

PPHE Hotel Group Limited
("PPHE", "the Company" or the "Group")

Audited Annual Results for the financial year ended 31 December 2025
Publication of Annual Report & Accounts

2025 full-year results in line with market expectations

PPHE Hotel Group, the international hospitality real estate group which develops, owns and operates hotels and resorts, is pleased to announce its audited annual results for the financial year ended 31 December 2025.

Key financials

	Reported in GBP (£)			Like-for-like* ¹ in GBP (£)		
	Year ended 31 December 2025	Year ended 31 December 2024	Variance ²	Year ended 31 December 2025	Year ended 31 December 2024	Variance ²
Total revenue	£466.4 million	£442.8 million	5.3%	£456.9 million	£440.8 million	3.7%
Room revenue ³	£330.4 million	£317.2 million	4.2%	£323.0 million	£315.4 million	2.4%
EBITDA*	£138.2 million	£136.5 million	1.3%	£139.0 million	£136.1 million	2.1%
EBITDA Margin*	29.6%	30.8%	(120)bps	30.4%	30.9%	(50)bps
Reported PBT	£1.5 million	£30.6 million	(95.2)%	<i>n/a</i>	<i>n/a</i>	<i>n/a</i>
Reported basic EPS	32p	67p	(53.0)%	<i>n/a</i>	<i>n/a</i>	<i>n/a</i>
Reported diluted EPS	31p	66p	(53.0)%	<i>n/a</i>	<i>n/a</i>	<i>n/a</i>
EPRA NRV per share*	£27.35	£27.51	(0.6)%	<i>n/a</i>	<i>n/a</i>	<i>n/a</i>
Adjusted EPRA earnings per share*	125p	125p	0.0%	<i>n/a</i>	<i>n/a</i>	<i>n/a</i>
Dividend per share	39p	38p	2.6%	<i>n/a</i>	<i>n/a</i>	<i>n/a</i>
Occupancy ³	75.1%	74.5%	60bps	75.8%	74.5%	130bps
Average room rate* ³	£164.3	£161.5	1.7%	£163.0	£161.9	0.7%
RevPAR* ³	£123.4	£120.3	2.6%	£123.5	£120.6	2.4%

¹ The like-for-like figures exclude the 2025 results from the newly opened art'otel Rome Piazza Sallustio, the results of the first three months of 2025 from art'otel London Hoxton and the last four months of 2024 of the recently terminated leasehold of Park Plaza Wallstreet Berlin Mitte.

² Percentage change figures are calculated from actual figures as opposed to the rounded figures included in the above table.

³ The room revenue, average room rate*, occupancy and RevPAR* statistics include all accommodation units at hotels and self-catering apartment complexes and exclude campsites and mobile homes.

*This announcement includes various Alternative Performance Measures (APMs), such as EPRA performance metrics and hospitality operational performance indicators. For definitions, further details, and reconciliations to measures defined under International Financial Reporting Standards (IFRS), please refer to the Appendix: Alternative Performance Measures.

Commenting on the results, Greg Hegarty, Co-Chief Executive Officer, PPHE Hotel Group said:

"2025 was another year of financial and strategic progress, driven by occupancy and average room rate growth, alongside a continued focus on cost management, achieved against a volatile macroeconomic environment and strong prior year comparatives.

The opening of art'otel Rome Piazza Sallustio, our first hotel in Italy, marked the completion of our largest-ever multi-year investment programme. Meanwhile, our recently opened and repositioned properties, including art'otel London Hoxton, continued to establish their market positions, and we further enhanced our long-term development pipeline, which included a new development site near the City of London. We also recently completed a large refinancing cycle which has further supported the Group's strong balance sheet.

Following a strong start to the year, forward booking momentum across all regions is encouraging. The Board remains confident in delivering results for 2026 in line with market expectations⁴."

Financial highlights

- Like-for-like^{1*} total revenue grew by 3.7% to £456.9 million. Reported total revenue increased by 5.3% to a record £466.4 million (2024: £442.8 million).
- Like-for-like^{*} EBITDA^{*} increased by 2.1% to £139.0 million and reported EBITDA^{*} increased by 1.3% to £138.2 million (2024: £136.5 million). Like-for-like^{*} EBITDA margin^{*} decreased to 30.4% (2024: 30.9%) due to higher national insurance costs in the UK and lower margin contribution from newly opened hotels during their stabilisation period. Reported EBITDA margin reduced to 29.6% (2024: 30.8%).
- Adjusted EPRA earnings per share^{*} in line with the prior year at 125 pence (2024: 125 pence).
- EPRA NRV per share^{*} was at £27.35 (2024: £27.51), reflecting negative property revaluations in the UK following increases in business rates partially offset by favourable foreign currency movements.
- The Group's UK hotels delivered a solid performance in the year, with room revenue and RevPAR growth driven by occupancy growth and stable average room rate delivery. In the Netherlands and Germany, overall trading was more subdued, with pressures on both occupancy and average room rate. In Croatia, the Group's hotels, self-catering apartments and campsites all performed well during the peak summer months, with strong average room rate growth, alongside stable occupancy.
 - On a like-for-like^{*} basis, occupancy increased by 130 bps to 75.8%. Reported occupancy increased by 60 bps to 75.1% (2024: 74.5%).
 - Like-for-like^{*} average room rate^{*} increased by 0.7% to £163.0. Reported average room rate^{*} increased by 1.7% to £164.3 (2024: £161.5).
 - Like-for-like^{*} RevPAR^{*} increased 2.4% to £123.5. Reported RevPAR^{*} improved by 2.6% to £123.4 (2024: £120.3).
- The Board has recommended a final proposed dividend of 22p per share. Together with the 17p per share interim dividend paid, the total dividend for 2025 is 39p per share (2024: 38p per share).
- The Strategic Review process announced by the Company on 21 November 2025 remains ongoing. The Company will update the market in due course.

Strategic highlights

- Refinanced Park Plaza London Riverbank (November 2025) and Park Plaza Victoria London (December 2025), alongside the refinancing of four other UK hotels. Post period end, the Group refinanced art'otel Rome Piazza Salustio (February 2026), which concluded a large refinancing cycle. The Group has a strong balance sheet, and recent refinancing has significantly improved the Group's liquidity profile, with average loan portfolio maturity increasing to 4.2 years.
- Acquired the freehold of the Park Plaza London Park Royal and the adjacent development site for £10 million.
- Recently opened and refurbished hotels continue to build momentum as these properties ramp up, supported by positive guest feedback.
 - The Group's first hotel in Italy, art'otel Rome Piazza Sallustio, opened in March 2025 and continues to establish its market position.
 - The phased opening of art'otel London Hoxton continues to be managed to maximise the long-term financial potential of the property. The 25th-floor French Mediterranean restaurant, Solaya, and the hotel's suites opened in Q4 and the 5,000 sqm of premium office space is currently being marketed to prospective targeted tenants.

- Completed the acquisition of a development site near the City of London in September 2025 for £17.5 million (via the European Hospitality Fund). Anticipated to open in 2029, the site is earmarked for PPHE's first select service hotel in London, to be operated as a Radisson RED lifestyle hotel.
- Acquired 523,723 shares in the Group's subsidiary Arena Hospitality Group d.d. ("AHG") from minority shareholders for €18.8 million (c. £15.8 million), reflecting a yield of approximately 10% on 2024 AHG EBITDA*. Following this acquisition, the Group holds 66.1% of the share capital of AHG (31 December 2024: 54.9%).

