

pphe
HOTEL GROUP

People, Places, Experiences

ANNUAL REPORT AND ACCOUNTS 2025




PARK
PLAZA

artotel

HOLMES
HOTEL LONDON

ARENA
HOTELS &
APARTMENTS

ARENA
CAMPSITES

PARTNER BRANDS


RADISSON
COLLECTION

RED
Radisson

Year in review

Completion of our pipeline

New flagship art'otel openings

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

→ See more on pages 16 and 23



art'otel London Hoxton

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



art'otel Rome Piazza Sallustio

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

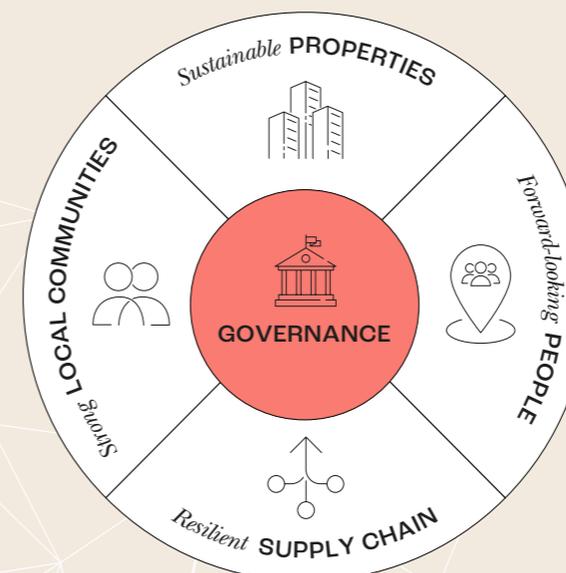
Financial performance and growth

Total revenue	EBITDA [*]	EPRA earnings [*]	Adjusted EPRA EPS [*]
£466.4m ↑	£138.2m ↑	£52.9m ↓	125p ↓
£442.8m: 2024	£136.5m: 2024	£53.2m: 2024	125p: 2024
EPRA NRV per share [*]	Reported PBT	Reported basic EPS	Dividend ¹
£27.35 ↓	£1.5m ↓	32p ↓	39p ↑
£27.51: 2024	£30.6m: 2024	67p: 2024	38p: 2024

Operational performance

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

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



ESG strategic progress

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

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

Post balance sheet events

Sale of New York development site.

→ See more on page 39

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

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People, Places, Experiences

At a glance

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

➔ See more: pages 4 to 9

CEO Review

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

➔ See more: pages 14 to 19

Stakeholder engagement

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

➔ See more: pages 55 to 71

Our investment case

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

➔ See more: page 5

Strategy in action

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

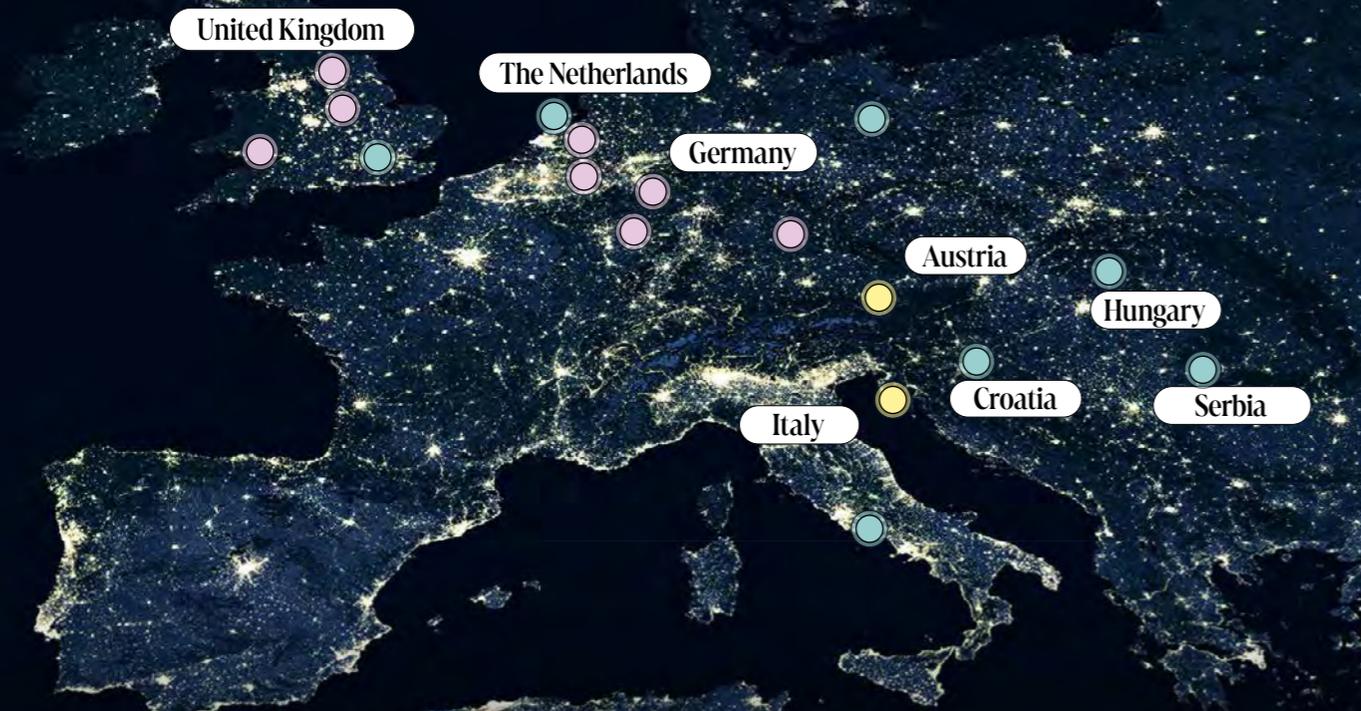
➔ See more: pages 22 to 29

ESG report

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

➔ See more: pages 58 to 71

A stronger portfolio in sought-after locations



Capital cities



73.7% of property value

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

Secondary cities



6.5% of property value

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

Resorts and other



19.8% of property value

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

Why invest in PPHE?

Business model

Integrated developer, owner and operator

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

Unique capital structure

Unique approach to capital structure

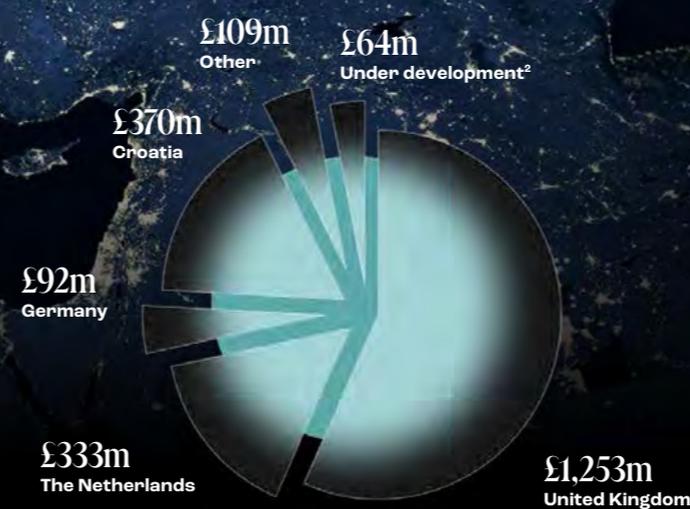
- Raising capital (both third party equity and debt) at asset level, growth funded through capital recycling
- Multiple sources of capital providing a hedge against market fluctuations
- Conservative loan-to-value*, low refinancing risk and long-term hedges in place to mitigate interest risk

Operating platform control

All disciplines under one roof

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

Value split by geography¹



Hotels and resorts by geography



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

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

Attractive brands

Luxury & upper upscale (partner brand)



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

radissoncollection.com

Upper upscale, premium lifestyle



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

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



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

For curious minds holmeshotel.com

Upper upscale

THE ORIGINAL



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

Feel the authentic parkplaza.com

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

Upscale, select service

PARTNER BRANDS



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

radisson.com | radissonred.com



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

tui-blue.com

Midscale & upscale



Arena Hotels & Apartments is a collection of hotels and self-catering apartment complexes offering relaxed and comfortable accommodation within beachfront locations across the historic settings of Pula and Medulin in Istria, Croatia, and at a mountain resort in Nassfeld, Austria. Featuring contemporary and warm design/interiors accompanied by welcoming and friendly service, it offers a holiday full of opportunities for exploration and relaxation.

arenahotels.com



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

arenacampsites.com | arenaglamping.com

Restaurants & bars





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

solayalondon.com



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

yezirestaurant.com



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

thebrushhoxton.co.uk



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

tozirestaurantsandbars.com



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

joiabattersea.com

A selection of our other restaurant & bar brands



STEAKHOUSE
CARSTENS
AMSTERDAM



**CHINO
LATINO**



THE
KITCHEN
AT
HOLMES



CARSTENS
AT THE
CAFE



ARCA
AMSTERDAM



PRIMO



PÉROLA



illy
CAFFÈ



ICHI



jazz

PPHE Hotel Group Annual Report and Accounts 2025

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People,

art'otel London Hoxton



Places,

Arena Stupice – Croatia



Experiences

art'otel London Hoxton – Solaya London

Chairman's Statement

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



Ken Bradley
Chairman

Welcome

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

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

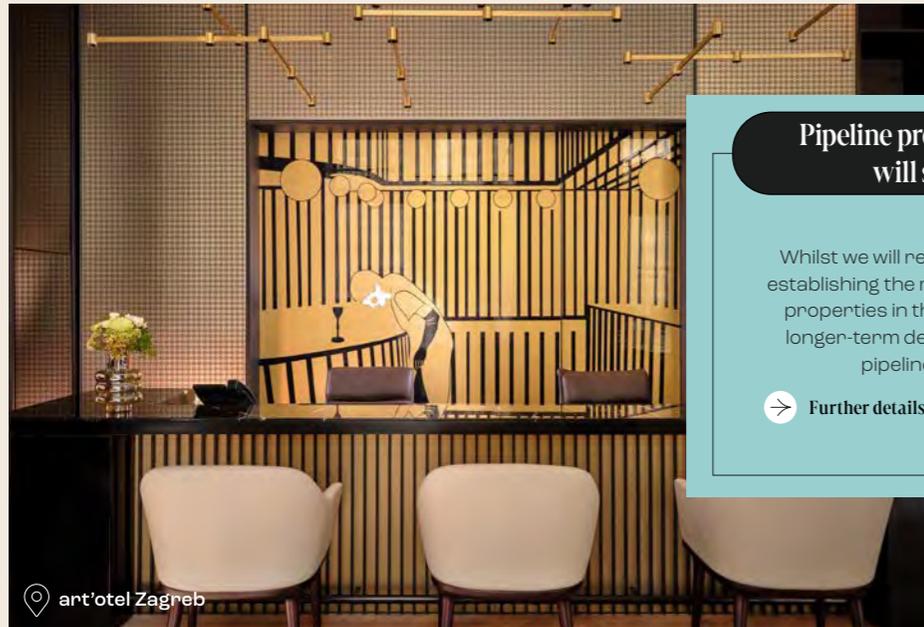
The strategic progress and revenue growth delivered during the year reflect the attractiveness and strength of our portfolio, which utilises attractive brands across appealing destinations serving diversified market segments underpinned by our unique 'Buy, Build, Operate' business model, which in turn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

Environmental, Social and Governance strategy

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

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

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



art'otel Zagreb

Pipeline projects and asset optimisation will support future growth

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

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



Radisson RED Belgrade

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

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

The Board

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

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

Dividends

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

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

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

Offer Period

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

Well-positioned for future growth

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

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

→ Read more on our development pipeline on page 19.

Ken Bradley
Chairman

50
properties in operation

8
key countries in Europe

CEO Review

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

Boris Ivesha

President & Chief Executive Officer



art'otel Rome Piazza Sallustio

Boris Ivesha & Greg Hegarty



Boris Ivesha

President & Chief Executive Officer



Greg Hegarty

Co-Chief Executive Officer

2025 in review

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

We are pleased to have delivered a robust performance with reported revenue growth of 5.3% and RevPAR* growth of 2.6%, achieved in a year characterised by cost inflation and a volatile macro-economic and geo-political environment. While cost inflation and stabilised room rates put pressure on

margins, we have been focused on driving efficiencies across our markets to help mitigate operational cost pressures, such as government-led wage and social security cost increases. In line with our expectations, reported EBITDA* was up by 1.3% at £138.2 million. Our newly opened hotels had a positive impact on EBITDA*, as they are stabilising, with EBITDA* negatively impacted by the cost pressures outlined earlier. On a like-for-like basis*, revenue was up 3.7%, RevPAR* was up 2.4% and EBITDA* was 2.1% higher.

Across most of our properties, we saw increased occupancy achieved alongside a stabilisation of room rates, which was proactively managed given the trading environment. The UK delivered a solid performance against strong prior-year comparatives, with increased occupancy

and a slight increase in average room rates*. In the Netherlands and Germany, trading was more subdued, with in the Netherlands a strong comparative period, and in both regions due to pressure on occupancy and average room rates*. Our operations in Croatia, which are primarily leisure based, performed well during the peak trading months, delivering growth in average room rates*, which more than offset a slight reduction in occupancy.

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

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

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

Greg Hegarty
Co-Chief Executive Officer

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

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

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

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

Completion of £300+ million development pipeline

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

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

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

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

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

Investing in people

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

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

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

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

➔ **Read more on page 23.**



Expanded our community initiatives

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

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

Industry recognition

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

Technology transformation

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



Technology to enhance guests' overall experience

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

➔ Further details can be found on pages 28 and 29.

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

further opportunities to leverage Artificial Intelligence (AI) and Robotic Process Automation (RPA).

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

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

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

Guest experience

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

Longer-term development pipeline

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

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

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

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

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

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

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

Focus on sustainability

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

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

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

Boris Ivesha

President & Chief Executive Officer

Greg Hegarty

Co-Chief Executive Officer

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

Our vision

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

Strategic blocks



R E A L E S T A T E



2025 performance

Property:

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

Operations:

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

Property:

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

Operations:

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

Operations:

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

2026 priorities

Property:

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

Operations:

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

Property:

- Drive the performance of the recently repositioned hotels and campsites

Operations:

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

Operations:

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

Principal risks and opportunities

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

Property:

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

Principal Risks:

- 1 2 4 9 11

Operations:

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

Principal Risks:

- 1 2 3 5 6 7 8 9 10

Opportunities:

- 12 13 14

Operations:

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

Principal Risks:

- 1 2 3 5 6 7 8 9 10

Opportunities:

- 12 13 14

Operations:

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

Principal Risks:

- 1 2 3 5 6 7 8 9 10

Opportunities:

- 12 13 14

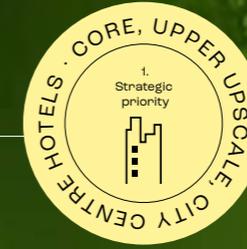
Key: Principal risks

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

Opportunities for 2026

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

Bringing the creativity, community and culture of Rome



art'otel Rome Piazza Sallustio

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



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

programming for guests and locals – from gallery exhibitions to art workshops, wellbeing events, concerts and book clubs.

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

“We are extremely proud to open this exciting new art'otel, further solidifying the presence and reputation of the lifestyle art'otel brand internationally.”

Boris Ivesha

President & Chief Executive Officer

Creating four-star outdoor hospitality



📍 Arena Stupice Campsite – Croatia



Our hospitality offering in Istria



Unique holiday experiences across Istria

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

Ongoing investments and property repositioning

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

the highest standards of service and comfort, while further strengthening our reputation for excellence in the region.

Upgrades to Arena Indije and Arena Stupice Campsites Significant investments for the 2025 summer season

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

Enhancements at Arena Indije Campsite

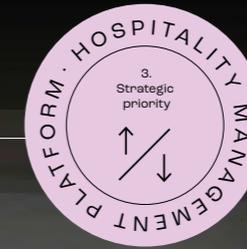
At Arena Indije Campsite, extensive improvements were carried out to elevate the guest experience. Upscale mobile homes were installed, providing a higher standard of comfort and convenience. Pitches were improved to accommodate guests seeking exclusive holiday experiences. The sanitary blocks underwent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

Upgrades at Arena Stupice Campsite

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

Our integrated platform delivers multiple benefits

artotel London Hoxton



Mastering hospitality with our integrated hospitality management platform

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

Our expertise in hospitality asset management

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

Scale and reach

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

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

Trusted partnerships

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

Our ingredients for success

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

- Proprietary learning and development platform, with access to third party training academies to further support our team's growth and expertise

Market segments and the importance of brands

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

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

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

Our technology investments improve operations and enhance the guest experience

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

Supporting a more seamless stay

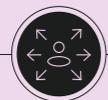


Mobile and kiosk check-ins and check-outs, digital room keys (mobile and wearables) and intuitive online platforms let guests interact at their own pace, easing congestion and helping teams manage peak demand. Our improved digital solutions include food and drink ordering, contactless payments, guest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

Guest benefits:



Mobile check-in and check-out and secure digital key



Flexible, self-directed arrival and departure experience



Personalised stays



24/7 direct messaging



Online ordering of food and drink

More time for delivery



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

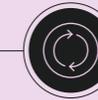
Operational benefits:



Improved resolution of guest requests



Reduced administration for hotel teams



Improved consistency across properties



Easier solution for innovation and customisation

Better planning and resource allocation



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

Servicing benefits:



Improved forecasting, scenario planning and resource allocation



Real-time insights across property and Group level



Automation of repeat processes and tasks

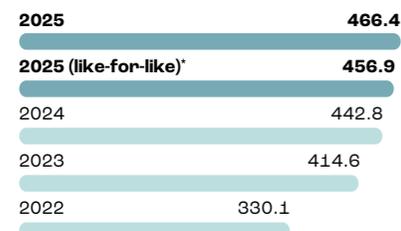


Improved response times to customer queries, new business enquiries and internal requests

Key performance indicators

Financial KPIs¹

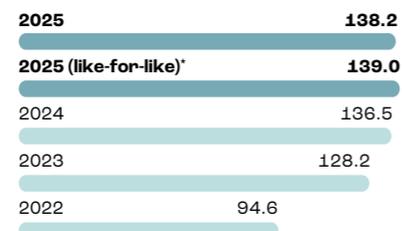
Total revenue £m



KPI definition

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

EBITDA* £m

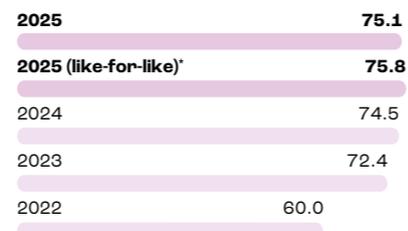


KPI definition

Earnings before interest¹ (financial income and expenses), tax, depreciation and amortisation, impairment loss, share in results of joint ventures and exceptional items presented as other income and expense.

Operating KPIs¹

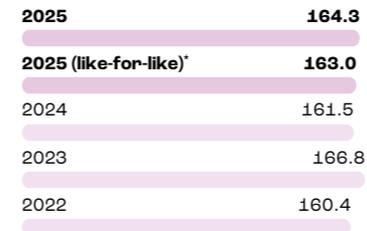
Occupancy %



KPI definition

Total rooms occupied divided by the available rooms.

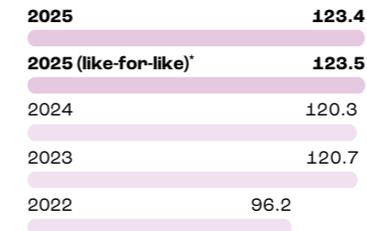
Average room rate* £



KPI definition

Total room revenue divided by the number of rooms sold.

RevPAR* £

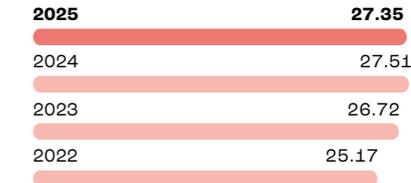


KPI definition

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

Property KPIs¹

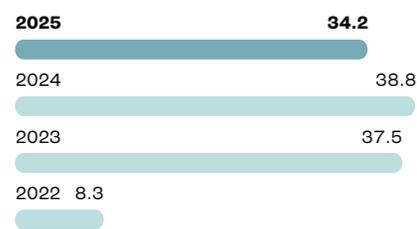
EPRA NRV per share* £m



KPI definition

Recognised equity, attributable to the parent company's shareholders on a fully diluted basis adjusted to include properties and other investment interests at fair value and to exclude certain items not expected to crystallise in a long-term investment property business model (deferred tax on timing differences on property, plant and equipment, and intangible assets and financial instruments) divided by the dilutive number of shares. Adjustments to the recognised equity are calculated on the share allocated to the parent company's shareholders (net of non-controlling interest).

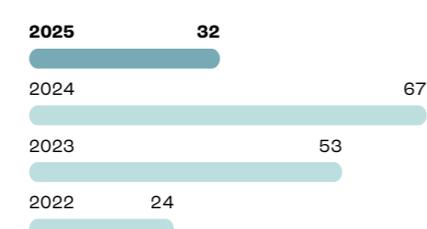
Normalised profit before tax* £m



KPI definition

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

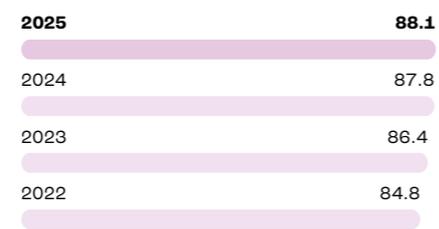
Reported basic earnings per share pence



KPI definition

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

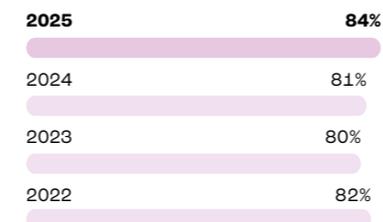
Guest rating score %



KPI definition

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

Employee engagement %



KPI definition

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

Adjusted EPRA EPS* pence



KPI definition

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

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

Topline growth with newly opened hotels ramping up

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

Daniel Kos

Chief Financial Officer & Executive Director



Daniel Kos
Chief Financial Officer
& Executive Director

Overview of 2025

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

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

Whilst occupancy is an important contributor to RevPAR*, margins remain sensitive to movements in room rates and cost inflation. EBITDA* increased by 1.3%, the EBITDA margin* declined by 120 basis points, particularly due to the dilutive effect that newly opened hotels have with a maturing EBITDA* profile.

Operational efficiency initiatives helped mitigate the impact of cost inflation and government-driven wage and tax increases.

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

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

Financial results

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

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

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

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

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

Revenue

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

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

EBITDA*, profit and earnings per share

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

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

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

Cash flow and EPRA earnings*

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

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

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

Free cash flow allocated to expansion and dividend distributions



Normalised profit before tax*

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

Real estate performance

Valuations

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

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

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

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

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

Actualised trading versus assumption in 2024 valuations

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

Financial Review – continued

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 adjustments¹:		
Capital loss on buy-back of Income Units in Park Plaza London Westminster Bridge	1.1	1.5
Re-measurement of lease liability ⁴	4.1	4.0
Disposals and other non-recurring expenses (including pre-opening expenses) ⁷	1.7	4.1
Refinance expenses	–	2.6
Adjustment of lease payments ⁵	(2.5)	(2.6)
One-off tax adjustments ⁶	(0.7)	(1.7)
Maintenance CAPEX* ²	(18.7)	(17.7)
Lease termination ⁸	(2.1)	–
Non-controlling interests in respect of maintenance CAPEX* and the adjustments above ³	3.1	2.3
Company specific adjusted EPRA earnings*	52.9	53.2
Company specific adjusted EPRA earnings per share* (in pence)	125	125
Reconciliation Company adjusted EPRA earnings* to normalised PBT*:		
Company adjusted EPRA earnings*	52.9	53.2
Reported depreciation and amortisation	(72.3)	(47.1)
Non-controlling interest in respect of reported depreciation	22.8	10.6
Maintenance CAPEX* ²	18.7	17.7
Non-controlling interest on Maintenance CAPEX* and the Company specific adjustments ³	(3.1)	(2.3)
Adjustment of lease payments ⁵	2.5	2.6
One-off tax adjustments ⁶	0.7	1.7
Profit attributable to non-controlling interest ³	(12.6)	(0.5)
Impairment ⁹	23.7	–
Reported tax	0.9	2.9
Normalised profit before tax*	34.2	38.8

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

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

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

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

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

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

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

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

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

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

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

Other EPRA measurements

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

Capital structure

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

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

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

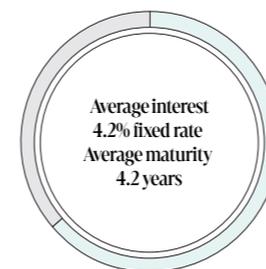
In 2025, the Group bought back the freehold of the existing leasehold hotel and adjacent development site located at Park Royal in London for £10 million, equating to a yield of 4.8%.

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

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

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

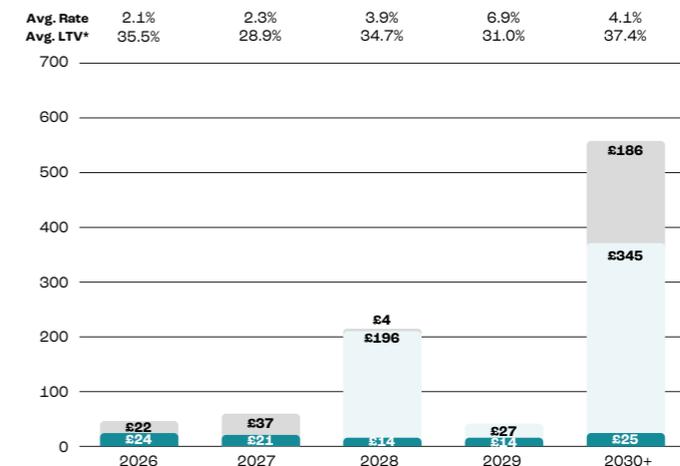
Gross debt composition and metrics



○ £582m GBP denominated
○ £330m EUR denominated

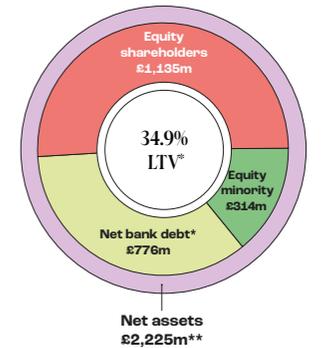
Debt maturity schedule

(£ in millions)



● Regular amortisation
○ EUR facility
○ GBP facility

Net bank debt leverage (LTV)*



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

Net debt* leverage/EPRA LTV* reconciliation

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

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



Capital expenditure/development pipeline update

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

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

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

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

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

Dividend

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

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

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

Daniel Kos
Chief Financial Officer & Executive Director

Unlocking Growth in the United Kingdom

Property portfolio

Total value of the UK property 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.



art'otel London Hoxton

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

visit artotellondonhoxton.com

Financial performance

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.



