measure the expected credit losses, trade receivables and contract assets have been grouped based on shared credit risk characteristics and the days past due. The Group has concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets since they have substantially the same characteristics.

The expected loss rates are based on the payment profiles of sales over an appropriate period before 31 December 2024 and 31 December 2023 respectively and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

Based on the assessment carried out in accordance with the above methodology, the movement in loss allowances identified as at 31 December 2024 and 31 December 2023 is deemed immaterial by management. On this basis, the information pertaining to loss rates and loss allowances in the Group's provisioning matrix, which would have otherwise been recommended by IFRS 7, is not presented as at 31 December 2024 and 31 December 2023.

35. Risk management objectives and policies - continued

35.1 Credit risk - continued

Trade receivables and contract assets - continued

The closing loss allowances for trade receivables and contract assets as at 31 December 2024 reconcile to the opening loss allowance as follows:

	The Group	
	2024	2023
	€'000	€'000
At 1 January	5,575	4,982
Written-off balances	88	77
Credit losses recognized	410	529
Credit losses reversed	(47)	5
Exchange differences	6	(18)
At 31 December	6,032	5,575

Trade receivables and contract assets are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, failure to settlement after a number of attempts being made to collect past due debts; amounts deemed unrecoverable after a court ruling; and failure by the Group to provide original documentation in case of invoices contested by the customer.

Credit losses on trade receivables and contract assets are recognised separately in the income statement. Subsequent recoveries of amounts previously written off are credited against the same line item.

Other financial assets at amortised cost

The Company's other financial assets at amortised cost which are subject to IFRS 9's general impairment model include amounts due from subsidiaries and amounts due from other related parties.

35. Risk management objectives and policies - continued

35.1 Credit risk - continued

Other financial assets at amortised cost - continued

The closing loss allowance for amounts due from subsidiaries as at 31 December 2024 reconcile to the opening loss allowances as follows:

	The Company	
	2024	2023
	€'000	€'000
At 1 January	20,660	20,385
Credit losses recognised	-	275
At 31 December	20,660	20,660

The Group's other financial assets at amortised cost which are subject to IFRS 9's general impairment model primarily include amounts due from associates and investee.

The Group and the Company monitor intra-group credit exposures at individual entity level on a regular basis and ensure timely performance of these assets in the context of its overall liquidity management. The loss allowances for these financial assets are based on assumptions about risk of default and expected loss rates. The Company's management uses judgement in making these assumptions, based on the counterparty's past history, existing market conditions, as well as forward-looking estimates at the end of each reporting period.

As at year-end, based on the Directors' assessments of these factors, the equity position of the respective counterparty, and, where the probability of default is high, the recovery strategies contemplated by management together with the support of shareholders in place, resulted in no further increase in provision (2023: increase of €0.28 million) for the Company.

Cash at bank

The Group's cash is placed with reputable financial institutions, such that management does not expect any institution to fail to meet repayments of amounts held in the name of the companies within the Group. While cash and cash equivalents are also subject to the impairment requirements of IFRS 9, the identified impairment loss was insignificant.

Financial assets at fair value through profit or loss

The Group and the Company are also directly and indirectly exposed to credit risk in relation to certain bond funds and unlisted equity securities that are measured at fair value through profit or loss. The maximum exposure at the end of the reporting period amounts to €3.57 million (2023: €3.80 million) for the Group and €1.25 million (2023: €1.48 million) for the Company.

35. Risk management objectives and policies - continued

35.2 Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure that it will always have sufficient liquidity to meet its liabilities as they fall due, under both normal and stressed conditions. Liquidity risk management includes maintaining sufficient cash and committed credit lines to ensure the availability of an adequate amount of funding to meet the Group's obligations.

The Group actively manages its cash flow requirements. Management monitors liquidity risk by reviewing expected cash flows through cash flow forecasts, covering both Head Office corporate cash flows and all Group entities' cash flows. This is performed at a central treasury function, which controls the overall liquidity requirements of the Group within certain parameters. Each subsidiary company within the Group updates its cash flow on a monthly basis. Typically, the Group ensures that it has sufficient cash on demand to meet expected operational expenses for a period of 60 days, including the servicing of financing or borrowing obligations. Such planning also factors cash outflows required for capital projects and where necessary ensures that adequate bank facilities are in place. This excludes the potential impact of extreme circumstances that cannot be reasonably forecasted.