Post-balance sheet events

- On 16 February 2026, the Group entered into a new agreement to refinance its loan in relation to art'otel Rome Piazza Sallustio in Italy. Under the terms of the new facility, the €27.6 million (£24.1 million) loan has a five-year term and carries a fixed interest rate of 4.8%, and carries no amortisation through the life of the loan.
- On 18 February 2026, the Group announced that one of its subsidiaries had entered into an agreement for the sale of its development site located in Manhattan, New York, for a purchase price of \$33.5 million. There are no conditions to completion, and it is expected that the disposal will close in the coming months.

Outlook

- Notwithstanding wider macro-economic volatility and fiscal headwinds, the Board expects to build on the Group's 2025 performance and further grow revenue and EBITDA in 2026, driven by the growing contribution from recent investments and its newly opened hotels.
- Forward booking momentum across all regions is encouraging following a strong start to 2026.
- The Board remains confident in delivering results for the financial year ending 31 December 2026 in line with market expectations⁴.

⁴ At 26 February 2026, the Company compiled analyst consensus forecast range for the financial year ending 31 December 2026 showed a revenue range of £473 million to £489 million and an EBITDA range of £147 million to £148 million.

Publication of Annual Report & Accounts

PPHE Hotel Group Limited will publish later today its annual report and accounts for the financial year ended 31 December 2025 (the "Annual Report"). This document shall be available today on the Company's website: www.pphe.com

Pursuant to UK Listing Rule 9.6.1, copies of the Annual Report shall be submitted later today to the National Storage Mechanism and will shortly be available for inspection at: <https://data.fca.org.uk/#/nsm/nationalstoragemechanism>

In accordance with Disclosure Guidance and Transparency Rule 6.3.5, the information in the attached Appendix consisting of a Directors' Responsibility Statement, principal risks and uncertainties and related party transactions has been extracted unedited from the Annual Report & Accounts for the financial year ended 31 December 2025. This material is not a substitute for reading the full Annual Report.

This announcement contains inside information. The person responsible for arranging the release of this announcement on behalf of the Company is Daniel Kos, Chief Financial Officer & Executive Director.

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Notes to Editors

PPHE Hotel Group (LSE: PPH) is an international hospitality real estate company, with a £2.2 billion portfolio, valued as at December 2025 by Savills and Zagreb nekretnine Ltd (ZANE), of primarily prime freehold and long leasehold assets in Europe.

Through its subsidiaries, jointly controlled entities and associates it owns, co-owns, develops, leases, operates and franchises hospitality real estate. Its portfolio includes full-service upscale, upper upscale and lifestyle hotels in major gateway cities and regional centres, as well as hotel, resort and campsite properties in select resort destinations. The Group's strategy is to grow its portfolio of core upper upscale city centre hotels, leisure and outdoor hospitality and hospitality management platform.

PPHE Hotel Group benefits from having an exclusive and perpetual licence from the Radisson Hotel Group, one of the world's largest hotel groups, to develop and operate Park Plaza® branded hotels and resorts in Europe, the Middle East and Africa. In addition, PPHE Hotel Group wholly owns, and operates under, the art'otel® brand and its Croatian subsidiary owns, and operates under, the Arena Hotels & Apartments® and Arena Campsites® brands.

PPHE Hotel Group is a Guernsey registered company with shares listed on the London Stock Exchange. PPHE Hotel Group also holds a controlling ownership interest in Arena Hospitality Group ('AHG'), whose shares are listed on the Prime market of the Zagreb Stock Exchange.

Company websites: www.pphe.com | www.arenahospitalitygroup.com

For reservations:

www.parkplaza.com | www.artotel.com | www.radissonhotels.com | www.arenahotels.com | www.arenacampsites.com

Rule 28 of the Takeover Code

The UK Panel on Takeovers and Mergers has confirmed that the profit forecast constitutes an ordinary course profit forecast for the purposes of Note 2(b) to Rule 28.1 of the Takeover Code, to which the requirements of Rule 28.1(c)(i) of the Takeover Code apply.

Directors' confirmation

The directors have considered the profit forecast contained herein and confirm that it has been properly compiled on the basis of the assumptions set out below and the basis of the accounting used is consistent with the Group's existing accounting policies.

Basis of preparation

The profit forecast has been compiled based on the Group's unaudited management accounts for Q1 2026 and has been prepared on a basis consistent with the Group's existing accounting policies, which are consistent with International Financial Reporting Standards measures as approved by the International Accounting Standards Board and adopted by the European Union.

The profit forecast has been compiled on the basis of the assumptions set out below and should therefore be read in this context and construed accordingly.

Assumptions

In confirming the profit forecast, the Directors of the Company have made the following assumptions.

(i) Assumptions outside of the Company's control or influence:

- No material change in the political, economic and/or market environment that would materially affect the Group.
- There will be no material changes in market conditions over the period to 31 December 2026, including in relation to either demand or the competitive environment.
- No significant or one-off events or litigation that would have a material impact on the operating results or financial position of the Group.
- There will be no material adverse change to the Group's client or tenant relationships.
- No adverse changes to inflation or interest or tax rates compared with the Group's budgeted estimates.
- No material adverse events which will have a significant impact on the operating results or financial position of the Group.
- No material adverse outcome from any ongoing or future disputes with any customers, tenants, competitor, regulator or tax authority.
- No material change in legislation, taxation, regulatory requirements, applicable standards or the position of any regulatory bodies impacting the Group's operations or accounting policies.

(ii) Assumptions within the Company's control or influence:

- No additional significant acquisitions, disposals, developments, partnership or joint venture agreements being entered into by the Company.
- No material change in the dividend or capital policies.
- No material changes to the Group's management team.
- No material changes to the Group's strategy.
- No material adverse change to the Group's ability to meet customer, supplier and partner needs and expectations based on current practice.
- The Group's accounting policies will be consistently applied in the period ending 31 December 2026.

The profit forecast does not take into account any effects of a possible offer for the Company as part of its ongoing Formal Sale Process.

CHAIRMAN'S STATEMENT

WELCOME

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

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

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

ENVIRONMENTAL, SOCIAL AND GOVERNANCE STRATEGY

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

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

A double materiality assessment was conducted in Q2 2025 to identify a list of material impacts, risks and opportunities (IROs) for our business, and to understand the most important issues for our stakeholders, as well as how societal and environmental factors affect the Group. This was marked by a series of four workshops with senior PPHE leaders, including all relevant teams such as ESG, Legal, Finance, Procurement, Engineering, HR and Operations. The material IROs identified included climate change adaptation, water consumption, investment in energy efficiency measures, gender equality and ethical issues in the supply chain. This double materiality assessment succeeded the one completed in 2022. While PPHE is not yet in scope of the Corporate Sustainability Reporting Directive (CSRD), this assessment was conducted based on the same criteria set out by the regulation, so PPHE is aligned with future compliance requirements.

THE BOARD

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

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

DIVIDENDS

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

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

OFFER PERIOD

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

WELL-POSITIONED FOR FUTURE GROWTH

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

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

Ken Bradley
Chairman

CEO REVIEW

2025 IN REVIEW

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

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

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

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

With a focus on longer-term growth, we continue to look for opportunities to expand into existing and new markets, capitalising on the strength of our unique 'Buy, Build, Operate' model. In September, we acquired, through our European Hospitality Fund, a development site near the City of London with plans to open our first select service hotel in London. We also acquired the freehold of our leasehold property, Park Royal in London, and the adjacent development site.