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



2 Holmes Hotel London



3 art'otel London Hoxton



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



5 Park Plaza London Riverbank



6 art'otel London Battersea Power Station



7 Park Plaza County Hall London
8 Park Plaza London Waterloo
9 Park Plaza London Westminster Bridge
 ● Westminster Bridge Road (development site, with planning)
 ● Leman Street currently in development

● This tag indicates a property currently in development

Total value of the UK property portfolio

£1,253m
 (2024: £1,328m)

Room count

4,200+

Number of employees across the UK

3,000

Portfolio performance

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

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

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

In April 2025, the 24th floor meetings and events space provided the opportunity to expand corporate and meeting and events activities at the hotel. Offering diners stunning panoramic views of London, the 25th floor French Mediterranean restaurant, Solaya, in partnership with Michelin-starred chef Kenny Atkinson, opened in September 2025. The 5,000m² 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.

Portfolio performance

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

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

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

The Dutch hotel market**

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

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

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



Park Plaza Victoria Amsterdam

Financial performance

	Reported in Pound Sterling (£)			Reported in local currency Euro ¹ (€)		
	Year ended 31 Dec 2025	Year ended 31 Dec 2024	% change ³	Year ended 31 Dec 2025	Year ended 31 Dec 2024	% change ³
The Netherlands						
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.



Total value of the Netherlands property portfolio²

£333m
(2024: £319m)

Room count

1,000+

Number of employees across the Netherlands

450

Unlocking growth in Croatia

Property portfolio

Total value of the Croatian property portfolio¹ £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-glampering property). Four of these properties are Park Plaza branded, one property is art'otel branded and Grand Hotel Brioni Pula is a Radisson Collection hotel. The remainder of the portfolio operates as part of the Arena Hotels & Apartments and Arena Campsites brands. Except for art'otel Zagreb, all properties are located in Istria, Croatia's most prominent tourist region, which benefits from easy access from Italy, the DACH countries, and Central and Eastern Europe.

Portfolio performance

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

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

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

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

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

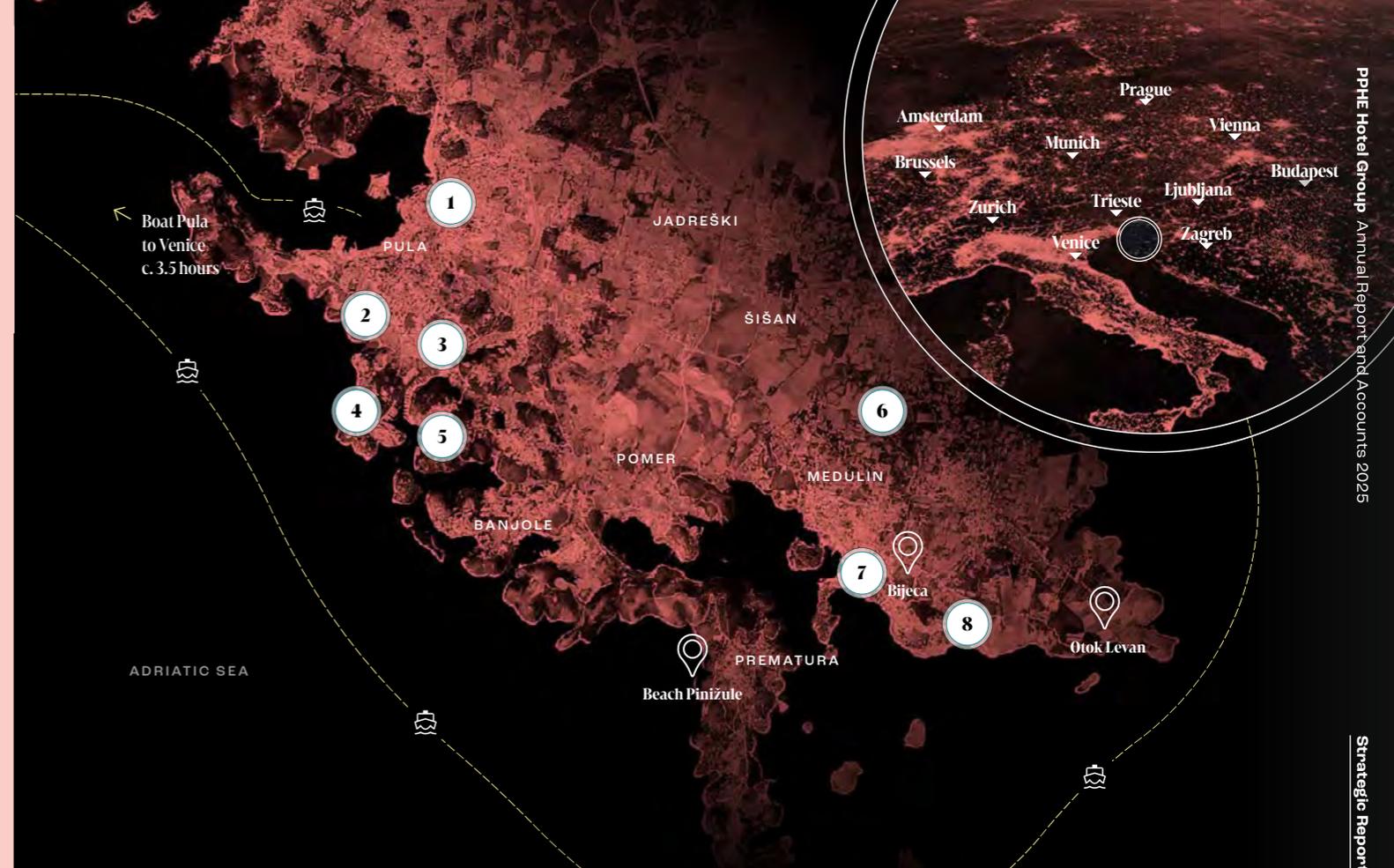
Total reported revenue (in local currency) was up 4.9% to €104.4 million (2024: €99.6 million). RevPAR* increased by 4.7% to €93.9, which reflected a 5.6% higher average room rate* to £173.0 (2024: €163.8), while occupancy was 50 bps lower at 54.3% (2024: 54.8%).

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

Financial performance

	Reported in Pound Sterling (£)			Reported in local currency Euro ¹ (€)		
	Year ended 31 Dec 2025	Year ended 31 Dec 2024	% change ³	Year ended 31 Dec 2025	Year ended 31 Dec 2024	% change ³
Croatia						
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.



	Hotel Riviera		Horizon Resort
	Splendid Resort		Grand Hotel Brioni Pula, Park Plaza Arena Pula
	Arena Verudela Beach		Arena Verudela Beach & Villas, Park Plaza Verudela Pula, Park Plaza Histria Pula
	TUI Blue Medulin, Park Plaza Belvedere Medulin		Kamp Kažela apartments

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

Total value of the Croatia property portfolio	Room count	Number of employees across Croatia	Number of people within driving distance
£370m (2024: £351m)	2,700+	755	c.0.5bn

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.

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 €128.0 (2024: €136.6), primarily due to a 6.3% reduction in average room rate*⁴ 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.

Financial performance

Germany	Reported in Pound Sterling (£)			Like-for-like** 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	£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

Germany	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
Total revenue	€25.2m	€28.9m	(12.9)%	€25.1m	€26.5m	(5.1)%
Room revenue	€21.3m	€24.8m	(14.1)%	€21.3m	€22.7m	(6.1)%
EBITDA*	€6.0m	€8.1m	(26.2)%	€6.1m	€7.4m	(17.9)%
EBITDA margin*	23.7%	28.0%	(430) bps	24.2%	28.0%	(380) bps
Occupancy	69.6%	69.5%	10 bps	69.6%	69.1%	50 bps
Average room rate*	€128.0	€136.6	(6.3)%	€128.0	€136.4	(6.1)%
RevPAR*	€89.0	€94.9	(6.2)%	€89.0	€94.2	(5.5)%

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



art'otel Cologne



Park Plaza Berlin



art'otel Berlin Mitte



Radisson RED Berlin Kudamm



Park Plaza Trier



Park Plaza Nuremberg



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

Total value of the Germany property portfolio

£92m

(2024: £85m)

Room count

900+

Number of employees across Germany

250

Other markets Italy, Hungary, Serbia and Austria

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

Our performance

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

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

Nassfeld, Austria

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

Rome, Italy

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

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

Belgrade, Serbia

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

Budapest, Hungary

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

The hotel markets**

The Budapest hotel market

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

The Belgrade hotel market

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

The Rome hotel market

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

**Source STR European Hotel Review, December 2025

Financial performance

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

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

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

Management and Central Services

Our performance

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

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

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



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

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



Stakeholder engagement

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

Guests

Stakeholder priorities

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

How we engaged in 2025

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

Investors

Stakeholder priorities

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

How we engaged in 2025

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

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

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



Park Plaza London Westminster Bridge

Communities

Stakeholder priorities

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

How we engaged in 2025

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

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

Team members

Stakeholder priorities

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

How we engaged in 2025

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

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

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



Radisson RED Berlin Kudamm

Affiliates

Stakeholder priorities

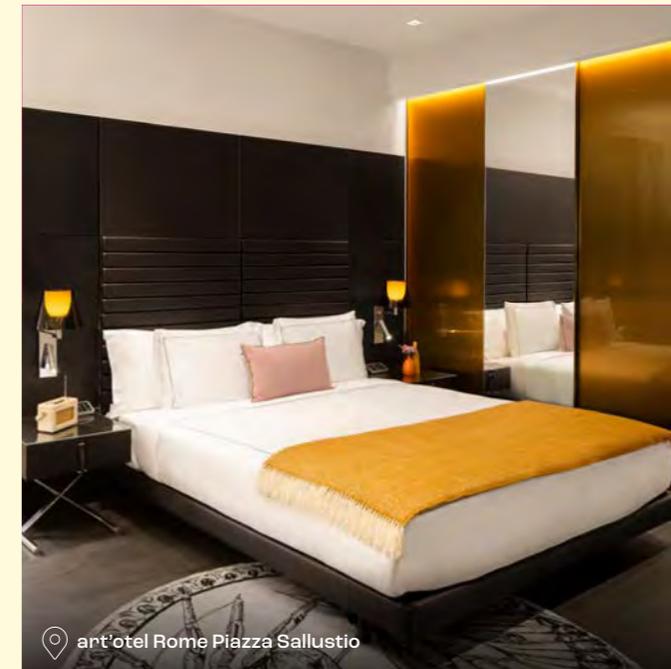
- A strong business partnership through shared stewardship of brand standards
- Safeguarding brand reputation for environmental and social issues

How we engaged in 2025

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

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

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



ant’otel Rome Piazza Sallustio

Suppliers

Stakeholder priorities

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

How we engaged in 2025

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

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

Environmental, Social and Governance

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

Inbar Zilberman
Chief Corporate & Legal Officer



Inbar Zilberman
Chief Corporate & Legal Officer

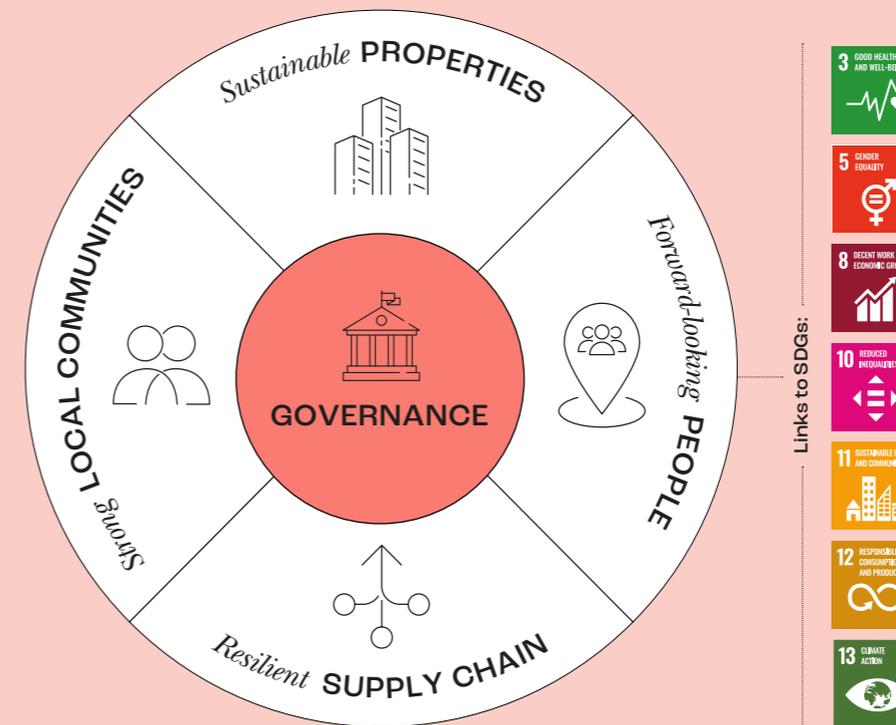
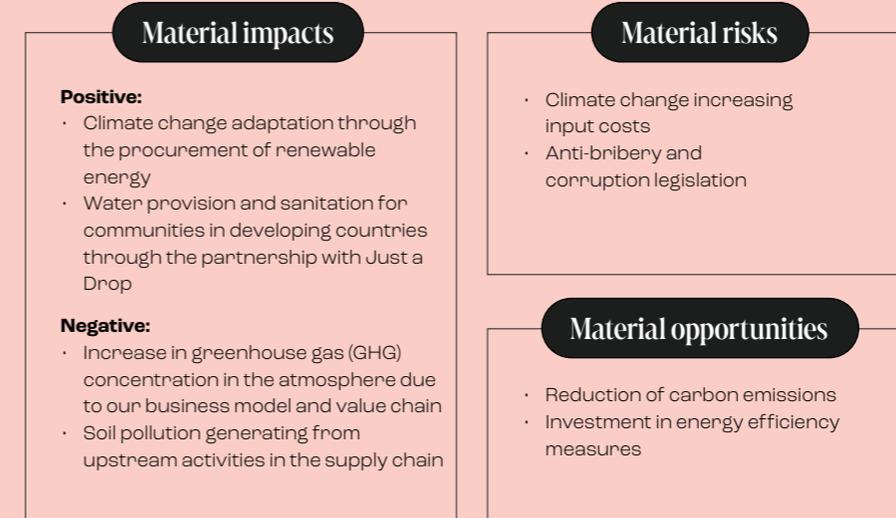
In 2025, we continued to make significant progress on our ESG strategy, focusing on various areas of environmental sustainability and social responsibility. We have achieved the targets that we set in previous years, such as completing the submission to SBTi and expanding our support to local communities,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

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

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

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

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



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

ESG strategic objectives

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

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

Double materiality assessment

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

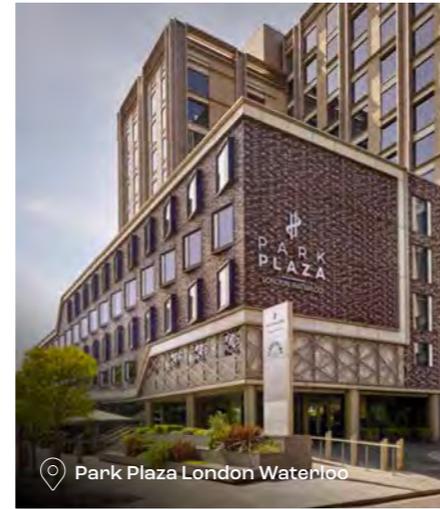
The consultants Code Gaia supported us in the DMA and provided their proprietary software to conduct the analysis. The process took place in the first half of the year and was marked by a set of four workshops, involving senior representatives of all relevant teams (ESG, Legal, Finance, Engineering, Procurement, HR, Risk and Internal Audit). Throughout these meetings, we went through the list of IROs provided by

the ESRS (European Sustainability Reporting Standards) and assessed the various criteria to determine their materiality (e.g. severity, timeframe and reversibility of impacts).

Decarbonisation journey

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

In 2025, the Group engaged Greenview as an external specialist consultancy to support the development of a decarbonisation plan intended to underpin the SBTi submission and ensure the robustness of PPHE's commitments. As part of this process, PPHE reviewed its recent carbon footprint inventory to confirm alignment with SBTi requirements. The Group also conducted detailed engagement with senior internal stakeholders, including the Heads of Engineering and Procurement, to identify existing and planned decarbonisation initiatives. This information served as the basis for the development of two emission reduction scenarios: a baseline reflecting projected emissions



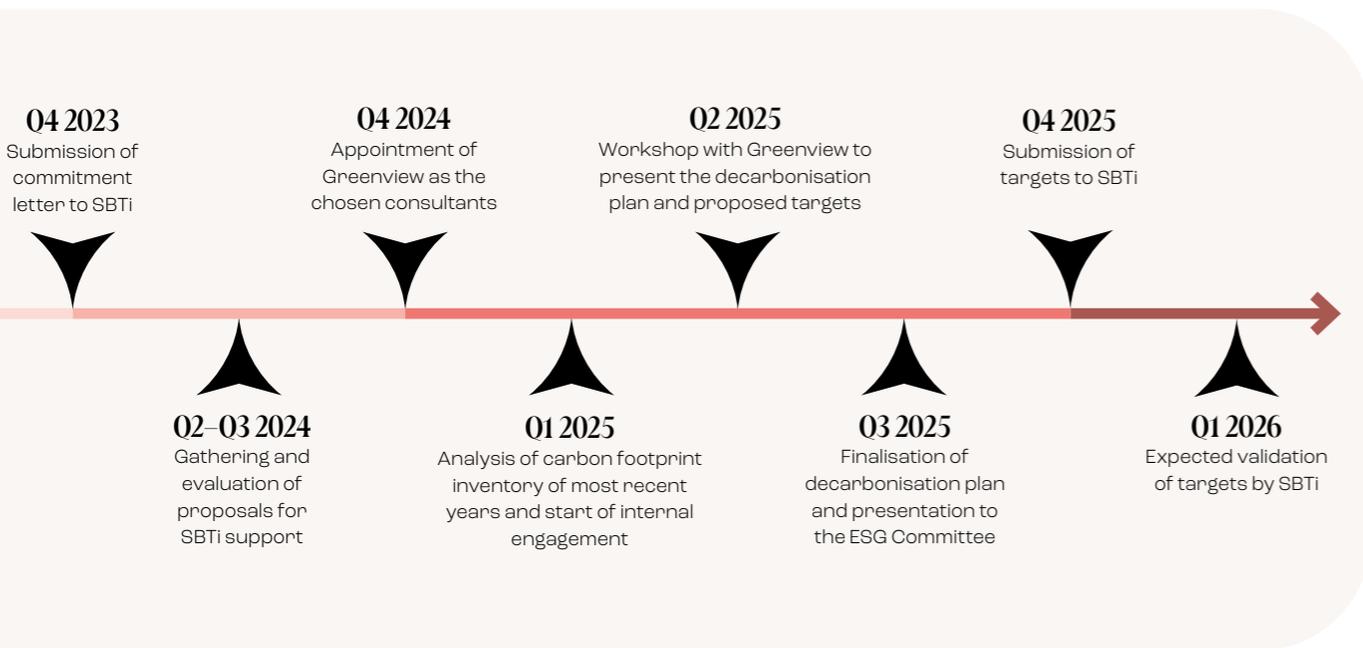
without SBTi-aligned action, and an enhanced scenario incorporating the additional measures required to meet PPHE's SBTi commitments. The modelling also included an assessment of the capital expenditure associated with achieving the near-term 2035 reduction target.

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

During the development of the plan, PPHE also reassessed the Group's previous 2040 net zero target year. Since a detailed analysis

indicated that this date was not achievable, particularly in relation to Scope 3 emissions, the target year was revised to 2050. This updated timeframe aligns with anticipated decarbonisation trajectories across the hospitality sector and allows sufficient time for supply chain partners to adapt and support PPHE in achieving its long-term net zero objective.

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





Sustainable properties

Links to UN SDGs



art'otel London Battersea Power Station

Waste management

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

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

Since 2024, we have been working with Clean the World, an organisation specialised in waste recycling that collects and processes the used bathroom dispensers from our properties. This collaboration resulted in the collection

and recycling of nearly 18,000 kg of plastic in 2025 alone. We are also progressing with the elimination of other single-use plastic items in our hotels, such as the gradual replacement of plastic bottles with either aluminium cans or water fountains in the corridors.

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

Building certifications

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

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

Hotel sustainability certifications and awards

Strong environmental performance across our properties has played a key role in helping our hotels earn top ratings in respected sustainability certifications. These include Green Tourism, Green Globe,

Green Key, TraveLife and Blue Flag, reflecting our commitment to responsible operations and continuous improvement.

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

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

Drip Drop

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





Forward-looking people

Links to UN SDGs



YEZI team

Team member engagement

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

In 2025, PPHE achieved an average engagement score of

86.5%

outperforming the sector benchmark as in previous years by

6%

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

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

77%

an increase of

2%

compared to 2024

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

Workforce retention

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

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

Learning and Development

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



art'otel Rome Piazza Sallustio

Employee Engagement and Culture

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

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

Our team members said:

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

What we did:

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

Our team members said:

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

What we did:

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

Our team members said:

“Career development aspirations matter and should be supported.”

What we did:

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

Our team members said:

“Better workspaces and facilities would enhance the experience at work.”

What we did:

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

Recruitment and job creation

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

In 2025, we further expanded our social impact through strategic partnerships and internal mobility initiatives. In the UK, we partnered with Only A Pavement Away, a charity supporting individuals facing barriers to employment – including the homeless, prison leavers, refugees and those with mental health challenges – into hospitality careers. Through this partnership, we attended external events and successfully

hired candidates within a range of roles. Across the UK, the Netherlands and Italy, we launched a quarterly campaign to spotlight internal talent and showcase career development opportunities both internally and externally. To further support mobility, we implemented a new matrix and internal reporting, enabling recruitment teams to access key talent data and promote internal opportunities.

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

Degree and apprenticeship programmes

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

DE&I

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

ESG communications

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

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

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





Resilient supply chain

Links to UN SDGs



In the past years, our supplier standards were guided by a Responsible and Ethical Sourcing Policy, which set the minimum social and environmental standards for our supply chain. However, in view of the progress achieved across key ESG areas, we have updated this policy to include a new Supplier Code of Conduct, reflecting the Company's ambition to raise

standards in areas such as decarbonisation and the circular economy. This was approved internally in February 2026 and subsequently communicated to all our suppliers.

In 2025, we stepped up the interactions with our suppliers to share carbon footprint data, which is useful to increase the accuracy of our Scope 3 emissions results. For instance, we now rely on footprint data provided by our

laundry supplier in the UK instead of applying generic, spend-based emission factors. In the future, the ambition is to expand this approach to a growing number of suppliers across various products and services, an aspect that is also covered in the new Supplier Code of Conduct.

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



Strong local communities

Links to UN SDGs



Charity partnerships

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

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

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

Just a Drop: For the past years, we have been supporting Just a Drop through the Ecological Programme. This programme offers guests staying for two nights or more the option to decline housekeeping services, helping to reduce water, energy and detergent usage associated with linen cleaning. For each night a guest opts out, the hotel donates €/£1 to Just a Drop, supporting the charity's efforts to deliver

vital water, sanitation and hygiene solutions to communities in developing countries. As a token of appreciation, guests can also select from a range of rewards in recognition of their contribution. In the period from September 2022 when the partnership started until the end of 2025, PPHE hotels have raised a total of £460,000 for Just a Drop (£195,000 in 2025 alone). The success of this collaboration earned PPHE and Just a Drop the 2025 Business Charity Award in the category Sports, Travel and Leisure.

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

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

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

provide regular support to the gardens throughout the year.



PPHE volunteers gardening in London Jubilee Gardens

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

Community engagement in Pula

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

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



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

TCFD report

The UK Listing Rules (6.6(8)R) require the Company to include a Task Force on Climate-related Financial Disclosures (TCFD) statement in the Annual Report.

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

Governance

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

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

The Audit Committee plays a key role in overseeing and advising the Board on the Group's risk exposure, appetite and future strategy. As part of its remit, the Committee meets quarterly to monitor both financial and

non-financial climate related risks, identifying any shifts that could influence the Group's overall risk profile.

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

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

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

Strategy

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

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

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

Climate scenario analysis

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

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

We chose these scenarios as they were created and endorsed by the IPCC (Intergovernmental Panel on Climate Change),

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

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

Time horizons

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

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

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

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

Transition risks

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

Table 1 Assessment of residual transition risks

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

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

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

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

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

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

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

Physical risks

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

Table 2 Assessment of residual physical risks

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

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

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

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

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

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

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

Climate related opportunities

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

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

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

Risk management

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

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

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

Metrics and targets

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

Besides these, other relevant environmental performance targets include:

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

Streamlined Energy and Carbon Reporting

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

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

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

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

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

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

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

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

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

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

Table 3 Carbon footprint of PPHE Hotel Group – 2025

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

Table 4 Carbon footprint of PPHE Hotel Group – 2024

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

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

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

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

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

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

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

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

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

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

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

¹ See note 1 in previous table.

² Petrol, diesel, heating oil and liquid gas are only used in some AHG properties.

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

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

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

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

Intensity metrics

The intensity metrics we calculated are tonnes of CO₂e/total revenue (£m) and kgCO₂e/occupied room, both calculated using market-based emissions for Scope 2. The table below presents these ratios for each country. Please note that figures are rounded to one decimal place.