The Group's liquidity risk is accordingly actively managed taking cognisance of the matching of operational cash inflows and outflows arising from expected maturities of financial instruments, attributable to the Group's different operations, together with the Group's committed bank borrowing facilities and other financing that it can access to meet liquidity needs. The Group also reviews periodically its presence in the local capital markets and considers actively the disposal of non-core assets to secure potential cash inflows constituting a buffer for liquidity management purposes.

The Group has funding in place for the main contracted capital projects and has access to undrawn bank loans amounting to €101.4 million at the end of the reporting period. Furthermore, the Group has access to unutilised bank overdrafts amounting to €8.9 million at the end of the reporting period. The bank overdrafts are renewed yearly and the bank loans can be withdrawn within one year or beyond.

At 31 December 2024 and 2023, the Group has financial liabilities, including estimated interest payments, with contractual maturities which are summarised below:

The Group

	Current	Non-current	
	Within 1 year	1-5 years	More than 5 years
31 December 2024	€'000	€'000	€'000
Bank borrowings	76,046	385,988	58,231
Bonds	58,763	185,166	158,681
Other financial liabilities	6,064	5,735	38,679
Lease liabilities	3,274	8,449	33,884
Trade and other payables	86,937	19,670	5,400
	231,084	605,008	294,875

35. Risk management objectives and policies - continued

35.2 Liquidity risk - continued

This compares to the maturity of the Group's financial liabilities including estimated interest payments in the previous reporting period as follows:

The Group

31 December 2023	Current	Non-current	
	Within 1 year	1-5 years	More than 5 years
	€'000	€'000	€'000
Bank borrowings	70,360	402,726	24,169
Bonds	26,074	237,409	165,201
Other financial liabilities	99	5,550	36,072
Lease liabilities	3,584	9,910	34,835
Trade and other payables	83,357	3,307	-
	183,474	658,902	260,277

The above contractual maturities reflect the gross cash flows, which may differ from the carrying values of the liabilities at the end of the reporting period.

At 31 December 2024, the Company has financial liabilities, including estimated interest payments, with contractual maturities which are summarised below:

The Company

31 December 2024	Current	Non-current	
	Within 1 year	1-5 years	More than 5 years
	€'000	€'000	€'000
Bank borrowings	94	125	-
Other financial liabilities	3,444	49,446	64,279
Lease liabilities	42	94	-
Trade and other payables	9,508	-	-
	13,088	49,665	64,279

This compares to the maturity of the Company's financial liabilities in the previous reporting period as follows:

The Company

31 December 2023	Current	Non-current	
	Within 1 year	1-5 years	More than 5 years
	€'000	€'000	€'000
Bank borrowings	610	219	-
Other financial liabilities	3,488	54,664	66,891
Lease liabilities	124	44	-
Trade and other payables	9,728	-	-
	13,950	54,927	66,891

35. Risk management objectives and policies - continued

35.3 Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and securities and index prices, will affect the Group's income or financial position. The objective of the Group's market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

(i) Foreign currency risk

Foreign currency risk arises from future commercial transactions and recognised assets and liabilities which are denominated in a currency that is not the respective entity's functional currency, which would be considered a foreign currency from the entity's perspective.

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily, from its operations in Russia (RUB), United Kingdom (GBP), Hungary (HUF), Czech Republic (CZK), Tunisia (TND) and Libya (LYD). Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities which are denominated in a currency that is not the respective entity's functional currency, which would be considered a foreign currency from the entity's perspective.

Although the Group operates internationally, most of the Group's entities have the Euro as their functional currency. The main exceptions are IHI Benelux BV and IHI St. Petersburg LLC, with Russian Rouble as their functional currency, the entities within the NLI Group, with the pound sterling as their functional currency, Libya Hotels Development and Investment JSC, with Libyan dinars as its functional currency, CHL Surrey Inc. with the US dollar as its functional currency, Thermal Hotel Aquincum through its hotel in Budapest (HUF), SPH Khamsa through its hotel in Tunis (TND), and Marsa Investments through its operation in Sudan (SDG).