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

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

COMPLETION OF £300+ MILLION DEVELOPMENT PIPELINE

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

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

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

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

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

INVESTING IN PEOPLE

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

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

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

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

INDUSTRY RECOGNITION

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

TECHNOLOGY TRANSFORMATION

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

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

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

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

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

GUEST EXPERIENCE

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

LONGER-TERM DEVELOPMENT PIPELINE

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

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

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

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

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

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

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

FOCUS ON SUSTAINABILITY

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

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

LOOKING AHEAD

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

As at the end of February 2026, forward booking momentum across all regions is encouraging following a strong start to the year, and the Board remains confident in delivering results for the financial year ending 31 December 2026 in line with market expectations⁴.

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

⁴ At 26 February 2026, the Company compiled analyst consensus forecast range for the financial year ending 31 December 2026 showed a revenue range of £473 million to £489 million and an EBITDA range of £147 million to £148 million.

Boris Ivesha

President & Chief Executive Officer

Greg Hegarty

Co-Chief Executive Officer

FINANCIAL REVIEW

OVERVIEW OF 2025

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

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

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

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

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

FINANCIAL RESULTS

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

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

¹ The like-for-like figures exclude the 2025 results from the newly opened art'otel Rome Piazza Sallustio, the results of the first three months of 2025 from art'otel London Hoxton and the last four months of 2024 of the recently terminated leasehold of Park Plaza Wallstreet Berlin Mitte.

² Percentage change figures are calculated from actual figures as opposed to the rounded figures included in the above table.

³ The room revenue, average room rate*, occupancy and RevPAR* statistics include all accommodation units at hotels and self-catering apartment complexes and exclude campsites and mobile homes.

REVENUE

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

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

EBITDA*, PROFIT AND EARNINGS PER SHARE

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

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

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

CASH FLOW AND EPRA EARNINGS*

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

Investment cash flows reported an outflow of £84.7 million, with around £67 million due to developments and acquisitions and £17.7 million dedicated to maintenance CAPEX* projects. The £300+ million investment pipeline is now largely complete.

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

NORMALISED PROFIT

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

REAL ESTATE PERFORMANCE

Valuations

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

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

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

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

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

Actualised trading versus assumption in 2024 valuations

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

EPRA PERFORMANCE MEASUREMENT

EPRA summary

Summary of EPRA performance indicators

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

EPRA NRV*

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

¹ The fully diluted number of shares excludes treasury shares but includes 454,824 outstanding dilutive options (as at 31 December 2024: 498,248).

² The fair values of the properties were determined on the basis of independent external valuations prepared in December 2025.

³ EPRA NTA* and EPRA NDV* reflect fair value net of transfer costs. Transfer costs are added back when calculating EPRA NRV*.

⁴ NTA is calculated under the assumption that the Group does not intend to sell any of its properties in the long run.

EPRA earnings*

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

¹ The 'Company specific adjustments' represent adjustments of non-recurring or non-trading items.

² Calculated as 4% of revenues, which represents the expected average maintenance capital expenditure required in the operating properties.

³ Non-controlling interests include the non-controlling shareholders in Arena, third party investors in Income Units of Park Plaza London Westminster Bridge and the non-controlling shareholders in the partnerships with Clal that were entered into in June 2021 and in March 2023.

⁴ Non-cash revaluation of finance lease liability relating to minimum future CPI/RPI increases.

⁵ Lease cash payments which are not recorded as an expense in the Group's income statement due to the implementation of IFRS 16.

⁶ Mainly relates to deferred tax asset on carry forward losses recorded in 2024 and 2025.

⁷ Mainly relates to pre-opening expense and net profit and loss on disposal of property, plant and equipment.

⁸ Profit recorded as a result of the early termination of the Park Plaza Wallstreet Berlin Mitte lease.

⁹ Impairments of PP&E (see Note 4b in the 2025 Report consolidated financial statements)

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

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

Other EPRA measurements

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

CAPITAL STRUCTURE

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

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

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

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

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

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

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

NET DEBT* LEVERAGE/EPRA LTV* RECONCILIATION

	Group as reported under IFRS £ million	Adjustments to arrive at EPRA Group LTV* £ million	Group EPRA LTV* before non-controlling interest adjustment £ million	Proportionate consolidation (non-controlling interest) £ million	Combined EPRA LTV* £ million
Include:					
Borrowings (short-/long-term)	913.5	–	913.5	(187.2)	726.3
Exclude:					
Cash and cash equivalents and restricted cash	(138.0)	–	(138.0)	18.3	(119.7)
Net debt* (a)	775.5	–	775.5	(168.9)	606.6
Include:					
Property, plant and equipment	1,460.7	759.0	2,219.7	(485.0)	1,734.7
Right-of-use assets	222.9	(222.9)	–	–	–
Lease liabilities	(281.6)	281.6	–	–	–
Liability to Income Units at Westminster Bridge hotels	(108.0)	108.0	–	–	–
Intangible assets	6.6	–	6.6	(0.4)	6.2
Investments in joint ventures ¹	8.1	12.3	20.4	(7.0)	13.4
Other assets and liabilities, net	(20.6)	(1.5)	(22.1)	9.4	(12.7)
Total property value (b)	1,288.1	936.5	2,224.6	(483.0)	1,741.6
EPRA LTV* (a/b)	60.2%		34.9%		34.8%
Adjustments to reported EPRA NRV*:					
Real estate transfer tax	–	27.0	27.0	(5.3)	21.7
Effect of exercise of options	–	0.7	0.7	–	0.7
Total property value after adjustments (c)	1,288.1	964.2	2,252.3	(488.3)	1,764.0
Total equity (c-a)	512.6	964.2	1,476.8	(319.4)	1,157.4

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

CAPITAL EXPENDITURE/DEVELOPMENT PIPELINE UPDATE

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

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

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

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

DIVIDEND

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

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

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

Daniel Kos

Chief Financial Officer & Executive Director

BUSINESS REVIEW

THE UNITED KINGDOM

PROPERTY PORTFOLIO

Total value of the UK property portfolio² £1,253 million (2024: £1,328 million)

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

The Group has an ownership interest in ten properties: Park Plaza London Westminster Bridge, Park Plaza London Riverbank, Park Plaza London Waterloo, Park Plaza County Hall London³, Park Plaza Victoria London, Park Plaza London Park Royal, art'otel London Hoxton, Holmes Hotel London, Park Plaza Leeds and Park Plaza Nottingham. Park Plaza Cardiff³ operates under a franchise agreement and art'otel London Battersea Power Station³ operates under a long-term management agreement through the Group's hospitality platform.

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

FINANCIAL PERFORMANCE

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

¹ The like-for-like* figures exclude the results of the first three months of 2025 and 2024 from art'otel London Hoxton.

² Independent valuation by Savills in December 2025, excluding the London development sites at Westminster Bridge Road and Leman St.

³ Revenues derived from these hotels are accounted for in Management and Holdings, and their values and results are excluded from the data provided in this section.

⁴ Percentage change figures are calculated from actual figures as opposed to the rounded figures included in the above table.

PORTFOLIO PERFORMANCE

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

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

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

In April 2025, the 24th floor meetings and events space provided the opportunity to expand corporate and meeting and event activities at the hotel. Offering diners stunning panoramic views of London, the 25th floor French Mediterranean restaurant, Solaya, in partnership with Michelin-starred chef Kenny

Atkinson, opened in September 2025. The 5,000m² of premium office space is being marketed to prospective tenants, and the premium 23th floor suites became fully operational in the fourth quarter.

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

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

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

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

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

THE UNITED KINGDOM HOTEL MARKET**

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

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

** Source STR European Hotel Review, December 2025.

THE NETHERLANDS

PROPERTY PORTFOLIO

Total value of the Netherlands property portfolio² £333 million (2024: £319 million)

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

FINANCIAL PERFORMANCE

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

¹ Average exchange rate from Euro to Pound Sterling for the period ended 31 December 2025 was 1.168 and for the period ended 31 December 2024 was 1.185, representing a 1.4% decrease.