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

	UK		The Netherlands		Croatia		Germany	
	2025	2024	2025	2024	2025	2024	2025	2024
Scope 1 and 2 emissions (tCO ₂ e)	5,901	6,401	1,166	1,431	2,339	1,882	1,046	699
Revenue (£m)	315.2	301.0	63.8	66.2	89.4	84.1	29.5	30.4
tCO ₂ e/£m	18.7	21.3	18.3	21.6	26.2	22.4	35.5	23.0
Rooms sold	1,279,239	1,208,901	332,348	339,560	793,998	790,695	232,078	228,060
kgCO ₂ e/room sold	4.6	5.3	3.5	4.2	2.9	2.4	4.5	3.1
	Italy		Austria		Hungary		Serbia	
	2025	2024	2025	2024	2025	2024	2025	2024
Scope 1 and 2 emissions (tCO ₂ e)	8	-	194	236	275	275	538	623
Revenue (£m)	4.6	-	4.8	4.2	5.4	5.3	1.4	1.1
tCO ₂ e/£m	1.7	-	40.1	56.2	50.9	51.5	391.1	560.7
Rooms sold	10,874	-	17,101	16,274	47,460	44,597	15,259	10,838
kgCO ₂ e/room sold	0.7	-	11.3	14.5	5.8	6.2	35.3	57.5

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

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

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

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

Energy efficiency actions

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

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

Carbon footprint quantification and reporting methodology

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

Scope 1 – Direct emissions

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

Scope 2 – Indirect emissions from energy

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

Scope 3 – Other indirect emissions

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

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

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

Risk management overview

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

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

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

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

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

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

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

Principal risks – at a glance

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

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

Our risk management framework



Our risk-reward strategy

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

Risk appetite levels	Definition	Business area/activity	Strategic enablers
Active	We will proactively pursue opportunities that involve calculated risk in support of our strategic objectives, provided the potential benefits clearly outweigh the associated impacts and the risk remains within defined tolerances. Appropriate safeguards will be applied to ensure responsible risk-taking.	<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 Commercial and promotional activity 	Financial strength and non-dilutive capital approach International network Multi-brand approach
Averse	We will seek to minimise risk exposure in these areas and will only accept risk when absolutely necessary to achieve critical objectives. Any risk taken must remain within strict tolerances, and robust safeguards will be applied to ensure the highest level of protection.	<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

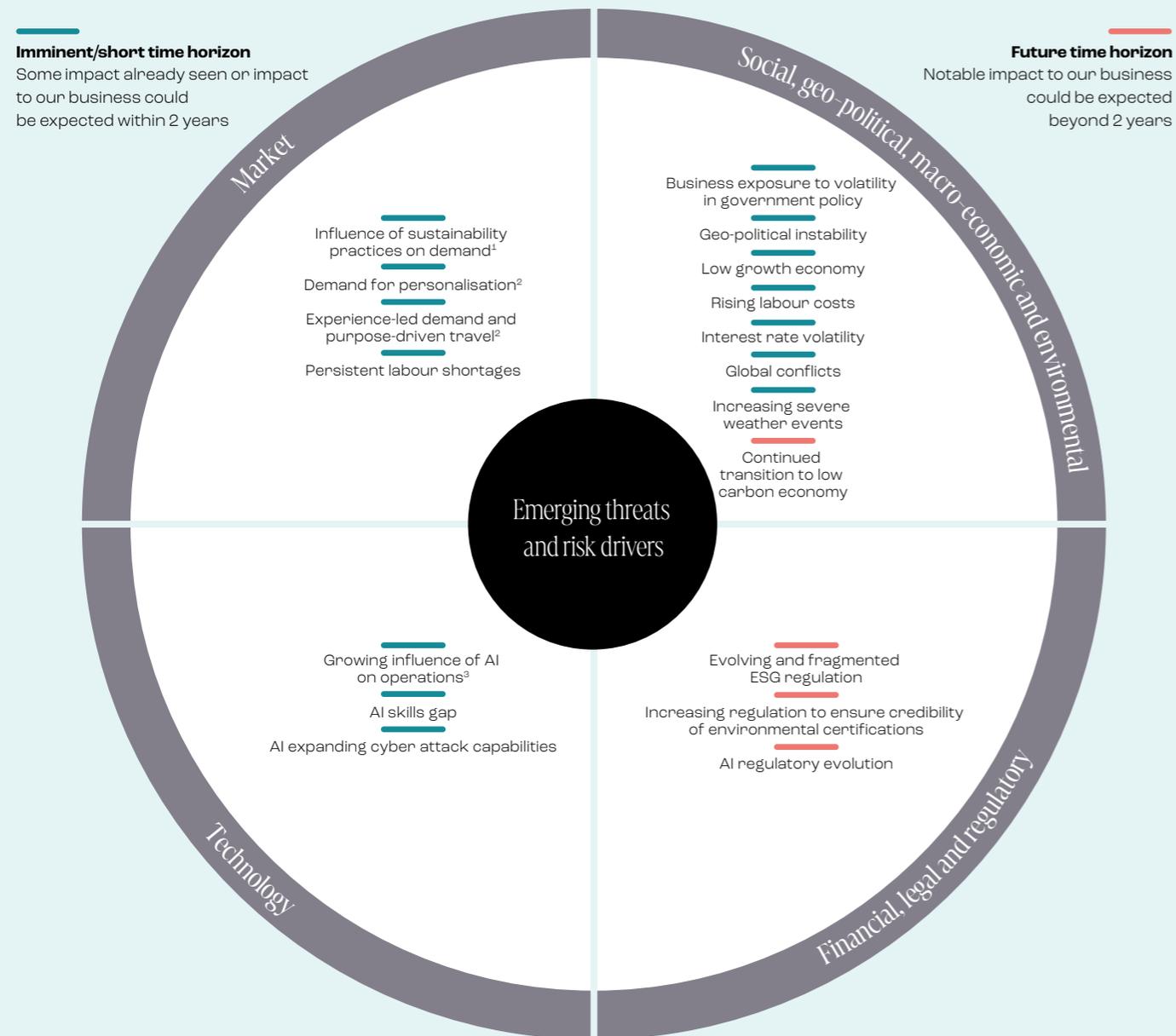
Our risk governance and risk management process

Governance	
<p>Executive Leadership Team – Risk Forum</p> <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. 	<p>Audit Committee</p> <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>Board</p> Holds ultimate responsibility for risk management, including approval of: <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	
<p align="center">ENTERPRISE RISK ASSESSMENT</p> <p align="center">Consolidates functional and subsidiary risks into a single enterprise-wide view reported to the Board. Underpins the Group's principal risk disclosures.</p>	
<p>CURRENT RISKS</p> Existing threats to achieving business objectives. <p>Regular risk updates from functional management to identify, assess and respond to current risks. Key steps include:</p> <ul style="list-style-type: none"> 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. 	<p>EMERGING RISKS</p> 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. <ul style="list-style-type: none"> 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. <p>When identifying emerging risk, we consider several drivers of change including:</p> <ul style="list-style-type: none"> Market dynamics Social, geo-political, macro-economic and environmental factors Technological trends Legal and regulatory developments
<p align="center">FUNCTIONAL AND SUBSIDIARY RISK ASSESSMENTS</p> <p align="center">Management identifies, assesses and manages risks and controls across all business functions.</p>	

Risk management – continued

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.



Related opportunities:

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

Principal risks

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

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

Movement from last year: Unchanged Increased Reduced

Market and macro-economic environment	Risk appetite: Not applicable	
Principal risk description	Residual risk level	Outlook and risk response
<p>Adverse economic climate Persistent uncertainty in global macro-economic and geo-political conditions could challenge the Group's ability to sustain or grow revenue and profitability. Economic stress, amplified by geo-political volatility, could manifest through wage inflation, rising costs of goods and services, unstable interest rates, fluctuations in energy and commodity prices, currency volatility, supply chain disruptions and more stringent borrowing requirements.</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</p> <p></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 continued 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>Strategic links: 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 	<p>High</p> <p>↑</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 drive data-driven decision-making Implemented a range of guest experience initiatives to increase guest satisfaction, from new concepts, packages and offers, to service flows, training and auditing, and mystery shopper programmes Embedded AI- and RPA-enabled technology for guest interactions Introduced AI-generated summaries for each General Manager, collating guest feedback shared through surveys and from guest reviews Increased investments in property and brand advertising across key direct booking channels and third party channels such as Global Distribution Systems, OTAs, and meetings and events booking platforms <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.</p> <p>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>

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</p> <p>↔</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 See page 39 for further details on new financing arrangements <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 considered 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.</p> <p>Additional pressures may arise from regulatory changes, planning delays, contractor performance issues and fluctuations in foreign exchange rates for imported materials.</p> <p>These challenges can lead to project delays, budget overruns and postponed new openings, ultimately impacting strategic growth plans and return on investment.</p> <p>Strategic links: 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 	<p>Low</p> <p>↓</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 the 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>

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</p> <p>↔</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 continued		Risk appetite: Averse
Principal risk description	Residual risk level	Outlook and risk response
<p>Data privacy – risk of data breach A significant data breach that could expose sensitive personal or corporate information. Such an incident may trigger regulatory investigations and result in substantial fines. Beyond financial penalties, a breach could severely damage stakeholder trust, harm the Group's reputation, and lead to legal liabilities and operational disruption.</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</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>
<p>Technology disruption A prolonged outage or failure in core technology infrastructure could severely disrupt business operations, particularly systems critical to hotel management and reservations. Key drivers include hardware or software failures, inadequate disaster recovery capabilities, cyber incidents and third party service disruptions. Such failures may result in operational downtime, revenue loss and customer dissatisfaction, as well as increased recovery costs.</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</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 improving delivery agility • Further roll out of Single Sign On (SSO) and Multi Factor Authentication (MFA) to strengthen identity and access management and enhance overall cyber security posture • Comprehensive review and continuous improvement of disaster recovery processes, ensuring alignment with evolving business needs and resilience requirements

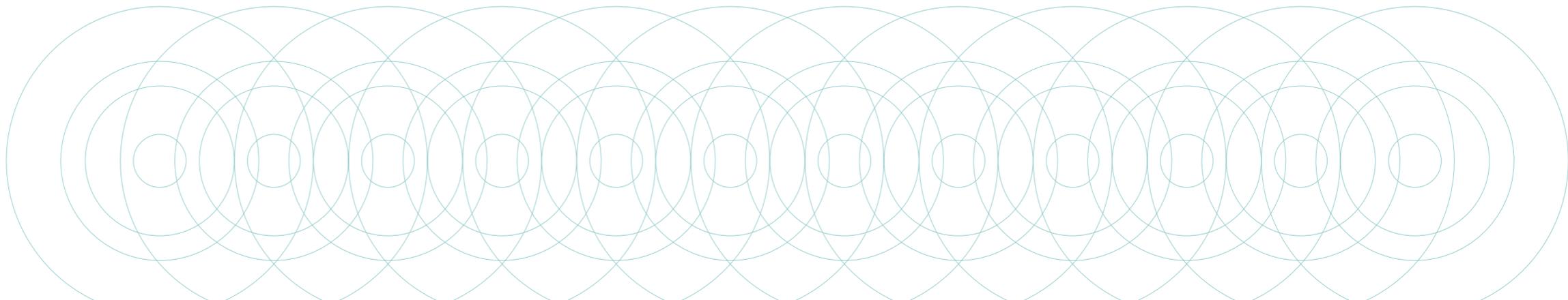
Safety and continuity		Risk appetite: Averse
Principal risk description	Residual risk level	Outlook and risk response
<p>Operational disruption Major global events such as pandemics, conflicts or large-scale environmental disasters pose a significant risk of widespread disruption, impacting guests, supply chains and hotel operations. These events can lead to travel restrictions, resource shortages and operational instability.</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.</p> <p>Both global and local disruptions may result in revenue loss, increased operating costs, reputational harm and challenges in maintaining business continuity.</p> <p>Strategic links: 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 	<p>Medium</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 <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.</p> <p>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>Serious health, safety and security incidents The Group faces the risk of significant health and safety, food safety or physical security incidents. Failure to implement adequate preventive measures or respond effectively to such events could lead to serious harm to guests and team members, operational disruption, reputational damage and a loss of confidence among stakeholders.</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</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</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>

Environmental, Social and Governance Risk appetite: Averse

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</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



Viability Statement 2025

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

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

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

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

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

The refinancing completed during the year, together with strong lender relationships, conservative leverage levels and continued covenant headroom at operating hotels, provides comfort in both the base and downside scenarios. Even in the unlikely event

that temporary covenant waivers are required for ramp-up hotels, the Group is confident in its strong relationships with its banking partners and the support of lenders following the recent refinancing.

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

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

Introduction to governance

Letter from the Chairman

I am pleased to present the Corporate Governance Report for the Group in 2025.



Ken Bradley

Chairman of the Board of Directors

Dear Stakeholder,

I am issuing this Report after my first full year in office as the Chairman of PPHE Hotel Group. The Board remains committed to strong governance, stakeholder engagement and delivering sustainable value. It is also the first report made under the 2024 Corporate Governance Code (the 'Code') published by the Financial Reporting Council (FRC). Looking ahead, January 2026 sees the implementation of Provision 29 of the Code, and we have spent 2025 ensuring that we are ready for this measure.

In 2025, we focused on embedding governance enhancements. We conducted a double materiality ESG assessment (see page 59). We have provided our science-based targets for carbon reduction to the Science-Based Targets Initiative (SBTi) (see page 60) for further details. Our ESG strategy pursues robust targets to which we can be held publicly accountable, and we have built a decarbonisation plan around this. More information can be found on pages 58-79, and the report of the ESG Committee on page 121 sets out the Board's approach to oversight.

I am responsible for ensuring we are engaging correctly with all our stakeholders. As part of this, I have formal responsibility for workforce engagement, and I take steps to ensure that there is good shareholder liaison from Board members throughout the year.

Board composition

As we reported in the 2024 Annual Report and Accounts, we made changes to our Board in January 2025. I was appointed as Chairman and Roni Hirsch came on board as a Non-Executive Director. Roni's appointment was in line with our Relationship Agreement with the Red Sea Group, which allows the Concert Parties to nominate a Non-Executive Director. As such, Roni is not independent within the meaning of the Code. This meant that we revised and updated our succession plans accordingly, as set out in the Nomination Committee report on page 110. We still do not comply with targets on female representation on the Board and in senior roles. Please see the Nomination Committee report for details on our approach to ensuring those targets are met in the future.

Board performance review

In line with our three-year cycle, an internal review of Board and Committee effectiveness was conducted in 2025, following the external review in 2024 by Independent Audit Limited. The review confirmed that the Board operates effectively and identified actions to further enhance diversity and succession planning. Further details of the Board performance review can be found on page 105.

Leadership role

The Strategic Report sets out the objectives of the business and what we have done to achieve them this year. Our role in governance mandates that we look at the challenges and risks associated with the achievement of those strategic objectives. The principal risks facing the group, along with our internal control framework in response to those risks, are set out on pages 80-92. This year, shareholders chose

not to approve further share buy-backs and the waiver of Rule 9 of the Takeover Code. We have been engaging with shareholders on this issue and concluded that with the lack of a Rule 9 waiver the buy-backs do not have sufficient shareholder support to continue. We are therefore not seeking shareholder approval for a further buy-back programme in 2026.

Strategic Review process

The Strategic Review process announced by the Company on 21 November 2025 remains ongoing. The Company will update the market in due course.

ESG

ESG targets are of increasing importance to our stakeholders each year. Our approach is set out on pages 58-79, and my colleague Marcia Bakker, Chair of the ESG Committee, provides an update on page 121. In 2025, we have submitted our science-based targets to SBTi, which is the culmination of a project to design a decarbonisation plan to give us a roadmap to net zero in 2050. We are taking steps to ensure that our approach is substantive and transparent. To that end, we have completed a double materiality assessment for ESG. The results of the double materiality assessment are on page 59.

Shareholder engagement

Shareholder engagement is always a key priority for us and, this year, our executives engaged in significant shareholder communications. Our Executive Leadership Team hosted shareholders at the art’otel London Hoxton including a tour of the premises, which helped to bring to life the strategic information we were communicating at that session. Economic headwinds faced by the business mean we need to be very clear in our communications, and shareholders have rewarded us with a frank and open discussion. Speaking both for myself as Chair, and for Nigel Keen, the Senior Independent Director, we remain available to shareholders at all times to discuss their priorities, and welcome the opportunity to do so whenever a shareholder requests.

Workforce engagement

Our approach to workforce engagement is aimed at ensuring that we have the structures and mechanisms in place to gain direct insight into employees’ experiences of working in the business. Regular engagement is sought through ‘Let’s Talk’ sessions (the Pulse Surveys) and ‘Let’s Connect’ sessions, (regional town hall meetings).

Marcia Bakker has undertaken workforce engagement throughout 2025 through her visits to all hotels in the Netherlands. Employee engagement is an important target, and as Non-Executive Directors, we engage with senior management to review performance of the employee engagement surveys against targets.

As Non-Executive Directors, we undertake site visits in order to engage with the workforce, and, in 2025, we went to art’otel London Hoxton, Park Plaza Amsterdam Airport, Park Plaza Vondelpark Amsterdam and Park Plaza Victoria London. We were pleased to see strong progress on training and development, particularly in the Netherlands in 2025.

Conclusion

Strong corporate governance is the foundation for stakeholder confidence. Our strategic approaches to economic challenges faced this year brought further assurances that our governance practices are ingrained into the group’s culture and working practices.



Ken Bradley,
Chairman

Statement of Compliance

For the year ended 31 December 2025, the Board considers that the Company has applied all the principles of, and complied with all provisions of, the 2024 UK Corporate Governance Code (‘Code’) except as set out in the paragraph below and in the Directors’ report on page 136.

The Company continues to comply with Provision 29 of the 2018 UK Corporate Governance Code, as permitted, rather than early adopting the updated Provision 29 in the 2024 Code. Additional disclosures are provided in this governance statement in line with the Financial Conduct Authority’s (FCA) UK Listing Rules, including the ‘comply or explain’ requirement.

We comply with corporate governance requirements pursuant to the FCA’s Disclosure Guidance and Transparency Rules by virtue of information included in the Corporate Governance section of this Annual Report.

The relevant documents can be found online at:

- [frc.org.uk](https://www.frc.org.uk), for the Code; and
- [handbook.fca.org.uk](https://www.handbook.fca.org.uk), for the FCA’s Disclosure Guidance and Transparency Rules sourcebook as well as the UK Listing Rules.

Non-compliance with the 2024 Code

What follows is a list of the provisions of the 2024 Code with which the Company does not comply:

(1) Provision 11 - of the eight Directors of the Board identified on pages 96-97, three are independent Non-Executive Directors (not counting the Non-Executive Chairman). This is because our most recently appointed Non-Executive Director, Roni Hirsch, is not independent.

(2) Provision 23 - the Board is not 40% female. The roles of CEO, CFO, SID and Chair are all currently held by men. See the Nomination Committee report on page 110 for details on succession planning to provide a pathway to meeting these targets in the future.

(3) Provision 24 - the Chair resigned from the Audit Committee in order to comply with this provision in May 2025; however, he attended two meetings prior to that resignation.

(4) Provision 29 - this provision did not apply in 2025, but applies to the Company from 1 January 2026. The Company continued to follow Provision 29 of the 2018 Code.

The Directors’ Report on page 136 provides further details on compliance with specific requirements.

Companies Act 2006 section 172

As a matter of good corporate governance, as Directors of PPHE Hotel Group, we make this statement required by Section 172 of the UK Companies Act 2006 and the Financial Reporting Council Corporate Governance Code 2024 (although the Company is Guernsey incorporated and, as such, the Companies Act 2006 has no legal effect).

Each Director of PPHE Hotel Group listed on pages 96-97 understands their duties, and acts in a way that, in their judgement, promotes the success of the Company for the benefit of all stakeholders, with due regard for the varying interests of different stakeholder groups. The duties of the Directors of the Company, separately and collectively, include a duty to identify and engage with identified stakeholder groups and ensure that the interests of those groups are taken into account in decision-making. Decisions shall incorporate input from identified stakeholders and be taken with due regard and consideration for the likely impact on them.

The Board’s decisions are guided by what is most likely to promote the success of the Company in the long term through creating sustainable value for shareholders and contributing to wider society as a whole. We report in detail on our stakeholder engagement activities in the Stakeholder engagement section (page 55).

Corporate Governance Report

As of 31 December 2025, the Board was composed of eight Directors. Three Directors are Executive Directors, and five are Non-Executive Directors (including the Chair). The Executive Directors are: the President and Co-CEO, Boris Ivesha; the Chief Financial Officer, Daniel Kos, and the Co-CEO, Greg Hegarty. Roni Hirsch is not considered independent, as he is CEO of the Red Sea Group (please see page 136 in the Directors’ report for details of the Red Sea Group’s shareholding in the business, as required by the Disclosure Guidance and Transparency Rules).

All Board members are subject to annual re-election by shareholders at the Annual General Meeting.

Board of Directors as at 31 December 2025



Kenneth Bradley

Non-Executive Chairman



Ken joined the Board as a Non-Executive Director in September 2019. His role is supporting governance in order to ensure independence in governance and oversight. Ken spent over 20 years with the Royal Bank of Scotland Group in a range of management roles, with a focus on corporate and institutional banking and risk. Ken spent eight years at Barclays Wealth, where he led the banking and trust business in Guernsey and had wider fiduciary banking responsibilities in other locations. Ken has an MBA from Warwick Business School and has completed the Institute of Directors certificate and diploma in Company Direction.

External appointments: Director of several private Companies including a regulated Loans company

Director of RAW Capital Partners.

Board Committees: Nomination Committee (Chair), Remuneration Committee, ESG Committee.

Independent: Yes

Year of first appointment: 2019



Boris Ivesha

President & Co-CEO and Executive Director

Boris has been President of the Group since 1991. He brought the Park Plaza brand to the Group in 1994 in collaboration with the Red Sea Group and has been the major influencer in expanding the Group's portfolio over the years. Boris has over 50 years of experience in the hotel industry. Boris is the Chairman of the Supervisory Board of the Arena Hospitality Group.

External appointments:

Chairman of the Supervisory Board of the Arena Hospitality Group

Board Committees: N/A

Independent: No

Year of first appointment: 2007



Greg Hegarty

Co-CEO and Executive Director

Greg is responsible for leading the Group's strategy, operations and commercial performance across its regions, driving growth, innovation and operational excellence. Greg has held senior leadership roles at global brands such as GLH Hotels and BDL Hotels. He holds a Master's Degree in Business Administration (MBA) and is a Fellow of the Institute of Hospitality. In recognition of his contributions to the industry, he was awarded Freedom of the City of London and is also a Master Innholder, reflecting his commitment to excellence. Greg's strategic vision and commercial acumen have been instrumental in positioning the Group as a leader in hospitality.

External appointments: N/A

Board Committees: N/A

Independent: No

Year of first appointment: 2023



Daniel Kos

Chief Financial Officer and Executive Director

Daniel has worked with the Group for over ten years, of which the last seven years have been as Chief Financial Officer and Executive Director. As Chief Financial Officer, Daniel is responsible for the Group's finance, IT and procurement strategy. Daniel has over 20 years of finance experience in the field of audit and corporate finance and has been involved in several large complex M&A deals, large (re)financing projects and several transactions on the public markets in London and Zagreb.

External appointments: N/A

Board Committees: N/A

Independent: No

Year of first appointment: 2018



Nigel Keen

Non-Executive Director & Senior Independent Director



Nigel joined the Board as a Non-Executive Director in February 2020. As Senior Independent Director, Nigel has responsibility for assessing the role of the Chair, for acting as an independent sounding board for the other Directors and leading their effective communication and governance of the Company. He is also an important communication channel for shareholders. He is a qualified Chartered Surveyor, with over 35 years of property expertise from site acquisition through to asset management. Nigel headed up the property teams at Tesco where he became Construction Director, and The John Lewis Partnership, where he was Property Director, and served on the Waitrose Board. Nigel is a Non-Executive Director of the construction company RG Carter. He is also Deputy Chairman at the Maudsley Mental Health Charity.

External appointments:

Non-Executive Director, RG Carter; Deputy Chairman, Maudsley Mental Health Charity

Board Committees:

Nomination Committee, Audit Committee, Remuneration Committee (Chair), ESG Committee

Independent: Yes

Year of first appointment: 2020



Stephanie Coxon

Non-Executive Director



Stephanie joined the Board as a Non-Executive Director in August 2020. She is a qualified chartered accountant, with over 20 years of capital market expertise. Stephanie was a Capital Markets Director at PwC, where her role included advising asset managers on listing investment funds and real estate investment trusts (UK, Guernsey and Jersey) on the London Stock Exchange. She also advised on ongoing obligations, corporate governance, accounting policies and reporting processes. Stephanie chairs the Audit Committee.

External appointments:

Non-Executive Director of: Foresight Environmental Infrastructure Limited; International Public Partnerships Limited.

Board Committees:

Nomination Committee, Audit Committee (Chair), Remuneration Committee, ESG Committee

Independent: Yes

Year of first appointment: 2020



Marcia Bakker

Non-Executive Director



Marcia joined the Board in December 2022. She is a certified public accountant with over 20 years of experience in audit, finance, executive search and leadership advisory. She has a broad background in finance, with a speciality in financial reporting, and was part of the IFRS and Financial Instrument competence centre at KPMG. During the last ten years, she has combined her finance background with executive search and succession planning for various corporate clients. Marcia chairs the ESG Committee.

External appointments: N/A

Board Committees:

Audit Committee, Nomination Committee, Remuneration Committee, ESG Committee (Chair)

Independent: Yes

Year of first appointment: 2022



Roni Hirsch

Non-Executive Director

Roni was appointed to the Board on 9th January 2025. Roni serves as the Chief Executive Officer of the Red Sea Group, the Company's major shareholder, a role he has held since 1993. Red Sea is controlled by Eli Papouchado, who, together with his family trusts, owns 32.93% of the voting rights in the Group. Roni is a CPA, with a B.A. in Accounting and Economics from Tel Aviv University.

External appointments:

CEO Red Sea Group

Board Committees: N/A

Independent: No

Year of first appointment: 2025

Board and Committee membership



Directors whose service ended in 2025.

On 9 January 2025, we announced that the Non-Executive Chairman, Eli Papouchado was stepping down. This also marked the end of the period of service of the Alternate Director, Yoav Papouchado.

Executive Leadership Team



Boris Ivesha

President & Co-CEO & Executive Director



Greg Hegarty

Co-CEO & Executive Director



Daniel Kos

Chief Financial Officer & Executive Director



Inbar Zilberman

Chief Corporate & Legal Officer

Inbar is a key member of the Executive Leadership Team and PPHE's C-Suite. She joined PPHE Hotel Group in 2010. Inbar heads the Group's Expansion and Development team as well as leading and managing its multi-jurisdictional legal, corporate finance, M&A, Corporate Governance, insurance, compliance and ESG functions. Inbar brings expertise in negotiations and deal execution, from exploring, identifying and negotiating new projects in the Group's regions of operation, to deal structuring, financing and planning, strategy and construction set-up. Prior to joining the Group, Inbar was in the corporate finance team at the law firm Berwin Leighton Paisner LLP (now Bryan Cave Leighton Paisner LLP) in London and was also formerly a partner at the law firm Bach, Arad, Scharf & Co. Inbar holds an LLB from Tel Aviv University and an LLM from LSE. She is a qualified solicitor in England and Wales and in Israel.



