

Company Announcement

The following is a company announcement issued by CPHCL Finance p.l.c. - C25104, pursuant to the Capital Markets Rules as issued by the Malta Financial Services Authority.

Information on audited financial statements of CPHCL Company Limited for 2025 as Guarantor

The audited financial statements for the year ended 31 December 2025 of CPHCL Company Limited as guarantor of the bond issue of CPHCL Finance p.l.c. are attached to this company announcement and are also available on:

<https://cphcl.com/wp-content/uploads/2026/04/CPHCL-Company-Limited-Financial-Statements-31-December-2025.pdf>



Krystle Ellul
Company Secretary

Encl.

29 April 2026

CPHCL Company Limited

**Report and Financial Statements
31 December 2025**

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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 2025.

Principal Activities

The Group's main business can be classified into three areas; through its majority shareholding in International Hotel Investments Plc (IHI), the Group carries on the business of an investment company in connection with the ownership, development and operation of hotels, residential and commercial real estate. Through Mediterranean Investments Holding Plc (MIH), the Group provides residential accommodation and the rental of retail and office space. Moreover, through the parent company and other direct subsidiaries, the Group is actively engaged in a diversified portfolio comprising industrial operations, hospitality, human resources, real estate development, landscaping and care homes.

Results and Review of Performance

Total revenue for the year under review increased to €378.60 million from €348.66 million last year, an increase of 8.6%. The increase in revenue is mainly attributable to the launch of the Brussels hotel, the leasing of two hotels in Beverly Hills and a general increase in revenue across Group entities.

The Group recorded a gain on operating results before depreciation and fair value adjustments of €61.60 million compared to €62.68 million in 2024, a decrease of €1.08 million. This is a reflection of increased profits in the stabilized subsidiaries offset by losses sustained in the first year of operations of the Corinthia Brussels, and pre-opening costs relating to the Corinthia Rome.

The Group recognised uplifts on its investment properties amounting to €25.55 million in the income statement. These comprise mainly of €13.30 million uplift on the Corinthia Hotel Prague, €5.01 million uplift on land held in the Czech Republic, €4.00 million uplift on the Tripoli Commercial Centre and €3.18 million uplift on land held by CPHCL in Libya.

As a result of the improved performance from Group operations and the above gains, the results from operating activities increased from €50.85 million in 2024 to €57.22 million in 2025, an increase of €6.37 million.

The Group's share of net profit of associates and joint ventures amounted to €10.21 million (2024: €6.83 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.

The gain on sale of investment in subsidiaries amounting to €11.78 million mainly relates to the Group's divestment of 75% of the share capital held in Malta Fairs and Conventions Centre Ltd (MFCC).

Group interest costs decreased from €47.91 million in 2024 to €47.03 million in 2025, positive exchange differences of €1.94 million were recorded compared to negative exchange differences of €2.08 million in 2024. Interest income also increased from €1.58 million in 2024 to €2.37 million in 2025.

The Group recorded a profit before tax for the year of €33.66 million compared to a profit of €9.81 million recorded in 2024.

Directors' report - continued

In other comprehensive income, the net surplus on the revaluation of Group properties amounted to €3.36 million compared to €74.40 million in 2024. These include an increase of €12.11 million on the Radisson Bay point, €12.00 million on the Corinthia Oasis, €3.96 million on the Corinthia Hotel St. Petersburg and €1.00 million on the Corinthia Lisbon. These gains were partially offset by a €20.66 million fair value loss on the property in London and a €5.00 million fair value loss on the Thermal Hotel Aquincum in Hungary.

Translation losses of €7.94 million in Other Comprehensive Income were reported relative to a gain of €13.33 million registered in 2024. The weakening of the Pound Sterling in 2025, 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 strengthening of the Rouble in relation to the Group's operations in Russia.

The Group registered other comprehensive loss of €5.28 million against an income of €71.98 million in 2024. The share of total comprehensive income attributable to the shareholders of CPHCL amounted to €43.05 million for the year under review. The corresponding figure for 2024 was a total comprehensive income of €40.89 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 2025.

At 31 December 2025, the Group is reporting a positive working capital of €11.13 million relative to a positive position of €105.19 million reported in 2024. The 2025 current liabilities include bonds issued by International Hotel Investments P.l.c (IHI), a major subsidiary of the group, of €115 million which are due for redemption in July and December 2026. Work to refinance these bonds has already commenced. Current liabilities also include a bank facility secured on the Lisbon property. On 1 April 2026, IHI announced that the transaction to sell a majority interest in this hotel was formally completed and executed. Furthermore, the relative debt has since been settled.

Future Developments

At CPHCL Group level, the Company embarked on a diversified business plan comprising the following main initiatives:

In November 2025, the Company entered into an agreement with the Archdiocese of Malta to transform Casa Leone into a state-of-the-art home for the elderly. The lease agreement was signed for a period of fifty years and includes a phased refurbishment program. The operation of this facility commenced in January 2026.

In March 2026, CPHCL, through a fully owned subsidiary, purchased the Greenscapes business and associated real estate property located within the limits of Attard, Malta. The existing landscaping business which was set up to service the Group's hotels is set to expand further through this acquisition.

Through a joint venture with Attard Brothers Limited, CPHCL has signed a number of promise of sale documents with the objective of developing properties for re-sale.

Pursuant to a Share Purchase Agreement dated 13 April 2026, CPHCL has agreed to acquire a further 25% holding in Mediterranean Investments Holding Plc (MIH) from Kuwaiti National Investments Holding Ltd (KNIH). 25% will be acquired by International Hotel Investments Plc (IHI) directly. This will bring the total share capital percentage directly held by CPHCL to 75%. A further 14.5% will be held indirectly through IHI plc. Completion of this transaction is expected in June 2026.

Directors' report - continued

Pursuant to a Share Purchase Agreement dated 7th October 2025, CPHCL has agreed to acquire a further 35% holding in Danish Bakery Limited from Jespers Limited. Completion of this transaction is expected in May 2026, and this will bring the total shareholding percentage directly held by CPHCL to 100%.

The promise of sale signed in February 2025 relating to a plot of land in Marsa is still ongoing, with completion expected in August 2026.

At IHI level, the Group remains committed to delivering sustainable growth through its core service companies, Corinthia Hotels Limited (CHL) and QPM Limited (QP). By leveraging the deep expertise, operational excellence, and strong brand equity developed over many years in hotel and project management, the Group continues to expand its footprint while maintaining a capital-light business model.

CHL is poised to further strengthen the Corinthia brand through a pipeline of new luxury hotel openings in key international destinations, including Como, Dubai, Doha, Riyadh, the Maldives, Puglia, Tuscany, and China. A significant milestone was the opening of Corinthia Rome at the end of February 2026, marking another flagship addition to the Group's growing portfolio.

C-Rev, the Group's real estate deal origination platform, continued its expansion with the addition of a third project—a development in Los Cabos. In addition to generating recurring fee-based income, these projects are expected to drive further business opportunities for CHL and QP, while enhancing the global visibility and positioning of the Corinthia brand.

In Malta, the permits for the Oasis project have been secured in 2026.

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 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.

Directors' report - continued

In March 2026, geopolitical tensions erupted in the Middle East and despite the various diplomatic efforts and significant international involvement, the situation surrounding the conflict remains volatile. The Group does not have operations, assets or employees located in the affected region. However, at the reporting date, the Group is involved in projects within the region at a planning or early developments stage namely through QPM Limited. These projects have however not progressed to execution or capital commitments as at the reporting date. The developments may however indirectly affect international travel patterns and increase operating pressures.

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 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 Company Limited during 2025 and until the date of these financial statements:

Mr Alfred Pisani – Chairman
Mr Moussa Alhassan Atiiq Ali – Vice Chairman, appointed 7 January 2025
Mr Mohamed Monder Al Moktar Alghnimi - resigned 11 September 2025
Mr Samer A M Abuajaja
Mr Ibraheem Ayad Ib Al Najeh – appointed 11 September 2025
Mr Joseph Pisani
Mr Victor Pisani

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

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 Company has set up an audit committee composed in its majority by independent members, with the Group's head of internal audit and the Group's external auditors in attendance.

Directors' report - continued

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



Samer A M Abuajaja
Director

22 Europa Centre,
Floriana FRN 1400,
Malta

29 April 2026



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 2025, 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 14 to 136, comprise:

- the Consolidated and Parent Company income statements and statements of total comprehensive income for the year ended 31 December 2025;
- the Consolidated and Parent Company statements of financial position as at 31 December 2025;
- 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.



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

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 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 audits of financial statements in Malta and the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code). We have also fulfilled our other ethical responsibilities in accordance with these Codes.

Emphasis of matter - significant uncertainty

We draw attention to Note 5 to the financial statements, which highlights the significant geopolitical risks associated with Russia and 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 Russian and Libyan operations as well as 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 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.



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

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.

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.



Independent auditor's report - continued

To the Shareholders of CPHCL Company Limited

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.
- 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



Independent auditor's report - continued

To the Shareholders of CPHCL Company Limited

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 2025* 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 2025 and the related Directors' responsibilities	Our responsibilities	Our reporting
<p>Directors' report</p> <p>(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>



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

**Area of the Report and
Financial Statements 2025
and the related Directors'
responsibilities**

Our responsibilities

Our reporting

**Other matters on which we
are required to report by
exception**

We have nothing to report to you in respect of these responsibilities.

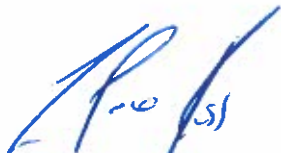
We also have responsibilities under the Maltese Companies Act (Cap. 386) to report to you if, in our opinion:

- 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.

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 faint, illegible stamp.

Lucienne Pace Ross

Principal

For and on behalf of

PricewaterhouseCoopers

78, Mill Street

Zone 5, Central Business District

Qormi

Malta

29 April 2026

Income statements

	Notes	The Group		The Company	
		2025 €'000	2024 €'000	2025 €'000	2024 €'000
Revenue	6.1	378,604	348,660	8,304	5,294
Costs of providing services		(198,908)	(177,591)	-	-
		179,696	171,069	8,304	5,294
Marketing costs		(17,158)	(14,453)	-	-
Administrative expenses		(75,741)	(68,956)	(5,484)	(5,131)
Other operating costs		(26,193)	(24,533)	-	-
Other operating results before depreciation, impairments and fair value movements		60,604	63,127	2,820	163
Depreciation and amortisation	6.2	(31,584)	(30,497)	(41)	(47)
Impairments on investments in subsidiaries	14.2	-	-	(1,627)	(1,901)
Net reversals of impairments on receivables	6.2	998	(451)	8,398	-
Other losses arising on property, plant and equipment		37	(115)	-	-
Other operational exchange (losses) / gains		(347)	871	52	62
Impairment gains on property, plant and equipment		731	6,329	-	-
Net changes in fair value of investment property	11	25,549	11,584	3,180	-
Net changes in indemnification liabilities	28	-	-	2,195	-
Results from operating activities		55,988	50,848	14,977	(1,723)
Net changes in fair value of financial assets through profit and loss	19	72	57	71	57
Finance income					
- interest and similar income	8	2,374	1,576	795	1,288
Finance costs					
- interest expense and similar charges	8	(47,027)	(47,905)	(4,457)	(5,277)
- net exchange differences on borrowings	8	1,943	(2,075)	-	-
Share of net profit of associates and joint ventures accounted for using the equity method	15.1	10,207	6,834	-	-
Gain on sale of investment in subsidiaries	36	11,777	-	-	-
Other (losses) / gains		(1,672)	476	-	-
Profit/(loss) before tax		33,662	9,811	11,386	(5,655)
Tax expense	9	980	(4,415)	(63)	-
Profit/(loss) for the year		34,642	5,396	11,323	(5,655)
Profit/(loss) for the year attributable to:					
- Owners of CPHCL		33,987	11,409	11,323	(5,655)
- Non-controlling interests		655	(6,013)	-	-
		34,642	5,396	11,323	(5,655)

Statements of total comprehensive income

	Notes	The Group		The Company	
		2025 €'000	2024 €'000	2025 €'000	2024 €'000
Profit/(loss) for the year		34,642	5,396	11,323	(5,655)
Other comprehensive income					
<i>Items that will not be subsequently reclassified to profit or loss</i>					
Net surplus arising on revaluation of hotel properties	9	3,292	74,394	-	-
Deferred tax arising on revaluation of hotel properties	9	7,402	(17,478)	-	-
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		(917)	212	-	-
Costs of hedging		148	(148)	-	-
Deferred tax on hedging	9	(33)	33	-	-
<i>Items that may be subsequently reclassified to profit or loss</i>					
Currency translation differences		(7,941)	13,325	-	-
Deferred tax arising on currency translation differences	9	(6,606)	1,947	-	-
Deferred tax arising on change in tax rate		-	(602)	-	-
Other		5	19	-	-
Share of other comprehensive income of joint ventures and associates accounted for using the equity method:					
- Currency translation differences		(627)	277	-	-
Other comprehensive income for the year, net of tax		(5,277)	71,979	-	-
Total comprehensive income for the year		29,365	77,375	11,323	(5,655)
Total comprehensive income for the year attributable to:					
- Owners of CPHCL		43,049	40,892	11,323	(5,655)
- Non-controlling interests		(13,684)	36,483	-	-
		29,365	77,375	11,323	(5,655)