² Independent valuation by Savills in December 2025.

³ Percentage change figures are calculated from actual figures as opposed to the rounded figures included in the above table.

PORTFOLIO PERFORMANCE

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

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

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

THE DUTCH HOTEL MARKET**

RevPAR* increased by 2.1% to €110.12 compared with 2024. Occupancy increased by 2.0% to 74.1%, and the average room rate* was €148.59, 0.1% higher than in 2024. In Amsterdam, the Group's main market in the Netherlands, RevPAR* increased by 0.8% to €132.17. Occupancy levels increased by 2.3% to 77.5% with the average room rate* decreasing by 1.5% to €170.61.

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

CROATIA

PROPERTY PORTFOLIO

Total value of the Croatian property portfolio² £370 million (2024: £351 million)

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

FINANCIAL PERFORMANCE

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

¹ Average exchange rate from Euro and Pound Sterling for the period ended 31 December 2025 was 1.168 and for the period ended 31 December 2024 was 1.185, representing a 1.4% decrease.

² Independent valuation by Zagreb Nekretnine Ltd in December 2025.

³ Percentage change figures are calculated from actual figures as opposed to the rounded figures included in the above table.

⁴ The room revenue, average room rate*, occupancy and RevPAR* statistics include all accommodation units at hotels and self-catering apartment complexes, and exclude campsites and mobile homes.

PORTFOLIO PERFORMANCE

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

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

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

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

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

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

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

GERMANY

PROPERTY PORTFOLIO

Total value of the German property portfolio² £92 million (2024: £85 million)

The Group’s portfolio includes three properties in Berlin and one hotel each in Cologne, Nuremberg and Trier. Hotels with an ownership interest include Radisson RED Berlin Kudamm³, Park Plaza Nuremberg, art’otel Berlin Mitte³, Park Plaza Berlin and art’otel Cologne. Park Plaza Wallstreet Berlin Mitte operated under an operating lease until September 2025, and Park Plaza Trier³ operates under a franchise agreement.

FINANCIAL PERFORMANCE

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

FINANCIAL PERFORMANCE

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

¹ The like-for-like* figures exclude the last four months of 2024 and 2025 of the recently terminated leasehold of Park Plaza Wallstreet Berlin Mitte.

² Average exchange rate from Euro to Pound Sterling for the period ended 31 December 2025 was 1.168 and for the period ended 31 December 2024 was 1.185, representing a 1.4% decrease.

³ Independent valuation by Savills in December 2025.

⁴ Percentage change figures are calculated from actual figures as opposed to the rounded figures included in the above table.

PORTFOLIO PERFORMANCE

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

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

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

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

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

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

THE GERMAN HOTEL MARKET**

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

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

OTHER MARKETS

Italy, Hungary, Serbia and Austria

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

FINANCIAL PERFORMANCE

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

¹ The like-for-like* figures exclude the 2025 results from the newly opened art'otel Rome Piazza Sallustio.

² Percentage change figures are calculated from actual figures as opposed to the rounded figures included in the above table.

OUR PERFORMANCE

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

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

Nassfeld, Austria

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

Rome, Italy

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

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

Belgrade, Serbia

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

Budapest, Hungary

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

THE HOTEL MARKETS**

The Budapest hotel market

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

The Belgrade hotel market

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

The Rome hotel market

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

** Source STR European Hotel Review, December 2025

MANAGEMENT AND CENTRAL SERVICES

OUR PERFORMANCE

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

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

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

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

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2025

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

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

Boris Ivesha
President & Chief Executive Officer

Daniel Kos
Chief Financial Officer & Executive Director

CONSOLIDATED INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2025

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

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2025

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

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

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

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED
31 DECEMBER 2025**

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

¹ No par value.

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

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

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2025

	As at 31 December	
	2025	2024
	£'000	£'000
Cash flows from operating activities:		
Profit for the year	609	27,732
Adjustment to reconcile profit to cash provided by operating activities:		
Financial expenses and expenses for financial liability in respect of Income Units sold to private investors	59,945	55,530
Financial income	(4,846)	(5,226)
Income tax expense	865	2,881
Loss on buy-back of Income Units sold to private investors	1,089	1,486
Re-measurement of lease liability	4,121	3,984
Change in fair value Park Plaza County Hall London Units	(150)	(450)
Lease termination	(2,094)	–
Impairment of property, plant and equipment	23,733	–
Capital loss on sale of fixed assets, net	204	195
Share in results of joint ventures	330	268
Share appreciation rights revaluation	3,613	767
Fair value movement derivatives through profit and loss	773	(4,299)
Depreciation and amortisation	48,572	47,083
Share-based payments	2,040	1,549
Cash flows from operating activities before movements in working capital	138,195	103,768
Changes in operating assets and liabilities:		
Decrease in inventories	102	468
Decrease (increase) in trade and other receivables	5,372	(5,694)
Increase (decrease) in trade and other payables	10,820	(6,002)
Cash flow from movements in working capital	16,294	(11,228)
Cash paid and received during the period for:		
Interest paid	(57,879)	(54,710)
Interest received	3,866	4,837
Taxes paid	(3,033)	(2,436)
Taxes received	2,028	–
Cash flow from interest and taxes	(55,018)	(52,309)
Net cash provided by operating activities	100,080	67,963
Cash flows from investing activities:		
Acquisition of Lemman Street	(18,411)	–
Acquisition of Park Royal freehold	(10,537)	–
Investments in property, plant and equipment	(50,858)	(74,075)
Investments in intangible assets	(1,499)	(280)
Proceeds from disposal of property, plant and equipment and intangible assets	274	328
Loans repaid from (provided to) joint ventures	282	(2,984)
Decrease (Increase) in restricted cash	8,454	(5,572)
Net cash used in investing activities	(72,295)	(82,583)
Cash flows from financing activities:		
Proceeds from loans and borrowings	129,249	46,668
Buy-back of Income Units previously sold to private investors	(3,666)	(5,287)
Proceeds of derivatives	–	1,481
Dividend paid	(15,906)	(15,549)
Dividend paid by a subsidiary to non-controlling shareholders	(1,613)	(1,452)
Repayment of loans and borrowings	(117,287)	(41,147)
Repayment of leases	(3,853)	(4,162)
Proceeds from transactions with non-controlling interest	11,747	10,444

	As at 31 December	
	2025 £'000	2024 £'000
Payments in relation to transactions with non-controlling interests	(17,369)	(2,734)
Purchase of treasury shares	–	(7,864)
Exercise of options settled in cash	(465)	(167)
Net cash used in financing activities	(19,163)	(19,769)
Increase (decrease) in cash and cash equivalents	8,622	(34,389)
Net foreign exchange differences	1,619	(2,802)
Cash and cash equivalents at beginning of year	113,225	150,416
Cash and cash equivalents at end of year	123,466	113,225
Non-cash items:		
Lease additions and lease re-measurement	10,016	5,938
Investments in property, plant and equipment	6,454	8,077

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

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 DECEMBER 2025**

NOTE 1: GENERAL

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

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

a. Description of the Group business:

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

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

b. Assessment of going concern and liquidity:

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

NOTE 2: EARNINGS PER SHARE

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

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

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

NOTE 3: SEGMENTS

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

Year ended 31 December 2025

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

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

² Consists of inter-company eliminations.

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

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

² This includes the non-current assets of Management and Central Services.