Robert Henke

Executive Vice President Commercial Affairs

Robert is Executive Vice President Commercial Affairs for PPHE Hotel Group and oversees all commercial activities (including Sales, Distribution, Reservations, Customer Service, Revenue, Digital Marketing and CRM) as well as Brand Marketing, Guest Experience and Communications (including brand strategy, brand development, management of the Group's strategic partnership with the Radisson Hotel Group and corporate communications). He has more than 25 years' experience in international hospitality and first joined the Group in 2001, when he was involved in the opening of the Group's hotels in the United Kingdom and the successful implementation of Radisson Hotel Group's marketing programmes and systems.

Prior to joining PPHE Hotel Group, he held international marketing positions at Golden Tulip Worldwide and Hilton Hotels Corporation. He holds a bachelor's degree in Hotel Management Business Administration from Hotel School The Hague, with a major in marketing.



Daniel Pedreschi

Executive Vice President Operations, UK

Daniel is the Executive Vice President Operations for the United Kingdom for PPHE Hotel Group and oversees all UK hotels, restaurants and bars in collaboration with each individual General Manager, as well as focusing on new property developments and the general PPHE Hotel Group strategy. Daniel has been with the Company since 2009, originally taking the position of Hotel Manager at Park Plaza London Westminster Bridge and, in 2011, he moved to the General Manager position. In October 2013, Daniel took on the additional role of supporting the Central Reservations Office as a General Manager next to his existing responsibilities. With over 20 years' experience, Daniel's passion for hospitality and attention to detail have always been key drivers in his career. Daniel strives to find improvements to always keep ahead of the competition and enhance our position in the industry.

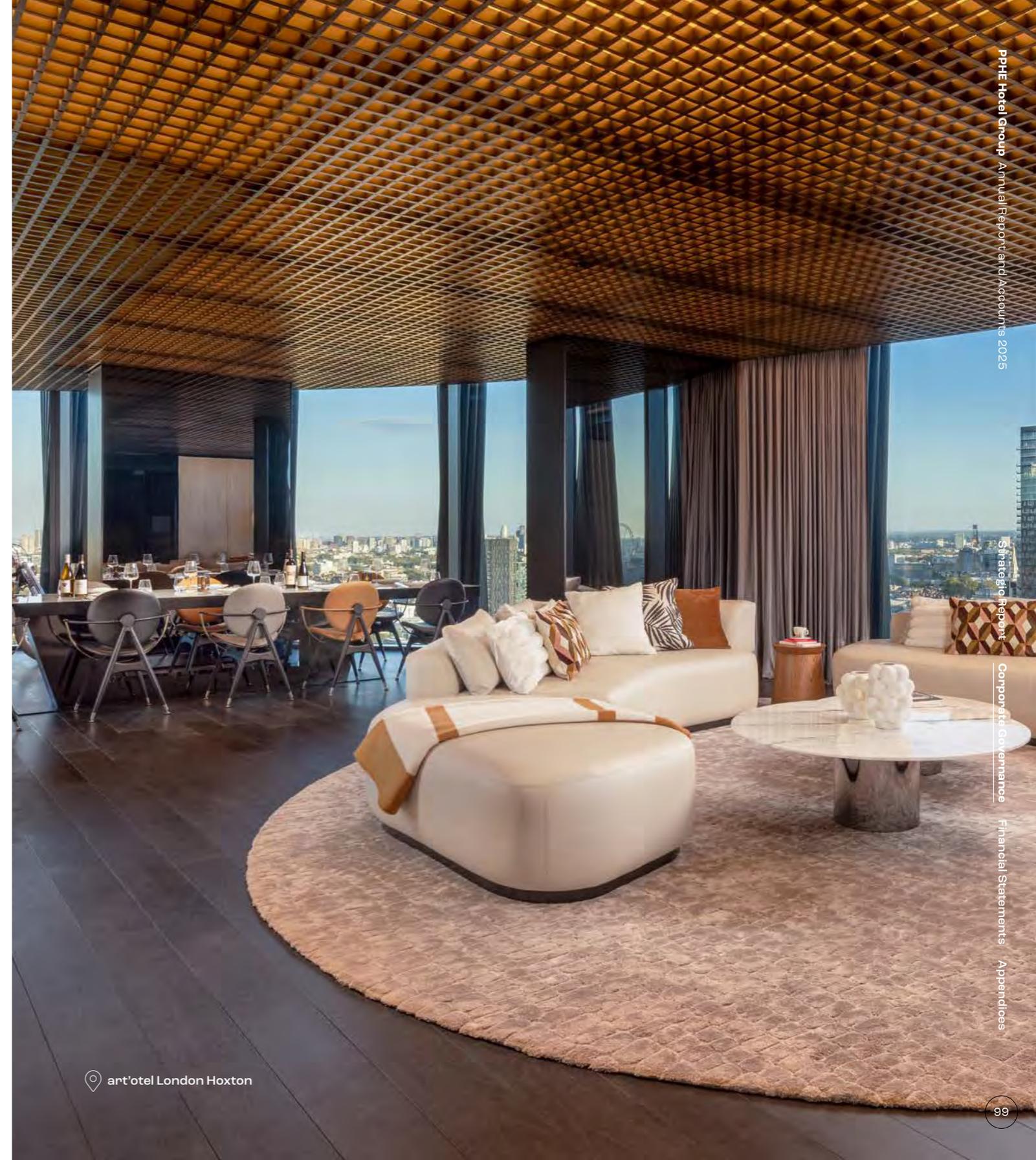


Michelle Wells

Executive Vice President Operations, the Netherlands & Italy

Michelle has been with PPHE Hotel Group for over 20 years, originally joining as General Manager at what is now Holmes Hotel London. Michelle moved to the role of General Manager of sister hotel Park Plaza County Hall London in 2014 and then onto Park Plaza Victoria London in 2016. Promoted to the Regional Vice President Operations, the Netherlands & Italy in 2019, Michelle oversees all operational, revenue, finance, marketing and sales strategic objectives for the region on behalf of seven properties. Michelle brings a strong operational and commercial background to the business and educational qualifications including the highly acclaimed completion of the General Manager Programme in strategic management at Cornell University in the United States, as well as being a Master Innholder and a holder of the Freedom of the City of London. Michelle oversaw the refurbishment and opening of our Rome property, which opened in 2025 and received the prestigious accolade of five stars.

→ Please refer to the Board tables for biographies of Boris Ivesha, Daniel Kos and Greg Hegarty.



art'otel London Hoxton

Corporate governance

Board responsibilities	
Strategy and management	<ul style="list-style-type: none"> Define and set the Company's strategy for creating value for all stakeholders, including society as a whole, through sustainable success over the long term Monitor and review performance against strategic objectives Oversee resourcing, ensuring that the tools are available for management and the Group as a whole to meet the Group's objectives and measure performance against them
Structure and capital	<ul style="list-style-type: none"> Determine the corporate structure of the Group Set the internal control framework Determine rules and procedures for dealing in the Company's securities Structure and governance of subsidiaries
Financial reporting and controls	<ul style="list-style-type: none"> Approve financial and management reports Control of dividend policy and implementation Capital and operating budget management Major capital project oversight
Risk management and internal controls	<ul style="list-style-type: none"> Review effectiveness of risk and control processes Set the Group's risk appetite Report on risk management Oversee and review internal reporting channels, including whistleblowing reports
Environmental, Social and Governance	<ul style="list-style-type: none"> Set targets for carbon reduction and other environmental KPIs Aim for carbon net zero Oversee ESG strategy delivery <p>Society and workforce culture:</p> <ul style="list-style-type: none"> Promote a guest-focused culture in line with strategy, valuing integrity, transparency and respect Embed a culture that rewards personal and team performance aligned to our strategic and financial objectives to maintain and attract top talent Ensure sustainable value creation for shareholders and for society as a whole <p>Business ethics:</p> <ul style="list-style-type: none"> Control and prevention of corporate offences Effective management of data protection and privacy Conflict of interest management Maintain policies for good governance and ethical dealing Compliance with the Corporate Governance Code Ensure that workforce policies and practices are both ethical and consistent with the Company's values and long-term objectives, management is capable and effective, and sound planning is in place
Stakeholder engagement	<ul style="list-style-type: none"> Build and maintain successful relationships with a wide range of stakeholders, created on trust, transparency and mutual respect Understand what matters to key stakeholders Ensure that the Board engages with stakeholders directly Oversee executive engagement with stakeholders
Performance	<ul style="list-style-type: none"> Regularly review the performance of the Group in light of its business strategy, objectives, business plans and budgets, and ensure that any necessary corrective action is taken

Division of responsibilities

The Financial Reporting Council's Corporate Governance Code 2024 (the 'Code') requires a clear separation of powers and responsibilities between the members of the Board. The role of each member of the Board carries separate duties and accountabilities, and collectively they ensure effective communication with stakeholders. This table sets out the roles and responsibilities of our senior Executive and Non-Executive Board members.

Balance of independent Non-Executive Directors

The Code requires that at least half of the Board, excluding the Chair, be made up of independent Non-Executive Directors, and that no one individual or group should be allowed to dominate decision-making.

After due consideration was given to all factors that are likely to impair, or appear to impair, the independent judgment of each Director, the Board concluded the following:

There are four independent Non-Executive Directors: Kenneth Bradley, Nigel Keen, Stephanie Coxon and Marcia Bakker.

The Executive Board members are not independent, and Roni Hirsch is not independent. See page 136.

	Role	Responsibility
Boris Ivesha President and Co-CEO	<p>It is the duty of the Co-CEO to conduct day-to-day management of the Group and the implementation of the Board's strategy and policy on the Board's behalf.</p> <p>The Co-CEO provides executive leadership to the business. He is assisted by the C-Suite, comprising the Chief Financial Officer and the Chief Corporate & Legal Officer. Additionally, the Executive Leadership Team supports this role and is accountable to it.</p>	<p>Responsibilities are shared between the two Co-CEOs</p> <ul style="list-style-type: none"> Leading and managing the business Strategic implementation in line with the culture, values and purpose of the business Accountability to the Chairman for achieving key objectives Reporting on strategic development Oversight of Executive Leadership Team Talent development Performance management of the Executive Leadership Team Resource management for the Executive Leadership Team Running the business and being the key decision-maker on day-to-day Company business
Greg Hegarty Co-CEO	<p>The Co-CEO shares the responsibilities of the President and Co-CEO, and is responsible for the management of the Group and the implementation of the Board strategy and policy on the Board's behalf. In discharging his responsibilities, the Co-CEO is advised and assisted by the Executive Leadership Team and key management functions.</p>	
Ken Bradley Non-Executive Chairman	<p>Ensures that the appropriate governance structure is in place and that the functioning of the Board of Directors is effective.</p> <p>Liaises with the Executive Leadership Team and key management positions to ensure that the Board is well equipped to perform its duties and effectively carry out its functions.</p> <p>Provides independent oversight and scrutiny as required by the Code.</p> <p>As Chair of the Nomination Committee, he is responsible for ensuring the appropriate governance structure and functioning of the Board, as well as conducting the annual Board effectiveness evaluation.</p>	<ul style="list-style-type: none"> Oversees corporate governance for the Board and ensures that appropriate and tailored standards are in force to comply with the Code As Chair of the Nomination Committee, monitoring the induction programme in place for new Directors as they are appointed Ensures that the Directors are receiving and have access to clear and timely information as needed to make key decisions Oversees annual Board and Committee performance reviews and puts in place a plan to act on the results of the reviews Consulting with the Remuneration Committee about executive remuneration Acting as designated Board member responsible for workforce engagement Communicating with key stakeholders and independent shareholder groups, with the support of the Chief Corporate & Legal Officer Ensures Committee chairs seek shareholder engagement on their Committees' respective areas of responsibility Ensures each Director has a clear understanding of the views of shareholders

Role	Responsibility
<p>Nigel Keen Senior Independent Director</p> <p>It is the duty of the Senior Independent Director to lead the Non-Executive Directors in their oversight and scrutiny roles, and provide support and encouragement to them. He must also provide a sounding board for the Chairman and serve as an intermediary for the other Directors and shareholders. Reviews the effectiveness of the Chairman and Non-Executive Deputy Chairman.</p>	<ul style="list-style-type: none"> Shareholder engagement, including providing a channel for shareholder feedback on executives and governance issues in the Company Support of the Chairman in delivering strategic leadership of the Board Evaluating the effectiveness of the Chairman on behalf of the other Directors Supporting annual Board evaluation Challenging the Board where relevant to help in developing proposals on strategy and objectives As Chair of the Remuneration Committee, ensures, with the Deputy Chairman and the members of the Remuneration Committee, that there is a clear relationship between remuneration and performance, measured with clear reference to the long-term success of the Company Challenging the Board where relevant to help in developing proposals on strategy and objectives Taking the lead in identifying and providing for the development needs of the Non-Executive Directors to enhance the overall effectiveness of the Board As Chair of the Remuneration Committee, is responsible for ensuring that all remuneration proposals are put before the Committee for approval, and placed on the agenda of the next general meeting for an advisory vote by shareholders Owns the Remuneration Policy, which is kept updated, and subject to a shareholder vote once every three years

Board activities in 2025

Strategy, operational performance and risks

- Conduct of Directors' Strategy Day as a successful annual exercise in strategic leadership and direction
- Operational updates from the Executive Leadership Team – regular periodic updates received and reviewed
- Potential growth and development – see Strategy on page 20 – regular updates on the growth opportunities discussed
- Principal risk oversight – see pages 90-91 for the business's principal risks
- Regular Board-level oversight of risk management
- Internal and external audits – outputs of audits received at Board level
- Evaluation of performance of internal and external auditors

Succession and talent

- Reviewed gender balance of the Company and senior management, and Board Diversity Policy
- Maintained succession plans for the Board, and oversaw plans to ensure continuity in senior management talent retention, development and recruitment
- Regularly reviewed structure, size and composition of the Board, including its gender and ethnic diversity
- Conducted annual internal review of the Board and its composition to ensure ongoing fitness for purpose: review covering skills, knowledge, experience and diversity.

Financial performance

- Chief Financial Officer and Head of Risk and Internal Audit regularly reported to the Board
- Performance against budget reviewed in detail, including cash flow forecasts
- Reviewed and approved the full- and half-yearly results and the associated announcements and trading updates
- Considered interim and final dividend recommendations and declarations
- Reviewed compliance with banking facilities

Stakeholder engagement and governance

- Received regular reports from the Chair of each Committee
- Received regular reports and updates from the Company Secretary and from the Chief Corporate & Legal Officer
- Reviewed governance standards of the Group and its subsidiaries, including key governance policies and matters reserved to the Board
- Oversaw incident management through receipt of reports received through implementation of the Whistleblowing Policy and other internal control framework measures.
- Monitored internal control framework activities with a view to the introduction of the requirements of Provision 29 of the Code from 1 January 2026.
- Reviewed and approved updates to the Significant and Related Party Transactions Policy
- Responded to investors collectively in announcements following votes at the 2025 Annual General Meeting, and individually in exchange of correspondence
- Non-Executive Directors attended staff meetings as observers
- Reviewed HR plan
- Review of staff surveys
- Site visits

Corporate governance – continued

Board policies and matters reserved to the Board

Our Board reserves to itself governance of the Company in line with statutory obligations and fiduciary duties. In particular, the Board maintains a number of powers (Reserved Powers) which are not delegated to Committees of the Board or to the Executive Leadership Team. These include:

- Statutory obligations and public disclosure
- Strategic matters and financial reporting;
- Oversight of management and personnel matters
- Risk assessment and management, including reporting
- Monitoring, governance and control
- Other matters having material effects on the Company.

Transparency and accountability are maintained by processes and procedures set out in documents reserved to the Board including:

- Articles of Incorporation
- Schedules of Matters Reserved for the Board
- Board Committee terms of reference

Each Director may obtain independent professional advice at the Company's expense in the furtherance of their duties as a Director. The Board and the Committees of the Board have access to legal support from the Chief Corporate & Legal Officer, external law firms and other specialist consultancies, such as remuneration consultants and recruitment specialists. Wherever such third party consultants are engaged, they are identified in this Report in line with the requirements of the Code.

The Board reviews all governance policies and terms of reference periodically to ensure the policies remain current and appropriate to the needs of the Board and Company.

Conflicts of interest

The Board and all team members are required to comply with two policies: the Conflicts of Interest Policy and the Significant and Related Party Transactions Policy. These policies are reviewed annually, and compliance training is regularly refreshed. The two policies require that anyone with a potential conflict of interest promptly and without delay observes a formal procedure for reporting it and having it reviewed by the Board with support from the Chief Corporate & Legal Officer. A Director affected by a conflict of interest is not permitted to participate in formal discussions and decision-making involving the interest at stake. The Board does not believe there to be any inherent conflicts of interest other than ones already disclosed by each Director. Any statutory duties under Guernsey law that are in addition to the Conflicts of Interest Policy are complied with by the Directors.

Exercising oversight and ensuring adequate time to carry out duties

The annual timetable for Board meetings and meetings of the Board Committees is designed to allow each and every Board member to discuss and debate matters. There is a timetable set for the submission of papers prior to meeting so that Directors have ample time to familiarise themselves with the agenda and prepare for the meetings. All Directors are expected to contribute in all meetings to ensure proper oversight and diversity of perspectives and opinions. Non-Executive Directors are required to demonstrate that they have sufficient time to fulfil their duties and are accountable to the Non-Executive Chairman and Senior Independent Director for this. The Chair of the Nomination Committee monitors external appointments for all Board members to ensure sufficient capacity.

Oversight requires all Board and Committee members to ensure they have considered and (where relevant and lawful) solicited the views of relevant stakeholders regarding the issues to be discussed at meetings.

Resourcing the Board to ensure it meets its objectives and measures performance against them

At all times, all Directors have access to the Chief Corporate & Legal Officer to ensure that they have appropriate, legally informed advice on all governance matters.

Chief Corporate & Legal Officer and Company Secretarial support

The Chief Corporate & Legal Officer and the Company Secretary, Suntera Limited, provide important support functions to the Board and its members. As a member of the C-Suite, the Chief Corporate & Legal Officer is required to ensure that internal governance arrangements below Board level for the workforce are aligned to the directions of the Board and the risk appetite of the Company as determined by the Board.

Responsibilities of the Chief Corporate & Legal Officer to the Board

- Ensures compliance with the Financial Conduct Authority's Listing Rules (UKLR) and Disclosure Guidance and Transparency Rules (DTR)
- Responsible for information flow to the Board (via the Company Secretary)
- Advises and supports the Chair and Board on all governance matters
- Ensures all Directors have access to the advice and services of internal lawyers and external, independent professional legal advice at the Company's expense in furtherance of their duties
- Oversees and advises the Board on the Company's corporate governance practices, policies and procedures with respect to statutory and other corporate governance frameworks
- Ensures the Board is adequately resourced for effective and efficient function
- Supports the ESG Committee of the Board in the formulation and execution of the Group's ESG strategy

Responsibilities of Company Secretary to the Board (Suntera Limited)

- Provides compliance support with respect to the Companies (Guernsey) Law 2008 (as amended or replaced from time to time)
- Maintains the Board and Committee meeting diary and agenda
- Ensures the Board receives accurate, timely and clear information prior to meetings
- Ensures that prior to Board meetings, Directors receive all necessary information to facilitate open, constructive discussion and debate
- Ensures the Board is adequately resourced for effective and efficient function (alongside Chief Corporate & Legal Officer)

Board performance review

The Board evaluates its performance and the effectiveness of Board Directors and Board Committees on an annual basis. Every three years, this annual review is conducted by an external evaluator.

The purpose of the review is to establish the effectiveness of the Board, the Directors and the Committees of the Board in discharging the functions required of them by law, by good corporate governance practice and by the internal frameworks of the Company. It includes consideration of the tenure of each Director, and their skills, experience and length of service. It also includes an assessment of each Director's external responsibilities to ensure that they are able to commit sufficient time to discharge their duties effectively.

In 2025, the evaluation was conducted by the Non-Executive Chairman by holding individual structured interviews with all Directors, the Chief Corporate & Legal Officer and the Company Secretary. The process has provided positive feedback on the Board's performance, allowed us to review the 2024 priorities and provide valuable feedback on suggestions for further enhancements in the coming year. A summary is included in the table.

Board performance review summary

Focus area	2025 Priorities and Outcomes
The Board	(1) Following 2024 recommendations, the Board has developed its reports to facilitate more strategic discussions in Board meetings. (2) The agenda for the Strategy Day was also enhanced to ensure a wide range of discussions was encouraged, and time used efficiently.
Committees:	
Audit Committee	The Audit Committee was rated highly and maintained a focus on emerging risks and preparation for Provision 29 reporting.
ESG Committee	(1) Following 2024 recommendations, the Committee has provided greater clarity around its role and its purpose. (2) The Committee appointed consultants to support delivery of the net-zero roadmap. The Committee was assessed as performing consistently well.
Nomination Committee	Director development was supported as per 2024 recommendations. Legal, ESG and IT cyber risk activities are focus for 2026.
Remuneration Committee	As recommended by Independent Audit Limited, the Committee reviews Company-wide pay and employment policies and reviews the staff opinion surveys to identify any gaps.

The areas of focus for 2026 are:

Meetings and Committees

- Review the succession planning for the Board and senior managers
- Ensure adequate time is allocated to key projects and strategic presentations and discussions

Strategy, risk and finance

- Continue to develop agenda for strategy away-day and consider opportunities for third party inputs to aide challenge and debate
- Maintain a strong focus on emerging and developing risks
- Maintain a strong focus on the refinance risks and ensure a disciplined cost focus including development and asset management projects

People, culture and stakeholders

- Continue to build strong and collaborative approach between management and Board members
- Continue with staff engagement activities and endeavour to obtain deeper analysis into the results of the staff opinion survey
- Revise Board Director development opportunities with a focus on IT and AI, utilising external and internal resources

Board meetings: Procedures

Notices and review of any conflicts arising	The notices of Board meetings, agendas and supporting documents are formally circulated to the Board in advance of Board meetings as part of the Board papers. Therefore, Directors have the opportunity to request that any agenda items be added that they consider appropriate for discussion.
Notices and review of any conflicts arising	At the beginning of each meeting, each Director must disclose the nature and extent of any conflict of interest arising generally or in relation to any matter to be discussed as soon as the Director becomes aware of its existence. Directors must also disclose their shareholdings and any changes to those that have occurred.

Standing Agenda Items	(1) Strategy (2) Management updates from: • Executive Directors • Executive Leadership Team (3) Updates on corporate governance by Senior Independent Director and Chair of the ESG Committee (supported by the Chief Corporate & Legal Officer)
Non-members in regular attendance	Chief Corporate & Legal Officer
Board succession planning	Regular Executive Leadership Team attendance of Board meetings is part of our succession plan (talent development).

Annual Committee assessment

Each Board Committee is assessed annually to ensure that it is functioning in line with the relevant terms of reference and mandates set by the Code. Annual review of governance documents is a requirement of best practice.

Board meetings: Establishing and promoting a culture of debate and diversity

The Board values diversity of opinion and differing viewpoints in executing its responsibilities. The Chairman ensures that time is made available for all opinions to be heard. In particular, the Board values a clear separation of responsibilities between the Executive Leadership Team and the leadership provided by the Board. This ensures proper oversight, informed debate and diversity of thought.

Each member of the Executive Leadership Team oversees certain defined departments of the business and reports on the progress of these areas to the Board as and when relevant. It is considered that this structure ensures effective communication between the Board and the Executive Leadership Team of the Company’s business, and that no small group of individuals dominates the Board’s decision-making.

Any concern expressed by the Directors about the Company or its subsidiaries, or a proposed action, is recorded in the minutes of the meeting. Additionally, the Senior Independent Director takes responsibility for ensuring that all viewpoints are available to the Board.

Communication between the Board and the Executive Leadership Team

Management, including the Executive Leadership Team, reports to the Co-CEOs, whom the Board has made responsible for oversight and performance management. The Co-CEOs report to the Board on this.

Greg Hegarty chairs a monthly meeting of our Executive Leadership Team, which is composed of the Executive Vice Presidents of the Company and manages day-to-day operations of the Group’s businesses, under the supervision of the Board. The Board maintains a schedule of matters reserved to the Board and, in addition, sets the financial parameters of the Executive Leadership Team’s activities.

Executive Leadership Team remit:

- Recommendations to the Board for strategic priorities, and formulation of forward-looking strategy
- Design, construction and maintenance of our portfolio of properties

- Performance management through KPIs, strategic objectives and budget
- Health, safety and security
- Customer engagement, product development and brand standards
- Asset management and capital investment (within parameters set by the Board)
- Procurement and cost efficiency
- ESG (subject to oversight by the ESG Committee of the Board)
- Reputation and stakeholder management;
- Risk management
- People, culture and values
- Talent and succession
- Information technology and cyber

The C-Suite had monthly business update calls with the Non-Executive Directors in 2025. Further, the Non-Executive Directors conduct sub-meetings following the business update calls without others in attendance to ensure good oversight and to ensure that information flows and transparency are well maintained. These regular and structured meetings and discussions at varying levels of the Board enables the Board to effectively carry out its duties and make swift decisions. Open communication between the Non-Executive Directors and the Executive Leadership Team has been found to be very effective as it allows the Non-Executive Directors to engage directly to ensure that management takes connective actions in a timely manner.

Culture and values

The Board sets the culture and values of the business and works to engage with all stakeholders to communicate and promote the culture and values. This requires the Board to review annually policies which maintain the culture and values, and facilitate the business ethics of the Company. Policies set out the behaviours required of people working within our Board, management and operations, and aim to empower people by providing them with a framework and guidance. When reviewing policies, the Board takes account of developments in the law, in stakeholder expectations and best practice to ensure a strong framework optimised to the specific needs of the business.

Through the ESG Committee, the Board has committed to rigorous targets in environmental and social performance. These are set out in detail in the Environmental, Social and Governance section of the Annual Report and Accounts and in the report of the ESG Committee. Important ESG Policies remain reserved to the Board, such as the Conflicts of Interest Policy, the Significant and Related Parties Transactions Policy, and the Whistleblowing Policy. These are reviewed and refreshed annually.

The Board takes steps to monitor the culture within the organisation. The following tools allow the Board to keep abreast of workforce culture:

- pulse surveys;
- online guest reviews;
- social media;
- employer review sites;
- compliance training records; and
- hotel audits.