Statements of financial position

	Notes	The Group		The Company	
		31 December 2025 €'000	31 December 2024 €'000	31 December 2025 €'000	31 December 2024 €'000
Assets					
Non-current					
Intangible assets	10	9,209	9,941	-	-
Property, plant and equipment	12	1,283,207	1,300,471	171	172
Right-of-use assets	13	26,625	16,423	80	116
Investment property	11	292,785	261,451	4,000	820
Deferred tax assets	29	45,985	45,605	3,555	3,555
Investments in subsidiaries	14	-	-	347,559	349,009
Investments in associates and joint ventures	15	116,864	111,920	24,012	24,002
Financial assets at fair value through profit or loss	19	3,386	3,411	-	-
Other financial assets at amortised cost	16	-	6,412	11,813	23,223
Trade and other receivables	18	9,598	11,173	-	-
Total non-current assets		1,787,659	1,766,807	391,190	400,897
Current					
Inventories	17	19,279	21,341	-	-
Assets classified as held for sale	21	161,012	162,386	-	-
Other financial assets at amortised cost	16	315	87	4,000	-
Trade and other receivables	18	60,913	54,344	9,747	10,305
Current tax assets		1,126	759	-	-
Financial assets at fair value through profit or loss	19	9,472	160	10,566	1,254
Assets placed under trust arrangement	26.2	77	77	-	-
Cash and cash equivalents	20	118,228	83,238	20,198	5,190
Total current assets		370,422	322,392	44,511	16,749
Total assets		2,158,081	2,089,199	435,701	417,646

Statements of financial position - continued

	Notes	The Group		The Company	
		31 December 2025 €'000	31 December 2024 €'000	31 December 2025 €'000	31 December 2024 €'000
Equity and liabilities					
Equity					
Issued capital	22	20,000	20,000	20,000	20,000
Other reserves	23	178,903	170,620	2,950	2,950
Retained earnings		296,197	261,431	275,267	263,944
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Capital and reserves attributable to owners of CPHCL		495,100	452,051	298,217	286,894
Non-controlling interests		503,571	517,255	-	-
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Total equity		998,671	969,306	298,217	286,894
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Statements of financial position - continued

	Notes	The Group		The Company	
		31 December 2025 €'000	31 December 2024 €'000	31 December 2025 €'000	31 December 2024 €'000
Liabilities					
Non-current					
Trade and other payables	30	12,335	27,894	120	240
Bank borrowings	25	384,234	385,609	44	121
Bonds	26	216,152	292,079	-	-
Lease liabilities	13	24,574	16,479	62	85
Other financial liabilities	27	25,728	35,846	99,043	90,256
Deferred tax liabilities	29	136,209	143,996	-	-
Indemnification liabilities	28	-	-	14,973	17,168
Provisions		885	783	-	-
Total non-current liabilities		800,117	902,686	114,242	107,870
Current					
Trade and other payables	30	137,681	110,222	10,414	9,770
Bank borrowings	25	84,045	50,335	77	86
Bonds	26	127,531	44,953	-	-
Lease liabilities	13	4,458	2,388	23	36
Other financial liabilities	27	-	5,500	12,728	12,990
Current tax liabilities		5,578	3,809	-	-
Total current liabilities		359,293	217,207	23,242	22,882
Total liabilities		1,159,410	1,119,893	137,484	130,752
Total equity and liabilities		2,158,081	2,089,199	435,701	417,646

The financial statements on pages 14 to 136 were approved by the board of directors, authorised for issue on 29 April 2026 and signed on its behalf by:


Alfred Pisani
Director


Samer A M Abuajaja
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 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
Balance at 1 January 2025		20,000	170,620	261,431	452,051	517,255	969,306
Comprehensive income:							
Profit for the year		-	-	33,987	33,987	655	34,642
Other comprehensive income		-	9,062	-	9,062	(14,339)	(5,277)
Total comprehensive income		-	9,062	33,987	43,049	(13,684)	29,365
Transfer to retained earnings	23	-	(779)	779	-	-	-
Balance at 31 December 2025		20,000	178,903	296,197	495,100	503,571	998,671

Statement of changes in equity - the Company

	Issued capital €'000	Other reserves €'000	Retained earnings €'000	Total equity €'000
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
Balance at 1 January 2025	20,000	2,950	263,944	286,894
Comprehensive income:				
Profit for the year	-	-	11,323	11,323
Total comprehensive income	-	-	11,323	11,323
Balance at 31 December 2025	20,000	2,950	275,267	298,217

Statements of cash flows

	Notes	The Group		The Company	
		2025 €'000	2024 €'000	2025 €'000	2024 €'000
Profit/(loss) before tax		33,662	9,811	11,386	(5,655)
Adjustments	31.1	27,436	53,500	(15,067)	2,139
Working capital changes:					
Inventories		1,736	(4,429)	-	-
Trade and other receivables		4,279	(20,440)	4,051	902
Trade and other payables		16,685	18,212	(550)	(738)
Cash generated from/(used in) operating activities		83,798	56,654	(180)	(3,352)
Tax paid		(5,920)	(2,623)	(63)	-
Tax refund received		-	1,580	-	1,580
Net cash generated from/(used in) operating activities		77,878	55,611	(243)	(1,772)
Investing activities					
Payments to acquire investment property	11	(96)	(517)	-	-
Payments to acquire intangible assets	10	(30)	(1,457)	-	-
Payments to acquire property, plant and equipment		(27,587)	(72,010)	(9)	(39)
Proceeds from disposal of investment property	11	11	3,021	-	-
Proceeds from disposal of assets held for sale		2,374	-	-	-
Proceeds from disposal of financial assets at FVTPL		-	280	-	280
Payments to acquire financial assets at FVTPL		(9,525)	-	(8,455)	-
Payments for acquisition of subsidiaries, net of cash acquired	14	-	-	(15)	-
Proceeds from disposal of subsidiaries	36	8,250	-	-	-
Payments for acquisition of associates		-	-	(10)	-
Loan repaid by subsidiary companies		-	-	25,679	225
Dividends received		2,000	3,500	2,103	3,707
Interest received		2,709	1,576	41	140
Net cash (used in)/generated from investing activities		(21,894)	(65,607)	19,334	4,313

Statements of cash flows - continued

	Note	The Group		The Company	
		2025 €'000	2024 €'000	2025 €'000	2024 €'000
Financing activities					
Repayments of bank borrowings		(50,173)	(25,244)	(77)	(595)
Proceeds from bank borrowings		95,087	66,179	-	-
Proceeds from issue of bonds		20,875	-	-	-
Repayments of shareholders' loans		-	-	-	(10,000)
Proceeds from related party loans		-	-	-	24
(Repayment of) / proceeds from associates' loans		(2,000)	5,500	(2,000)	5,500
Loans advanced to subsidiaries		-	-	(161)	-
Payments for redemption of bonds		(13,147)	(10,392)	-	-
Bond issue costs		(1,597)	-	-	-
Bank loan arrangement fees		(2,711)	(866)	-	-
Principal elements of lease payments		(5,143)	(3,529)	(36)	(14)
Repayments of loans from related parties		(11,286)	(184)	-	-
Interest paid		(45,621)	(44,625)	(1,809)	(1,714)
Net cash (used in) financing activities		(15,716)	(13,161)	(4,083)	(6,799)
Net change in cash and cash equivalents		40,268	(23,157)	15,008	(4,258)
Cash and cash equivalents at beginning of year		73,793	92,643	5,190	9,448
Effect of translation of group entities to presentation currency		(4,359)	4,307	-	-
Cash and cash equivalents at end of year	20	109,702	73,793	20,198	5,190

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

In 2025, the Group recorded an operating result before depreciation and fair value adjustments of €61.60 million compared to €62.68 million last year. Although revenues increased, operating results remained at a similar level to last year. This is a reflection of increased profits in stabilized operations offset by pre-opening costs relating to the opening of Corinthia Rome and operational costs relating to the Corinthia Brussels' first year of operations.

The Group is projecting that consolidated revenue levels and operating results will continue to improve during 2026 as new developments come into play. The Group's liquidity situation is being kept under constant review, particularly in view of certain projects and commitments that the Group is currently engaged in. In 2026, IHI announced the sale of the majority interest in the Lisbon hotel. This together with the divestment of non-core assets at CPHCL Group level in 2025 and 2026, and forecasted improved operational results give reasonable expectation that the Company and Group have adequate resources to continue in operational existence for the foreseeable future.

3. Summary of material accounting policies - continued

3.1 Basis of preparation - continued

Going concern – continued

At 31 December 2025, the Group had access to €133.2 million, comprising €33.3 million of undrawn committed facilities, €7.4 million of unutilised bank overdrafts and €118.23 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.

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 2025 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 2025 reflects a surplus of €11.13 million (2024: surplus of €105.19 million). As disclosed in Note 21, the Corinthia Lisbon valued at €144.99 million was reclassified to assets held for sale in 2024 and is thus included with current assets. The sale of this hotel was finalised in April 2026. The 2025 current liabilities include two bonds amounting to €114.8 million which are due for redemption in July and December 2026 respectively as well as the bank loan secured on the Lisbon property amounting to €44.9 million. The Group is working on refinancing these bonds, whilst the Lisbon bank loan was settled upon finalization of the sale transaction.

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

In 2025, the company adopted amendments to existing standards that are mandatory for the Group and Company's accounting period beginning on 1 January 2025. The adoption of these revisions to the requirements of IFRSs as adopted by the EU did not result in changes to the company's accounting policies impacting the financial performance and position.

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 2026 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 significant impact on the Group's and the Company's current or future reporting periods and on foreseeable future transactions, other than what is described below.

IFRS 18 'Presentation and Disclosure in Financial Statements' (effective for annual periods beginning on or after 1 January 2027).

3. Summary of material accounting policies - continued

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

IFRS 18 (issued on 9 April 2024) was endorsed for use in the European Union on 16 February 2026 and is set to replace IAS 1 Presentation of Financial Statements, introducing new requirements that will help to achieve comparability of the financial performance of similar entities and provide more relevant information and transparency to users. Even though IFRS 18 will not impact the recognition or measurement of items in the financial statements, its impacts on presentation and disclosure are expected to be pervasive, particularly those related to the statement of financial performance. IFRS 18 will also require the disclosure of management-defined performance measures within the financial statements. Management is currently assessing the implications of applying IFRS 18 on the Group and Company's financial statements.

The new standard will be applicable from its mandatory effective date of 1 January 2027, with retrospective application, meaning that comparative information will be restated to reflect the new presentation and disclosure requirements introduced.

3.4 Principles of consolidation and equity accounting

(i) Business combinations

The Group accounts for business combinations under the acquisition method when the acquired set of activities and assets meets the definition of a business and control is transferred to the Group (see Note 3.4(ii)). In determining whether a particular set of activities and assets is a business, the Group assesses whether the set of assets and activities acquired includes, at a minimum, an input and substantive process and whether the acquired set has the ability to produce outputs.

The Group has an option to apply a 'concentration test' that permits a simplified assessment of whether an acquired set of activities and assets is not a business. The optional concentration test is met if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets.

The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment (see Note 3.9(a)). Any gain on a bargain purchase is recognised in profit or loss immediately. Transaction costs are expensed as incurred, except if related to the issue of debt or equity securities.

(ii) 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.

3. Summary of material accounting policies - continued

3.4 Principles of consolidation and equity accounting - continued

(iii) 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.

(iv) 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.

3.5 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. Summary of material accounting policies - continued

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.

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. Summary of material accounting policies - continued

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.

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.

3. Summary of material accounting policies - continued

3.7 Property, plant and equipment - continued

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, in view of their longevity, customer recognition and strong market position. There is no foreseeable limit to the period over which the assets can legally be used and over which they are expected to generate cash inflows. Brand marketing and the signing of third party hotel management agreements further supports this conclusion.