The Group's main currency risk exposure reflecting the carrying amount of assets and liabilities denominated in foreign currencies at the end of the reporting period, analysed by the functional currency of the respective entity or entities, was as follows:

35. Risk management objectives and policies - continued

35.3 Market risk - continued

(i) Foreign currency risk - continued

	2024							
	Functional Currency							
	EUR			HUF	TND	SDG		
	HUF	LYD	CZK	EUR	EUR	USD	EUR	
€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	
Group								
Financial assets:								
Loans	-	-	-	-	-	-	-	
Trade receivables	1,256	1,691	275	89	68	498	2,084	
Other receivables	300	(221)	351	-	-	-	-	
Cash and cash equivalents	-	-	38	435	-	-	-	
Financial liabilities:								
Bank borrowings	-	-	-	(7,963)	-	-	-	
Trade payables	(341)	(604)	(349)	-	(87)	-	-	
Other payables	(2,605)	(767)	(148)	-	-	-	-	
Net exposure	(1,390)	99	167	(7,439)	(19)	498	2,084	

35. Risk management objectives and policies - continued

35.3 Market risk - continued

(i) Foreign currency risk - continued

	2023							
	Functional Currency							
	EUR			HUF	TND	SDG		
	HUF	LYD	CZK	EUR	EUR	USD	EUR	
€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	
Group								
Financial assets:								
Loans	-	-	-	-	-	-	-	-
Trade receivables	1,181	540	1,056	84	47	529	2,084	
Other receivables	149	157	426	-	-	-	-	
Cash and cash equivalents	-	-	1,215	470	-	-	-	
Financial liabilities:								
Bank borrowings	-	-	-	(9,199)	-	-	-	
Trade payables	(746)	(406)	(1,139)	-	(98)	-	-	
Other payables	(1,901)	(908)	(1,991)	-	-	-	-	
Net exposure	(1,317)	(617)	(433)	(8,645)	(51)	529	2,084	

35. Risk management objectives and policies - continued

35.3 Market risk - continued

(i) Foreign currency risk - continued

The Company is not significantly exposed to foreign currency risk.

IHI Benelux is also exposed to other financial liabilities and other payables due to Group companies which are eliminated on consolidation. These balances amounting to €89.0 million (2023: €94.07 million) and €33.43 million (2023: €27.24 million) respectively, are considered to be part of the Group's net investment in the foreign operation. Accordingly, any foreign exchange differences with respect to these balances, which at IHI Benelux standalone level are recognised in profit or loss, were reclassified to other comprehensive income on consolidation.

At 31 December 2024, if the Euro had weakened/strengthened by 10.00% (2023: 10.00%) against the Rouble with all other variables held constant, the Group's equity would have been €13.60 million lower/€13.60 million higher (2023: €13.48 million lower/€13.48 million higher) as a result of foreign exchange losses/gains recognised in other comprehensive income on the translation of the Euro denominated payables.

The Thermal Hotel Aquincum is exposed to foreign currency risk through its bank borrowings which are denominated in Euro. As at 31 December 2024, if the EUR had weakened/strengthened by 10.00% (2023: 10.00%) against the Hungarian Forint with all other variables remaining constant, the Group's post tax profit for the year would have been €0.88 million lower/€0.88 million higher (2023: €0.92 million lower/€0.92 million higher) as a result of foreign exchange losses/gains on translation of the Euro denominated borrowings.

The Group also has a significant amount in intra-group balances between the Parent Company and one of its subsidiaries in Hungary that give rise to currency exposure risk on the movements of the HUF. Although the above balances are eliminated on consolidation, the effect of movements in exchange rates are still recognised in the individual company's and in the consolidated income statement. However, management does not deem that a sensitivity analysis is required on these balances in view of the fact that the rates of the HUF against the Euro is relatively stable, while their settlement is at the discretion of the Company.