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

Year ended 31 December 2024

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

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

² Consists of inter-company eliminations.

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

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

² This includes the non-current assets of Management and Central Services.

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

NOTE 4: RELATED PARTIES

a. Balances with related parties

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

b. Transactions with related parties

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

c. Significant other transactions with related parties

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

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

- (ii) **Sub-lease of office space** – A member of the Group has agreed to sub-lease a small area of office space to members or affiliates of the Red Sea Group at its County Hall corporate office in London. The rent payable by the Red Sea Group to PPHE Hotel Group is based on the cost at which the landlord is leasing such space to PPHE Hotel Group.
- (iii) **Pre-Construction and Maintenance Contract** – The Group frequently uses GC Project Management Limited (GC), an entity controlled by Eli Papouchado together, with members of his family, to undertake preliminary assessment services, including appraisal work, and provide initial estimates of the construction costs in relation to new construction, development or refurbishment projects. Further, GC provides ad-hoc maintenance work when required to the Group’s various sites. This pre-construction and maintenance contract was originally entered into in 2018. However, in December 2025 the contract was novated from GC to Gear Construction UK Limited and the fixed annual retainer was amended from £60,000 to £240,000 following a bench marking exercise by an independent firm of quantity surveyors.
- (iv) **Londra & Cargill project management agreement** – The Group entered into a series of agreements with GC Project Management Limited for the provision of project management services and site supervision services to the Group in respect of the redevelopment of Hotel Londra & Cargill in Rome, Italy, commencing in 2022 and completing on practical completion of the project.
- (v) **Leman Street project management agreement** – In December 2025, the Group entered into an agreement with Gear Construction UK Limited for the provision of initial project management services to the Group in respect of the development of its property on Leman Street, London E1. The agreement is for a term of 12 months (or, if earlier, until the date of entry into a construction agreement with a main contractor). The monthly fee is £25,000 stepping up to £35,000 once the project reaches developed design (RIBA Stage 3)

- (vi) **Westminster Bridge Road project management agreement** – In December 2025, the Group entered into an agreement with Gear Construction UK Limited for the provision of initial project management services to the Group in respect of the development of its site at Westminster Bridge Road, London SE1 7HR. The agreement is for a term of 12 months (or, if earlier, until the date of entry into a construction agreement with a main contractor). The monthly fee is £10,000 stepping up to £35,000 once the Group has provided written confirmation of readiness to proceed to construction.
- (vii) Transactions in the ordinary course of business, in connection with the use of hotel facilities (such as overnight room stays and food and beverages) and transportation services provided to the Group are being charged at market prices. These transactions occur occasionally.

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

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

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

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

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

Directors' interests in employee share incentive plan

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

NOTE 5: SUBSEQUENT EVENTS

Final dividend

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

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

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

Sale of New York development site

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

OUR RISK ENVIRONMENT

RISK MANAGEMENT OVERVIEW

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

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

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

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

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

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

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

PRINCIPAL RISKS – AT A GLANCE

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

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

OUR RISK-REWARD STRATEGY

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

Risk appetite levels	Definition	Business area/activity	Strategic enablers
Active	We will proactively pursue opportunities that involve calculated risk in support of our strategic objectives, provided the potential benefits clearly outweigh the associated impacts and the risk remains within defined tolerances. Appropriate safeguards will be applied to ensure responsible risk-taking.	<ul style="list-style-type: none"> • Acquisitions and development opportunities • Innovative technologies 	Diverse prime property portfolio International network Our people and culture In-house hospitality management platform
Neutral	We will accept a modest increase in risk exposure to advance our strategic objectives, provided the anticipated benefits outweigh the potential impacts and the risk remains within established tolerances. Appropriate safeguards will be implemented to ensure prudent risk management.	<ul style="list-style-type: none"> • Development projects (construction) • Working with third parties • Funding 	Financial strength and non-dilutive capital approach International network Multi-brand approach
Averse	We will seek to minimise risk exposure in these areas and will only accept risk when absolutely necessary to achieve critical objectives. Any risk taken must remain within strict tolerances, and robust safeguards will be applied to ensure the highest level of protection.	<ul style="list-style-type: none"> • Environmental impact • Responsible and ethical sourcing • Human rights • Operational resilience • Health and safety • Financial operations and reporting • Tax • Technology resilience • Data privacy • Compliance 	In-house hospitality management platform Our people and culture

OUR RISK GOVERNANCE AND RISK MANAGEMENT PROCESS

GOVERNANCE

Executive Leadership Team – Risk Forum	Audit Committee	Board
<ul style="list-style-type: none"> Agrees the Risk Policy and Framework and formulates a risk-reward strategy (risk appetite) for proposal to the Board. Challenges the robustness and completeness of the full-year and half-year updates to the Group's risk registers, including key actions. Reports PPHE principal risks for Board approval and inclusion in the Annual Report. Ensures effective monitoring of emerging risk and progress against key risk mitigation actions. 	<ul style="list-style-type: none"> Reviews the effectiveness of the Group's procedures for identifying, assessing and reporting risks, supporting the Board in overseeing risk management systems. Oversees internal and external assurance requirements. <p>ESG Committee</p> <ul style="list-style-type: none"> Reviews ESG and climate-related risk assessment. 	<p>Holds ultimate responsibility for risk management, including approval of:</p> <ul style="list-style-type: none"> the Group risk profile; the Group Risk Policy & Framework; the Risk and Reward Strategy; the Principal risk statement in the Annual Report.

PROCESS

ENTERPRISE RISK ASSESSMENT

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

CURRENT RISKS

Existing threats to achieving business objectives.
Regular risk updates from functional management to identify, assess and respond to current risks. Key steps include:

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

EMERGING RISKS

Future threats that cannot be accurately assessed now but could have a material impact on the business in the future through either heightening existing risks or becoming new stand alone risks.

- Horizon scanning during functional risk workshops and Executive Risk Forums to strengthen response plans and identify opportunities.
- Reporting emerging risk trends alongside the enterprise risk assessment to the Audit Committee quarterly.

When identifying emerging risk, we consider several drivers of change including:

- Market dynamics
- Social, geo-political, macro-economic and environmental factors
- Technological trends
- Legal and regulatory developments

FUNCTIONAL AND SUBSIDIARY RISK ASSESSMENTS

Management identifies, assesses and manages risks and controls across all business functions.