(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

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

3.10.3 Subsequent measurement of financial assets

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

3.10.5 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

3.10.10 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

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 when the contracted performance criteria for each annual period is deemed to 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 against revenue generated 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 €69.3 million (2024: €70.9 million);
- An adjoining Commercial Centre to the above-mentioned hotel, with a carrying amount of €90.3 million (2024: €86.3 million);
- The ownership of a site surrounding the hotel, with a carrying amount of €29.5 million (2024: €29.5 million); and
- 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 (2024: €272.62 million) and the Group's share of this asset and of another site owned by MIH p.l.c. in Libya is €139.57 million (2024: €139.63 million). Subsequent to year end, the Group entered into a share purchase agreement to acquire the remaining 50% equity interest in Mediterranean Investment Holdings Limited (Note 38);
- 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 €8.6 million (2024: €9.50 million); and
- The ownership of land in Benghazi and Misurata, with a carrying amount of €3.27 million (2024: €0.09 million)

The first three activities are managed through the Group's investment in Corinthia Towers Tripoli Limited, a company registered in Malta with a branch in Libya.

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.

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. In May 2025, matters escalated following the killing of a key militia commander triggering clashes between rival factions. A UN-backed structured dialogue commenced in late 2025, to break the stalemate surrounding electoral laws. Preparations for the long-delayed elections have restated with a tentative plan to hold these in 2026 although no final date has been officially confirmed. Most recently, in April 2026, Libya's rival eastern and western authorities approved the country's first unified state budget in 13 years, a significant step toward institutional and fiscal reunification.

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 2025, compounded by the May clashes, 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 2025 by Corinthia Towers Tripoli Limited amounts to €14.2 million (2024: €14.7 million) representing 3.75% (2024: 4.23%) of the Group's Revenue. Occupancy was at 33.80% in 2025 versus 41.98% in 2024, and profit before tax amounted to €8.6 million after recognizing a fair value gain of €4m on the investment profit (2024: profit before tax of €13.70 million after recognising a fair value gain of €3.04 million on the investment property and an impairment reversal of €6.48 million on the hotel). Current year's revenue includes €5.7 million (2024: €5.3 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 2025.

Whilst the Commercial Centre continued to generate positive net contributions as in previous years, the year ended 2025 saw once again the hotel also closing with a positive net operational financial result of €1.9 million (2024: profit of €2.8 million). 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.

The significant economic and political uncertainties prevailing in Libya 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 remained in line with the previous 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 2025 was 63.8% (2024: 61.1%). Turnover registered at Palm City Residences amounted to €33.5 million compared to €31.2 million in 2024. This was achieved 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 €23.47 million (2024: operating profit of €21.47 million). The company registered a profit after tax of €19.72 million compared to €13.46 million in 2024.

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

5.1 The Group's operations in Libya - continued

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

	Carrying amount 31 December 2025 €'m	Carrying amount 31 December 2024 €'m
Corinthia Towers Tripoli Limited		
Property, plant and equipment	69.3	70.9
Investment property	119.8	115.8
Inventories	2.5	2.1
Trade receivables, net of provisions	1.2	1.7
 Mediterranean Investments Holding p.l.c.		
Share of net assets	105.9	102.0
 Medina Tower J.S.C.		
Investment in associate accounted for using the equity method of accounting	8.6	9.5
 CPHCL Company Limited		
Investment property	3.3	0.1

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 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 note that the political outlook has not changed significantly over the past twelve months and although the hotel generated a positive net operational financial result despite the May 2025 incidents, the Directors have retained the expectations of a gradual recovery for the Hotel. Hotel occupancy rates in the initial months of 2026 are encouraging and average occupancy levels of 40% have been reached. As a result, the results of the valuation assessment supporting the carrying amount of the Hotel in Libya, are substantially in line with the assessments made last year, save for a reduction in the carrying value of €1.6 million representing depreciation charge for the year under review.

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 €4.0 million was recognised during the current year (2024: an uplift of €3.0 million).

Further information on the key assumptions and judgements underlying the valuation of the property assets is disclosed in Note 15, together with an analysis of sensitivity of the valuations to shifts or changes in the key parameters reflected.

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 2025, which is unchanged from the carrying amount as at 31 December 2024.

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

5.1 The Group's operations in Libya - continued

The fair value of Palm City Residences as at 31 December 2025, carried out by the Directors of Palm City Limited, was determined by discounting the forecast future cash flows generated for the remaining period of 46 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 9.7% in real terms was applied to the projected cash flows. The resultant valuation in 2024 reflected an increase in the carrying value of €6.94 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 9.0% in real terms. No movement was recognized in 2025, also taking into account 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 2025 held in Libyan Dinar comprise the project site carried at LYD 166.7million equivalent to €26.21million (2024: LYD 133.4 million equivalent to €26.1 million), and Euro denominated cash balances amounting to €7.30 million (2024: €7.64 million). The carrying amount of investment held by the Group in this project amounts to €8.60 million (2024: €9.50 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, and Commercial Centre, and on the fair valuation of the related property assets would accordingly vary in a significant manner.

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 €69.4 million (2024: €56.9 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 €42.4 million (2024: €36.8 million) operated by IHI Benelux B.V., a subsidiary of IHI p.l.c.; and

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

5.2 The Group's operations in Russia – continued

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 2024 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 2025 by IHI Benelux BV and Corinthia St. Petersburg LLC amounts to €22.0 million (2024: €17.80 million) representing 6.55% (2024: 5.80%) of the Group's Revenue, with a profit before tax (net of intra group eliminations) of €10.8 million. Current year's revenue includes €4.2 million (2024: €3.64 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.

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

	Carrying amount as at	
	31 December 2025	31 December 2024
	€m	€m
IHI Benelux BV		
Property, plant and equipment	68.0	56.9
Investment property	42.4	36.8
Inventories	1.1	0.6
Trade receivables, net of provisions	0.4	0.5
Moscow project		
Investment and loans	-	6.4

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

5.2 The Group's operations in Russia – 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 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 €4.0 million before a positive translation difference of €8.7 million in 2025 (2024: €8.3). No fair value gain or loss was reported in the income statement on the Commercial Centre (2024: fair value gain of €1.0 million), whilst the translation effect on the Commercial Centre amounted to an increase of €5.6 million.

The investment held in relation to the Moscow hotel project was sold during the current year reducing the Group's exposure both in relation to the investment and the loans previously advanced. This project had previously been suspended in view of the prevailing circumstances in Russia.

It is somewhat difficult to predict when the political situation 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	
	2025	2024
	€'000	€'000
Hotel operations	307,754	288,395
Rental income	33,132	31,852
Catering	28,035	27,088
Project management	13,865	10,204
Laundry and dry cleaning	6,210	5,259
Event organisation	1,429	3,587
Others	8,109	4,185
Management company revenue	35,388	35,258
Elimination of intra group revenues	(55,318)	(57,168)
	378,604	348,660

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. Revenue and expenses - continued

6.2 Expenses by nature

	The Group		The Company	
	2025	2024	2025	2024
	€'000	€'000	€'000	€'000
Directors' fees	170	170	-	-
Management fees	-	-	415	550
Food, beverage and other direct costs	32,717	31,386	-	-
Professional fees (excluding audit fees)	7,890	8,803	493	185
Energy costs	14,698	14,708	4	5
Depreciation of property, plant and equipment (Note 12)	25,634	26,802	10	7
Depreciation of right-of-use assets (Note 13)	4,743	2,715	31	40
Amortisation of intangible assets (Note 10)	1,207	980	-	-
Personnel expenses (Note 7)	140,211	116,523	2,892	2,516
Property taxes	5,297	4,872	-	-
Repairs and maintenance	8,993	9,039	-	-
Movement in impairment losses	(998)	451	(8,398)	-

The Group's Directors' remuneration charged in profit or loss in 2025 amounted to €1.75 million (2024: €1.62 million). Directors' remuneration for the Company charged in profit or loss in 2025 amounted to €0.71 million (2024: €0.71 million).

6.3 Auditor's fees

Fees charged by the auditor for services rendered during the financial years ended 31 December 2025 and 31 December 2024 including fees charged by other network firms are shown in the table below.

	The Group		The Company	
	2025	2024	2025	2024
	€'000	€'000	€'000	€'000
Annual statutory audit	1,220	1,192	129	125
Tax compliance and advisory services	116	74	-	-
Other non-audit services	274	109	120	-
	1,610	1,375	249	125

Fees charged by the parent company auditor for services rendered during the financial years ended 31 December 2025 and 2024 to the Group relating to annual statutory audit amounted to €0.60 million (2024: €0.59 million). Fees charged by connected undertakings of the company's parent auditor to the Group relating to tax compliance and advisory fees amounted to €0.39 million (2024: €0.18 million).

7. Personnel expenses

	The Group		The Company	
	2025	2024	2025	2024
	€'000	€'000	€'000	€'000
Wages and salaries	120,251	99,236	2,745	2,347
Social security contributions	12,976	10,136	46	55
Other staff costs	6,984	7,151	101	114
	140,211	116,523	2,892	2,516

In addition to the amounts shown in the above table, the Group also incurred outsourced labour costs amounting to €14.01 million (2024: €18.43 million).

The average number of employees is as follows:

	The Group		The Company	
	2025	2024	2025	2024
	No.	No.	No.	No.
Management and administrative	842	821	35	31
Operating	3,229	2,532	-	12
	4,071	3,353	35	43

8. Finance income and finance costs

	The Group		The Company	
	2025	2024	2025	2024
	€'000	€'000	€'000	€'000
Finance income:				
Interest income on loans to subsidiaries	-	-	759	1,148
Interest income on bank balances	2,109	743	(3)	81
Interest income on loans to investee	210	243	-	-
Others	55	590	39	59
Total finance income	2,374	1,576	795	1,288
Finance costs:				
Interest expense on bank borrowings	26,894	27,319	10	14
Interest expense on bonds in issue	15,003	15,633	-	-
Interest expense on shareholders' loans	874	1,386	774	1,222
Interest expense on subsidiaries' loans	-	-	3,544	3,841
Interest expense on associates' loans	97	69	-	69
Interest expense on lease liabilities	1,843	1,031	6	8
Bond issue and other financing costs	1,711	1,347	-	-
Net exchange differences	(1,943)	2,075	-	-
Others	605	1,120	123	123
Total finance costs	45,084	49,980	4,457	5,277

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	
	2025 €'000	2024 €'000	2025 €'000	2024 €'000
Current taxation:				
- Current year tax	(7,318)	(3,722)	(63)	-
- Adjustment recognised in financial period for current tax of prior period	-	-	-	-
Deferred taxation:				
- Deferred tax income/ (expense)	7,071	(693)	-	-
	(247)	(4,415)	(63)	-

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

9.1 Tax expense reconciliation

	The Group		The Company	
	2025 €'000	2024 €'000	2025 €'000	2024 €'000
Profit/(loss) before income tax expense	33,662	9,811	11,386	(5,655)
	33,662	9,811	11,386	(5,655)
Income tax using the Company's domestic tax rate at 35%	(11,781)	(3,434)	(3,985)	1,979
Effect of income/(losses) subject to foreign/different tax rates	4,261	4,795	1,587	361
Effect of reduction in tax rate on opening deferred tax assets	550	(280)	-	-
Non-taxable income	1,541	263	1,541	15
Non-tax deductible expenses	(571)	(1,630)	397	(1,795)
Movement in unrecognised temporary differences	(1,623)	(3,845)	397	(560)
Over/(under) provision in respect of previous years	9,611	(2,561)	-	-
Effect of Group's share of profit and loss attributable to investments accounted for using the equity method	3,022	2,331	-	-
Other	(4,030)	(54)	-	-
Tax expense	980	(4,415)	(63)	-

9. Tax expense - continued

9.1 Tax expense reconciliation - continued

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

Group	2025			2024		
	Before tax €'000	Tax (charge)/ credit €'000	Net of tax €'000	Before tax €'000	Tax charge €'000	Net of tax €'000
Net surplus arising on revaluation of hotel properties	3,292	7,402	10,694	74,394	(17,478)	56,916
Hedging	148	(33)	115	(148)	33	(115)
Currency translation differences	(7,941)	(6,606)	(14,547)	13,325	1,947	15,272
Other	-	-	-	-	(602)	(602)
	(4,501)	763	(3,738)	87,571	(16,100)	71,471

10. Intangible assets

	The Group						Total €'000
	Goodwill €'000	Brand €'000	Brand design fee and other rights €'000	Con- cessions €'000	Operating contracts €'000	Others €'000	
Cost							
At 1 January 2024	8,316	-	9,204	475	7,000	4,264	29,259
Additions	-	606	12	-	-	820	1,438
Reallocations	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	(223)	(223)
Exchange differences	-	19	3	(1)	-	1	22
At 31 December 2024	8,316	625	9,219	474	7,000	4,862	30,496
At 1 January 2025	8,316	625	9,219	474	7,000	4,862	30,496
Additions	-	-	-	-	-	84	84
Reallocations	-	-	-	-	-	1,268	1,268
Disposals	-	-	(58)	-	-	-	(58)
Exchange differences	-	(56)	(3)	1	-	(17)	(75)
At 31 December 2025	8,316	569	9,158	475	7,000	6,197	31,715
Amortisation							
At 1 January 2024	766	-	8,985	475	6,158	3,412	19,796
Amortisation charge	-	-	23	-	350	607	980
Disposals	-	-	-	-	-	(223)	(223)
Exchange differences	-	-	2	(1)	-	1	2
At 31 December 2024	766	-	9,010	474	6,508	3,797	20,555
At 1 January 2025	766	-	9,010	474	6,508	3,797	20,555
Amortisation charge	-	22	14	-	350	821	1,207
Reallocations	-	-	-	-	-	817	817
Disposals	-	-	(54)	-	-	-	(54)
Exchange differences	-	(1)	(3)	1	-	(16)	(19)
At 31 December 2025	766	21	8,967	475	6,858	5,419	22,506
Carrying amount							
At 1 January 2024	7,550	-	219	-	842	852	9,463
At 31 December 2024	7,550	625	209	-	492	1,065	9,941
At 31 December 2025	7,550	548	191	-	142	778	9,209

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, IH1 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.