Data from these sources is available at Board level to monitor the health of the culture within the business. Aligning culture to the values and purpose of the business is key to success. In 2026, I.T. modernisation remains a focus, with attendant obligations on team members to update ways of working as systems are updated and cloud migration of critical infrastructure takes place.

Team members are engaged and enthusiastic, and we observed a positive culture where team members felt able to speak up and express their views. There are challenges related to recruitment and retention difficulties experienced by the sector as a whole, but the Board is satisfied that management has appropriate mitigating actions in place where possible.

Workforce engagement

Provision 5 of the Code specifies mechanisms for ensuring Board workforce engagement. In line with that provision, the Chairman, Ken Bradley, is the designated Board member responsible for workforce engagement. Other members of the Board have also been involved in supporting him in this function.

Team members’ loyalty and dedication is vital to the long-term, sustainable success of the business. They understand the key aim is to create the best possible experiences for hotel guests. This is reflected in the ESG targets to further workforce engagement and employee development in order to attract and retain talent at all levels.

A works council operates in the Netherlands. In the UK, a Team Member Forum meets regularly. Each hotel and Regional Office has a representative group from every department which meets with the General Manager every month (Regional Office-based staff meet with the Executive Vice President of Operations, UK). Every quarter, one person from each of those forums represents their hotel at a Regional-level meeting with the Executive Vice President of Operations, UK. A representative of Unite the Union is also invited to the Regional forum. Every hotel also hosts regular town halls for their teams with the General Managers, which includes a Q&A session called ‘Let’s Connect’.

Board site visits

The Non-Executive Directors completed site visits to:

- Art’otel London Hoxton;
- Park Plaza Park Royal London;
- Park Plaza London Westminster Bridge; and
- the site of a proposed development in the Waterloo area of London.

Further, the Non-Executive Directors held meetings with all General Managers in the Netherlands, and had quarterly meetings with the Executive Vice Presidents for the UK and the Netherlands and Italy regions. The Non-Executive Directors reported their finds back to the Board and Executive Leadership Team, with follow-up actions where required.

Pulse surveys

Some team members prefer to offer their feedback anonymously, rather than face-to-face. ‘Let’s Talk’, our pulse surveys, allow us to monitor employee engagement and other important matters, such as employee awareness of ESG.

Pulse surveys took place online on an anonymous basis and were conducted by an external partner. The overall responses to the engagement questions were positive.

Board and Committee meetings

In accordance with the Code, the Board has established the following Committees in order to support the Board and carry out work on its behalf:

- Audit Committee
- Nomination Committee
- Remuneration Committee

In line with investor priorities, and to ensure good governance, the Board has established the ESG Committee.



Strategy. Purpose. Culture. Communications.

The Board sets the strategy and commercial vision, leading with integrity, promoting culture. It evaluates management, overseeing resources and talent pipeline, and engaging with key stakeholders.



Develops. Plans. Evaluates. Nominates.

Oversees current needs and evaluates, plans for the future, monitors, advises, nominates candidates.

- Ensures that the Board has a balance of skills, knowledge, diversity and experience
- Board and Committee composition
- Board nominations
- Succession planning for Directors
- Succession planning for senior management

➔ Report available on page 110



Transparency. Accuracy. Monitors. Aligns.

Oversees risk management, internal controls, audit functions and financial systems. Monitors the integrity of the Group's financial statements and internal controls of the Company.

- Monitors and reviews the integrity of the Group's half-year and full-year financial results, and the financial reporting process
- Oversees risk management and reviews the effectiveness of the Group's systems of internal controls and risks
- Oversees ethics and compliance for the Company
- Reviews and oversees the Group's internal and external audit functions

➔ Report available on page 115



Values. Culture. Talent proposition.

Oversees alignment of remuneration and workforce policies to the long-term success of the Company and its values.

Responsible for Remuneration Policy and for setting salary and bonus levels for senior management and employee benefit structures.

- Remuneration Policy
- Sets targets and incentive schemes
- Executive Leadership Team and senior management remuneration review

➔ Report available on page 123



Future plans. Safeguards. Sustains.

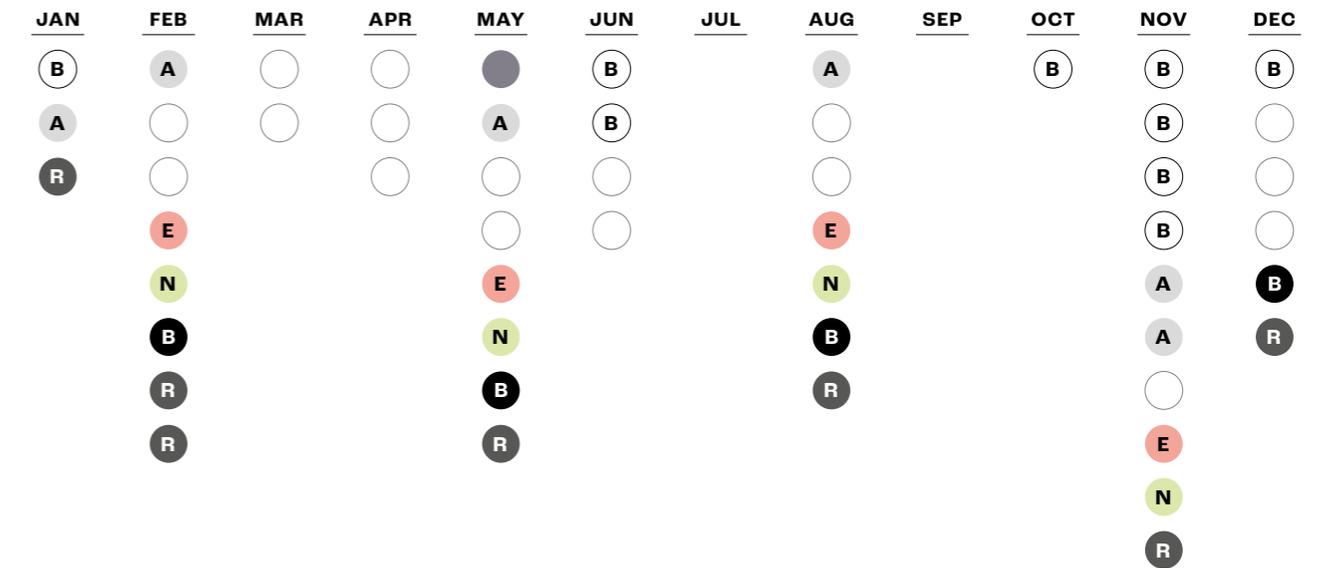
Oversees the approach to sustainability and adding value for our people, our places and our planet.

Responsible for reviewing statutory reporting on environmental and social performance, and proposing strategy and targets to the Board.

➔ Report available on page 121

Terms of reference for each Board Committee are available on the Company's website.

Board and Committee meeting calendar 2025



- B** Quarterly Board meeting
- A** Audit Committee meeting
- E** ESG Committee meeting
- N** Nomination Committee meeting
- R** Remuneration Committee meeting
- Annual General Meeting
- E** Extraordinary General Meeting
- Committee meeting

Director attendance calendar 2025

Director	Ad-hoc Board meeting		Annual General Meeting		Audit Committee meeting		Committee meeting		ESG Committee meeting		Extraordinary General Meeting		Nomination Committee meeting		Quarterly Board meeting		Remuneration Committee meeting		
	Attended	Eligible	Attended	Eligible	Attended	Eligible	Attended	Eligible	Attended	Eligible	Attended	Eligible	Attended	Eligible	Attended	Eligible	Attended	Eligible	
Boris Ivesha	7	9	0	1	0	0	1	17	0	0	0	0	0	0	0	4	4	0	0
Daniel Kos	9	9	0	1	0	0	1	17	0	0	0	0	0	0	0	4	4	0	0
Greg Hegarty	8	9	0	1	0	0	0	17	0	0	0	0	0	0	4	4	0	0	
Roni Hirsch	8	8	0	1	0	0	0	17	0	0	0	0	0	0	4	4	0	0	
Kenneth Bradley	9	9	1	1	2	2	14	17	4	4	0	0	4	4	4	4	7	7	
Nigel Keen	9	9	0	1	5	6	3	17	4	4	0	0	4	4	4	4	7	7	
Stephanie Coxon	8	9	0	1	6	6	16	17	4	4	0	0	4	4	4	4	6	7	
Marcia Bakker	9	9	0	1	6	6	4	17	4	4	0	0	4	4	4	4	7	7	

Nomination Committee report



Ken Bradley

Non-Executive Chairman to the Board of Directors

Membership of the Nomination Committee and meeting attendance

Name of Director	Meetings attended	Eligible to attend
Ken Bradley (Chair)	4	4
Marcia Bakker	4	4
Stephanie Coxon	4	4
Nigel Keen	4	4

Letter from the Chair of the Nomination Committee

Dear Stakeholder,

Good governance is achieved by assembling a Board with the requisite expertise and diversity of opinion. With this in mind, we have worked to deliver on the priorities of stakeholders and the Corporate Governance Code 2024 (the 'Code'). I am pleased to present this Report of the Nomination Committee for 2025, in which we focused on our Board evaluation, on the induction of our newest Director and on succession planning.

Board composition and succession planning

PPHE Hotel Group is led by long-standing, exceptional executives. As the independent Non-Executive Chairman, it is my role to balance this by ensuring oversight by diverse, regularly rotated and independent non-executives. I hold the responsibility for discharging the governance requirements of the Code.

As required by the Listing Rules, the table on page 114 shows our reporting of Board composition with respect to protected characteristics (as defined by the Equality Act 2010). Our Board members are from different nationalities, which makes the use of UK government classifications of ethnicity as required by the reporting format difficult to reconcile with the identities of our Board members.

Succession planning is key to ensuring that there is a roadmap internally to meeting diversity representation targets, and we are able to demonstrate to stakeholders that we take seriously the need to meet them as and when new appointment opportunities arise.

While progress at the Board level is ongoing, the Company is proud of its representation

below the Board, particularly within the Executive Leadership Team, where there is one-third female representation. Furthermore, there is strong and fair female representation across leadership roles throughout the Company. The Board remains committed to promoting diversity and will ensure this remains a core priority as part of its long-term succession planning.

The Senior Vice President of Human Resources & Talent Technology attends two of the four quarterly meetings to discuss succession planning and to allow us to oversee the process for ensuring a diverse pipeline. Other matters discussed with him include employee engagement survey results and action plans arising therefrom.

The Board is headed by a Non-Executive Chairman. In addition to the Chairman, there are four other Non-Executive Directors, and three Executive Directors. The founders of the business maintain rights to appoint Directors as set out in the Articles of Incorporation available on the Company website.

All our Board Directors are subject to annual election or re-election by shareholders at the Annual General Meeting (AGM). Marcia Bakker, Stephanie Coxon and Nigel Keen are considered to be independent. Roni Hirsch is not considered to be independent. Consequently, less than 50% of the Board is composed of independent Non-Executive Directors (see page 96-97). The Non-Executive Directors are regularly refreshed to ensure that independence is maintained, and diversity and fresh perspectives are welcomed onto our Board. Executive Directors are responsible for the day-to-day operations of the business. They are led by our President & Co-CEO Boris Ivesha and Co-CEO Greg Hegarty.

In January 2025, there were two main changes to the Board: we welcomed Roni Hirsch to the Board as a Non-Executive Director. Eli Papouchado stepped down from the Non-Executive Chairmanship of the Board and I replaced him. Yoav Papouchado, as Eli Papouchado's Alternate Director ceased to hold this position automatically.

With new appointments to the Board and new responsibilities for Board members, it is important to have ongoing measures to ensure that Directors have the familiarity and expertise they need to provide effective oversight. This includes:

- periodic training on Directors' duties, (including on changes to the regulatory regime), which are conducted by our external law firm providing corporate law support: Norton Rose Fulbright;
- site visits by Non-Executive Directors to the business's various locations to ensure familiarity and workforce engagement; and
- ongoing review to ensure that Directors have all the training and resources necessary to discharge their responsibilities of ensuring full accountability and oversight.

The Committee is composed of four Non-Executive Directors. Each Director is individually, and the Board is collectively, subject to an annual performance review. This review considers the independence of each Director. No member of the Nomination Committee is considered to have a personal financial interest in matters to be decided by the Committee.

Looking ahead

I am focused on the duties the Code requires of an independent Chairman. Assisting me in this new challenge is a strong and balanced team in place to deliver the leadership the business needs for a strong strategy for success. I am excited by our ongoing engagement with our shareholders on the company's vision and strategy for success, and I look forward with anticipation to 2026.

Ken Bradley

Chair of the Nomination Committee

Nomination Committee activities and focus in 2025

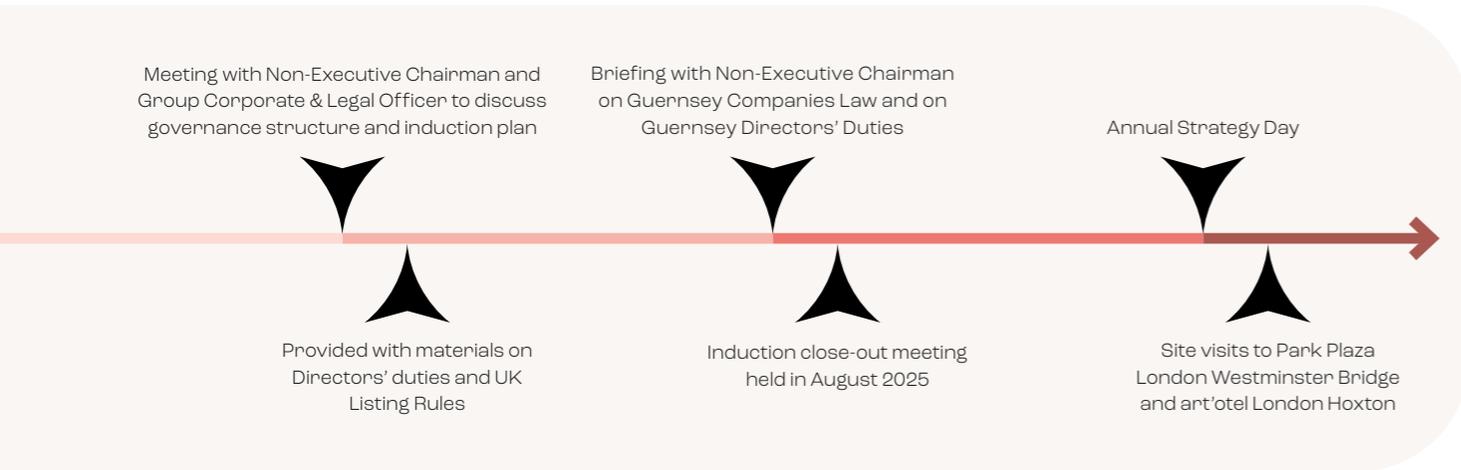
Function	Actions in 2025
Board and Committee composition	<ul style="list-style-type: none"> • Reviewed the composition of the Board to determine that it remains suitable and effective to support the culture, values and strategy of the business • Conducted the annual Board performance review in line with the three-year cycle (see diagram) of external assessment. In 2025, we conducted the review internally • Reviewed the effectiveness and performance of the Committee • Ensured policies and procedures for diversity, equal opportunity and inclusion at all levels of the organisation were maintained
Succession planning for Board and Executive Leadership Team	Maintaining ongoing review and annual update of succession planning for: <ul style="list-style-type: none"> (a) Board Directors; and (b) Executive Leadership Team.
Diversity and Talent Management	<ul style="list-style-type: none"> • Ensured diversity requirements in succession plans • Considered KPIs for monitoring DE&I elements of the ESG strategy
Workforce engagement	The Committee reviewed outputs of employee engagement, and incorporated targets into the ESG strategy. Marcia Bakker visited the Netherlands hotels. The Committee conducted site visits to: <ul style="list-style-type: none"> • Three hotels in London; and • Two proposed development sites in London (Waterloo and Leman Street).

Board induction

I am responsible alongside the Chief Corporate & Legal Officer for ensuring that new appointees to the Board receive a tailored and comprehensive induction to familiarise them with the Company's strategic aims, purpose, operations, regulatory climate, stakeholders, Directors' duties and governance practices. We tailor our programme taking into consideration the Director's previous Board experience, expertise and familiarity with the real estate and hospitality industries. The induction process includes two interviews with me before the programme commences and mid-way to identify any gaps. This was the procedure supporting Roni Hirsch's appointment as Non-Executive Director.

The induction process introduces the new appointee to key stakeholders and the culture of the Board and the Company as a whole. The induction also allows new appointees to gain an appreciation of their role in the success of the Company, how the Company measures success and the expectations of all key stakeholder groups. The induction must be tailored to the individual Director without neglecting the key elements of our induction programme.

Roni Hirsch, as CEO of Red Sea Group, the Company's controlling shareholder, has been with Red Sea Group since 1993 and, as such, is very familiar and engaged with the Group.



Succession planning

We recognise diversity of backgrounds and experience is a key strength, and strong succession planning is a key requirement in stakeholder confidence that decision-making is not dominated by any one individual, or that a strong corporate culture does not decay into 'groupthink'. We are proud of our track-record in developing and nurturing talent internally, but we also look outside where this helps us diversify our ways of working.

Board succession planning

We have evaluated the composition and functioning of the Board in light of the new Board members as well as road-mapping a succession plan addressing the Committee's short-term, medium-term and long-term concerns and different contingencies.

Given the regular interaction between the Board and the Executive Leadership Team, the Committee has the required exposure to evaluate internal candidates when planning for different succession eventualities. The Committee's succession planning process is aligned with the Group's entrepreneurial culture, which fosters the growth and support of team members from varying positions within the Company through to leadership level and is, therefore, engineered to produce internal candidates who may be suitable for positions on the Board, as well as considering external candidates when appropriate with the

assistance of external specialist search consultants.

Roni Hirsch's appointment was made under the power given to Euro Plaza under its Relationship Agreement with the Company and as set out in the Articles of Incorporation.

As an important element of the succession planning programme, consideration is also given to the length of service of Board members.

The Board believes that in its current composition, it has the right combination of skills, experience and knowledge, and remains effective and entrepreneurial.

Executive Leadership Team succession planning

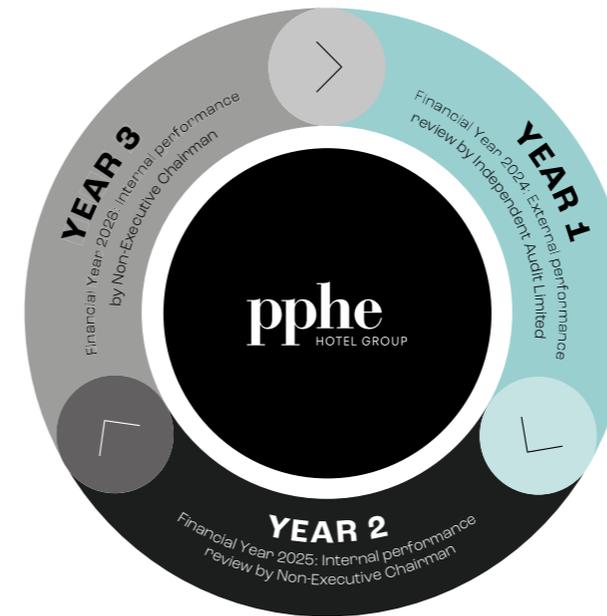
Individuals whose contribution to executive leadership can be considered for appointment to the Board where this is deemed necessary and appropriate for the business.

PPHE Hotel Group has benefited from a strong talent pipeline. Our Executive Leadership Team members all have long histories within the business, and many have reached their current seniority through 'rising through the ranks'. Ensuring the ongoing success of this talent pipeline is a key business priority. The Committee works closely with the Vice President of Human Resources & Talent Technology on all aspects of recruitment and development of talent.

The Vice President of Human Resources & Talent Technology documents the key skills of the current holders of senior positions in order to ensure that in the event an individual needs to be replaced by the business, their contribution can be smoothly transitioned. Succession planning is divided into short and long-term planning, which is defined by the immediacy of the need to fill any vacancy. Short-term plans are triggered by an event such as a resignation or other unforeseen departure.

In addition to focusing on individuals, the organisational structure of roles and reporting lines within the business is kept under review to ensure that it continues to deliver the business's needs. Periodically, this is externally assisted, and takes into account the needs of various stakeholders, not least our affiliate partner, Radisson Hotel Group.

The Group's ESG strategy feeds into our succession planning. I am the Board member responsible for workforce engagement, and we have several strategic objectives for our team members under the 'social' pillar of the ESG strategy. This enables us to include Diversity, Equity and Inclusion (DE&I) elements into the strategy.



Board performance review

PPHE Hotel Group uses a three-year cycle of internal and external Board performance reviews. The purpose of the Board performance review is to conduct a formal, rigorous annual evaluation of Board performance, the functioning of the Board's Committees, and the performance of individual Directors. The scope of the performance review includes Board dynamics, culture, behaviour and decision-making.

In 2024, Independent Audit Limited conducted the externally facilitated evaluation of Board performance. We are now in year one of the three-year cycle shown in this diagram.

Priorities for 2026 are set out in the introduction to governance.

2025 Board evaluation summary (with updates on 2024 outcomes)

Priorities identified in 2024	2025 update
<p>The Board</p> <ul style="list-style-type: none"> Reconsider how time is used in Board meetings to enable more strategic-level discussions. Develop the form and content of Board papers to facilitate higher-level discussion and achieve greater efficiency of oversight. 	<ul style="list-style-type: none"> The Board has developed some of the reports to ensure more strategic discussions are enabled at Board meetings. The agenda for the Strategy Day was also enhanced to ensure a wide range of discussions was facilitated. This is also a priority for 2026, including third party inputs to aid challenge and debate.
<p>Audit Committee</p> <ul style="list-style-type: none"> The Audit Committee has played a positive part in the sustained improvement of the Company's risk management. 	<ul style="list-style-type: none"> The Audit Committee was rated highly and maintained a focus on emerging risks and preparation for Provision 29 reporting. It will focus on emerging and developing risks in 2026.
<p>ESG Committee</p> <ul style="list-style-type: none"> While this Committee is functioning well, there is the opportunity for greater clarity around its role and purpose. With greater clarity, it will be evident where changes in the Committee's work would be helpful to achieving those objectives. 	<ul style="list-style-type: none"> The Committee has provided greater clarity around its role and its purpose, and has appointed Greenview consultants to support delivery of our roadmap. In the 2025 evaluation, the ESG Committee progress was evident and it was assessed as performing consistently well.
<p>Nomination Committee</p> <ul style="list-style-type: none"> The Committee could usefully give more time and attention to Director development. 	<ul style="list-style-type: none"> Director development was supported with some Legal, ESG and IT cyber risk activities and will remain a focus for the next year. Succession planning for Board and senior managers to be reviewed in 2026.
<p>Remuneration Committee</p> <ul style="list-style-type: none"> There is an opportunity to broaden the scope of the Committee's activities to cover Company-wide pay and employment policies. 	<ul style="list-style-type: none"> The Committee reviews Company-wide pay and employment policies and reviews the staff opinion surveys to identify any gaps (as recommended by Independent Audit Limited in the 2024 review).

Position of the Chairman of the Board

I became Chairman in January 2025. The Code places significant responsibilities on the Chairman for accountability to shareholders and representation of their interests. For this reason, consideration is given at all times to ensuring that an appropriate person occupies the role, and provisions are made for both short and long-term succession periods.

Board diversity

Shareholders require diversity amongst Board members to ensure that the business is led by a group with varying backgrounds and expertise, without a single, dominant presence in the form of an individual or class of individuals dominating and potentially distorting decision-making in their interests. The Nomination Committee has responsibility for the formal elements of this by maintaining the Board Diversity Policy. Additionally, I am responsible for ensuring that this carries forward into Board meetings, with all Directors given the opportunity to participate and contribute fully in all meetings, and provided with sufficient time and resources to do so. Succession planning is undertaken with the Board Diversity Policy in mind, and future Board appointments are subject to its provisions.

The Board Diversity Policy mandates that we consider gender balance in senior management and their direct reports. Our Board and the Executive Leadership Team consist of both men and women, and we note and value the diversity of experiences, geographies, ethnicities, ages and genders in our business and its leadership.

When considering succession planning and appointments, the Committee gives due consideration to the advantages of a wide range of experiences and perspectives bring to innovation and breadth of ideas, as well as potential barriers to entry for individuals as a result of Protected Characteristics (as defined by the Equality Act 2010) they possess. In this way, we seek to move towards compliance with the requirements for minimum 40% female representation on our Board, as well as a woman in one of the following positions: CEO, CFO, SID or Chairman.

Diversity disclosures

Disclosures in this table are made in line with the reporting requirements set out in the UKLRs (UKLR 6.6.6R(10) and UKLR 6 Annex 1R). Direct reports to the senior management are set out in the tables on page 96-97.

Gathering of data: individuals are requested by the Compliance Team to provide the data related to their Protected Characteristics on the basis that the business is under a regulatory requirement to report. Board members are reminded that although it is a regulatory requirement for the business to make a report, it is not mandatory for individuals to provide this personal data to the business, and that anyone who does not wish to disclose could compliantly be included under the heading ‘not specified / rather not say’. Data is correct as of 31 December 2025.

	No. of Board members	Percentage of the Board	No. of senior positions on the Board (CEO, CFO, SID & Chair)	No. in executive management	Percentage of executive management
Reporting on sex and gender identity¹					
Men	6	75%	4	5	71%
Women	2	25%	–	2	29%
Other categories	–	–	–	–	–
Not specified / prefer not to say	–	–	–	–	–
Reporting on ethnic background					
White British or other white (including minority white groups)	6	75%	3	6	86%
Mixed / multiple ethnic groups	–	–	–	–	–
Asian / Asian British	–	–	–	–	–
Black / African / Caribbean / Black British	–	–	–	–	–
Other ethnic group, including Arab	–	–	–	–	–
Not specified / Prefer not to say	2	25%	1	1	14%

Notes to the table

¹ The tables on page 96-97 set out the members of the Board. Members of the Executive Leadership Team are a separate population and are identified in these tables.

Audit Committee report



Stephanie Coxon
Chair of the Audit Committee

Letter from the Chair of the Audit Committee

Dear Stakeholder,

As Chair of the Audit Committee, I am pleased to present the Committee’s report for the year ended 31 December 2025. This Report has been prepared in accordance with the requirements of the Corporate Governance Code 2024 and provides a fair, balanced and transparent overview of the Committee’s activities and priorities. Strong governance depends on accountability, and the Committee continues to welcome feedback from stakeholders to ensure our reporting remains both compliant and responsive.