EMERGING RISK

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

PRINCIPAL RISKS

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

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

Market and macro-economic environment **Risk appetite: Not applicable**

Principal risk description	Residual risk level	Outlook and risk response
<p>Adverse economic climate</p> <p>Persistent uncertainty in global macro-economic and geo-political conditions could challenge the Group's ability to sustain or grow revenue and profitability. Economic stress, amplified by geo-political volatility, could manifest through wage inflation, rising costs of goods and services, unstable interest rates, fluctuations in energy and commodity prices, currency volatility, supply chain disruptions and more stringent borrowing requirements.</p> <p>Strategic links: 1, 2, 3, 7, 8, 9</p> <p>Risk drivers and emerging threats:</p> <ul style="list-style-type: none"> • Geo-political instability • Business exposure to volatility in government policy • Low growth economy • Rising labour costs • Global conflicts 	<p>High Unchanged</p>	<p>Established mitigations:</p> <ul style="list-style-type: none"> • Budgetary control and proactive business performance oversight through monthly and quarterly reviews to discuss key variances, identify root causes and agree on corrective actions • Sensitivity analysis on key budget assumptions (e.g. occupancy rates, food and beverage revenue) to assess the financial impact of potential changes in market conditions, operational performance or external factors • Periodic cross-functional meetings with the Executive Leadership Team to review and align strategic priorities <p>Mitigations and initiatives in 2025:</p> <ul style="list-style-type: none"> • Initiative to drive process efficiency, introducing new AI-driven technology for the customer support centre to manage a high volume of customer contacts • Focused project to improve food and beverage margins • Supply chain consolidation to reduce complexity, improve value for money, strengthen supplier performance and enable better operational control • EDI (Electronic Data Interchange) introduced to streamline product pricing in priority supply areas, delivering greater efficiency, clearer visibility and improved pricing accuracy • New fixed interest rate agreements and utilisation of interest rate swaps to mitigate volatility associated with variable-rate borrowing • Long-term hedging of energy <p>Outlook for 2026:</p> <p>While macro-economic conditions are expected to remain challenging in 2026, the resilience embedded in our business model positions us to navigate these headwinds effectively, leveraging innovation and disciplined cost management to sustain performance and support long-term growth.</p> <p>Exposure to volatility in government policy and regulatory decisions continues to pose a risk to business performance, with shifts in taxation and legislative priorities directly influencing costs and growth potential. In 2026, UK hotels face a sharp increase in rateable values, while the Netherlands' significant VAT rise is expected to suppress RevPAR* growth.</p> <p>Strong cost management and further development of process automation are critical strategic priorities to counter the external pressures. Initiatives include:</p> <ul style="list-style-type: none"> • Deployment of new technology and AI-enabled solutions to streamline operations, automate back-office processes and introduce self-service check-in/out kiosks across reception areas • Continued emphasis on strengthening food and beverage margins by building on the efficiencies already achieved

Market and macro-economic environment**Risk appetite: Not applicable**

Principal risk description	Residual risk level	Outlook and risk response
<p>Market dynamics – consumer spending slowdown</p> <p>Reduced consumer spending could arise, stemming from volatile macro-economic conditions such as inflationary pressures, increased taxes, interest rate fluctuations or weakening economic growth. Additionally, geo-political instability, trade disruptions or significant global incidents (e.g. pandemics, natural disasters or security threats) could influence global travel patterns and overall market sentiment, creating challenges in forecasting demand and maintaining stable revenue.</p>	<p>High Increased</p>	<p>Established mitigation:</p> <ul style="list-style-type: none"> • Regular business reviews and commercial meetings to proactively monitor performance and forecasts, and initiate actions where required • Analysis of guest feedback and guest experience data and benchmarking against competition. This is then fed back to Operating teams to ensure changes or improvements are made • AI-enabled revenue management and pricing system, rate shopping software, benchmarking software and industry reports • Close collaboration with Radisson Hotel Group and leveraging its reach for promotional campaigns • Actively use and promote the Radisson Rewards programme to drive new bookings and repeat stays • Brand audit programmes and mystery shopper programmes to ensure brand consistency <p>Mitigations and initiatives in 2025:</p> <ul style="list-style-type: none"> • Implemented Revenue Forecasting tool to help advance data-driven decision-making • Implemented a range of guest experience initiatives to increase guest satisfaction, from new concepts, packages and offers, to service flows, training and auditing, and mystery shopper programmes • Embedded AI and RPA-enabled technology for guest interactions • Introduced AI-generated summaries for each General Manager, collating guest feedback shared through surveys and from guest reviews • Increased investments in property and brand advertising across key direct booking channels and third party channels such as Global Distribution Systems, OTAs, and meeting and event booking platforms <p>Outlook for 2026:</p> <p>In 2026, we are launching a series of significant projects in anticipation of shifting demand drivers and customer behaviours. A central focus is the roll out of smart technology designed to elevate the guest experience and empower our teams to deliver confident, consistent and memorable experiences for our guests. This includes the introduction of a central guest experience platform, which enables the introduction of mobile solutions and kiosks for checking in and out, digital wallet keys for guests, AI-enabled real-time messaging, upgraded ordering platforms for food and drink, and more.</p> <p>Focused projects are also planned to further elevate the guest experience through refreshed brand standards, training programmes and regular third party audits.</p>
<p>Strategic links:</p> <p>1, 2, 3, 4, 5</p>		
<p>Risk drivers and emerging threats:</p> <ul style="list-style-type: none"> • Low growth economy • Influence of sustainability practices on demand • Demand for personalisation • Experience-led demand and purpose-driven travel 		

Funding and investment

Risk appetite: Neutral

Principal risk description	Residual risk level	Outlook and risk response
<p>Funding and liquidity risk</p> <p>Failure to proactively manage funding and liquidity risks could result in breaches of debt covenants, restricted access to cash, erosion of stakeholder confidence and exposure to less favourable refinancing terms in the future. Such outcomes may significantly impair financial flexibility.</p> <p>Strategic links: 1, 2, 7, 9</p> <p>Risk drivers and emerging threats:</p> <ul style="list-style-type: none"> • Low growth economy • Interest rate volatility • Geo-political instability • Global conflicts 	<p>Medium Unchanged</p>	<p>Established mitigation:</p> <ul style="list-style-type: none"> • Board-approved Treasury Policy • Monthly forward covenant testing • Monthly treasury monitoring and reporting to the Board • Proactive and regular liaison with our lenders <p>Mitigations and initiatives in 2025:</p> <ul style="list-style-type: none"> • Proactive refinancing to secure fixed interest rates on at least 85% of property loans, ensuring alignment with Board-approved policy and risk appetite. This included early refinancing of 2026 maturities to mitigate liquidity risk <p>Outlook for 2026:</p> <p>Macro-economic pressures are likely to see continued market uncertainty and refinancing pressures during the year ahead. Following the proactive steps taken during 2025, we are well positioned and consider this risk manageable.</p> <p>With our market dynamics risk being high, robust covenant monitoring and communication with lenders will remain a continued focus.</p>

Development projects**Risk appetite: Neutral**

Principal risk description	Residual risk level	Outlook and risk response
<p>Development project delays or unforeseen cost increases</p> <p>Delivery of major construction projects may be adversely affected by factors such as supply chain disruptions, labour market constraints and sharp increases in material costs. Additional pressures may arise from regulatory changes, planning delays, contractor performance issues and fluctuations in foreign exchange rates for imported materials. These challenges can lead to project delays, budget overruns and postponed new openings, ultimately impacting strategic growth plans and return on investment.</p>	<p>Low</p> <p>Reduced</p>	<p>Established mitigation:</p> <ul style="list-style-type: none"> Regular project meetings with our contractors to identify and tackle any approaching issues which could impact the overall cost, targeted delivery schedule or expected quality standards Independent monitoring of projects by appointed third party experts <p>Mitigations and initiatives in 2025:</p> <ul style="list-style-type: none"> Enhanced design certainty by progressing design work to a more advanced stage and conducting proactive market testing of design packages throughout the design evolution, reducing the risk of late-stage variations and unexpected cost pressures Adopted a flexible and creative delivery approach to accelerate completion and unlock the full potential of new schemes, while proactively addressing and mitigating project bottlenecks Introduced an enhanced planning approach that includes multiple pre-application meetings with local councils, enabling early evaluation of new projects and proactive identification and resolution of potential planning challenges <p>Outlook for 2026:</p> <p>The risk profile for 2026 has eased, aligned with the Group moving into a quieter stage of the development cycle. We will continue to prioritise cost efficiency by leveraging in-house expertise for minor and lower-complexity works, minimising external dependency and maintaining strong oversight of delivery.</p> <p>Looking ahead, we will continue to apply rigorous and diligent planning across the development pipeline, ensuring that upcoming projects are thoroughly assessed, risks are identified early and mitigation strategies are embedded from the outset. This forward-looking approach will help maintain stability in the risk profile, support predictable delivery timelines and strengthen cost control across future developments.</p>
<p>Strategic links:</p> <p>1, 2, 4, 7</p>		
<p>Risk drivers and emerging threats:</p> <ul style="list-style-type: none"> Geo-political instability Increasing severe weather events Persistent labour shortages Rising labour costs Interest rate volatility 		