In 2024, the Group also purchased the rights, title and interest in the Henry J. Bean's trademark and fifty per cent of the rights, title and interest in The Surrey trademark.

Costa Coffee Malta

This cash-generating unit includes the operation of the Costa Coffee retail brand in Malta. As at 31 December 2025 the Group operated twelve outlets (2024: fifteen) 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 €0.1 million (2024: €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 2024 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, a lease premium fee and licenses.

11. Investment property

	The Group		The Company	
	2025	2024	2025	2024
	€'000	€'000	€'000	€'000
At 1 January	261,451	179,377	820	820
Net change fair value	25,549	11,584	3,180	-
Additions	96	517	-	-
Disposals	(11)	(3,021)	-	-
Transfer from/(to) property, plant and equipment (Note 12)	(6)	93,777	-	-
Transfer to assets held for sale	-	(18,342)	-	-
Currency translation differences	5,706	(2,441)	-	-
At 31 December	292,785	261,451	4,000	820

In 2024, 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.

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 2024 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.

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

	The Group	
	2025	2024
	€'000	€'000
Investment property		
Commercial Centre in St Petersburg - Russia	42,432	36,829
Commercial Centre in Tripoli - Libya	90,300	86,300
Site in Tripoli - Libya	29,500	29,500
IHI Towers sro - Prague	109,959	96,563
Site in Konopiste - Czech Republic	12,542	7,533
Sites in Misurata and Benghazi - Libya	3,268	87
Amber Hotels - Czech Republic	353	339
Office block - London	4,431	4,300
	292,785	261,451

11. Investment property - continued

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 €234.19 million (2024: €216.66 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 €16.20 (2024: €13.45 million) while direct expenses amounted to €2.41 million (2024: €2.60 million).
- c) Direct operating expenses in relation to investment properties that did not generate rental income amounted to €0.26 million (2024: €0.23 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.

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.

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

	The Group	
	2025	2024
	€'000	€'000
Within 1 year	15,801	14,554
Between 1 and 2 years	15,136	14,094
Between 2 and 3 years	12,439	12,875
Between 3 and 4 years	4,003	11,320
Between 4 and 5 years	1,179	3,173
	48,558	56,016

12. Property, plant and equipment

	The Group				
	Land and buildings €'000	Plant and equipment €'000	Motor vehicles €'000	Assets in the course of construction €'000	Total €'000
Cost/valuation					
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 from investment property (Note 11)	(134,867)	(4,863)	-	(54)	(139,784)
Other movements	(132,377)	(50,966)	(160)	(389)	(183,892)
Impairments	-	-	-	(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
Balance at 1 January 2025	1,320,277	277,502	1,866	169,709	1,769,354
Revaluation surplus	23,223	-	-	-	23,223
Revaluation adjustment*	(2,835)	-	-	-	(2,835)
Business Combinations	(5,896)	(6,935)	(247)	(47)	(13,125)
Additions	1,082	5,034	28	22,164	28,308
Reallocations	93,198	42,976	-	(136,174)	-
Reallocations - Costs to Depreciation	19,400	383	1	12	19,796
Disposals	(72)	(640)	(20)	(1,162)	(1,894)
Other movements	-	-	-	-	-
Transfer to/from Intangible Assets	-	(1,263)	-	(5)	(1,268)
Currency translation differences	(18,445)	(4,495)	53	(640)	(23,527)
Balance at 31 December 2025	1,429,932	312,562	1,681	53,857	1,798,032
Depreciation and impairment charges					
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 revaluation 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)	468,873
Balance at 1 January 2025	220,322	246,712	1,851	(12)	468,873
Depreciation for the year	15,238	10,342	54	-	25,634
Net revaluation losses	19,931	-	-	-	19,931
Revaluation adjustment*	(2,835)	-	-	-	(2,835)
Business Combinations	(5,394)	(6,371)	(247)	-	(12,012)
Reallocations	(598)	598	-	-	-
Reallocations – Costs to Depreciation	19,400	383	1	12	19,796
Disposal adjustments	(15)	(560)	(18)	-	(593)
Transfer to/from Intangible Assets	-	(817)	-	-	(817)
Currency translation differences	1,013	(4,205)	40	-	(3,152)
Balance at 31 December 2025	267,062	246,082	1,681	-	514,825
Carrying amounts					
At 1 January 2024	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
At 31 December 2025	1,162,870	66,480	-	53,857	1,283,207

* 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 2025 in respect of the Group's properties, amounting to €3.29 million have been recognised within other comprehensive income. These fair value movements relate to an uplift on the Radisson Blu Resort, Corinthia Oasis Malta and Corinthia Hotel St Petersburg, and a fair value loss on the Corinthia Hotel London and the Thermal Hotel Aquincum. In 2024, changes in fair value 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 Verdi Tunis.

During the year, an amount of €0.7 million was recognised in the profit and loss account in relation to an impairment reversal on the office block in London. In 2024 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.

	The Company			Total €'000
	Land and buildings €'000	Plant and equipment €'000	Motor vehicles €'000	
Cost/Valuation				
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
Balance at 1 January 2025	968	8,258	1,179	10,405
Additions	-	15	-	15
Disposals	-	(20)	(18)	(38)
Exchange differences	-	-	(3)	(3)
Balance at 31 December 2025	968	8,253	1,158	10,379
Depreciation and impairment charges				
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
Balance at 1 January 2025	850	8,204	1,179	10,233
Depreciation for the year	-	10	-	10
Disposals	-	(14)	(18)	(32)
Exchange differences	-	-	(3)	(3)
Balance at 31 December 2025	850	8,200	1,158	10,208
Carrying amounts				
At 1 January 2024	119	21	-	140
At 31 December 2024	118	54	-	172
At 31 December 2025	118	53	-	171

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 2025, 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, sites in Misurata and Benghazi Libya, Amber Hotels in the Czech Republic and an office block in London. All the recurring property fair value measurements as at 31 December 2025 and 2024 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 Group assesses whether the carrying amount of properties differs materially from fair value. This assessment is based on both quantitative and qualitative factors including changes in asset specific performance or use, macro-economic conditions in relevant jurisdictions and market based indicators.

This framework is applied consistently across the Group's portfolio and where management, through its assessment, concludes that the fair value of properties differs materially from its carrying amount, an independent valuation report prepared by third party qualified valuers, is performed. 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 2025 and 2024, 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:

12. Property, plant and equipment - continued

12.1 Fair valuation of property - continued

Valuation processes - continued

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;
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 2025 and 2024 in respect of the key properties:

Description by class based on highest and best use	Fair value at		Evolution of EBITDA over initial projected five-year period	Significant unobservable inputs		Pre-tax rate (WACC)		Growth rate		Capitalisation rate		
	31 Dec 2025	31 Dec 2024		2025	2024	2025	2024	2025	2024	2025	2024	
Current use as hotel/other properties (classified as property, plant and equipment):	€'000	€'000										
Marina Hotel, St. George's Bay, Malta	33,758	34,239	FY26-FY30 €2.6m - €2.8m	FY25-FY29 €2.6m - €2.8m	10.34	9.98	2.00	2.00	2.00	2.00	8.34	7.98
Corinthia Hotel, St. George's Bay, Malta	54,598	55,562	FY26-FY30 €3.5m - €4.4m	FY25-FY29 €3.9m - €4.2m	9.65	9.27	2.00	2.00	2.00	2.00	7.65	7.27
Corinthia Hotel St. Petersburg	68,018	56,945	FY26-FY30 RUB718.7m - RUB859.8m	FY25-FY29 RUB656.5m - RUB819.7m	13.50	14.25	4.00	4.50	4.50	4.50	9.50	9.75
Corinthia Hotel Tripoli	69,255	70,888	FY26-FY30 €2.0m - €5.9m	FY25-FY29 €2.9m - €6.3m	15.21	15.60	2.00	2.00	2.00	2.00	13.21	13.60
Radisson Blu Resort, Malta	55,999	45,059	FY26-FY30 €4.0m - €4.9m	FY25-FY29 €3.7m - €4.0m	10.31	10.66	2.00	2.00	2.00	2.00	8.31	8.66

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		Evolution of EBITDA over initial projected five-year period	Significant unobservable inputs		Pre-tax		Growth rate		Capitalisation rate	
	31 Dec 2025	31 Dec 2024		2025	2024	2025	2024	2025	2024	2025	2024
Current use as hotel properties (classified as property, plant and equipment):	€'000	€'000		%	%	%	%	%	%	%	%
Corinthia Hotel London	534,036	580,091	FY26-FY30 £27.7m - £36.4m	7.70	7.90	3.70	3.90	4.00	4.00	4.00	4.00
Corinthia Grand Hotel Astoria, Brussels	130,121	124,709	FY26-FY30 €142k - €10.5m	7.00	7.00	2.75	2.75	4.25	4.25	4.25	4.25
IHI Palace Hotel Company Limited	31,178	31,223	FY26-FY30 €0.7m - €3.2m	9.82	11.60	2.00	2.00	9.60	9.60	9.60	9.60
Golden Sands Resort Malta	90,308	91,001	FY26-FY30 €6.5m - €7.3m	10.21	9.31	2.00	2.00	7.31	7.31	7.31	7.31
Corinthia Hotel Budapest	111,426	112,600	FY26-FY30 €4.8m - €10.4m	9.83	9.48	3.00	2.00	7.48	7.48	7.48	7.48
Aquincum Hotel Budapest	13,278	17,819	FY26-FY30 €0.3m - €0.9m	9.85	9.85	2.00	2.00	7.85	7.85	7.85	7.85
Verdi Tunis	13,003	13,616	FY26-FY30 €1.0m - €1.7m	13.65	13.65	2.00	2.00	11.65	11.65	11.65	11.65

Valuation technique - Adjusted sales-comparison approach

	Sales price per square meter
Office block in London	£11,398
Corinthia Oasis Malta	€753

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 2025	31 Dec 2024	Valuation technique - Income capitalisation approach (DCF)		Pre-tax rate (WACC)		Growth rate		Capitalisation Rate	
Current property for commercial use (classified as investment property):	€'000	€'000	Evolution of EBITDA over initial projected five-year period		rate (%)		2024 (%)		2024 (%)	
Commercial Centre in St Petersburg	42,432	36,829	2025	2024	2025	2024	2025	2024	2025	2024
			FY26-FY30	FY25-FY29	13.75	13.62	4.00	4.00	9.75	9.62
			RUB75.9m - RUB472.6m	RUB81.1m - RUB466.8m						
Commercial Centre in Tripoli	90,300	86,300	FY26-FY30	FY25-FY29	7.90	7.72	0.00	0.00	7.90	7.72
			€5.0m - €7.1m	€4.6m - €6.3m						
Corinthia Hotel Prague	109,959	96,563	FY26-FY30	FY25-FY29	9.03	8.43	2.00	2.00	7.03	6.43
			€5.5m - €8.2m	€5.5m - €4.6m						
Current property for commercial use (classified as investment property):			Valuation technique - Adjusted sales-comparison approach		Sales price per square meter		2024			
Site in Tripoli	29,500	29,500	€2,300	€2,300						
Site in Czech Republic	12,542	7,586	€156	€94						
Office block in London	4,431	4,300	£11,291	£11,398						
Sites in Misurata and Benghazi - Libya	3,268	87	€16	€Nil						
Amber Hotels - Czech Republic	353	339	N/A	N/A						

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.

In 2025, fair value increases were recognized on the Radisson Blu Resort, Corinthia Oasis, Corinthia St Petersburg and a fair value loss on Corinthia Hotel London and the Thermal Hotel Aquincum. In 2024, the Group recognized a significant fair value uplift in respect to Corinthia Hotel Lisbon using a market value approach (refer also to note 21). In 2024, 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, Verdi Tunis and Thermal Hotel Aquincum. The shift in the carrying amounts of the Corinthia Hotel St. Petersburg and Corinthia Hotel London in 2025 and 2024 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 2025.