Apart from the above, management does not consider the foreign exchange risk attributable to other recognised assets and liabilities arising from transactions denominated in foreign currencies that are not the respective entities' functional currency to be significant. Accordingly, a sensitivity analysis for foreign exchange risk disclosing how profit or loss and equity would have been affected by changes in foreign exchange rates that were reasonably possible at the end of the reporting period is not deemed necessary.

In respect of monetary assets and liabilities denominated in foreign currencies, the Group strives to manage its net exposure within acceptable parameters by buying or selling foreign currencies at spot rates, when necessary, to address short-term mismatches. Wherever possible, borrowings to fund certain operations are denominated in currencies that match the cash flows generated by the respective operations of the Group so as to provide an economic hedge.

35. Risk management objectives and policies - continued

35.3 Market risk - continued

(ii) Interest rate risk

The Group is exposed to changes in market interest rates principally through bank borrowings and related party loans taken out at variable interest rates. The interest rate profile of the Group's interest-bearing financial instruments at the reporting dates was as follows:

	The Group		The Company	
	2024	2023	2024	2023
	€'000	€'000	€'000	€'000
Fixed rate instruments				
Financial assets:				
Assets placed under trust arrangement	77	77	-	-
Investments in bond securities	160	386	1,254	1,479
Loans to investee	6,396	6,083	-	-
Loans to subsidiaries	-	-	23,223	24,623
Others	17	37	-	-
	6,650	6,583	24,477	26,102
Financial liabilities:				
Bonds	(337,032)	(346,854)	-	-
Other financial liabilities	(35,846)	(34,776)	(66,096)	(74,936)
	(372,878)	(381,630)	(66,096)	(74,936)
Variable rate instruments				
Financial liabilities:				
Bank borrowings	(435,944)	(386,358)	(207)	(801)
Other financial liabilities	(5,500)	-	(37,149)	(30,567)
	(441,444)	(386,358)	(37,356)	(31,368)

The Group manages its exposure to changes in cash flows in relation to interest rates on interest-bearing borrowings due by the parent company and its subsidiaries, by entering into financial arrangements that are based on fixed rates on interest whenever practicable. The Group is exposed to fair value interest rate risk on its financial assets and liabilities bearing fixed rates of interest, but with the exception to the investments in bond securities, which are measured at fair value, all the other instruments are measured at amortised cost and accordingly a shift in interest rates would not have an impact on profit or loss or total comprehensive income. Management does not consider a reasonable shift in interest will have a significant impact on the Group's and Company's equity and post-tax profit as a result of a change in the fair value of its investments in bond securities.

35. Risk management objectives and policies - continued

35.3 Market risk - continued

(ii) Interest rate risk - continued

The Group's and the Company's interest rate risk principally arises from bank borrowings issued at variable rates which expose the Group to cash flow interest rate risk. Floating interest rates on these financial instruments are linked to reference rates such as Euribor or the respective banker's base rate. Management monitors the impact of changes in market interest rates on amounts reported in profit or loss in respect of these instruments taking into consideration refinancing and hedging techniques.

At 31 December 2024, if interest rates had been 100 basis points (2023: 100 basis points) higher/lower with all other variables held constant, post-tax profit for the year for the Group would have been €4.09 million (2023: €3.68 million) lower/higher as a result of higher/lower net interest expense.

(iii) Price risk

The Group does not have any exposure to equity securities price risk since it sold all of its publicly traded investments. In 2023, the Group's exposure arose from its investments in equities, funds and mutual funds, which are classified in the statement of financial position as 'Financial assets at fair value through profit or loss'. The carrying amount of these investments as at 31 December 2024 was nil (2023: €0.39 million). All of these investments were publicly traded.

Management does not consider that a reasonable shift in indices will have a significant impact on the Group's equity and post-tax profit. Accordingly, a sensitivity analysis disclosing how profit or loss and equity would have been affected by changes in indices that were reasonably possible at the end of the reporting period is not deemed necessary.

35.4 Capital management policies and procedures

The Group's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders, and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Company may issue new shares or adjust the dividends paid to its shareholders.