Technology and information security

Risk appetite: Averse

Principal risk description	Residual risk level	Outlook and risk response
<p>Cyber threat – unrestricted cyber security incidents</p> <p>A significant cyber attack could disrupt critical operations and lead to substantial financial and reputational damage. Potential impacts include loss of revenue due to operational downtime, high recovery and remediation costs, regulatory penalties and fines in the event of a data breach, and erosion of stakeholder trust.</p> <p>Strategic links: 3, 6</p> <p>Risk drivers and emerging threats:</p> <ul style="list-style-type: none"> • AI expanding cyber attack intensity • AI skills gap • Geo-political instability 	<p>High Unchanged</p>	<p>Established mitigation:</p> <ul style="list-style-type: none"> • Information security policies • Network security • AI-powered network monitoring and detection, and autonomously responding to threats • Continuous vulnerability scanning and remediation • Penetration testing programme • Targeted phishing exercises and training • Enhanced filtering of malicious phishing sites • Incident management and recovery procedures <p>Mitigations and initiatives in 2025:</p> <ul style="list-style-type: none"> • New monitoring tool implemented to monitor new hybrid environment • New vulnerability management and patching tool implemented • Continued growth of resource within Information Security department • New procedures for onboarding suppliers ensuring baseline security • Increased intensity of phishing training <p>Outlook for 2026:</p> <p>Cyber risk is expected to remain a significant challenge in 2026, with persistent threats to operational systems, data and third party platforms requiring ongoing focus on resilience, monitoring and rapid response.</p> <p>In the year ahead, our plans include:</p> <ul style="list-style-type: none"> • Continued growth of information security resource • Modernisation and alignment of information security policies to reflect current operations and best-practice frameworks • Assessment of options to enhance and optimise email security controls • Exploring applications that allow listing solutions to enhance malware protection • Delivering an AI risk awareness programme

Technology and information security

Risk appetite: Averse

Principal risk description	Residual risk level	Outlook and risk response
<p>Data privacy – risk of data breach</p> <p>A significant data breach that could expose sensitive personal or corporate information. Such an incident may trigger regulatory investigations and result in substantial fines. Beyond financial penalties, a breach could severely damage stakeholder trust, harm the Group’s reputation, and lead to legal liabilities and operational disruption.</p> <p>Strategic links: 3, 6, 8</p> <p>Risk drivers and emerging threats:</p> <ul style="list-style-type: none"> • Growing influence of AI on operations • AI regulatory evolution 	<p>Medium Unchanged</p>	<p>Established mitigation:</p> <ul style="list-style-type: none"> • Centralised records of personal data processing activity maintained within a data protection and information security platform • Internal awareness campaigns and training programmes • Documented data protection and privacy procedures • Monitoring of databases containing Personally Identifiable Information, with data owners • Renewing and updating data privacy risk assessments and other documentation required under GDPR <p>Mitigations and initiatives in 2025:</p> <ul style="list-style-type: none"> • New business-wide policy for internal AI use to mitigate data breach risk linked to the threat of shadow AI <p>Outlook for 2026:</p> <p>A key driver of data privacy risk in 2026 is the accelerating influence of AI and the introduction of new AI-driven technologies into the core processes of the business. As we increasingly embed AI into customer interactions and operational workflows, the volume and sensitivity of data being processed can also grow. While this expansion can elevate the potential for unintended data exposure, or breaches of regulatory requirements, we are committed to upholding a strong data privacy framework supported by effective, consistently applied controls.</p>

Technology and information security

Risk appetite: Averse

Principal risk description	Residual risk level	Outlook and risk response
<p>Technology disruption</p> <p>A prolonged outage or failure in core technology infrastructure could severely disrupt business operations, particularly systems critical to hotel management and reservations. Key drivers include hardware or software failures, inadequate disaster recovery capabilities, cyber incidents and third party service disruptions. Such failures may result in operational downtime, revenue loss and customer dissatisfaction, as well as increased recovery costs.</p> <p>Strategic links: 3, 6</p> <p>Risk drivers and emerging threats:</p> <ul style="list-style-type: none"> • Growing influence of AI on operations • AI skills gap • AI expanding cyber attack intensity 	<p>Medium Unchanged</p>	<p>Established mitigation:</p> <ul style="list-style-type: none"> • Network monitoring and vulnerability scanning • Multi-layer backup strategy • Resilient network infrastructure • Business redundancy capabilities <p>Mitigations and initiatives in 2025:</p> <ul style="list-style-type: none"> • Successfully transitioned core infrastructure from a local data centre to a leading cloud provider, significantly strengthening operational resilience and enhancing disaster recovery capabilities • Improved technology change management processes to reinforce governance, operational control and the stability of system changes across the technology estate • Implemented the new cloud-based Property Management System, increasing operational resilience, improving service reliability and enabling future scalability • Completed a comprehensive external audit of the technology environment, providing independent assurance and identifying key areas for remediation and future improvement • Executed targeted remediation and uplift activities across network infrastructure to address identified vulnerabilities and improve overall stability and resilience <p>Outlook for 2026:</p> <p>In 2026, we will continue to advance the strong foundations established last year, concentrating on architectural resilience, enhanced information security, proven recovery capabilities, disciplined change management and effective third party oversight.</p> <p>Key areas of focus in the year ahead include:</p> <ul style="list-style-type: none"> • Deployment of a modernised wireless infrastructure to improve network performance, guest connectivity and operational reliability across all sites • Replacement of legacy telephony systems with the 3CX cloud-based unified communications solution to enhance availability, flexibility and long-term supportability • Build out of a secondary, high availability cloud-based environment to support disaster recovery capabilities and provide a resilient platform for future AI workloads • Continued adoption of cloud-based solutions aligned to business strategy, focusing on reducing technical debt, improving scalability and delivery agility • Further roll out of Single Sign On (SSO) and Multi Factor Authentication (MFA) to strengthen identity and access management, and enhance overall cyber security posture • Comprehensive review and continuous improvement of disaster recovery processes, ensuring alignment with evolving business needs and resilience requirements

Safety and continuity**Risk appetite: Averse**

Principal risk description	Residual risk level	Outlook and risk response
<p>Operational disruption</p> <p>Major global events such as pandemics, conflicts or large-scale environmental disasters pose a significant risk of widespread disruption, impacting guests, supply chains and hotel operations. These events can lead to travel restrictions, resource shortages and operational instability.</p> <p>In addition, localised incidents at or near our properties such as extreme weather events, social unrest, terrorism or other security threats, could disrupt operations, compromise guest safety and damage assets. Both global and local disruptions may result in revenue loss, increased operating costs, reputational harm and challenges in maintaining business continuity.</p>	<p>Medium</p> <p>Unchanged</p>	<p>Established mitigation:</p> <ul style="list-style-type: none"> • Established crisis management plans and procedures • Regular crisis management training for management and team members • Relationship management with key suppliers and partners to identify and mitigate any potential issues which could impact the continuity of their service <p>Mitigations and initiatives in 2025:</p> <ul style="list-style-type: none"> • Introduction of new system failure operations guide providing continuity procedures to respond to significant threats which could impact the continuity of our critical hotel services and operations • Review and optimisation of supply chain contingency measures, ensuring dual-sourcing and sufficient supplier capacity across key product lines <p>Outlook for 2026:</p> <p>To deliver a consistently smooth experience for our guests, we work to sustain resilient operations, dependable supply chains, and stable hotel management and reservation systems. In 2026, resilience will be fundamental to delivering our new technology-driven initiatives, enabling us to re-imagine the guest experience and optimise operational performance. A key focus will be on the resilience of AI-driven processes and the robustness of their redundancy measures.</p> <p>Additionally, key areas of our supply chain will be reviewed, with opportunities explored to adapt supplier models to enhance overall resilience.</p>
<p>Strategic links:</p> <p>3, 6, 8</p>		
<p>Risk drivers and emerging threats:</p> <ul style="list-style-type: none"> • Global conflicts • Increasing severe weather events • Persistent labour shortages 		