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 2025, 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		Shift in cash flows	
	(+/-1%)		(EBITDA) (+/-5.00%)	
	2025	2024	2025	2024
	€'000	€'000	€'000	€'000
Corinthia Hotel & Spa Lisbon*	-	-	-	-
Corinthia Hotel Budapest	-16,986 to +22,891	-13,076 to +17,111	+/- 5,575	+/- 5,627
Corinthia Hotel Prague	-13,594 to +18,108	-11,515 to +15,757	+/- 5,500	+/- 4,515
Marina Hotel, St George's Bay, Malta	-3,593 to +4,574	-3,695 to +4,753	+/- 1,700	+/- 1,722
Corinthia Hotel, St George's Bay, Malta	-6,232 to +8,110	-6,526 to +8,606	+/- 2,729	+/- 2,791
Corinthia Hotel, St Petersburg	-5,750 to +7,078	-4,574 to +5,591	+/- 1,560	+/- 2,847
Corinthia Hotel Tripoli	-6,615 to +7,822	-6,553 to +7,718	+/- 3,465	+/- 3,545
Commercial Centre in St Petersburg	-4,115 to +5,067	-3,623 to +4,475	+/- 2,122	+/- 1,841
Commercial Centre in Tripoli	-10,538 to +13,629	-11,515 to +15,757	+/- 4,491	+/- 4,315
Radisson Blu Resort, Malta	-5,866 to +7,473	-4,495 to +5,668	+/- 2,795	+/- 2,258
Corinthia Hotel London	-88,167 to +142,554	-47,990 to +43,601	+/- 23,300	+/- 29,565
IHI Palace Hotel Company Limited	-4,265 to +5,536	-2,802 to +3,475	+/- 1,559	+/- 1,173
Golden Sands Resort, Malta	-9,966 to +12,839	-10,611 to +13,972	+/- 3,419	+/- 4,500
Corinthia Grand Hotel Astoria, Brussels	-24,106 to +36,865	-11,854 to +10,749	+/- 6,506	+/- 6,799

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

12.2 Historic cost basis of properties

If the cost model had been used, the carrying amounts of the revalued properties would be €842.57 million (2024: €766.11 million). The revalued amounts include a revaluation surplus of €163.26 million after tax (2024: €153.69 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 2025	31 December 2024	31 December 2025	31 December 2024
	€'000	€'000	€'000	€'000
Right-of-use assets				
Land and buildings	21,088	14,144	-	-
Plant and equipment	4,615	1,550	-	-
Motor vehicles	922	729	80	116
	26,625	16,423	80	116
Lease liabilities				
Current	4,458	2,388	23	36
Non-current	24,574	16,479	62	85
	29,032	18,867	85	121

Additions to the Group's and the Company's right-of-use assets during the 2025 financial year were €17.21 million (2024: €0.99 million) and €Nil million (2024: €0.01 million) respectively.

ii. Amounts recognised in the income statement

The income statement shows the following amounts relating to leases:

	The Group		The Company	
	31 December 2025	31 December 2024	31 December 2025	31 December 2024
	€'000	€'000	€'000	€'000
Depreciation charge of right-of-use assets				
Land and buildings	3,766	1,905	-	-
Plant and equipment	735	585	-	-
Motor vehicles	242	225	31	40
	4,743	2,715	31	40
Interest expense (included in finance cost)	1,843	1,031	6	8
Expense relating to variable lease payments not included in lease liabilities (included in administrative expenses)	726	519	-	-
Expenses relating to short-term leases and low-value assets (included in administrative expenses)	450	422	106	91

13. Leases - continued

ii. Amounts recognised in the income statement - continued

The total cash outflow for leases in 2025 was €6.57 million (2024: €4.51 million) for the Group and €0.15 million (2024: €0.15 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 13.00% to 15.00% 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 €0.10 million (14.00%).

The variable lease payments element amounts to €0.73 million for the year ended 31 December 2025 (2024: €0.50 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:

	2025 €'000	2024 €'000
Equity in subsidiary companies	342,931	344,543
Loans to subsidiary companies	4,628	4,466
	347,559	349,009

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	
			2025 %	2024 %	2025 %	2024 %	2025 %	2024 %
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, Mühlgasse 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	
			2025 %	2024 %	2025 %	2024 %	2025 %	2024 %
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
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	-	-

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	
			2025 %	2024 %	2025 %	2024 %	2025 %	2024 %
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	
			2025 %	2024 %	2025 %	2024 %	2025 %	2024 %
CHL Hotels Brussels s.r.l.*	Rue Royale, 103 1000, Brussels Belgium	Hotel management company	-	58	-	-	-	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

* Subsidiary was liquidated in 2025

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	
			2025 %	2024 %	2025 %	2024 %	2025 %	2024 %
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	-	-
CPHCL Concierge Limited	22, Europa Centre, Floriana, Malta	Concierge services	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	
			2025 %	2024 %	2025 %	2024 %	2025 %	2024 %
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 management No. JLT-PH1-11A, Jumeirah Lakes Towers, Dubai, United Arab Emirates	Hotel 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	
			2025 %	2024 %	2025 %	2024 %	2025 %	2024 %
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 and Spa Golden Bay l/o Mellicha, 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	Owens 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 and voting rights held by non-controlling interests	
			2025 %	2024 %	2025 %	2024 %	2025 %	2024 %
IHI Holdings Limited*	34, Kosti Palama 1096, Aspelia Court 4 th Floor, Office D4 Nicosia, Cyprus	Investment company	-	58	-	-	-	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

* Subsidiary was disposed of during 2025

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	
			2025 %	2024 %	2025 %	2024 %	2025 %	2024 %
IHI Zagreb d.d.	Centar Kaptol Nova Kes 11, 10000 Zagreb, Croatia	Investment company	58	58	-	-	42	42
IHI Benclux 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	
			2025 %	2024 %	2025 %	2024 %	2025 %	2024 %
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	25	100	-	-	75	-
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	-	-

* 75% of subsidiary was disposed of during 2025, becoming an investment in associate

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	
			2025 %	2024 %	2025 %	2024 %	2025 %	2024 %
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	
			2025 %	2024 %	2025 %	2024 %	2025 %	2024 %
Palace Landscaping Limited	22, Europa Centre, Floriana, Malta	Landscaping and garden centre	100	-	100	-	-	-
Palazzo Leone Limited	22, Europa Centre, Floriana, Malta	Care home	100	-	100	-	-	-
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
Societe De Promotion Hoteliere Khamsa	Les Cotes de Carthage Gammarth, Tunisia	Hotel owner and operator	100	100	63	63	-	-

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	
			2025 %	2024 %	2025 %	2024 %	2025 %	2024 %
Medi International Limited	Level 1, Palm Grove House Wickham's Cay 1 Road Town, Tortola British Virgin Islands	Internal financing	58	58	-	-	42	42
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 U tja 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

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	
			2025 %	2024 %	2025 %	2024 %	2025 %	2024 %
IHI BH Holdco Limited	22, Europa Centre Floriana Malta	Holding company	58	-	-	-	42	-
IHI Holdco Leases Limited	22, Europa Centre Floriana Malta	Holding company	58	-	-	-	42	-
IHI Bond Issuer BH Limited	22, Europa Centre Floriana Malta	Holding company	58	-	-	-	42	-
CREV Limited	22, Europa Centre Floriana Malta	Development company	58	-	-	-	42	-
CREV BH LP	171 Main Street PO BOX 92, Road Town Tortola, VG1110, British Virgin Islands	Holding company	58	-	-	-	42	-
BH Hotel Tenant LLC	251 Little Falls Drive, Wilmington, Delaware 19808, United States of America	Operates the Beverly Hills Hotels	58	-	-	-	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	
			2025 %	2024 %	2025 %	2024 %	2025 %	2024 %
QPM Project Management Services LLC	Capricorn Tower, Office 1103, Level 11, Sheikh Zayed Road, PO Box 5775 Dubai, United Arab Emirates	Project management	58	-	-	-	42	-
QPM (UK) Limited	Craven House, 16 Northumberland Avenue, London, United Kingdom, WC2N 5AP	Project management	58	-	-	-	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 2024	346,444
Acquisition	-
Disposals	-
Impairment on equity investments	(1,901)
	344,543
At 31 December 2024	344,543
At 1 January 2025	344,543
Acquisition	15
Disposals	-
Impairment on equity investments	(1,627)
	342,931
At 31 December 2025	342,931

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.

During the year, the Group disposed of 75% of its previous 100% shareholding in Malta Fairs and Convention Centre Limited ("MFCC"). This has resulted in MFCC no longer qualifying as a subsidiary. Prior to the disposal, the investment was being held at a carrying amount of €1. Refer to Note 36 for further details on the disposal.

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 €0.16 million which principally relate to Amber Hotels s.r.o.. (2024: €0.25 million primarily to Konopiste Property Holdings s.r.o.)

14. Investments in subsidiaries - continued

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	
	2025	2024	2025	2024	2025	2024
	%	%	€'000	€'000	€'000	€'000
Danish Bakery Limited	35	35	114	133	1,412	1,298
IHI Group (incl. NLI Group)	42	42	(811)	(6,138)	500,809	515,959

Dividends paid to NCI of Danish Bakery Limited were nil (2024: nil) whilst no dividends were paid to NCI from International Hotel Investments p.l.c. in 2025 and 2024.

The total non-controlling interests as at 31 December 2025 is €502.22 million (2024: €517.26 million), of which €500.81 million (2024: €515.96 million) is attributable to the IHI Group and €1.41 million (2024: €1.30 million) is attributable to Danish Bakery Limited.

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	
	2025 €'000	2024 €'000	2025 €'000	2024 €'000	2025 €'000	2024 €'000
Non-current assets	1,939	2,067	1,655,671	1,645,935	672,742	718,764
Current assets	4,522	3,937	316,479	296,742	66,709	54,146
Total assets	6,461	6,004	1,972,150	1,942,677	739,451	772,910
Non-current liabilities	(54)	(98)	(718,191)	(840,641)	(279,377)	(244,727)
Current liabilities	(2,358)	(2,087)	(334,916)	(191,660)	(52,150)	(55,374)
Total liabilities	(2,412)	(2,185)	(1,053,107)	(1,032,301)	(331,527)	(300,101)
Equity attributable to owners of CPHCL	2,632	2,482	418,234	394,417	118,298	137,115
Non-controlling interests	1,417	1,337	500,809	515,959	289,626	335,694

14. Investments in subsidiaries - continued

14.3 Subsidiaries with material non-controlling interests - continued

	Danish Bakery		IHI Group (including NLI Group)		NLI Group	
	2025 €'000	2024 €'000	2025 €'000	2024 €'000	2025 €'000	2024 €'000
Revenue	7,173	7,358	335,340	306,788	103,767	96,570
Profit/(loss) for the year attributable to owners of the parent	191	248	12,017	4,892	(5,610)	(3,269)
Profit/(loss) for the year attributable to NCI	103	133	(811)	(6,138)	(13,734)	(8,003)
Profit/(loss) for the year	294	381	11,206	(1,246)	(19,344)	(11,272)
Other comprehensive income attributable to owners of the parent	-	-	11,799	32,778	(13,207)	10,786
Other comprehensive income attributable to NCI	-	-	(14,339)	42,496	(32,334)	26,406
Other comprehensive income for the year	-	-	(2,540)	75,274	(45,541)	37,192
Total comprehensive income for the year attributable to owners of the parent	191	248	23,817	37,670	(18,817)	7,517
Total comprehensive income for the year attributable to NCI	103	133	(15,150)	36,358	(46,068)	18,403
Total comprehensive income for the year	294	381	8,667	74,028	(64,885)	25,920

14. Investments in subsidiaries - continued

14.3 Subsidiaries with material non-controlling interests - continued

	Danish Bakery Limited		IHI Group (including NLI Group)		NLI Group	
	2025 €'000	2024 €'000	2025 €'000	2024 €'000	2025 €'000	2024 €'000
Net cash generated from operating activities	859	961	81,507	53,070	37,736	7,938
Net cash used in investing activities	(474)	(332)	(24,056)	(68,017)	(24,684)	(45,869)
Net cash (used in)/generated from financing activities	-	-	(29,305)	(5,067)	9,935	19,195
Net cash inflow/(outflow)	385	629	28,146	(20,014)	22,987	(18,736)

14.4 Impairment allowances

The carrying amount of the investment and loan in/to Corinthia Tunisie Sarl, Catering Contractors Limited, Corinthia Holdings Overseas Limited, CPHCL Holdings Limited and Societe de Promotion Hoteliere Khamsa had been impaired in prior years. During 2025, impairments of €1.63 million were recognised with respect to the investments in Societe de Promotion Hoteliere Khamsa. 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	
	2025 €'000	2024 €'000
Associates (Note 15.3)	116,864	111,920
At 31 December	116,864	111,920

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	
	2025	2024
	€'000	€'000
Associates (Note 15.3.1)	10,207	6,834
For the year ended 31 December	10,207	6,834

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

	The Group	
	2025	2024
	€'000	€'000
Associates (Note 15.3.1)	(1,607)	489
For the year ended 31 December	(1,607)	489

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	
	2025	2024
	€'000	€'000
Associates - at 31 December (Note 15.3)	24,012	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	
	2025	2024	2025	2024
	€'000	€'000	€'000	€'000
Equity in associate companies (Note 15.3.1)	113,692	108,624	24,012	24,002
Loans to associate companies	3,172	3,296	-	-
	116,864	111,920	24,012	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	
	2025	2024	2025	2024
	€'000	€'000	€'000	€'000
At 1 January	108,624	104,788	24,002	24,002
Additions	1,845	-	10	-
Impairment losses	-	-	-	-
Share of results	10,207	6,834	-	-
Share of other comprehensive income	(1,607)	489	-	-
Dividend	(5,500)	(3,500)	-	-
Other movements	123	13	-	-
At 31 December	113,692	108,624	24,012	24,002

Set out below are the associates of the Group as at 31 December 2025 and 31 December 2024. 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	
			2025	2024	2025	2024
			%	%	%	%
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	-	-
Malta Fairs and Conventions Centre Limited (MFCC)**	Millenium Stand Level 1, National Stadium Ta' Qali, Attard	Trade conference and leisure conventions	25	100	-	-
Medina Tower J.S.C.	Suite 107, Tower 2 Level 10 Burj Al Fateh Tripoli, Libya	Owns the Medina Tower Project	27	27	-	-

* Put into liquidation in 2023.