The Audit Committee provides independent oversight of the Company’s financial reporting, internal audit activities, risk management framework and system of internal controls. In line with the Code, the Committee comprises members with appropriate and relevant expertise in auditing and accounting, enabling effective challenge and scrutiny. The Committee also oversees the appointment, independence and effectiveness of the external auditors, who provide assurance over the Company’s financial performance. Through this work, the Committee seeks to support stakeholder confidence in the Company’s viability and long-term resilience.

During 2025, Brightman Almagor Zohar & Co (a member of the Deloitte Global Network) completed their second audit of the Company’s Annual Report and Accounts. The Committee monitored audit quality and effectiveness throughout the year and was satisfied with the auditors’ independence, objectivity and professional scepticism.

The year included a continued focus on the revised Corporate Governance Code and the evolving landscape of ESG reporting. In

particular, the Committee has taken steps to prepare for the implementation of Provision 29, reviewing and enhancing the Company’s approach to internal controls, documentation and assurance processes in advance of its effective date. The Committee also focused on ensuring that disclosures relating to governance, strategy, risk management and environmental metrics are robust, transparent and aligned with stakeholder expectations. Further details are set out in the ESG report on page 121.

The Role of the Audit Committee

The Audit Committee plays a key role in assisting the Board to:

- ensure that the Group’s financial systems provide accurate, timely and reliable information on its financial position;
- confirm that the Group’s published consolidated financial statements and related announcements present a true, fair and balanced view of its financial position;
- oversee and monitor the Company’s risk management framework, covering internal controls, and both financial and non-financial risks;
- ensure that appropriate accounting policies, internal financial controls and compliance procedures are in place and operating effectively;
- Monitor and review the effectiveness of the internal audit function; and
- review and assess the quality and effectiveness of the external audit process, as well as the independence of the external auditors, including leading the process for their appointment and ongoing evaluation.

The Audit Committee receives and reviews information from the Executive Leadership Team, the Head of Internal Audit and Risk, the internal Legal, Compliance, Audit and Risk teams, and the external auditors

Membership of the Audit Committee and meeting attendance

Name of Director	Meetings attended	Eligible to attend
Stephanie Coxon (Chair)	6	6
Marcia Bakker	6	6
Nigel Keen	5	6
Ken Bradley	2	2

throughout the year to enable it to discharge its responsibilities effectively. Suntera Limited continues to provide Company Secretary services, ensuring the Committee has the policies, processes, information, time and resources required to function efficiently. The Audit Committee reports regularly to the Board on how it has fulfilled its responsibilities. The Committee's terms of reference are available on the Company's website.

Audit Committee activities and focus in 2025

Function	Actions in 2025
Financial Reporting	<ul style="list-style-type: none"> Reviewed the Interim Report and Financial Statements for the half-year ended 30 June 2025. Reviewed the Annual Report and Accounts to ensure that, taken as a whole, it is fair, balanced and understandable.
Monitor and review the effectiveness of the Group's system of internal controls and risk management	<ul style="list-style-type: none"> Oversaw the initial implementation of a reportable controls framework to support future compliance with Provision 29 of the Code. Reviewed the effectiveness of the Internal Audit and Risk function and confirmed adequate resourcing. Oversaw the annual refresh of the Risk Appetite Statement and reviewed emerging risks, including climate-related and geo-political risks.
Oversee ethical dealings and compliance for the Group	<ul style="list-style-type: none"> Reviewed climate risk integration within the ERM system and ensured alignment with the Group's sustainability strategy. Supported the ESG Committee in overseeing assurance processes relating to ESG disclosures in the Annual Report. Approved Responsible Business policies for the prevention of bribery and corruption, fraud and the facilitation of tax evasion.
Review the Group's external audit function	<ul style="list-style-type: none"> Monitored the external audit process, including review of the audit plan and key findings, and assessed the independence and objectivity of the external auditors, confirming compliance with the FRC's External Audit: Minimum Standards and Non-Audit Services Policy.

Effectiveness of the Committee

The Committee is assessed annually for its effectiveness. The evaluation of the Committee reviews its work against the provisions and requirements of applicable standards, including the Code, the Guidance on Audit Committees and the publication "Audit Committees and the External Audit: Minimum Standard". The conclusion of the 2025 assessment of the effectiveness of the Audit Committee was that the Committee is effective in the discharge of its duties and compliant with the Code.

Relevant skills and experience

The Audit Committee is composed entirely of independent Non-Executive Directors. Collectively, the Committee has the background, qualifications, skills and experience required by the Code. The Committee has competence relevant to the sectors in which the Company operates, and includes members with recent and relevant

financial experience. Consistent with the Code, the Board Chairman is not a member of the Audit Committee with effect from May 2025. The Board and the Nomination Committee review the Committee's composition regularly and remain satisfied that it is properly structured and appropriately resourced to discharge its duties.

Audit Committee schedules and resources

Audit Committee meetings are scheduled approximately one week in advance of Board meetings, allowing the Committee's actions and recommendations to be considered by the Board in a timely manner. Committee members have direct access to the Executive Leadership Team, key corporate functions and the external auditor, with representatives from these groups attending meetings at the invitation of the Committee on an ad-hoc basis.

The Committee receives regular updates on financial performance, information technology, operational matters and progress against strategy from relevant executives. These updates are typically provided by the Co-Chief Executive Officers, the Chief Financial Officer and the Chief Corporate & Legal Officer.

The Head of Internal Audit and Risk reports directly to the Audit Committee and provides monthly updates to the Committee Chair on non-financial reporting matters, including enterprise risk management and progress against the internal audit plan. This reporting structure supports the Committee's independent oversight of risk management and internal audit activities.

Suntera Global continues to provide Company Secretarial services to the Committee, ensuring it has access to the policies, processes, information, time and resources required to operate effectively.

Relationship with the Board

The Audit Committee was allocated sufficient time ahead of and in Board meetings to address any potential conflicts between the Board and the Committee. If any such disagreement remain5 unresolved, the Audit Committee has the right to report the issue to shareholders as part of the report on its activities in the Annual Report. Accordingly, it is confirmed that there were no such unresolved disagreements. All matters presented by the Audit Committee to the Board were discussed in full, with resolution, in 2025.

External audit and external auditors

The Audit Committee considers the appointment, re-appointment and removal of the external auditors, reviews their terms of appointment and negotiates fees on behalf of the Board prior to making recommendations through the Board to the shareholders to consider at each Annual General Meeting. The Committee also monitors the auditor's independence, objectivity and the audit quality, including compliance with the FRC's Audit Committees and the External Audit: Minimum Standard.

Oversight of the external auditors and audit

The Committee and its Chair take steps throughout the year to remain fully informed on the progress of the audit and to ensure it remains aligned with the audit plan presented to the Committee. The Committee seeks to satisfy itself that the audit process is effective and that there is full engagement from management and relevant internal teams.

Regular meetings with the external auditor enable the Chair and Committee to ask questions, review the audit's scope and confirm that it is comprehensive, including the identification of any gaps. The Committee also challenges the auditor on its sources of information and the basis of its conclusions. The auditor is required to report against the agreed audit plan, including explanations for any changes made during the course of the audit.

Audit plan

Following appointment of the external auditor, an audit plan was submitted to the Audit Committee for discussion. The basis of the audit plan was comprised the key risks identified by the business and the strategy as set out in the Annual Report and Accounts. The audit plan formed the basis throughout the year for questions and queries from the Audit Committee to the external auditors, and the final assessment of the Committee. Having sought information in November, the external auditor presented their audit plan to the Audit Committee for discussion. The plan was based on the key risks identified by the business and the strategy outlined in the Annual Report and Accounts. Throughout the year, the audit plan provided the framework for the Committee's questions and engagement with the external auditors, as well as for the Committee's final assessment.

After reviewing information from relevant management functions and holding regular meetings with the auditors, the Committee is satisfied with the effectiveness of the Group's external audit and the integrity of both the financial and narrative statements of the relevant management functions, and having conducted multiple meetings with the external auditors, the Committee is satisfied with the Group's external audit function and the integrity of the financial and narrative statements.

2025 audit plan

In 2025, the Audit Committee instructed the external auditors to focus on the following areas:

- Impairment of property, plant and equipment and right-of-use assets, including related disclosures;
- Recoverability of deferred tax assets; and
- Loan refinancing arrangements,

The Audit Committee held a discussion with Deloitte to obtain their informal feedback on its assessment of the internal control framework, in preparation for the implementation of Provision 29 of the Code.

The process of oversight requires the Audit Committee to request that management is not present for part of the meeting where the auditors present their conclusions. This allows the external auditors to speak freely and share any views without management being present.

This also allows the Audit Committee to understand how the external auditors have been professionally sceptical in their procedures and discuss any areas on which they have challenged management. The Committee wishes the external auditors to maintain an attitude of challenge to management's assertions, and this has facilitated an open culture of questioning and information gathering.

The opinion of the external auditors is available on page 141.

Review of the external auditor

The Audit Committee reviewed the independence and objectivity of the external auditors and reported to the Board that it considered that the external auditors' independence and objectivity were maintained.

This review included discussions with the external auditors at various meetings, reliance on the external auditor's own internal controls for compliance with independence rules and ensuring compliance with the Non-Audit Services Policy (as further described below). When evaluating the independence of the external auditors, the Audit Committee also took into consideration the quality of the audit produced, the constitution of the audit team being used by Brightman Almagor Zohar &

Co, communications between management and the external audit team and generally how the external audit team interacts with and challenges management.

The Audit Committee conducted a thorough evaluation of the external auditors' performance during the year. The results of this review indicated a high level of satisfaction with the quality, effectiveness, and professionalism of the audit.

Policy on engaging external auditors to supply non-audit services

The Committee oversees the Non-Audit Services Policy, which is reviewed annually and is aligned with the FRC Ethical Standard 2024 and Minimum Standard. The policy sets out the circumstances and financial limits within which the auditors may provide non-audit services, whether a tender process is required, and the information to be considered to ensure auditor independence and objectivity are maintained.

Non-audit engagements are approved only where they do not compromise independence or objectivity and where the auditor is demonstrably best placed to perform the work, such as the interim review of half-year results. The Committee monitors aggregate non-audit fees and confirms that the nature and extent of services provided during 2025 did not impair auditor independence.

The Audit Committee regularly reviews the policy to reflect changes in standards or regulatory requirements and monitors compliance to ensure the Company's non-audit services remain consistent with the FRC's revised ethical requirements.

The audit fees due to the external auditors amounted to £613,000. In 2024, the fees were £586,000.

Total non-audit fees amounted to £120,000. In 2024, total non-audit fees were £112,000. The Auditor's non-audit services were as follows:

The auditor completed the interim review of the Group's half-year financial results. Although this is considered to be a non-audit service, the objective of the interim review is aligned with the audit.

The auditor also provided certain assurance services to our subsidiary, Anena Hospitality Group. Although this is considered to be a

non-audit service, local law requires the statutory auditor to perform such services.

The Audit Committee considered the provision of the non-audit service during the 2025 year and was comfortable that the nature and extent of non-audit services provided did not present a threat to the external auditors' objectivity or independence.

Internal audit

The Company has an internal audit and risk management function which reports directly to the Chair of the Committee. This reporting structure is designed to ensure maximum independence of the internal audit function from the Executive Leadership Team and senior management. In addition, the Head of Internal Audit and Risk has a dotted reporting line to the Chief Financial Officer and Executive Director, Daniel Kos. The internal audit function's management of risk and internal controls, and the Committee's oversight of it follows the FRC's Corporate Governance Code Guidance and Guidance on the Going Concern Basis of Accounting and Related Reporting.

The Committee is responsible for monitoring and reviewing the effectiveness of the internal audit function and its compliance with Global Internal Audit Standards. This requires there to be monthly meetings with the Head of Internal Audit and Risk to assess progress against the internal audit programme and other relevant matters, including actions recommended in previous audit reports. Audit Committee meetings maintain a standing agenda item of meeting with the Head of Internal Audit and Risk at each meeting without the presence of Executive Leadership Team (unless their presence, or that of other Board members is required by specific invitation to discuss relevant matters).

Internal audits conducted under the audit plan present findings in a categorised form. Major findings are those that pose the highest risk to the business and require immediate response. Follow-up actions for all audit findings (major, moderate and minor) must be reported on by the Internal Audit and Risk function to the Audit Committee, with reporting prioritised for major and moderate findings. The Audit Committee may

2025 Internal Audit Work Plan

To develop the internal audit and assurance plans, the enterprise risks of the business are mapped against all identified auditable areas. For each auditable area, any key changes or incidents that could indicate an increased risk profile are assessed, along with any management concerns raised by the Executive Leadership Team. These inputs are then used to determine and prioritise the areas requiring assurance work, to be delivered either by Internal Audit or by appropriate third party specialists. During 2025, internal audit and risk resources were required to deliver other key workstreams to support the Board in preparing for meeting the updated requirements of Provision 29 of the UK Corporate Governance Code. Independent assurance over cyber defence controls was provided through a structured penetration testing programme carried out by third party specialists throughout the year.

Areas of focus	Scope
IT change management	<ul style="list-style-type: none"> Follow-up review of IT change management procedures following external audit observations
Material control testing	Evaluation of material controls across financial, operational and compliance processes including: <ul style="list-style-type: none"> Treasury & Cash Management Hire to Retire Procure to Pay Project Development Crisis Management and Operational Continuity Personal Data Privacy Anti-Bribery and Corruption ESG – Strategic Delivery
Data Subject Access Requests – Process review	<ul style="list-style-type: none"> Assessment of the design and operating effectiveness of Data Subject Access Request (DSAR) response procedures

Other key workstreams in 2025

Workstream	Description
Internal control framework documentation (Provision 29 preparation)	Full update of internal control framework and obtaining Board confirmation of material controls across Financial, Compliance, Information Technology, Operational and entity-level procedures.
Risk and control software implementation (Provision 29 preparation)	Implementation of new software, professional user training and roll out to business users.
Corporate Governance Code - Provision 29 preparation	New Group Internal Control Policy development for Board approval.
Follow-up programme	Ongoing follow-up of outstanding actions including escalation of overdue items and regular reporting.

choose to make recommendations for support, for example, for additional resources on follow-up actions required to address findings. The Audit Committee is also responsible for the governance of the internal audit function, and therefore must ensure that the function has the requisite access to records, documents, premises and personnel needed to perform the function.

In relation to cyber risk, external risk and assurance activities were supported by three independent third party providers:

- ThreatSpike, Qualys and Foregenix.

Review of the internal auditor

The Audit Committee conducts an annual review of the effectiveness of the Internal Audit and Risk function. The Audit Committee is satisfied that the quality, experience and expertise of the function is appropriate for the business.

Enterprise Risk Management (ERM)

The Company maintains an ERM system for which the Board is responsible. The Audit Committee maintains responsibility for oversight and providing the Board with guidance in the discharge of this responsibility. It is, therefore, a standing agenda item of the Committee to consider the risk register and the key risks identified by the ERM.

Risk management is an ongoing task, with a requirement to look ahead to emerging risks. The Audit Committee ensures that there is ongoing monitoring of the risk profile of the business to ensure it remains current and up to date. This allows the Committee to advise the Board and to make recommendations on the contents of the Risk Appetite Statement set each year.

Risks to the business arise both internally, from the organisation's own institutions, structures and processes, and externally. External risks can vary by region and are influenced by factors such as the sectors in which the Company operates, macro-economic conditions, shifts in local and global market trends, geo-political developments, social and labour conditions, and environmental considerations. The Audit Committee reviews these risks on an ongoing basis and, where necessary,

ensures that appropriate controls or other response measures are implemented by management.

On the operational level, the ERM framework takes a granular approach. The Internal Audit and Risk function facilitates the upkeep of functional-level risk registers as well as an emerging risk profile. The Audit Committee oversees and challenges the results of this risk assessment approach.

Climate change impacts on the risk profile of the Group in multiple ways. As such, a distinct process of climate-related risk review is conducted by the Head of Internal Audit and Risk alongside the ESG Manager of the Company. The Audit Committee oversees this process. Outputs of climate risks, reporting frameworks and legislative compliance are in the TCFD report on page 72.

A report on the principal risks of the Group is on page 80.

Financial reporting

The Audit Committee has reviewed the Annual Report and Accounts. In its opinion, taken as a whole, it is fair, balanced and understandable and provides the information necessary for stakeholders to assess the Company's position and performance, business model and strategy.

The Audit Committee reviews draft annual and interim reports. The Audit Committee discusses with the Co-Chief Executive Officers, Chief Financial Officer and external auditors the significant accounting policies, estimates and judgements applied in preparing these reports.

The overall responsibility for approving annual and interim statements and other governance statements is carried out by the Board, in accordance with the Schedule of Matters Reserved for the Board.

The Audit Committee has challenged the Executive Leadership Team on the following matters:

Provision 29 - UK Corporate Governance Code

Following the release of the revised UK Corporate Governance Code, planning has been underway to prepare for the enhanced internal control requirements set out in Provision 29. The Board approved a Group Internal Control Policy that sets out the

organisation's commitment to a robust internal control framework, defines material risks and controls, provides guidance to support reporting-related decision-making, and clarifies accountability across the business. The material control scope and associated assurance requirements for 2026 were approved by the Board in December 2025.

The Committee reviewed the design and effectiveness of the Company's reportable controls framework, sought updates on processes for testing and monitoring key controls, and discussed the remediation of any gaps identified. This collaborative approach ensured that management is taking appropriate steps to prepare for compliance with Provision 29 and that the framework is robust, well-documented and capable of supporting the Committee's future assessment of the effectiveness of internal controls.

Impairment testing

The Group's impairment review requires judgment in estimating the recoverable amount of property, plant and equipment, and the IFRS 16 right-of-use asset. During the year, the Group recognized a £23.7 million impairment. The Audit Committee reviews the independent property valuations used by management to support its impairment assessments. The Committee also engaged in detailed discussions with the Chief Financial Officer regarding the methodology and assumptions applied in these reviews to ensure they are robust and appropriate.

Information security

The Audit Committee continues to provide active oversight of cyber and information security risks, holding regular meetings with the Head of IT Security and the Head of Internal Audit and Risk. These sessions include detailed updates on the evolving cyber threat landscape, technology risk environment, effectiveness of cybersecurity controls, continuous monitoring activities, incident readiness, and emerging cyber risks.

Based on these insights and risk assessments, the Committee directs independent third-party cyber assurance and security reviews as required throughout the year to strengthen resilience and validate control effectiveness.

Viability/Going concern

In accordance with legal requirements and best practices, this remains a key focus for the Audit Committee. The Committee assessed the appropriateness of the viability and going concern evaluation, and recommended that the Directors collectively approve and sign the statements on page 140.

Climate change/ESG

The Audit Committee independently evaluates the risks and opportunities associated with climate change and other ESG matters. It has also collaborated with the ESG Committee on the Group’s approach to carbon emissions reporting.

Alternative Performance Measures (APMs)

In reviewing the Annual Report and Accounts, the Audit Committee has challenged management on the completeness, as well as the use and definitions of Alternative Performance Measures (APMs).

In addition, the other significant issues generally considered relate to the complexity of the financial statements due to the size of the Group and the multiple legal entities.

Stephanie Coxon

Chair of the Audit Committee

ESG Committee report



Marcia Bakker

Chair of the ESG Committee

Letter from the Chair of the ESG Committee

Dear Stakeholder,

2025 has been a pivotal year for ESG oversight. ESG is no longer viewed solely as a non-financial reporting obligation; it is increasingly embedded within corporate strategy, risk management, internal controls and financial disclosures. During the year, the ESG Committee focused on ensuring that the business is appropriately positioned to report in this evolving environment, supported by robust underlying processes strengthened governance structures, consistent methodologies and increasing organisational engagement.

As set out in more detail on pages 58-79, the Committee oversaw significant progress during the year. This includes the oversight of the development of a comprehensive decarbonisation plan covering all areas of the business, and the further alignment of targets and reporting methodologies across regions and functions including harmonisation with our listed subsidiary Arena Hospitality Group (AHG). The double materiality assessment was conducted aligned with AHG’s ESG reporting. The Science-Based Targets are submitted for validation in line with our December 2025 commitment and expect validation in early 2026. These milestones reflect continued technical advancement and growing organisational involvement in ESG delivery.

Continuation of the Committee

The ESG Committee continues to review its own role and relevance within the Group’s governance framework. While our long-term ambition remains the full integration of ESG oversight into the Board and its other Committees, the current pace of regulatory change and the increasing complexity of ESG requirements make it appropriate for the ESG Committee to retain dedicated responsibility in the short to medium term. As we move into regular reporting against near-term, long-term and net zero targets, it is essential that sufficient time and focus are provided at Board level to support oversight, challenge progress and delivery.

Transparency and credibility remain central to our approach. We therefore place strong emphasis on the quality of the data, controls and governance over reporting processes that underpin our ESG disclosures, ensuring that published information is robust, reliable and decision-useful.

Strategic oversight

In 2025, our focus was on overseeing the harmonisation of ESG reporting across regions, improving data quality and embedding consistent methodologies to support consolidated reporting. The Committee reviewed management’s focus, challenged delivery timelines and monitored progress towards strengthening governance over ESG data and reporting processes. This work is critical as we prepare for expanded disclosure requirements, including mandatory double materiality assessments and increased scrutiny from investors and other stakeholders.

Membership of the ESG Committee and meeting attendance

Name of Director	Meetings attended	Eligible to attend
Marcia Bakker (Chair)	4	4
Ken Bradley	4	4
Stephanie Coxon	4	4
Nigel Keen	4	4

Looking ahead, the Committee will continue to monitor regulatory developments, oversee progress against approved targets and ensure that ESG considerations remain appropriately integrated within the Group's broader risk management and strategic framework.

As mentioned, we submitted our net zero targets for validation to the Science-Based Targets Initiative (SBTi) in line with our December 2025 deadline, ensuring alignment with global best practice. By working with external specialists to design a roadmap to net zero, we are confident we have a strategy that will lead us to meet our science-based targets.

We also continued progress in achieving sustainability certifications across our real estate portfolio, reinforcing our commitment to low carbon operations. These certifications provide recognised benchmarks for assessing environmental performance and offer investors and stakeholders greater transparency on asset quality and resilience. As a real-estate business, it is important that all

developments look to best possible performance against stringent environmental criteria and resilience to changing climatic conditions in order to ensure the sustainability of value of the portfolio.

Social initiatives

Our social strategy remains focused on employee wellbeing and community engagement. Bi-annual employee engagement surveys continue to provide valuable insight into the needs and priorities of our teams. In 2025, we further expanded our employee volunteering programme, strengthening partnerships with local community organisations and charities, and improving how we track participation and impact.

Team member retention is a high priority for the business. A sense of contribution to their communities helps team member engagement, driving higher retention rates. Employee volunteering guidelines specify that volunteering should be a net contributor to the local communities in which we operate and meet the strategic goals of the organisation.

Looking ahead to 2026

Priorities for the coming year include continued alignment of ESG reporting with evolving standards for large businesses across all regions, progress against our validated SBTi targets, further expansion of sustainability certifications and continued improvement in waste management practices. Supplier engagement will be increasingly important, particularly in addressing Scope 3 emissions. Further integration of ESG targets and reporting into day-to-day operations will be a key focus, ensuring that ESG performance is owned across the organisation and embedded into decision-making at all levels.

ESG Committee's 2025 activities and focus

Function	Actions in 2025
Performance of the Committee	<ul style="list-style-type: none"> Reviewed terms of reference
Climate-related risk and reporting	<ul style="list-style-type: none"> Approved updated TCFD disclosures
ESG strategy	<ul style="list-style-type: none"> Monitored progress against science-based targets Reviewed Scope 3 reduction roadmap

Marcia Bakker

Chair of the ESG Committee

Remuneration Committee report



Nigel Keen

Chair of the Remuneration Committee

Letter from the Chair of the Remuneration Committee

Dear Stakeholder,

I am pleased to present the report of the Remuneration Committee for the year ended 31 December 2025. The Report will be presented for an advisory vote to shareholders at the forthcoming Annual General Meeting. The advisory vote is in line with the standard of corporate governance expected of companies listed on the London Stock Exchange. As a Guernsey-incorporated company, PPHE Hotel Group is subject to the requirements of The Companies (Guernsey) Law, 2008.

2025 performance

The Group experienced a challenging trading environment at the start of 2025, with macro-economic trends affecting our ability to exceed our performance targets. The second half of the year showed signs of improvement, partially offsetting the negative trends in the first half. Despite these headwinds, the Group achieved modest EBITDA* growth and paved the way for further growth into 2026 by implementing substantial projects. These initiatives include the roll out of a new Property Management System (PMS), enabling implementation of the latest automation to improve guest satisfaction and achieve further efficiencies. We furthermore accelerated the implementation of AI and Robotic Process Automation on back-office functions, which resulted in faster response or process time, with lower manpower.

In the year, we also engaged with shareholders over the potential for the Company to do share buy-backs, given the relatively large discount of the share price versus the Company's net asset value. Larger (non-controlling) shareholders expressed their desire to move away from share buy-backs and, as such, we will not propose for further buy-backs in the upcoming Annual General Meeting.

2025 was a year in which our development pipeline of lifestyle branded properties was completed, with the full openings of art'otel London Hoxton and art'otel Rome Piazza Sallustio. These exciting new openings give us an opportunity to demonstrate our operational excellence and our unique, high quality offering in these resilient European capitals. We spent 2025 launching these new properties, along with the destination restaurant and bar venues that sit within the hotels, and driving their performance, and we are very pleased with their positive reception. We are very optimistic about their performance in 2026 and beyond.

We furthermore acquired a property at the eastern boundary of the City of London for an exciting new project where the business district of the City meets its vibrant East End.

Membership of the Remuneration Committee and meeting attendance

Name of Director	Meetings attended	Eligible to attend
Nigel Keen (Chair)	7	7
Stephanie Coxon	6	7
Ken Bradley	7	7
Marcia Bakker	7	7

Remuneration Policy implementation

The Committee acknowledged the total remuneration package for Executive Directors was below that of its peer group

Whilst the Committee was comfortable with that position at the time, it subsequently resolved, in line with best practice, to seek expert external advice about the implementation and competitiveness of the Company’s Remuneration Policy.

Accordingly, remuneration specialists MM&K were engaged directly by the Committee in October 2025 to undertake a review and benchmarking exercise of the total remuneration package of the Executive Directors.

Following MM&K’s independent review, the Committee concluded that the total remuneration packages may include insufficient incentive to motivate and retain the Executive Directors. In light of the significant potential risk posed by this situation, the Committee considered that immediate action was required before the end of the 2025 financial year.