Safety and continuity

Risk appetite: Averse

Principal risk description	Residual risk level	Outlook and risk response
<p>Serious health, safety and security incidents</p> <p>The Group faces the risk of significant health and safety, food safety or physical security incidents. Failure to implement adequate preventive measures or respond effectively to such events could lead to serious harm to guests and team members, operational disruption, reputational damage and a loss of confidence among stakeholders.</p> <p>Strategic links: 3, 6, 8</p> <p>Risk drivers and emerging threats:</p> <ul style="list-style-type: none"> • Increasing severe weather events • Persistent labour shortages • AI expanding cyber attack intensity 	<p>Medium Unchanged</p>	<p>Established mitigation:</p> <ul style="list-style-type: none"> • Regular risk assessments including those specific to large events • Security and fire safety procedures • Health and Safety audit programmes • In-house and supplier food safety audit programmes • Team member training programmes • Mental health and wellbeing training • Centralised incident reporting • Proactive gathering of intelligence and advice on potential security risks through regular liaison with local police and security services <p>Mitigations and initiatives in 2025:</p> <ul style="list-style-type: none"> • Review and update of large meetings and events procedures to ensure compliance with the new Terrorism (Protection of Premises) Act 2025 • Enhanced employee training on recognising and mitigating the risk of hotels being used for human trafficking <p>Outlook for 2026:</p> <p>Serious health, safety and security incidents remain an ever-present operational risk, and the business will continue to prioritise high standards, ensuring that procedures are regularly tested for effectiveness and suitability.</p> <p>Protecting our critical operational safety and security systems remains a key aspect of our cyber security defences, ensuring we safeguard the physical wellbeing of both our team members and our guests.</p>

People

Risk appetite: Averse

Principal risk description	Residual risk level	Outlook and risk response
<p>Difficulty in attracting, engaging and retaining a suitably skilled workforce</p> <p>Challenges in attracting, retaining and developing an engaged and appropriately skilled workforce could undermine service quality, increase operating costs, disrupt day-to-day operations and hinder the successful delivery of key strategic objectives. Factors such as labour market constraints, rising wage pressures and evolving skill requirements may exacerbate this risk.</p> <p>Strategic links: 3, 6, 8</p> <p>Risk drivers and emerging threats:</p> <ul style="list-style-type: none"> • Low growth economy • Persistent labour shortages • Rising labour costs • AI skills gap 	<p>Medium Unchanged</p>	<p>Established mitigation:</p> <ul style="list-style-type: none"> • Employee experience programmes focused on employee needs and the delivery of group initiatives for developing retention, wellbeing and engagement • Employer value proposition development to attract candidates and drive retention • Learning and development programmes with focus on technical skills and management development • Internal communication strategy and use of related technologies for employee voice enablement • Talent management and succession planning to promote intra-Company mobility options • Regular talent reviews and learning need analysis • Physical health and wellbeing initiatives <p>Mitigations and initiatives in 2025:</p> <ul style="list-style-type: none"> • In 2025, we began to implement Dayforce as our group unified HCM system (Human Capital Management), bringing together disparate employee data, and aligning and automating processes across our operating regions. This should enable our talent acquisition and onboarding activities to be more efficient and effective. Much improved analytics capabilities will, with the centralisation of our data, allow us to have better insights into our workforce and enable planning and deployment of talent • Redefined our Competency Framework with leadership competencies reflective of labour market shifts. These have been built into new management job descriptions, allowing for related performance management alignment • Annual engagement surveys to gather valuable insights from our diverse workforce, consolidating our strong employee engagement results and maintaining them through a challenging economic backdrop • Retention initiatives including Graduate Managers Cohort, internal promotions campaign and enhanced wellbeing support • Launched The NextGen programme for team leaders, to strengthen leadership capability • Piloted immersive learning using virtual reality technology to deliver engaging and impactful training experiences <p>Outlook for 2026:</p> <p>We anticipate that this risk will continue to present challenges in 2026, but its overall profile is expected to remain stable.</p> <p>Our priorities will include advancing our technology modernisation agenda, notably through the roll out of the new HCM system and the introduction of an enhanced internal communications platform designed to strengthen engagement across the organisation. The significant improvements to our Internal Communications framework include the relaunch of our intranet and the launch of a Company app, enabling us to better reach and interact with our predominantly deskless workforce.</p> <p>A key focus for 2026 will be developing a fully formed Group Diversity, Equity and Inclusion strategy, ensuring we identify and develop talent from a wide range of backgrounds and supporting improved decision-making and organisational performance.</p>

Principal risk description	Residual risk level	Outlook and risk response
<p>Negative stakeholder perception of the Group with regard to Environmental, Social and Governance matters</p> <p>With ESG remaining a priority for our stakeholders, any perception that the Group fails to uphold best-practice corporate governance principles or act responsibly in protecting the environment and supporting the communities in which we operate could significantly damage our reputation. This may reduce our attractiveness to guests, investors, and business partners, and impair our ability to attract and retain talent.</p> <p>Strategic links: 1, 2, 3, 8</p> <p>Risk drivers and emerging threats:</p> <ul style="list-style-type: none"> • Evolving and fragmented ESG regulation • Increasing regulation to ensure credibility of environmental certifications • Continued transition to low carbon economy • Experience-led demand and purpose driven travel 	<p>Medium Unchanged</p>	<p>Established mitigation:</p> <ul style="list-style-type: none"> • ESG strategy (aligned to Radisson Hotel Group's Responsible Business Programme) • Externally certified performance against recognised standards, e.g. Green Key • Initiatives to reduce energy consumption in our properties • Property sustainability certifications e.g. BREEAM (Building Research Establishment Environmental Assessment Methodology) • Member of the Energy & Environment Alliance • CDP independent environmental disclosures and Workforce Disclosure Initiative (WDI) reporting • Regular social media communications about ESG strategic approach, priorities and initiatives • Climate risk analysis <p>Mitigations and initiatives in 2025:</p> <ul style="list-style-type: none"> • Preparation of a comprehensive decarbonisation plan and submission of the Group's targets to SBTi (Science Based Targets initiative) • Improved waste management practices through increased recycling rate, leading to both positive environmental outcomes and cost savings • Enhanced support of local community organisations through fundraising events and volunteering by team members <p>Outlook for 2026:</p> <p>In the year ahead, stakeholder expectations around ESG standards will continue to intensify. Delivering our ESG strategy will be essential to meeting these rising expectations.</p> <p>Our key areas of focus will include:</p> <ul style="list-style-type: none"> • Updated Supplier Code of Conduct to increase sustainability requirements in our supply chain • Continued phase out of single-use plastic items from hotel rooms and other areas of the business • Continued improvement of internal communications on ESG to increase team member engagement in this area