** 75% of subsidiary was disposed of during 2025, becoming an investment in associate

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	
			2025	2024	2025	2024
			%	%	%	%
Mediterranean Investments Holding p.l.c. (Quoted)	22, Europa Centre Floriana, Malta	Investment company	50	50	50	50
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	-	-
CPHCL and Attard Developments Limited	22, Europa Centre, Floriana, Malta	Real estate development	50	-	50	-
Valetta Bridge Limited	22, Europa Centre, Floriana, Malta	Commercial development	50	-	50	-

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. Investments in associates and joint ventures - continued

15.3 Investments in associates – continued

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	
	2025	2024
	€'000	€'000
Non-current assets	15,801	17,703
Current assets	7,296	7,642
Total assets	23,097	25,345
Current liabilities	76	90
Total liabilities	76	90
Profit for the year	5,934	361
Other comprehensive income	(8,168)	1,008
Total comprehensive income	(2,234)	1,369

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	
	2025	2024
	€'000	€'000
Opening net assets	25,255	23,886
Profit for the year	5,934	361
Other comprehensive income	(8,168)	1,008
Closing net assets	23,021	25,255
Interest in associate (37.50%)*	8,633	9,471
Carrying value	8,633	9,471

*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%.

15. Investments in associates and joint ventures - continued

15.3 Investments in associates - continued

15.3.2 Summarised financial information for material associates - continued

	Mediterranean Investments Holdings p.l.c. Group	
	2025	2024
	€'000	€'000
Non-current assets	298,118	291,054
Current assets	17,143	27,072
Total assets	315,261	318,126
Non-current liabilities	77,066	76,775
Current liabilities	18,065	28,802
Total liabilities	95,131	105,577
Revenue	33,500	31,224
Profit for the year	19,715	13,463
Other comprehensive income	(1,134)	178
Total comprehensive income	18,581	13,641

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

	Mediterranean Investments Holdings p.l.c. Group	
	2025	2024
	€'000	€'000
Opening net assets	212,549	205,908
Profit for the year	19,715	13,463
Other comprehensive income	(1,134)	178
Dividend	(11,000)	(7,000)
Closing net assets	220,130	212,549
Interest in associate (50.00%)	110,065	106,275
Carrying value	110,065	106,275

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

Subsequent to year end, the Group entered into a share purchase agreement to acquire the remaining 50% shares in Mediterranean Investments Holding Plc (MIH). Refer to Note 38 for further details.

15. Investments in associates and joint ventures - continued

15.3 Investments in associates - continued

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

	2025 €'000	2024 €'000
Profit for the year	22	118
Other comprehensive income	(8)	212
Total comprehensive income	14	330

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 2025 and 31 December 2024. 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	
			2025	2024
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	
	2025	2024	2025	2024
	€'000	€'000	€'000	€'000
Non-current				
Loans to investee	-	6,396	-	-
Loans to subsidiaries	-	-	11,813	23,223
Others	-	16	-	-
Total non-current loans receivable	-	6,412	11,813	23,223
Current				
Loans to subsidiaries	-	-	4,000	-
Others	315	87	-	-
Total current loans receivable	315	87	4,000	-

The fair value of the other financial assets at amortised cost 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 €0.32 million (2024: €0.09 million) are unsecured and interest free and are repayable within one year.

The Company's loans to subsidiaries amounting to €4.00 million (2024: €Nil million) are unsecured, bear interest at Euribor + 1.5% margin and are repayable not later than January 2027.

Non-current

During 2025, the Group's loans to investee were fully extinguished due to the sale of the investee (2024: €6.40 million).

During 2025, the Group's loans to others were repaid (2024: €0.02 million).

The Company's loans to subsidiaries amounting to €11.81 million (2024: €23.22 million) are unsecured, bear interest at Euribor + 1.5% margin and are repayable not later than January 2029.

17. Inventories

	The Group	
	2025	2024
	€'000	€'000
Food and beverages	3,953	4,078
Consumables and other	13,133	15,526
Goods held for resale	621	605
Loose tools	1,572	1,132
	19,279	21,341

18. Trade and other receivables

	The Group		The Company	
	2025	2024	2025	2024
	€'000	€'000	€'000	€'000
Non-Current				
Other receivables	270	181	-	-
Credit loss allowance	-	(20)	-	-
Financial assets	270	161	-	-
Contract assets	9,328	11,012	-	-
Total receivables - non-current	9,598	11,173	-	-
Current				
Trade receivables	34,875	38,547	-	-
Credit loss allowances	(4,771)	(6,032)	-	-
	30,104	32,515	-	-
Amounts owed by:				
- Subsidiary companies	-	-	8,508	9,467
- Associate companies	2,901	1,082	602	256
- Joint ventures	201	202	-	-
- Related parties	2,547	2,436	-	-
Other receivables	6,868	6,487	469	439
Financial assets	42,621	42,722	9,579	10,162
Contract assets/accrued income	5,352	3,481	34	21
Advance payments in respect of capital creditors	2,978	299	-	-
Statutory receivables	3,917	2,787	55	64
Prepayments	6,045	5,055	79	58
Total trade and other receivables - current	60,913	54,344	9,747	10,305
Total trade and other receivables	70,511	65,517	9,747	10,305

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 comprise of key money paid upon entering into a hotel management service agreement. This contract asset does not expose the Group to credit risk and accordingly, it is subject to the impairment model under 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 35.1.

18. Trade and other receivables – continued

The Group assesses whether there is any indication that the non-current contract assets require an impairment assessment, by analysing the performance of the hotel management agreement, as well as monitoring any adverse changes in the economic environment that may impact the cash generating asset. Where indicators are identified, an impairment assessment is carried out to determine the recoverable amount.

No impairment assessment was needed during the year under review.

During the year, key money amounting to €0.43 million (2024: €0.07 million) was amortised and recognised as a deduction against hotel management fee revenue. The movements on contract assets for the year are as follows:

	The Group	
	2025	2024
	€'000	€'000
Non-current assets		
At 1 January	11,012	452
Additions	-	10,181
Amortisation	(425)	(74)
Exchange movements	(1,259)	453
	9,328	11,012
Current assets		
At 1 January	3,481	3,218
Additions (revenue recognized)	3,295	640
Reductions (amounts invoiced/written-off)	(1,371)	(395)
Exchange movements	(53)	18
	5,352	3,481

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 2025 and 2024, 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	
	2025	2024	2025	2024
	€'000	€'000	€'000	€'000
Non-current assets				
Unlisted equity securities	3,386	3,411	-	-
Current assets				
<i>Listed securities:</i>				
Bond securities	9,472	160	10,556	1,254
Total	9,472	160	10,556	1,254

During the year, the Group recognised a net fair value loss of €0.07 million (2024: gain of €0.06 million), whilst the Company recognised a fair value loss of €0.07 million (2024: gain of €0.06 million), in profit or loss on financial assets at fair value through profit or loss. In both 2025 and 2024, the fair value gain/loss related to listed bond 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	
			2025	2024
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% (2024: 13.10%) holdings in Global Hotel Alliance. In 2025, a 10.00% holdings in Lizar Holdings Limited was sold.

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	
	2025	2024	2025	2024
	€'000	€'000	€'000	€'000
Cash and bank balances:				
Current	118,228	83,238	20,198	5,190
Cash and cash equivalents in the statement of financial position	118,228	83,238	20,198	5,190
Bank overdrafts (Note 25)	(8,526)	(9,445)	-	-
Cash and cash equivalents	109,702	73,793	20,198	5,190

The Group's bank balances include amounts of €10.45 million (2024: €7.68 million) set aside for debt servicing requirements and treasury bills amounting to €12.74 (2024: nil) set aside for bond redemption purposes. At 31 December 2025, no funds were set aside for capital expenditure purposes (2024: 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. Additionally, restricted funds amounting to €17.03 million have been set aside in favour of other related parties Note 30.

21. Assets classified as held for sale

	The Group	
	2025	2024
	€'000	€'000
At 1 January	162,386	62
Additions	1,177	-
Disposals	(3,536)	-
Movement in fair value	1,000	-
Transfer from investment property	-	18,342
Transfer from property, plant and equipment	-	143,988
Net exchange differences	(15)	(6)
At 31 December	161,012	162,386

On 31 December 2025, the Group recognised as held for sale, assets actively marketed for which IFRS 5 criteria were met.

21. Assets classified as held for sale - continued

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. In 2024, the Group went to market and considered offers for the Corinthia Hotel Lisbon, on the basis of a sale and management and / or leaseback. On 1 April 2026, the Group concluded the sale of the Lisbon property as well as the related operation; and
- 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 and sold during 2025.

Management remains committed to finalising the disposal plan in the twelve-month period subsequent to 31 December 2025.

22. Share capital

	The Group and the Company	
	2025	2024
	€'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 2025	7,634	153,693	9,293	170,620
Recognised in other comprehensive income:				
Net revaluation of properties	-	10,280	-	10,280
Exchange difference arising from translating foreign operations:				
- on net assets, excluding deferred tax	296	-	-	296
Share of other comprehensive income of associates and joint ventures:				
- Exchange difference arising from translating foreign operations	(1,627)	-	-	(1,627)
- Revaluation of properties	-	63	-	63
Other	-	-	50	50
Recognised directly in equity:				
Reclassifications to retained earnings	-	(779)	-	(779)
At 31 December 2025	6,303	163,257	9,343	178,903

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 Company

	Translation reserves	
	2025	2024
	€'000	€'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	
	2025	2024	2025	2024
	€'000	€'000	€'000	€'000
Bank overdrafts	8,526	9,445	-	-
Bank loans	459,753	426,499	121	207
	468,279	435,944	121	207
Comprising:				
Non-current bank borrowings				
Bank loans due within 2 – 5 years	312,784	332,057	44	121
Bank loans due later than 5 years	71,450	53,552	-	-
	384,234	385,609	44	121
Current bank borrowings				
Bank overdrafts	8,526	9,445	-	-
Bank loans due within 1 year	75,519	40,890	77	86
	84,045	50,335	77	86

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 5.95% per annum at 31 December 2025 (2024: 6.64% per annum) for the group, and 6.11% per annum (2024: 2.87% 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	
	2025	2024
	€'000	€'000
<i>Redeemable bonds</i>		
Bond 13	-	44,953
Bond 16	12,768	39,898
Bond 17	54,946	54,853
Bond 18	59,879	59,763
Bond 19	78,365	78,286
Bond 20	59,279	59,279
Bond 21	34,306	-
Bond 22	44,140	-
	343,683	337,032
Non-current	216,152	292,079
Current	127,531	44,953
	343,683	337,032

(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 16	CPHCL Finance p.l.c.	2016	12,728	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
Bond 21	IHI p.l.c.	2025	35,000	5.30	1 April 2035
Bond 22	CPHCL Finance p.l.c.	2025	45,000	5.35	18 December 2035

26. Bonds - continued

26.1 Bonds in issue - continued

In 2025, CPHCL Finance Plc issued Bond 22 for a total amount of €45.0 million and partly redeemed Bond 16 through an exchange offer. The balance of Bond 13 was fully redeemed on redemption date.