The Group monitors the level of capital on the basis of the ratio of aggregated net debt to total capital. Net debt is calculated as total borrowings (as shown in the statement of financial position) less cash and cash equivalents. Total capital is calculated as equity, as shown in the respective statement of financial position, plus net debt.

35. Risk management objectives and policies - continued

35.4 Capital management policies and procedures - continued

The figures in respect of the Group's equity and borrowings are reflected below:

	The Group		The Company	
	2024	2023	2024	2023
	€'000	€'000	€'000	€'000
Bank loans (Note 25)	426,499	377,603	207	801
Bonds (Note 26)	337,032	346,854	-	-
Assets held under trust (Note 26.2)	(77)	(77)	-	-
Other financial liabilities (Note 27)	41,346	34,776	103,246	105,503
Lease liabilities (Note 13)	18,867	20,832	121	145
Less: cash and cash equivalents (Note 20)	(73,793)	(92,643)	(5,190)	(9,448)
Net debt	749,874	687,345	98,384	97,001
Total equity	969,306	891,931	286,894	292,549
Total capital	1,719,180	1,579,276	385,278	389,550
Net debt ratio	43.62%	43.52%	25.54%	24.90%

The Group manages the relationship between equity injections and borrowings, being the constituent elements of capital as reflected above, with a view to managing the cost of capital. The level of capital, as reflected in the consolidated statement of financial position, is maintained by reference to the Group's respective financial obligations and commitments arising from operational requirements. In view of the nature of the Group's activities and the extent of borrowings or debt, the capital level at the end of the reporting period determined by reference to the consolidated financial statements is deemed adequate by the directors.

35. Risk management objectives and policies - continued

35.5 Summary of financial assets and liabilities by category

The carrying amounts of the Group's financial assets and liabilities as recognised at the end of the reporting periods under review may also be categorised as follows. See Note 3 for explanations about how the category of financial instruments affects their subsequent measurement.

	The Group		The Company	
	2024	2023	2024	2023
	€'000	€'000	€'000	€'000
Non-current assets				
Financial assets at FVTPL				
Unlisted equity securities	3,411	3,411	-	-
Financial assets at amortised cost				
Amounts due from related companies and other investees	6,412	6,120	23,223	24,623
Other receivables	161	235	-	-
Current assets				
Financial assets at FVTPL				
Bond securities	160	386	1,254	1,479
Equity securities	-	-	-	-
Mutual funds	-	-	-	-
Financial assets at amortised cost				
Trade receivables and other receivables	42,808	37,552	10,226	9,966
Cash and cash equivalents	83,238	101,398	5,190	9,448
Assets placed under trust arrangement	77	77	-	-
Total financial assets	136,267	149,179	39,893	45,516

35. Risk management objectives and policies - continued

35.5 Summary of financial assets and liabilities by category - continued

	The Group		The Company	
	2024	2023	2024	2023
	€'000	€'000	€'000	€'000
Non-current liabilities				
Other financial liabilities measured at amortised cost				
Bank borrowings	385,609	345,006	121	207
Bonds	292,079	336,492	-	-
Other financial liabilities	35,846	34,685	90,256	105,503
Lease liabilities	16,479	17,943	85	116
Trade and other payables	23,270	3,307	-	-
Current liabilities				
Other financial liabilities measured at amortised cost				
Bank borrowings	50,335	41,352	86	594
Bonds	44,953	10,362	-	-
Other financial liabilities	5,500	91	12,990	-
Lease liabilities	2,388	2,889	36	29
Trade and other payables	86,937	83,357	9,510	9,728
Total liabilities	943,396	875,484	113,082	116,177

35.6 Financial instruments measured at fair value

The following table presents financial assets and liabilities measured at fair value in the statement of financial position in accordance with the fair value hierarchy. This hierarchy groups financial assets and liabilities into three levels based on the significance of inputs used in measuring the fair value of the financial assets and liabilities. The fair value hierarchy has the following levels:

- Level 1: based on quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: based on information other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3: information for the asset or liability that is not based on observable market data (unobservable inputs).