A detailed analysis of the action taken by the Committee is set out in the full Remuneration Report for 2025 on page 132.

Long-Term Incentive Plan (LTIP)

Following an independent review of the total remuneration packages for Executive Directors by MM&K, on 17 December 2025, Greg Hegarty and Daniel Kos entered into certain performance related long-term incentive arrangements. Under the terms of the arrangements, nil-cost options over ordinary shares in the Company may be granted annually to each individual based on dividend and earnings per share performance in each of 2026, 2027 and 2028. The maximum annual award opportunity is capped at two times annual salary.

The grant of 50% of each nil-cost option will be dependent on a dividend-related performance target. The grant of the other 50% of each nil-cost option will be dependent on an earnings per share-related performance target.

Any nil-cost options granted will be capable of exercise in Q1 2029 shortly after the announcement of the Company’s results for the year ending 31 December 2028. Each individual will then be required to retain the net number of ordinary shares acquired on exercise (i.e. after sales for tax) for a further two-year period.

The Company has delivered a strong operational performance, and demonstrated resilience in its strategic execution. The Committee is confident that this decision reflects the exceptional efforts of the management team and appropriately rewards their leadership during an extraordinarily challenging period, ensuring alignment with long-term stakeholder interests.

These awards are nil-cost options over ordinary shares in the Company, the vesting of which is subject to dividend and earning per share performance targets for each of the 2026, 2027 and 2028 financial years. The maximum annual award opportunity for any financial year is capped at two times annual salary.

Given the wider issue of dealing with a share price that does not adequately reflect the value proposition of the Company, the Committee, based on the findings of the independent review undertaken by MM&K, has moved away from a share price-based performance target and, instead, moved to commercial targets which directly impact the ability of the business to deliver returns to shareholders through the generation of cash profits and dividend receipts.

Accordingly, the vesting of 50% of each nil-cost option will be dependent on a dividend related performance target. The vesting of the other 50% of each nil-cost option will be dependent on an EPS related performance target.

The nil-cost options were granted under the Company’s Executive Incentive Plan 2020 and will be capable of exercise in Q1 2029 shortly after the announcement of the Company’s results for the year ending 31 December 2028. Each Executive Director will then be required to retain the net number of ordinary shares acquired on exercise (i.e. after sales for tax) for a further two-year period.

Workforce remuneration

Remuneration decisions for Executives are always made in the context of the Remuneration Committee’s responsibility for oversight of remuneration across the workforce as a whole. The Company reviewed employee pay, and considered workforce pay increases.

Our approach to pay increases in general is to concentrate on improvements at the lowest end of our pay scale. This is because we appreciate that the impact of challenges such as inflation and other cost-of-living pressures is felt most severely in the lower fifth quintile of our pay grouping. Recruitment and retention across the spectrum remain a challenge in the hospitality industry, notably so in the UK. We aspire to be an employer of choice and have taken action accordingly.

Turning to non-pay benefits available to team members, we take a wellbeing-based approach and seek to provide services aimed at the necessities of life. Benefithub, a platform of online tools accessible to team members to assist them with accessing state benefits, debt counselling and financial wellbeing, is part of this, as well as more traditional forms of support, such as the provision of two meals a day to all team members, regardless of whether they are working that day, and support with travel to work. We are pleased that travel allowances in the Netherlands are at the maximum level permissible. Our annual pay review exercise analyses the UK and the Netherlands as applicable comparator regions for Executive pay, reflective of the structure of the Group. It requires us to look at local inflationary, legislative and market conditions, and make pay awards accordingly. In the Netherlands, annual pay review increases are in line with collective labour agreements by law. In the UK, the government has increased minimum wage rates. Pay outcomes in each region for 2025 were as follows:

UK

Pay has been increased in line with the National Minimum Wage (NMW) with adjustments made for all pay bands in a decreasing scale.

The average pay award across all brackets sits at 3.1%.

Pay bracket	Avg. % of increase
<=30k	5.5%
>30k <=45k	2.5%
>45k <=60k	2.5%
>60k <=85k	2.5%
>85k	2.5%

The Netherlands

Pay has been increased in line with the HORECA Collective Labour Agreement for 2025, with an average pay award of 4.3%.

Please see below the % increase per pay scale.

Function group (scale)	% of increase
I	13.4%
II	3.5%
III	4.4%
IV	3.4%
V	4.2%
VI	3.8%
VII	2.6%
VIII	4.1%
IX	2.8%
X	2.8%
XI	3.1%

ESG

Stakeholder engagement increasingly focuses on ESG, and KPIs for this are being rolled out. Often, strong performance on vital ESG metrics such as carbon emissions goes hand-in-hand with operational cost minimisation, so both financial and ESG objectives are served by good performance in this area. More detail on carbon emissions is to be found in the ESG report and in the report of the ESG Committee.

Remuneration Policy implementation

The Committee recognises that the total remuneration package for Executives is below its peer group; however, the Committee is comfortable that in the circumstances, the total remuneration package is sufficiently incentivising to retain senior talent. A detailed analysis of the implementation of the policy is set out in the full Remuneration Report for 2025.

Remuneration Committee membership and meeting attendance

The Committee is composed of four independent Non-Executive Directors. No member of the Remuneration Committee is considered to have a personal financial interest in matters to be decided by the Committee. As the Chair, I satisfy the independence and service requirements of Provision 32 of the Corporate Governance Code. The CEO, Co-CEO, CFO and Chief Corporate & Legal Officer are invited to attend meetings as appropriate depending on the items on the agenda. The Committee considers their views when reviewing the remuneration of Executive Directors and other senior executives; however, no Directors are involved in the consideration of their own remuneration and only members of the Committee have the right to vote at Committee meetings. The Committee seeks independent advice as appropriate and, during 2025, commissioned MM&K to undertake an independent review of the Executive Directors’ total remuneration.

Remuneration Committee activities and focus in 2025

Function	Actions in 2025
Remuneration Policy	Implemented remuneration in line with Remuneration Policy, judging against the following criteria: <ul style="list-style-type: none"> individual performance against targets set at the beginning of 2025; link to strategy; overall performance of the business as a whole; ESG performance; and stakeholder interest in long-term sustainable value creation.
Executive Director and senior management remuneration review	<ul style="list-style-type: none"> Commissioned an independent review of Executive Director total remuneration (in respect of assessing basic pay, pensions, benefits and other incentives). Ensured that any proposed changes to remuneration packages were considered against performance criteria and alignment to workforce, culture and objectives.
Set targets and incentive schemes	<ul style="list-style-type: none"> Review of incentive schemes to ensure outcomes are not formulaic, but appropriate to the objectives and to shareholder interest. Set targets for 2026 in respect of annual bonuses and for the period 2026 to 2028 in respect of the LTIP.
Workforce remuneration and benefits policies	<ul style="list-style-type: none"> Review of workforce remuneration with objective of ensuring Executive Director remuneration is properly aligned. Review of workforce gender pay gap and senior executive to average worker pay ratios.

Role of the Remuneration Committee

The key responsibilities of the Committee are:

- Putting in place and periodically reviewing the Policy for the remuneration of the Chairman, Executive Directors and senior management to ensure fair and responsible rewards and incentives with a clear and proportionate link to corporate and individual performance
- Ensuring that the Policy is clear, transparent, predictable, simple and therefore suitable for publication for the purpose of shareholder inspection and informing the advisory vote at the Annual General Meeting
- Within the terms of the Policy, determining the individual remuneration of each Executive Director and the C-Suite, ensuring implementation of the Policy does not create formulaic results, but that outcomes are instead clearly proportionate to objective performance and within the reasonable expectation of shareholders

- Reviewing remuneration levels, including pension arrangements, bonuses and other benefits across the Group to ensure alignment between executive remuneration and the workforce as a whole and between remuneration and creation of shareholder value
- Reviewing the alignment of incentives and rewards with culture, taking these into account when setting the policy for Executive Director remuneration
- Consulting with the CEO in setting the levels of remuneration for the C-Suite
- Approving the design of, and determining targets for and conditions attached to, any long-term incentive schemes operated by the Group, including pension arrangements, bonuses and other benefits. The engagement and determining the independence of any external remuneration advice that might be considered necessary from time to time

The Committee's terms of reference are annually reviewed to ensure compliance with the Code and ongoing strategic alignment with the Company, with the latest updated terms of reference approved in 2025 and available on our website. What follows is a copy of the Remuneration Policy in effect in 2025, and a full report on remuneration for the year. I very much look forward to presenting this Remuneration Report to shareholders at our Annual General Meeting for 2026.



Nigel Keen

Chair of the Remuneration Committee

Remuneration Policy 2025-2027

Introduction

This Remuneration Policy 2025-2027 (Policy) was prepared by the Committee in 2024 and, following an advisory vote at the 2025 AGM, applies for three years commencing on 1 January 2025. As a Guernsey-registered company, PPHE Hotel Group is not subject to the Companies Act 2006 in the UK.

This Policy is designed to maximise openness and transparency with regard to remuneration. It is the Committee's responsibility to ensure that implementation of the Policy is not simply formulaic. Committee members individually and collectively exercise their independent judgment and discretion to ensuring that in any given year, appropriate consideration is given to the performance of the business and other relevant circumstances in determining remuneration.

Other relevant considerations for the Remuneration Committee include:

- The impact of the Company's strategy and operations on the community and the environment
- The Company's reputation and relationships in its locations of operation
- Shareholder and investor feedback on previous Remuneration Reports
- The remuneration of the Company's workforce as a whole
- Ensuring management incentives support the long-term, sustainable success of the Company
- Alignment to Company purpose and values
- The Company's need to recruit and retain talent
- Ensuring remuneration is in line with shareholder expectations and market practice

Conflict of interest management

In line with the requirements of the UK Corporate Governance Code (the 'Code') published in 2024, no individual is permitted to participate in decision-making regarding their own remuneration outcome.

Executive Director remuneration

The elements of the remuneration package which may apply to Executive Directors are:

- base salary;
- benefits;
- pension;
- annual bonus; and
- Long-Term Incentive Plan (LTIP).

Policy table	
(1) Base salary	<p>Purpose, link to strategy and operation</p> <p>Salary shall be market-competitive, and shall serve the purpose of retaining talent and, where necessary, attracting new talent to roles. Skills, length of service, experience and wider workforce alignment shall be relevant considerations when determining the fixed portion of executives' remuneration.</p> <p>Maximum opportunity</p> <p>A cap shall be applied in line with the upper quartile of the relevant market benchmark for the role. This cap shall be a maximum figure, and shall not reflect the actual amount to be paid.</p> <p>The level of increase applied annually to base salary shall be determined by the Committee at its discretion; however, annual increases for executives ought to be transparently in line with increases applicable to the wider workforce, with any deviation from this explained in the appropriate report of the Remuneration Committee. Circumstances that might require the Committee to apply an increased base salary greater than that applied to the workforce as a whole include an increase in the scale or scope of a role.</p> <p>Performance metrics</p> <p>There shall be no performance metrics applied to base salary.</p>
(2) Benefits	<p>Purpose, link to strategy and operation</p> <p>Benefits shall be consistent with market practice and competitive for the purpose of attracting and retaining talent.</p> <p>Benefits typically include annual leave above statutory requirements, wellbeing days, sick-pay and other health benefits, car allowance and insurance. Benefits may be an annual component of executive remuneration, such as employee share schemes or ad-hoc payments related to business strategy, for example, relocation expenses.</p> <p>In order to ensure alignment with the workforce, benefits may vary from region to region.</p> <p>Maximum opportunity</p> <p>We do not consider it appropriate to set a maximum benefits value as this may change periodically and by region.</p> <p>Access to employee share schemes is on the same basis as for the Executive Leadership Team.</p> <p>Performance metrics</p> <p>There shall be no performance metrics applied to benefits.</p>

Policy table – continued	
(3) Pension	Purpose, link to strategy and operation
	Accrual of pension savings is in line with attraction and retention of talent. Executives can choose to participate in a defined contribution arrangement, or may receive a cash equivalent. A salary supplement may also be paid as part of a pension allowance arrangement.
	Maximum opportunity
	Pension contributions might vary by region. Pension allowances shall align to workforce contributions based on place of employment. Only basic salary shall be pensionable.
	Performance metrics
	There shall be no performance metrics applied to pensions.
(4) Annual bonus plan	Purpose, link to strategy and operation
	Annual bonuses shall incentivise and reward performance on near-term strategic targets and business performance overall. Bonuses shall be discretionary, and based on performance against agreed targets set at the beginning of the financial year. The Committee shall determine if any bonus shall be payable by reviewing performance against targets after year-end. The Committee shall exercise discretion in making payments based on the overall performance of the business. Where share awards are granted as part of the annual bonus plan, they normally vest on the first anniversary of grant and are subject to clawback provisions within three years of the individual becoming entitled to the shares. Circumstances include: a misstatement of financial results, miscalculation of the number of shares awarded, corporate failure, gross misconduct or serious reputational damage to any Group Company. These provisions also applied in the previous reporting period.
	Maximum opportunity
	150% of base salary.
	Performance metrics
	Performance measures are selected to focus executives on strategic priorities, providing alignment with shareholder interests and are reviewed annually. Weightings and targets are reviewed and set at the start of each financial year. The Committee may at its discretion adjust the outcome under the formulaic measures where it considers it is appropriate to do so to better reflect overall Company performance.

Policy table – continued	
(5) Long-term share incentive plan	Purpose, link to strategy and operation
	The LTIP scheme is designed to provide a framework for the award of the following to all employees, including executives: <ul style="list-style-type: none"> Performance share awards (granted subject to specified performance targets); Restricted share awards; Deferred bonus awards; and Market-value share options (share options linked to the market value of the Company shares). <p>The Committee imposes long-term holding and phased vesting conditions to awards. The LTIP contains malus and clawback provisions. Incentive awards awarded under the LTIP scheme may be cancelled (prior to vesting), reduced or clawed back for three years post-vesting in the event of a misstatement of financial results, miscalculation of the number of shares awarded, corporate failure, gross misconduct or serious reputational damage to any Group Company. These provisions also applied in the previous reporting period.</p> <p>The Committee may adjust the number of shares realised if it considers in its discretion that such adjustment is justified, such as based on:</p> <ol style="list-style-type: none"> ensuring that the number of shares is reflective of the underlying business performance of the Company, any business area or team; the conduct, capability or performance of the participant; or wider circumstances. <p>The rules of the award scheme provide for: long-term vesting periods;</p> <ul style="list-style-type: none"> post-vesting holding periods (determined by the Committee at the time of the award); good leaver and bad leaver provisions allowing the Committee to ensure the vesting of awards suitably reflects the purpose of long-term talent retention; and share capital dilution limits. <p>Dividend-equivalents may accrue subject to the discretion of the Remuneration Committee.</p>
	Maximum opportunity
	Performance related awards and/or restricted stock awards are capped at 200% of base salary as calculated by assessment of the aggregate market value of the shares calculated by the Committee at the time of or prior to the award date.
	Performance metrics
	Performance targets are measured annually to ensure that they correctly incentivise behaviours in line with the strategy, and are appropriate with due regard to shareholder interest. Weightings and targets are set at the beginning of the financial year, and performance is assessed against them prior to any award being made. A minimum of two-thirds of performance metrics refer to share price and/or financial targets (for example, Total Shareholder Return (TSR)). Quantifiable non-financial targets (such as those related to ESG performance) shall form part of the metrics of performance. The Company's controlling shareholders retain a right of consultation on any year-on-year material changes to performance metrics. The Committee will consider the group's overall performance before determining the final vesting level. The Committee retains discretion to adjust the vesting level to ensure that it is appropriately aligned to the underlying financial or non-financial performance of the participant or the group over the relevant period. Committee discretion also exists to ensure that total remuneration is appropriate in the event of unexpected or unforeseen circumstances unknown when the targets were set.

Notes to the Policy table

The Committee may make minor amendments to the Policy set out above (for regulatory, exchange control, tax or administrative purposes, or to take account of a change in legislation). As the Company is registered in Guernsey, shareholders' approval is not required in connection with the Policy.

The LTIP rules permit the substitution or variance of performance conditions to produce a fairer measure of performance as a result of an unforeseen event or transaction. They include discretions for upwards adjustment to the number of shares to be realised in the event of a takeover or voluntary winding-up.

Non-significant changes to the performance metrics may be made by use of discretion under the performance conditions. Awards are normally satisfied in shares, although there is flexibility to settle in cash.

The Committee reserves the right to make remuneration payments and payments for loss of office (including exercising any discretions available to it in connection with such payments) that are not in line with the Policy table set out above where the terms of the payment were set out and approved prior to the date the Policy came into effect. For these purposes, 'payments' include the Committee determining and paying short-term and long-term incentive awards of variable remuneration.

Non-Executive Directors’ fees

Base fee

The Non-Executive Director fees are decided by the Board in accordance with the Company’s articles of incorporation. This fee is the same for each Non-Executive Director.

Chairman fee

The Chairman receives a set fee which is set by the Remuneration Committee and agreed by the Board. The fees for the Chairman are reflective of his experience and skills, as well as the time commitment and responsibilities of these roles. No Director may participate in the decision-making relating to their own remuneration.

Additional fees

Non-Executive Directors are paid a set additional fee for being the Senior Independent Director, a member of a Board Committee and for chairing a Board Committee.

This fee is the same for each Non-Executive Director, with exception of (1) the Chairman (who attracts an additional fee for the role) and (2) the Senior Independent Director who attracts an additional fee for the role.

Appointment term and other matters

- The Chairman and all other Non-Executive Directors are appointed to terms ending at the Annual General Meeting in 2028 (all are subject to annual re-election), unless terminated sooner.
- All Directors retire and are offered re-election each year at the Annual General Meeting.
- Non-Executive Directors are not entitled to bonuses, benefits or pension scheme contributions or to participate in any share scheme operated by the Company.
- In addition to any remuneration payable, a Non-Executive Director may be paid reasonable travel, hotel and other expenses properly incurred in discharging the Director’s duties.
- Fees cease immediately in the event the Non-Executive Director ceases to be a Director.
- Directors are entitled to the benefits afforded by the Group’s Directors and Officers Insurance.

Maximum potential value

Prescribed by the Articles of Association of the Company.

Term and termination

- Boris Ivesha has a contract which may be terminated on 12 months’ notice by the Group or on six months’ notice by Boris Ivesha.
- Daniel Kos has a contract which may be terminated on six months’ notice by the Group or on three months’ notice by Daniel Kos.
- Greg Hegarty has a contract which may be terminated on 12 months’ notice by the Group or on six months’ notice by Greg Hegarty. (There are provisions for earlier termination by the Group in certain specific circumstances.)
- Each Non-Executive Director has specific terms of appointment. The Chairman’s letter of appointment provides for an indefinite term terminable on three months’ prior notice by either side or immediately upon the Board passing a resolution to remove the Chairman as a Director.
- The Non-Executive Directors’ terms of appointment currently end at the Annual General Meeting held in 2026.
- All the Non-Executive Directors’ appointment letters (including the Chairman’s) are subject to termination by either side on three months’ notice.
- Other than salary and benefits in relation to the notice period, the letters of appointment contain provisions for termination by the Group in certain specific circumstances. The letters of appointment are available for inspection at the Company’s registered office.

The Executive Directors’ service contracts do not contain specific provision for compensation in the event of removal at an Annual General Meeting. In the event of early termination, some Directors may be eligible for payments in lieu of notice. When determining exit payments, the Committee would take account of a variety of factors, including individual and business performance, the obligation for the Director to mitigate loss (for example, by gaining new employment), the Director’s length of service and any other relevant circumstances, such as ill health. A departing Director may also be entitled to a payment in respect of statutory rights. The Committee would distinguish between types of leaver in respect of incentive plans. ‘Good leavers’ (death, ill health, agreed retirement, redundancy or any other reason at the discretion of the Committee) may be considered for a bonus payment having completed the full year, and part-year bonus payments may be paid and LTIP awards may vest at the usual time taking into account performance conditions and pro-rating for time in employment during the performance period, unless the Committee determines otherwise.

The LTIP rules include discretion, in exceptional circumstances, for acceleration of the realisation date and upwards adjustment to the number of shares to be realised for ‘good leavers’ in such a situation. In all other leaver circumstances, the Committee would decide the approach taken, which would ordinarily mean that leavers would not be entitled to consideration for a bonus and LTIP awards would lapse. Any vested LTIP award that is subject to a holding period at the time of the executive’s cessation of employment will not lapse except in the case of the executive’s gross misconduct. The Committee reserves the right to make any other payments in connection with a Director’s cessation of office or employment where the payments are made in good faith in discharge of an existing legal obligation (or by way of

damages for breach of such an obligation) or by way of settlement of any claim arising in connection with the cessation of a Director’s office or employment. In addition, the Committee reserves the right, acting in good faith, to pay fees for outplacement assistance and/or the Director’s legal and/or professional advice fees in connection with his or her cessation of office or employment. The appointment of each of the Non-Executive Directors is as set out in their Letters of Appointment (see table on page 130), subject to re-election by Shareholders on an annual basis at the Annual General Meeting. The appointment of each Non-Executive Director is renewable for further terms, and is terminable by the Non-Executive Director (as applicable) or the Company on three months’ notice. No contractual payments would be due on termination. There are no specific provisions for compensation on early termination for the Non-Executive Directors, with the exception of entitlement to compensation equivalent to three months’ fees (as applicable) or, if less, the balance of appointment, in the event of removal at an Annual General Meeting. Reward packages for new Executive Directors will be consistent with the above Remuneration Policy. Fixed remuneration elements would be paid only from the date of employment and any bonus will be pro-rated to reflect the proportion of the year employed to the maximum stated in the Policy table. The Committee retains discretion to make appropriate remuneration decisions outside the standard Remuneration Policy to meet the individual circumstances when an interim appointment is made to fill an Executive Director role on a short-term basis. For Non-Executive Directors, the Board would consider the appropriate fees for a new appointment taking into account the existing level of fees paid to the Non-Executive Directors, the experience and ability of the new Non-Executive Director and the time commitment and responsibility of the role.

Dates of the Directors’ service contracts are as follows:

Director	Date of appointment	Term of appointment	Subject to annual re-election	Notice period
Eli Papouchado	26-Jun-07	Ended 9 January 2025	N/A	N/A
Boris Ivesha	14-Jun-07	Indefinite	Yes	12 months from the Group; 6 months from Boris Ivesha to the Group
Daniel Kos	27-Feb-18	Indefinite	Yes	6 months from the Group; 3 months from Daniel Kos to the Group
Greg Hegarty	23-May-23	Indefinite	Yes	12 months from the Group; 6 months from Greg Hegarty to the Group
Ken Bradley	04-Sep-19	Annual General Meeting 2028	Yes	3 months
Nigel Keen	20-Feb-20	Annual General Meeting 2028	Yes	3 months
Stephanie Coxon	07-Aug-20	Annual General Meeting 2028	Yes	3 months
Marcia Bakker	06-Dec-22	Annual General Meeting 2028	Yes	3 months
Roni Hirsch	09-Jan-25	Annual General Meeting 2026	Yes	3 months

2025 Remuneration Report

This Report will be submitted for an advisory vote of shareholders at the Annual General Meeting taking place in 2026.

We believe that the Remuneration Policy works to ensure that the Company is able to attract, retain and correctly incentivise management. Its framework ensures the long-term success of the Company, and encourages actions which align with the purpose, values and culture of the Company.

Feedback on remuneration from shareholders is a prime concern for the Remuneration Committee. Considerations relevant in 2026 are likely to be:

- (1) the stabilisation of the newly opened hotels in the portfolio;
- (2) macro-economic conditions including inflation and energy costs; and
- (3) year-on-year ESG data reporting allowing KPIs to be established for balance scorecards.

The remuneration in 2025 was awarded in accordance with the Remuneration Policy published in the 2024 Annual Report and Accounts, and submitted to Shareholders at the 2025 AGM. The Committee is satisfied that the implementation of the policy indicates the correct operation of the decision-making processes of the Committee.

Single total figure of remuneration (audited)

The following table sets out the details of all Directors' remuneration for the financial year ending 31 December 2025. Figures for 2024 are included for comparison.

Total remuneration for PPHE Hotel Group Board in 2025¹

Name	Position	Base salary and fees ²		Cash bonus		Bonus shares ³		Pension contributions		LTIP		Other benefits		Total	
		2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
Boris Ivesha	President & Co-CEO	588,574	573,100	120,000	160,538	–	–	29,429	28,655	N/A	N/A	17,116	17,116	755,119	779,409
Greg Hegarty	Co-CEO	523,784	511,009	120,000	160,538	215,520	147,544	26,189	25,550	–	270,497	4,521	4,521	890,014	1,119,659
Daniel Kos	CFO	498,923	485,889	120,000	160,538	215,520	147,544	19,313	19,253	–	270,497	17,835	–	871,592	1,083,721
Eli Papouchado	Non-Executive Chairman ⁴	–	250,000	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	–	250,000
Ken Bradley	Non-Executive Chairman	89,050	87,000	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	89,050	87,000
Nigel Keen	Senior Independent Director	73,500	72,000	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	73,500	72,000
Stephanie Coxon	Non-Executive Director	66,500	65,000	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	66,500	65,000
Marcia Bakken	Non-Executive Director	66,500	65,000	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	66,500	65,000
Roni Hirsch ⁵	Non-Executive Director	60,000	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	60,000	N/A
		1,966,831	2,108,998	360,000	481,614	431,040	295,088	74,931	73,458	–	540,994	39,472	21,637	2,872,275	3,521,819

Notes

- ¹ All fees are shown in Pound Sterling. Daniel Kos's salary is paid in EUR, and converted for comparison purposes at a rate of €1.16: £1 (2024: 1.18).
- ² Base salary/fees represent all amounts received by the Director from the Company for the financial year.
- ³ Share bonus was calculated using PPHE Hotel Group Ltd share price for 31 December 2025 - £17.96 (31 December 2024 - £12.29). LTIP for 2024 was calculated using PPHE Hotel Group Ltd share price for 31 December 2024 - £12.29.
- ⁴ Eli Papouchado stepped down on 9 January 2025.
- ⁵ Roni Hirsch joined the Board in January 2025.