In 2025, IHI p.l.c. redeemed Bond 13 amounting to €45 million and issued €35 million in Bond 21.

(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 2025 amounted to €0.08 million (2024: €0.08 million).

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

	€'000
At 1 January 2025	337,032
Redemptions	(13,147)
Allocation to new bond	12,728
Proceeds from issue	8,147
Issue costs	(1,597)
Amortisation of issue costs	520
At 31 December 2025	343,683

26. Bonds - continued

26.1 Bonds in issue - continued

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

	2025	2024
	€	€
Bond 16	99.95	97.45
Bond 17	98.00	99.00
Bond 18	97.07	98.90
Bond 19	91.50	95.01
Bond 20	102.00	106.98
Bond 21	101.00	-
Bond 22	101.49	-

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	2025	2024
	€'000	€'000
Cash at bank:		
- Interest-bearing bank accounts	77	77
	77	77

27. Other financial liabilities

	The Group		The Company	
	2025	2024	2025	2024
	€'000	€'000	€'000	€'000
Shareholders' loans	25,728	35,846	25,728	25,846
Loans from subsidiaries	-	-	86,043	71,900
Loans from associates	-	5,500	-	5,500
Others	-	-	-	-
	25,728	41,346	111,771	103,246
Non-current	25,728	35,846	99,043	90,256
Current	-	5,500	12,728	12,990
	25,728	41,346	111,771	103,246

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

27. Other financial liabilities – continued

The loans from subsidiaries increased by €14.14 million (2024: €1.10 million). This movement is mainly represented by a €17.73 million increase in the loans from CPHCL Finance plc reduced by net payments of €1.2 million and a set-off of €2.97 million to Thermal Hotel Aquincum Rt. The loan from associates represents a loan from Mediterranean Investments Holding p.l.c, which was fully repaid during 2025.

As at 31 December 2025

€'000	Interest Rate	Repayable
The Group		
25,728	3.00%	After more than 1 year
<u>25,728</u>		
The Company		
45,000	5.55%	11 December 2035
11,686	1.95% over 3 month Euribor	After more than 1 year
228	4.60%	31 December 2025
12,728	4.45%	12 April 2026
16,401	3.5% over 3 month Euribor	10 November 2035
25,728	3%	After more than 1 year
<u>111,771</u>		

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
<u>41,346</u>		
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
<u>103,246</u>		

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	
	2025	2024
	€'000	€'000
At 1 January	17,168	17,168
Movement during the year	(2,195)	-
At 31 December	14,973	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. (IHI) 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 IHI 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. During the current year this was further reduced by €1 million due to the changes in tax rate and to align to the hotel's carrying amount.

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. During the current year the liability relating to QPM was reduced by €1.20 million to align to future deferred tax that may arise.

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	
	2025 €'000	2024 €'000	2025 €'000	2024 €'000	2025 €'000	2024 €'000
Depreciation of property, plant and equipment	-	-	(33,247)	(35,189)	(33,247)	(35,189)
Right of use assets	-	-	(7,815)	(5,681)	(7,815)	(5,681)
Lease liabilities	8,635	6,551	-	-	8,635	6,551
Fair valuation of land and buildings	-	-	(99,611)	(110,591)	(99,611)	(110,591)
Fair valuation of investment property	-	-	(17,900)	(15,870)	(17,900)	(15,870)
Intangible assets	-	-	(3,831)	(1,464)	(3,831)	(1,464)
Investments in subsidiaries	1,227	-	-	-	1,227	-
Investments in associates	101	101	-	-	101	101
Unrelieved tax losses and unabsorbed capital allowances	68,437	61,974	-	-	68,437	61,974
Exchange differences	-	268	(8,346)	-	(8,346)	268
Provision on trade receivables	1,501	1,039	-	-	1,501	1,039
Others	625	471	-	-	625	471
Deferred tax assets/(liabilities) – before offsetting	80,526	70,404	(170,750)	(168,795)	(90,224)	(98,391)
Offset in the statement of financial position	(34,541)	(24,799)	34,541	24,799	-	-
Deferred tax assets/(liabilities) – as presented in statement of financial position	45,985	45,605	(136,209)	(143,996)	(90,224)	(98,391)

29. Deferred tax assets and liabilities - continued

The Company	Assets		Liabilities		Net	
	2025	2024	2025	2024	2025	2024
	€'000	€'000	€'000	€'000	€'000	€'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	Recognised	Recognised	Currency	Other	Balance
	1.1.2025	in profit	in other	translation	movements	31.12.2025
	€'000	or loss	comprehensive	differences	not in PL	€'000
	€'000	€'000	income	€'000	€'000	€'000
Property, plant and equipment	(145,780)	7,623	7,402	(2,103)	-	(132,858)
Investment property	(15,870)	(1,579)	-	(451)	-	(17,900)
Intangible assets	(1,464)	(2,362)	-	(5)	-	(3,831)
Investments in subsidiaries	-	1,227	-	-	-	1,227
Investments in associates	101	-	-	-	-	101
Right-of-use assets	(5,681)	(2,451)	-	-	317	(7,815)
Lease liabilities	6,551	2,754	-	-	(670)	8,635
Unrelieved tax losses and capital allowances	61,974	9,096	(4,937)	2,305	(1)	68,437
Exchange differences	268	(6,657)	(1,669)	(284)	-	(8,342)
Provision on trade receivables	1,039	504	-	(26)	(16)	1,501
Others	471	143	(33)	60	(20)	621
	(98,391)	8,298	763	(504)	(390)	(90,224)

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

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)

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 1.1.2025 €'000	Recognised in profit or loss €'000	Other movements €'000	Balance 31.12.2025 €'000
Unrelieved tax losses and unabsorbed capital allowances	3,555	-	-	3,555
	3,555	-	-	3,555

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

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 €15.96 million (2024: €15.21 million) in respect of losses amounting to €63.83 million (2024: €60.85 million) that can be carried forward against future taxable income.

The Group did not recognise deferred income tax assets of €46.74 million (2024: €37.69 million) in respect of losses amounting to €176.43 million (2024: €143.71 million) that can be carried forward against future taxable income.

30. Trade and other payables

	The Group		The Company	
	2025	2024	2025	2024
	€'000	€'000	€'000	€'000
Non-current				
Other payables	10,047	22,624	-	-
Refundable lease deposits	307	646	-	-
Financial liabilities	10,354	23,270	-	-
Contract liabilities	1,095	1,179	-	-
Statutory liabilities	886	3,445	120	240
Total payables - non-current	12,335	27,894	120	240
Current				
Trade payables	27,074	26,797	286	61
Amounts owed to:				
Subsidiary companies	-	-	8,762	7,733
Associate companies	359	436	-	-
Other related parties	17,025	7,224	-	-
Capital creditors	5,260	4,106	-	-
Other payables	22,231	10,273	-	4
Refundable lease deposits	673	103	-	-
Accrued expenses	38,398	37,998	1,169	1,712
Financial liabilities	111,020	86,937	10,217	9,510
Contract liabilities	6,390	5,766	-	-
Advance payments	8,843	7,333	-	-
Lease payments received in advance	771	754	-	-
Statutory liabilities	10,657	9,432	197	260
Total payables - current	137,681	110,222	10,414	9,770

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 £2.3 million, equivalent to €2.6 million (2024: £2.30 million, €2.80 million), of which £1.7 million, equivalent to €2.0 million (2024: £1.80 million, equivalent to €2.1 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 2025 that was included in the contract liability balance at the beginning of the period amounted to €3.64 million (2024: €0.71 million). The movements on contract liabilities for the year are as follows:

	The Group	
	2025	2024
	€'000	€'000
Non-current assets		
At 1 January	1,179	997
Additions	-	131
Amortisation	(26)	-
Exchange movements	(58)	51
	1,095	1,179
Current assets		
At 1 January	5,766	5,591
Additions (revenue recognized)	4,495	659
Reductions (amounts invoiced/written-off)	(3,641)	(712)
Exchange movements	(230)	228
	6,390	5,766

31. Cash flow information

31.1 Adjustments

	The Group		The Company	
	2025	2024	2025	2024
	€'000	€'000	€'000	€'000
Amortisation of intangible assets	1,207	980	-	-
Depreciation of property, plant and equipment	25,634	26,802	10	7
Depreciation of right-of-use assets	4,743	2,715	31	40
Other losses arising on property, plant and equipment	13	115	-	-
Other losses / (gains)	672	(814)	-	-
Impairment losses on investments	-	-	1,671	1,901
Impairment gain on property, plant and equipment	(731)	(6,329)	-	-
Finance lease concessions	-	-	-	(46)
Fair value movements on investment properties	(25,549)	(11,584)	-	-
Share of results of associates and joint ventures	(10,207)	(6,834)	-	-
Fair value movement on financial assets at FVTPL	928	281	(104)	(54)
Fair value movement on investment properties	-	-	(3,180)	-
Change in credit loss allowances	(261)	655	(8,441)	-
Net gain on disposal of property, plant and equipment	(279)	(20)	-	-
Gain on sale of investment in subsidiary or associate	(11,777)	-	-	-
Amortisation of transaction costs	1,711	1,347	80	80
Interest income	(2,709)	(1,576)	(795)	(1,287)
Interest expense	45,651	46,557	4,457	5,205
Movement in indemnification liability	-	-	(2,195)	-
Dividend income	-	-	(6,601)	(3,707)
Net exchange differences	(1,610)	1,205	-	-
	27,436	53,500	15,067	2,139

Significant non-cash financing and investing transactions

The Group's significant non-cash financing and investing transactions for 2025 amounted to €59.17 million (2024: nil). These represented the portion of bonds that were redeemed through the re-issue of new bonds. The Company's significant non-cash transactions are €2.00 million (2024: nil). These represent an offset against loans payable.

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 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)
As at 1 January 2025						
- Principal	77	(337,032)	(426,499)	(41,346)	(18,867)	(823,667)
- Accrued interest	-	(4,568)	(1,726)	(22)	-	(6,316)
	77	(341,600)	(428,225)	(41,368)	(18,867)	(829,983)
Net Cash flow movements	-	9,082	(14,285)	13,286	5,143	13,226
Foreign exchange differences	-	-	10,140	-	-	10,140
Other movements including interest	-	(15,523)	(28,085)	2,354	(15,308)	(56,562)
As at 31 December 2025	77	(348,041)	(460,455)	(25,728)	(29,032)	(863,179)
Comprising:						
- Principal	77	(343,683)	(459,753)	(25,728)	(29,032)	(858,119)
- Accrued interest	-	(4,358)	(702)	-	-	(5,060)
As at 31 December 2025	77	(348,041)	(460,455)	(25,728)	(29,032)	(863,179)

31. Cash flow information - continued

31.2 Reconciliation of financing assets and liabilities - continued

The Company	Liabilities from financing activities		
	Bank loans €'000	Other borrowings €'000	Total €'000
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)
As at 1 January 2025			
- Principal	(207)	(103,367)	(103,574)
- Accrued interest	-	(55)	(55)
	(207)	(103,422)	(103,629)
Net cash flow movements	86	(8,490)	(8,404)
Other movements including interest	-	(1,379)	(1,379)
As at 31 December 2025	(121)	(113,291)	(113,412)
Comprising:			
- Principal	(121)	(111,857)	(111,978)
- Accrued interest	-	(1,434)	(1,434)
As at 31 December 2025	(121)	(113,291)	(113,412)

32. Commitments

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

	The Group		The Company	
	2025	2024	2025	2024
	€'000	€'000	€'000	€'000
Contracted for:				
Property, plant and equipment	39,555	22,723	-	-
Authorised but not yet contracted for:				
Property, plant and equipment	109,866	21,411	-	-
	149,421	44,134	-	-

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	2025	2024
	€'000	€'000
Guarantees given to secure bank facilities of associate companies	15	82
Guarantees given to secure bonds of associate company (MIH p.l.c.)	50,000	50,000
	50,015	50,082
The Company	2025	2024
	€'000	€'000
Guarantees given to secure bonds	107,728	90,000
Guarantees given to secure bank facilities for related companies	8,165	11,692
	115,893	101,692

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	
	2025 €'000	2024 €'000	2025 €'000	2024 €'000
Revenue				
Services rendered to:				
Associates	872	800	872	832
Related companies	-	-	789	698
	872	800	1,661	1,530
Financing				
Interest income				
- Subsidiaries	-	-	759	1,148
- Associates	-	-	-	-
Interest expense				
- Subsidiaries	-	-	(3,544)	(3,841)
- Associates	(97)	69	-	-
- Shareholders' loan	(874)	(1,386)	(774)	(1,222)
	(971)	(1,317)	(3,559)	(3,915)
Dividend income from subsidiaries	-	-	1,101	207
Dividend income from associates	5,500	3,500	5,500	3,500
Management fee	-	-	(415)	(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 2025, 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 €13.27 million (2024: €12.0 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	
	2025	2024	2025	2024
	€'000	€'000	€'000	€'000
Financial assets at fair value through profit or loss				
Investments in debt instruments	9,472	160	10,566	1,254
Financial assets at amortised cost				
Trade and other receivables (including contract assets)	62,342	63,408	10,203	10,793
Long term receivables from related parties and other investees	-	6,499	11,813	23,223
Cash in hand and at bank	116,690	81,840	20,198	5,190
Assets held by trustee placed under trust arrangement	77	77	-	-
Gross exposure	188,581	151,984	52,780	40,460
Credit loss allowances	(4,771)	(6,032)	(590)	(546)
Net exposure	183,810	145,952	52,190	39,914

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 2025 and 31 December 2024 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 as at 31 December 2025 and 31 December 2024, the movement in loss allowance is deemed immaterial by management. Historical credit losses have been immaterial and no significant deterioration in credit risk has been identified during the year.