35. Risk management objectives and policies - continued

35.6 Financial instruments measured at fair value - continued

The level within which the financial asset or liability is classified is determined based on the lowest level of significant input to the fair value measurement.

The key financial assets and liabilities measured at fair value in the statement of financial position are grouped into the fair value hierarchy as follows:

	2024 €'000	The Group 2023 €'000	2024 €'000	2023 €'000
	Level 1		Level 3	
Assets				
Financial assets at fair value through profit or loss				
Equity securities	-	-	3,411	3,411
Bond securities	160	386	-	-
Total	160	386	3,411	3,411

The Company's financial assets measured at fair value consist of investments in listed securities and unlisted equity securities as disclosed in Note 19 and are included in the Level 1 and Level 3 fair value hierarchy respectively.

Measurement of fair value

The fair value of the financial assets at fair value through profit and loss which are quoted and accordingly categorised as Level 1 instruments was based on quoted market prices.

The methods and valuation techniques used for the purpose of measuring fair value are unchanged compared to the previous reporting period.

Investments in unlisted equity securities, categorised as Level 3 instruments in view of their unlisted nature comprise the acquisition during 2019 of minority stakes in Global Hotel Alliance and Moscow Project. In the opinion of the Directors, as at year-end, the fair value of these investments is best represented by the Group's acquisition price, or the share of adjusted net asset value.

Movements in these investments are portrayed in the table below.

35. Risk management objectives and policies - continued

35.6 Financial instruments measured at fair value - continued

Measurement of fair value - continued

	The Group	
	2024	2023
	€'000	€'000
	Level 3	
At 1 January	3,411	5,373
Fair value movements	-	(1,962)
At 31 December	3,411	3,411

There have been no transfers of financial assets between the different level of the fair value hierarchy.

35.7 Financial instruments not measured at fair value

The table below provides information about the fair values of the Group's and the Company's financial instruments which are not measured at fair value and which bear interest at a fixed rate. For financial instruments bearing interest at floating rates, management is of the opinion that the fair values are not significantly different from the carrying value since the interest on these instruments already reflect the current market rates and counterparty risk has not significantly changed.

	2024	The Group	2024	2023
	€'000	2023	€'000	€'000
	Level 1	€'000	Level 3	€'000
Assets				
Financial assets at amortised cost				
Loans to investee	-	-	5,724	5,348
Total	-	-	5,724	5,348
Liabilities				
Financial liabilities				
Bonds	338,191	334,459	-	-
Shareholders' loans	-	-	23,160	31,081
Total	338,191	334,067	23,160	31,081

35. Risk management objectives and policies - continued

35.7 Financial instruments not measured at fair value - continued

	The Company	
	2024	2023
	€'000	€'000
	Level 3	
Non-current Assets		
Financial assets at amortised cost		
Loans to subsidiaries	-	23,487
Total	-	23,487
Non-current Liabilities		
Financial liabilities		
Shareholders' loans	23,160	31,081
Loans from subsidiaries	37,153	36,403
Total	60,313	67,484

The bonds are classified as Level 1 hierarchy since they are listed in an active market and the fair values are determined based on the market price at the reporting date.

The fair values of the financial assets and financial liabilities classified as Level 3 hierarchy during 2024 were calculated based on a cash flow discounted using the current lending rate for similar instruments at the reporting date. They are classified as Level 3 hierarchy due to the use of unobservable inputs including counterparty risk. Management considers the carrying amounts of these instruments for the comparative period presented to be a reasonable estimate of their fair values due to insignificant changes in the interest rates and counterparty risks.

The directors consider the carrying amount of the trade and other receivables, assets placed under trust arrangement and trade and other payables to be a reasonable estimate of their fair value principally in view of the relatively short periods to repricing or maturity from the end of the reporting periods.

36. Ultimate controlling party

The Company is the ultimate parent of the Corinthia Group.

In view of its shareholding structure, the Group and the Company have no ultimate controlling party.

37. Events after the reporting period

In February 2025, the Group entered into a promise of sale agreement to dispose of a plot of land in Marsa.