The maximum exposure to credit risk at the reporting date is the carrying amount of trade receivables disclosed in Note 18. The Company does not hold collateral but manages credit risk through credit approvals and monitoring procedures.

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 2025 reconcile to the opening loss allowance as follows:

	The Group	
	2025	2024
	€'000	€'000
At 1 January	6,032	5,575
Written-off balances	(633)	88
Credit losses recognized	552	410
Credit losses reversed	(917)	(47)
Exchange differences	(263)	6
At 31 December	4,771	6,032

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. All impaired balances were unsecured.

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	
	2025	2024
	€'000	€'000
At 1 January	20,660	20,660
Credit losses recognised	44	-
Credit losses reversed	(8,441)	-
At 31 December	12,263	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 an increase in provision of €0.04 million (2024: movement of €Nil 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 €12.86 million (2024: €3.57 million) for the Group and €10.57 million (2024: €1.25 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 €33.3 million at the end of the reporting period. Furthermore, the Group has access to unutilised bank overdrafts amounting to €7.4 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 2025 and 2024, 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 2025	€'000	€'000	€'000
Bank borrowings	107,186	359,844	83,661
Bonds	129,851	43,153	250,930
Other financial liabilities	400	3,487	28,000
Lease liabilities	5,835	17,201	28,058
Trade and other payables	111,020	6,496	5,400
	354,292	430,181	396,049

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 2024	Current	Non-current	
	Within 1 year €'000	1-5 years €'000	More than 5 years €'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

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 2025, the Company has financial liabilities, including estimated interest payments, with contractual maturities which are summarised below:

The Company

31 December 2025	Current	Non-current	
	Within 1 year €'000	1-5 years €'000	More than 5 years €'000
Bank borrowings	81	44	-
Other financial liabilities	16,991	47,265	89,273
Lease liabilities	47	124	-
Trade and other payables	10,217	120	-
	27,336	47,553	89,273

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

The Company

31 December 2024	Current	Non-current	
	Within 1 year €'000	1-5 years €'000	More than 5 years €'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

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

Group	2025									
	Functional Currency									
	EUR		LYD	CZK	STG	HUF	TND	SDG	USD	EUR
HUF	LYD	CZK	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR
€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000
Financial assets:	-	-	-	-	-	-	-	-	-	-
Loans	-	-	-	-	-	-	-	-	-	-
Trade receivables	1,004	1,197	248	-	-	50	-	563	-	2,084
Other receivables	313	995	480	323	-	-	-	-	-	-
Cash and cash equivalents	-	-	808	-	(52)	-	-	-	-	-
Financial liabilities:	-	-	-	-	-	-	-	-	-	-
Bank borrowings	-	-	-	-	(19)	-	-	-	-	-
Trade payables	(381)	(424)	(268)	-	-	(74)	-	-	-	-
Other payables	(2,333)	(798)	(145)	-	-	-	-	-	-	-
Net exposure	(1,397)	970	1,123	323	(71)	(24)	563	2,084	(24)	2,084

35. Risk management objectives and policies - continued

35.3 Market risk - continued

(i) Foreign currency risk - continued

Group	2024							
	EUR				Functional Currency			
	HUF €'000	LYD €'000	CZK €'000	HUF EUR €'000	TND EUR €'000	USD €'000	SDG	EUR €'000
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

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 €82.32 million (2024: €89.00 million) and €37.02 million (2024: €33.43 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 2025, if the Euro had weakened/strengthened by 10.00% (2024: 10.00%) against the Rouble with all other variables held constant, the Group's equity would have been €13.26 million lower/€13.26 million higher (2024: €13.60 million lower/€13.60 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 2025, if the EUR had weakened/strengthened by 10.00% (2024: 10.00%) against the Hungarian Forint with all other variables remaining constant, the Group's post tax profit for the year would have been €0.80 million lower/ €0.80 million higher (2024: €0.88 million lower/€0.88 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	
	2025	2024	2025	2024
	€'000	€'000	€'000	€'000
Fixed rate instruments				
Financial assets:				
Assets placed under trust arrangement	77	77	-	-
Investments in bond securities	9,472	160	10,566	1,254
Loans to investee	-	6,396	-	-
Loans to subsidiaries	-	-	15,813	23,223
Others	-	17	-	-
	9,549	6,650	26,379	24,477
Financial liabilities:				
Bonds	(343,683)	(337,032)	-	-
Other financial liabilities	(25,728)	(35,846)	(83,684)	(66,096)
	(369,411)	(372,878)	(83,684)	(66,096)
Variable rate instruments				
Financial liabilities:				
Bank borrowings	(468,279)	(435,944)	(121)	(207)
Other financial liabilities	-	(5,500)	(28,087)	(37,149)
	(468,279)	(441,444)	(28,208)	(37,356)

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 (2024: 100 basis points) higher/lower with all other variables held constant, post-tax profit for the year for the Group would have been €4.73 million (2024: €4.09 million) lower/higher as a result of higher/lower net interest expense.

(iii) Price risk

The Group's exposure to equity securities price risk arises 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 Group does not have any exposure to equity securities price risk since it does not own any publicly traded investments.

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	
	2025	2024	2025	2024
	€'000	€'000	€'000	€'000
Bank loans (Note 25)	459,753	426,499	121	207
Bonds (Note 26)	343,683	337,032	-	-
Assets held under trust (Note 26.2)	(77)	(77)	-	-
Other financial liabilities (Note 27)	25,728	41,346	111,771	103,246
Lease liabilities (Note 13)	29,031	18,867	85	121
Less: cash and cash equivalents (Note 20)	(109,702)	(73,793)	(20,198)	(5,190)
Net debt	748,416	749,874	91,779	98,384
Total equity	998,671	969,306	298,217	286,894
Total capital	1,747,087	1,719,180	389,996	385,278
Net debt ratio	42.84%	43.62%	23.53%	25.54%

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 3.1 for explanations about how the category of financial instruments affects their subsequent measurement.

	The Group		The Company	
	2025	2024	2025	2024
	€'000	€'000	€'000	€'000
Non-current assets				
Financial assets at FVTPL				
Unlisted equity securities	3,386	3,411	-	-
Financial assets at amortised cost				
Amounts due from related companies and other investees	-	6,412	11,813	23,223
Other receivables	270	161	-	-
Current assets				
Financial assets at FVTPL				
Bond securities	9,472	160	10,566	1,254
Equity securities	-	-	-	-
Mutual funds	-	-	-	-
Financial assets at amortised cost				
Trade receivables and other receivables	42,936	42,808	9,634	10,226
Cash and cash equivalents	118,228	83,238	20,198	5,190
Assets placed under trust arrangement	77	77	-	-
Total financial assets	174,369	136,267	52,211	39,893

35. Risk management objectives and policies - continued

35.5 Summary of financial assets and liabilities by category - continued

	The Group		The Company	
	2025	2024	2025	2024
	€'000	€'000	€'000	€'000
Non-current liabilities				
Other financial liabilities measured at amortised cost				
Bank borrowings	384,234	385,609	44	121
Bonds	216,152	292,079	-	-
Other financial liabilities	25,728	35,846	99,043	90,256
Lease liabilities	24,574	16,479	62	85
Trade and other payables	10,354	23,270	-	-
Current liabilities				
Other financial liabilities measured at amortised cost				
Bank borrowings	84,045	50,335	77	86
Bonds	127,531	44,953	-	-
Other financial liabilities	-	5,500	12,728	12,990
Lease liabilities	4,458	2,388	23	36
Trade and other payables	111,020	86,937	10,217	9,510
Total liabilities	988,096	943,396	122,194	113,084

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:

	2025 €'000	The Group 2024 €'000	2025 €'000	2024 €'000
	Level 1		Level 3	
Assets				
Financial assets at fair value through profit or loss				
Equity securities	-	-	3,386	3,411
Bond securities	9,472	160	-	-
Total	9,472	160	3,386	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. 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	
	2025	2024
	€'000	€'000
	Level 3	
At 1 January	3,411	3,411
Fair value movements	-	-
Disposals	(25)	-
At 31 December	3,386	3,411

In 2025 the 10% holding in Moscow project was sold. 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.

	2025	2024	2025	2024
	€'000	€'000	€'000	€'000
	Level 1		Level 3	
Assets				
Financial assets at amortised cost				
Loans to investee	-	-	-	5,724
Total	-	-	-	5,724
Liabilities				
Financial liabilities				
Bonds	367,543	338,191	-	-
Shareholders' loans	-	-	22,982	23,160
Total	367,543	338,191	22,982	23,160

35. Risk management objectives and policies - continued

35.7 Financial instruments not measured at fair value - continued

	The Company	
	2025	2024
	€'000	€'000
	Level 3	
Non-current Assets		
Financial assets at amortised cost		
Loans to subsidiaries	-	-
Total	-	-
Non-current Liabilities		
Financial liabilities		
Shareholders' loans	22,982	23,160
Loans from subsidiaries	52,642	37,153
Total	75,624	60,313

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. Business Combinations

During 2025, the Group disposed its full 58% holding in IHI Holdings Limited, a Cyprus investment company, and also divested 75% of its previous 100% holding in Malta Fairs and Convention Centre Limited ("MFCC"), an events and conventions business operating in Malta. As a result of these disposals, the Group has generated the following gains:

	The Group
	2025
	€'000
Gain on disposal of investment in IHI Holdings	273
Gain on disposal of 75% of MFCC	11,504
At 31 December	11,777

36. Business Combinations – continued

The disposal of 75% holding in MFCC was finalised on 2 July 2025, for a total consideration of €8.25 million, which has resulted in a gain of €11.50 million due to the negative equity position of MFCC at the date of the sale. Following the sale, the Group no longer controls MFCC and as a result, it was deconsolidated from the Group's financial statements and subsequently recognised as an investment in associate with a fair value of €0.28 million. As at 31 December 2025, the remaining 25% holding in MFCC is being accounted for using the equity method.

		The Group
		2025
		€'000
Sales proceeds		8,250
Fair value of 25% interest retained		<u>275</u>
		8,525
Add net liabilities discharged:		
Property, plant and equipment	(1,113)	
Right of use assets	(881)	
Inventories	(137)	
Trade and other receivables	(1,257)	
Cash at bank and in hand	(537)	
Deferred tax asset	(373)	
Bank borrowings	2,739	
Trade and other payables	2,588	
Lease liabilities	<u>1,950</u>	<u>2,979</u>
At 31 December		<u>11,504</u>

37. 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.

38. Events after the reporting period

In April 2026, the Group entered into a share purchase agreement to acquire the remaining 50% shares in Mediterranean Investments Holding Plc (MIH) from Kuwaiti National Investments Holding Ltd (KNIH). CPHCL Company agreed to acquire a further 25% holding and International Hotel Investments Plc (IHI) will acquire the remaining 25%. This will bring the total share capital percentage directly held by CPHCL to 75%. A further 14.5% will be held indirectly through IHI plc. CPHCL will be acquiring control of the said company and MIH Plc will be consolidated on a line-by-line basis from the acquisition date, with its assets, liabilities, income and expenses included in the Group's consolidated financial statements.

38. Events after the reporting period - continued

Subsequent to the reporting date, the Group through its subsidiary IHI Plc, completed the sale of the Corinthia Lisbon property previously classified as investment property held for sale.

On 28th February 2026, the United States and Israel launched airstrikes on Iran, leading Iran to respond by further missile and drone strikes against Israel, US bases and US-allied countries in the Middle East. The conflict led to flight disruptions in the Middle East, travel advisories and increases in oil prices. None of the Group's existing operating hotels are located in the affected areas. These developments may however indirectly affect international travel patterns and increase operating cost pressures. Given the uncertainty surrounding the situation and its potential impact on tourism and cost levels, it is difficult at this stage to reliably estimate the financial effect of these events.