Base salary

Base salaries for Executive Board members increased in line with inflation. Looking forward in line with the Remuneration Policy, as of 1 April 2026, the President & Co-CEO will receive an increase of 2.5% in line with CPI. The Co-CEO will receive an increase of 2.5% and the CFO will receive an increase of 2.5%. The Committee believes this is appropriate and in line with the increase made to the remuneration of the wider workforce, which is set out above. The Remuneration Committee is satisfied that

base pay for the Co-CEOs remains aligned with the wider market, and therefore that an increase to base pay is consistent with market benchmarking and the goal of retaining talent. By comparing base pay with comparable roles for executives, and with the workforce as a whole, the Committee has concluded that the base pay as shown in the table opposite are appropriate to ensure alignment with the workforce, with stakeholder feedback and with the goal of retaining talent. Year-on-year base salary figures:

	Boris Ivesha	Greg Hegarty	Daniel Kos ¹
2024	573,100	511,009	485,889
2025	588,574	523,784	498,923
2026	603,288	536,879	511,397

- ¹ Daniel Kos's salary is converted to Pound Sterling using a rate of 1.16 (2024: 1.18)

Pension

Only base salary is pensionable. The Remuneration Committee has, year-on-year, sought to adjust historic pension arrangements to ensure that these are now fully aligned with governance requirements and with workforce pensions. Pensions are aligned with the workforce as a whole. Executive Directors' pension allowances are further governed by the local rules in the region of employment. Subject to these rules, they can be taken as a cash supplement or a contribution to the Group Personal Pension Plan, or a combination of both. In 2025, the pension contributions for the President & Co-CEO and Co-CEO were 5% of their base salaries. The CFO's pension contribution was 3.9% of base salary.

Average pension contributions for the wider workforce in the relevant regions were as follows:

UK	The Netherlands
3%	8.4%

Annual Bonus performance measures

The annual bonus for 2025 included a cash element and a share element, using the performance metrics outlined below. The cash bonus had a maximum entitlement of 50% of annual salary.

Cash bonus

Financial metrics were revenue and gross operating profit (GOP), with the Executive Directors achieving 7% on the revenue target and 7% on the GOP target. As a result, with the maximum potential of the financial criteria being 70% of the cash bonus, and based on the outcome, the Executives have been awarded 14% of the maximum cash bonus entitlement.

Non-financial metrics were guest satisfaction and employee engagement. Guest satisfaction reached 88.1%. Employee engagement reached 86.5%. Please see pages 30-31 for further information. With the Executives achieving 7.5% on the guest satisfaction target and 7.5% on the employee engagement target, the Executives were entitled to 15% of the maximum cash bonus entitlement.

The non-financial targets further comprised individual targets per Executive as follows:

Personal targets of Boris Ivesha

- Succession planning
- Ongoing progress on ESG strategic target setting
- Substantial progress on pending planning approvals

Personal targets of Greg Hegarty

- Improve performance of destination restaurants
- Progress on charity initiatives
- Successful opening of art'otel Rome Piazza Sallustio

Personal targets of Daniel Kos

- Successful implementation of new property management system
- Plan and implement energy-efficient CapEx
- Successful refinancing of UK facilities

The targets have all been achieved and resulted that the Executive Directors are entitled to 15% of the maximum cash bonus entitlement.

Share bonus

The 2025 annual bonus included a share element. The share element had a revenue target which has been achieved at 100%. Therefore, the total share bonus for 2025 comprised 12,000 shares. In total, the 2025 annual bonus for Executives, including the cash and share elements, was within a range of 27% to 67% of base salary and within the cap permitted under the Remuneration Policy. The maximum amount permitted by the Remuneration Policy is set out on page 127. The outcomes in the table below represent 13.6% of that maximum for Boris Ivesha, 42.7% of maximum for Greg Hegarty and 44.8% of maximum for Daniel Kos. Outcomes for each Director for 2025 were as follows:

	Boris Ivesha	Greg Hegarty	Daniel Kos
Cash award	120,000	120,000	120,000
Share award*	–	215,520	215,520
Total award	120,000	335,520	335,520

- * Share bonus was calculated using PPHE Hotel Group Ltd share price for 31 December 2025 - £17.96 (31 December 2024 - £12.29).

Stakeholder engagement

The Committee is grateful to shareholders for their confidence in our work and decision-making. We are, as always, committed to full shareholder engagement and transparency in our approach to our work.

Remuneration Committee and advisers

The President and Co-Chief Executive Officer and the Company Secretary attended Committee meetings at the invitation of the Committee Chair (but were not present for discussions on their own remuneration).

The members of the Committee have no financial interest and no potential conflicts of interest, other than as shareholders, in the matters to be decided and no day-to-day involvement in the running of the business.

In carrying out its duties, the Committee considers any relevant legal requirements, the recommendations in the UK Corporate Governance Code and the Listing Rules of the London Stock Exchange, and associated guidance and investor guidelines on executive remuneration.

In 2025, the Committee sought advice from remuneration advisers MM&K, a member of the Remuneration Consultants Group, who were commissioned to do an independent benchmarking review and analysis in respect of the appropriateness of the total remuneration package of the Executive Directors.

The Board approves the remuneration of the Non-Executive Directors.

2025 Remuneration Report – continued

Salary of the Co-CEOs compared with average workforce remuneration

	Total remuneration of President & Co-CEO	Total remuneration of Co-CEO	Average employee (25th percentile)*	Average employee (50th percentile)*	Average employee (75th percentile)*
Total	755,119	890,014	28,338	32,750	40,961
Ratio of mean of Co-CEOs' total remuneration to average employee	-	-	29.0	25.1	20.1

Additional disclosures

Directors and Company Secretary share interests

Name	Shares beneficially owned as at 31 December		Options fully vested to acquire shares as at 31 December 2025	Conditional LTIP share awards subject to performance conditions
	2025	2024		
Boris Ivesha	4,636,974	4,636,974	-	-
Greg Hegarty	-	-	61,308	-
Daniel Kos	47,170	30,000	-	-
Eli Papouchado ¹	13,760,260	13,760,260	N/A	N/A
Ken Bradley	-	-	N/A	N/A
Nigel Keen	-	-	N/A	N/A
Stephanie Coxon	-	-	N/A	N/A
Marcia Bakker	2,000	-	N/A	N/A
Roni Hirsch	322,000	N/A	N/A	N/A

Shares beneficially owned include those of connected persons and include shares held in trust, which are subject to deferral or holding periods.

¹ Eli Papouchado stepped down on 9 January 2025.

Relative spend on pay

The following table shows the Group's aggregate actual spend on pay (for all employees) and dividends in respect of the current and previous financial year.

	2025	2024	Change
Dividend	15,902,078	15,544,953	2.3%
Aggregate employee remuneration	163,688,294	150,147,075	9.0%

Percentage change in remuneration

The following analysis summarises the annual change in remuneration for each individual Director over five years.

Directors' remuneration	2021v2020 ³	2022v2021	2023v2022	2024v2023	2025v2024	2025 total (£)
Executive Directors						
Boris Ivesha ¹	29%	2%	33%	4%	(3)%	755,119
Greg Hegarty	N/A	N/A	N/A	64.4%	(21)%	890,014
Daniel Kos ²	3%	164%	34%	65.9%	(20)%	871,592
Non-Executive Directors						
Eli Papouchado	33%	0%	0%	25%	(100)%	0
Ken Bradley	32%	8%	4%	40%	2%	89,050
Nigel Keen	54%	5%	0%	17%	2%	73,500
Stephanie Coxon	218%	8%	0%	9%	2%	66,500
Marcia Bakker	N/A	N/A	N/A	9%	2%	66,500
Roni Hirsch	N/A	N/A	N/A	N/A	N/A	60,000
Kevin McAuliffe	29%	0%	60%	N/A	N/A	N/A

Notes to the table:

- Boris Ivesha waived his rights for annual bonus in years 2019-2022.
- In 2022, the annual bonus of the CFO included a 23,000 share award.

Directors' report

The Directors present their report and the audited financial statements of the Company for the year ended 31 December 2025. The Strategic Report and Directors' report together are the Management report for the purposes of Rule 4.1.8R of the DTR. Section 248(2) of The Companies (Guernsey) Law, 2008 requires the principal activities to be stated in the Directors' report. The following matters have been included in the Strategic Report but are incorporated by reference into this Directors' report.

Appointment and replacement of Directors
Pursuant to the Articles, the Board has the power to appoint any person to be a Director. All Directors are required to submit to annual election by shareholders at the Annual General Meeting. At every Annual General Meeting, a minimum of one-third of the Directors (or the number nearest to and less than one-third in the event that the number of Directors is not three or any multiple of three) shall retire from office. If there are fewer than three Directors on the board, they shall all retire. No person, other

than a Director retiring at a general meeting, shall, unless recommended by the Directors, be eligible for election at a general meeting as a Director unless notice has been received from such person. In accordance with the Code and good Corporate Governance practice, the entire Board will stand for re-election at the forthcoming Annual General Meeting.

Pursuant to the power given to Euro Plaza under the Relationship Agreement and as set out in the Articles of Association, Euro Plaza Holdings B.V. ('Euro Plaza') may:

- nominate two Non-Executive Directors to the Board for so long as Euro Plaza and its associates directly or indirectly control at least 30% of the issued shares in the Company; and
- nominate one Non-Executive Director to the Board for so long as Euro Plaza and its associates control at least 10% but less than 30% of the issued shares of the Company.

This power was exercised on 9 January 2025 to appoint Roni Hirsch as Non-Executive Director.

Pursuant to the Articles, Boris Ivesha may nominate one Non-Executive Director to the Board for so long as he directly or indirectly controls at least 10% of the issued shares in the Company.

The shareholders may, by ordinary resolution, resolve to remove any Director before the expiration of his or her period of office and appoint a replacement Director.

Share capital

The issued share capital of the Company together with the details of the movements in the Company's share capital during the year are shown in Note 10 to the consolidated financial statements.

Shares

There is currently only one class of share in issue (being ordinary shares) which all carry the same rights as one another. There are no shares in the Company which carry special rights with regard to control of the Company.

The following limitations on voting rights of shareholders apply:

- The Board may suspend the voting rights attached to any shares owned directly, indirectly or beneficially by a Non-Qualified Holder (as defined in the Articles); and
- The Directors may at any time make calls upon the shareholders in respect of any unpaid shares. No shareholder is entitled to vote unless all calls due from him have been paid.

The following deadlines for exercising voting rights apply:

- A written resolution will state a date by which the resolution must be passed. The Law imposes a default lapse date of 28 days from circulation of the written resolution if no lapse date is specified; and
- In the case of resolutions passed at general meetings of shareholders, voting rights may only be exercised at the time the resolution is proposed at the meeting.

Any arrangements by which the financial rights to shares are held by a person other than the registered shareholder would be by agreement between the shareholder and the beneficiary. The Company is not obliged to recognise any such trust arrangements and shall pay any dividends to the registered shareholder.

With the prior approval of the shareholders by ordinary resolution, the Board may exercise all powers of the Company to allot and to issue, to grant rights to subscribe for, or to convert any securities into, an unlimited number of shares of each class in the Company. Unless such shares are to be wholly or partly paid otherwise than in cash or are allotted or issued pursuant to an employee share scheme, any shares to be allotted and issued must first be offered to the existing shareholders on the same or more favourable terms.

The Company may from time to time acquire its own shares subject to the requirements of UK and Guernsey legislation (for example, The Companies (Guernsey) Law, 2008, the UK Listing Rules and the Takeover Code (the Law). The Law requires the prior approval of any share buy-back by way of ordinary resolution of the shareholders and a certification by the Board that the Company satisfies the solvency test set out in the Law.

Articles

The Articles may be amended at any time by passing a special resolution of the shareholders pursuant to the Law. A special resolution is passed by a majority of not less than 75% of the votes of the shareholders entitled to vote and voting in person or by attorney or by proxy at a meeting or by 75% of the total voting rights of eligible members by written resolution.

Substantial share interest

The table provided shows shareholders holding 5% or more of the issued share capital (excluding treasury shares) as at 30th January 2026. No further interests have been disclosed to the Company in accordance with DTR 5 in the period between the end of the financial year and 30th January 2026.

	Number of issued shares	44,347,410
Shares held in treasury by the Group	2,491,086	
Number of issued shares (excluding treasury)	41,856,324	
	Percentage of the issued ordinary share capital (excluding treasury shares)	
Concert party member	Number of ordinary shares	
Boris Ivesha:	4,636,974	11.08%
Red Sea Parties:	13,760,260	32.87%
Euro Plaza	12,207,843	29.17%
Red Sea Club Limited	22,417	0.05%
A.A. Papo Trust Company Limited ¹	1,530,000	3.66%
Total	18,397,234	43.95%

¹ A.A. Papo Trust Company Limited is the trustee of a second endowment created by Eli Papouchado under Israeli law in 2008. Eli Papouchado was the owner of these 1,530,000 ordinary shares and granted those shares to the second endowment in 2015. The primary beneficiary of the second endowment is Eli's daughter, Eliana, and the secondary beneficiaries are Eli Papouchado and his divorcee, Sigal Gross.

	Number of ordinary shares	Percentage of the issued ordinary share capital (excluding treasury shares)
Shareholder		
Clal insurance	3,271,191	7.82%
Harel Insurance Investments and Financial Services	3,548,757	8.48%

Topic	Section of the report	Page
Fair view of the Company's business	Strategic Report	5
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Strategy	Strategic Report	20
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s.172 and relationship with suppliers, customers and others	Stakeholder engagement, Introduction to governance	58, 94, 95
Greenhouse gas emissions	Environmental, Social and Governance	77

The following matters have been included in the Corporate Governance Report but are incorporated by reference into this Directors' report.

Directors' induction and training	Nomination Committee report	112
Diversity report of Board membership (ethnicity and gender)	Nomination Committee report	114

Directors' report – continued

Controlling shareholders

The Company's immediate controlling shareholders are Euro Plaza. and Boris Ivesha. Euro Plaza is ultimately controlled by Eli Papouchado, acting in his capacity as trustee of an endowment created under Israeli law (the 'Endowment'). As required under UKLR 7 the Company has entered into separate Relationship Agreements with:

- (i) Euro Plaza and Eli Papouchado (acting in his capacity as trustee of the Endowment); and
- (ii) Boris Ivesha.

Together, Euro Plaza, Eli Papouchado and Boris Ivesha are the 'Concert Parties' and hold 43.95% of the issued share capital of the Company.

The Company has complied with the undertakings in UKLR 7.3 and UKLR 7.4 (formerly LR 9.2.2R prior to the changes made by the FCA to the handbook) since admission to the Premium Listing segment.

In accordance with the Relationship Agreement entered into with the Company's controlling shareholders, each of Euro Plaza and Boris Ivesha is entitled to appoint representatives to the Board of the Company. Roni Hirsch is empowered to be the representative of Euro Plaza.

DTR disclosures

The Articles may be amended at any time by passing a special resolution of the shareholders pursuant to the Law. A special resolution is passed by a majority of not less than 75% of the votes of the shareholders entitled to vote and voting in person or by attorney or by proxy at a meeting or by 75% of the total voting rights of eligible members by written resolution.

Eli Papouchado is deemed to be interested in 13,760,260 ordinary shares, which constitutes 32.87% of the issued share capital (excluding treasury shares) of the Company:

- 12,207,843 ordinary shares held by Euro Plaza; Euro Plaza is an indirect wholly owned subsidiary of A.P.Y. Investments & Real Estate Ltd ('APY'). 98% of the shares in APY are held by Eli Papouchado;
- 22,417 ordinary shares held by Red Sea Club Limited, a subsidiary of APY; and
- 1,530,000 ordinary shares held by A.A. Papo Trust Company Limited, which is wholly owned by Eli Papouchado.

Boris Ivesha holds 4,636,974 ordinary shares, which constitutes 11.08% of the issued share capital (excluding treasury shares) of the Company.

Eli Papouchado, Euro Plaza, APY and A.A. Papo Trust Company Limited and other parties related to him (together the 'Red Sea Parties') and Boris Ivesha and other parties related to him (together the 'Ivesha Parties') are a party to a shareholders agreement dated 14 March 2013 (as amended from time to time) (the 'Shareholders Agreement').

Pursuant to the Shareholders Agreement, it has been agreed that for so long as, inter alia, the combined interests of the Ivesha Parties and the Red Sea Parties in the Company are not less than 30% and the Red Sea Parties' interest in the Company is at least 20% of the share capital then in issue (excluding, in both cases, shares held in treasury), on any shareholder resolution all shares held by the Ivesha Parties shall be voted in a manner which is consistent with the votes cast by, or on behalf of, the Red Sea Parties in respect of that resolution. As a result, the Red Sea Parties are all considered to be interested in the shares in which the Ivesha Parties are interested.

Rule	Disclosure
DTR 4.1.11R(1)	18 February 2026, the Company announced the sale of its development site in New York.
DTR 4.1.11R(2)	Likely future developments are announced in the Strategic Report, including information on pipeline on page 19
DTR 4.1.11R(4)	Details of the share buy-back programme in place during 2025 are provided on page 139
DTR 4.1.11R(5)	The worldwide operations of PPHE Hotel Group are set out on page 41
DTR 7.2.8	Pursuant to DTR 7.2.8, the annual review of the Board Diversity Policy is found in the report of the Nomination Committee on page 111

Article 19 of the Market Abuse Regulation

The interests of each Director disclosed to the Company under Article 19 of the Market Abuse Regulation as at the end of the financial year are set out above and on pages 96-97. There have been no changes in the interests of each Director in the period between the end of the financial year and 30th January 2025.

Share repurchase

At the AGM held on 22 May 2024, the Company obtained shareholder authorisation for the buy-back of up to £4 million ordinary shares of nil par value, being approximately 5% of the issued share capital of the Company (Buy-Back Authority). This authority renewed and replaced the authority granted at the AGM held on 23 May 2023. The Buy-Back Authority expired 14 months after the resolution was passed on 22 May 2024. A renewed Buy-Back Authority was sought at the Annual General Meeting held on 21 May 2025. This was granted; however, an accompanying resolution permitting a waiver of Rule 9 of the Takeover Code was not. As a result, Rule 9 of the Takeover Code applied to any buy-back that took place.

During the period 1 January 2025 to 31 December 2025 no shares were purchased under the buy-back authority.

UKLR 6 & UKLR 7 Disclosure obligations

The following table is disclosed pursuant to UKLR 6 and UKLR 7. The table sets out only those disclosures which are applicable to the Company.

The information required to be disclosed can be located in the Annual Report at the references set out below:

Section	Information	Location
UKLR 6.6.1R(3)	Details of long-term incentive schemes	Note 11 to the consolidated financial statements
UKLR 7.3	Significant transactions	Note 28 to the consolidated financial statements
UKLR 6.2.10	Provision of services by a controlling shareholder	Note 28 to the consolidated financial statements
UKLR 6.2.10	Controlling shareholder statement	Directors' report

Environmental, Social and Governance reporting

UK Streamlined Energy and Carbon Reporting

In line with market practice for UK listed businesses, our Streamlined Energy and Carbon Reporting, UK Scope 1, Scope 2 and Scope 3 emissions, intensity ratio and yearly comparisons are provided in the ESG report on pages 56-79, including information as to quantification and reporting methodology.

TCFD

The Company has included in its Annual Report and Accounts climate-related financial disclosures consistent with the TCFD Recommendations and Recommended Disclosures.

Energy efficiency action

For energy efficiency actions, please see the Environmental, Social and Governance section (including the TCFD report) on page 78.

Auditors

Brightman Almagor Zohar & Co. (a member of the Deloitte Global Network) have acted as auditors in the 2025 financial year.

Going concern

The Board has an obligation under the Code to state whether it believes that the Company and the Group will be able to continue in operation and meet their liabilities as they fall due over a specified period determined by the Board, taking account of the current position and the principal risks of the Company and the Group. The Board believes it is taking all appropriate steps to support the sustainability and growth of the Group's activities. The viability statement on page 92 and the report of the Audit Committee contain the necessary information to determine viability over a three-year time horizon.

In determining the assumptions used in cash flow forecasts, the Directors considered various third party market predictions and considered the current principal and emerging risks facing the Group while focusing specifically on macro-economic market disruptions and inflation, and the impact this could have on the future performance and liquidity of the Group. Based on these cash flow forecasts, the

Directors confirm they have a reasonable expectation that the Group has adequate resources to continue in operational existence for at least 12 months from the date of signing these financial statements. This, taken together with their conclusions in Note 1 to the consolidated financial statements, has led the Directors to conclude that it is appropriate to prepare the 2025 consolidated financial statements on a going concern basis.

Financial risk management objectives and policies

The consolidated financial statements includes the Company's objectives, policies and processes for managing its capital, its financial risk management objectives, details of its financial instruments and hedging activities, and its exposure to credit risk and liquidity risk.

Directors' responsibilities

The Directors are required to prepare the Annual Report and the consolidated financial statements for each financial year to give a true and fair view of the state of affairs of the Company and the undertakings included in the consolidation taken as a whole as at the end of the financial year, and of the profit or loss for that year. In preparing the consolidated financial statements, the Directors should:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the consolidated financial statements; and
- prepare the consolidated financial statements on a going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors confirm that they have complied with the above requirements in preparing the consolidated financial statements. The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the consolidated financial statements have been properly prepared in accordance with the Law. The Directors are responsible for safeguarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Directors' declaration

So far as each of the Directors, who is a Director at the time the Directors' report is approved, is aware, there is no relevant audit information of which the Company's auditors are unaware and each has taken all the steps he or she ought to have taken as a Director to make himself or herself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Directors' responsibility statement

Each of the Directors named on pages 96-97 as of the time of the publication, confirms to the best of his or her knowledge that:

- (i) the consolidated financial statements, which have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union, give a true and fair view of the assets, liabilities, financial position and profit & loss of the Company and the undertakings included in the consolidation taken as a whole;
- (ii) the Strategic Report includes a fair review of the development and performance of the business and the position of the Company and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face, and provides information necessary for shareholders to assess the Company's performance, business model and strategies; and
- (iii) the Directors consider that the Annual Report and Accounts, taken as a whole,

are fair, balanced and understandable and provide the information necessary for shareholders to assess the Company's position and performance, business model and strategy.

Signed on behalf of the Board by



Boris Ivesha
President & Chief Executive Officer

25th February 2026



Greg Hegarty
Co-CEO & Executive Director

25th February 2026



Daniel Kos
Chief Financial Officer & Executive Director

25th February 2026

INDEPENDENT AUDITOR'S REPORT To the Shareholders of PPHE Hotel Group Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

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

In our opinion, the accompanying consolidated financial statements:

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

Basis for Opinion

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

Key Audit Matters

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

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

Key Audit Matter

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

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

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

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

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

How our audit addressed the matter

Our audit procedures included among others:

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

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of PPHE Hotel Group Limited – continued

Other Information

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

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

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

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

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

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

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

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

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

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

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

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

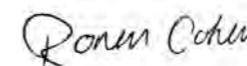
We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken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

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

Report on Other Legal and Regulatory Requirements

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

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



Ronen Cohen

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

Tel Aviv, Israel

25 February 2026

Consolidated statement of financial position as at 31 December 2025

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

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

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

	Note	As at 31 December	
		2025 £'000	2024 £'000
Cash flows from investing activities:			
Acquisition of Lemna Street	5	(18,411)	–
Acquisition of Park Royal freehold	17	(10,537)	–
Investments in property, plant and equipment	4	(50,858)	(74,075)
Investments in intangible assets	3	(1,499)	(280)
Proceeds from disposal of property, plant and equipment, and intangible assets	3,4	274	328
Loans repaid from (provided to) joint ventures		282	(2,984)
Decrease (increase) in restricted cash		8,454	(5,572)
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	29(c)	–	1,481
Dividend paid		(15,906)	(15,549)
Dividend paid by a subsidiary to non-controlling shareholders		(1,613)	(1,452)
Repayment of loans and borrowings		(117,287)	(41,147)
Repayment of leases		(3,853)	(4,162)
Proceeds from transactions with non-controlling interest		11,747	10,444
Payments in relation to transactions with non-controlling interests		(17,369)	(2,734)
Purchase of treasury shares		–	(7,864)
Exercise of options settled in cash		(465)	(167)
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.

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

a. Description of the Group business:

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

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

b. Assessment of going concern and liquidity:

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

Note 2 Accounting policies

a. Basis of preparation

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

Statement of compliance

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

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

b. Significant accounting judgements, estimates and assumptions

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

Judgements

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

Financial liability in respect of Income Units sold to private investors

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

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

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

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

Estimates and assumptions

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

c. Foreign currency translation

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

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

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

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

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

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

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

d. Property, plant and equipment

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

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

e. Impairment of non-financial assets

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

Recoverable amount is the higher of an asset's fair value less costs of disposal and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the asset is considered impaired and the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. Impairment losses are recognised as an expense immediately.

i. Financial instruments

i) Financial assets

Initial recognition and measurement

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

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

Subsequent measurement

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

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

Cash and cash equivalents

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

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

Financial assets at amortised cost (debt instruments)

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

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

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

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

Financial assets at fair value through profit or loss

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

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

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

Impairment of financial assets

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

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

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

ii) Financial liabilities

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

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

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

Subsequent measurement

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

Financial liabilities at fair value through profit or loss

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

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

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

Financial liability in respect of Income Units sold to private investors

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

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

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

Modification

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

Derecognition

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

g. Inventories

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

h. Derivative financial instruments and hedge accounting

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

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

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

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

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

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

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

hedged financial income or financial expense is recognised.

i. Revenue from contracts with customers

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

Owned, co-owned and leased hotels

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

Campsites and mobile homes

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

Management fees

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

Franchise and reservation fees

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

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

Marketing fees

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

Customer loyalty programme

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

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

Contract balances

Trade receivables

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

Advance payments received – contract liabilities

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

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

j. Alternative Performance Measures

EBITDAR

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

EBITDA

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

EBIT

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

Net debt

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

k. Leases

The Group as lessee

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

Right-of-use assets

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

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

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

Lease liabilities

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

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

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

Variable lease payments that depend on an index or rate

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

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

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

Variable lease payments

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

Lease extension and termination options

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

Short-term leases and leases of low value assets

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

l. Employee benefits

Share-based payments

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

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

Pension

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

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

m. Provisions

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

n. Borrowing costs for qualifying assets

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

o. Taxation

Deferred income tax

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

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

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

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

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

p. Changes in accounting policies and disclosures

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

Lack of exchangeability – Amendments to IAS 21

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

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

Lack of exchangeability – Amendments to IAS 21 continued

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

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

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

q. Standards issued but not yet applied

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

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

IFRS 18 Presentation and Disclosure in Financial Statements

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

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

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

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

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

IFRS 19 Subsidiaries without Public Accountability: Disclosures

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

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

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

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

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

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

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

Annual Improvements to IFRS Accounting Standards - Volume 11

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

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

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

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

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

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

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

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

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

Note 3 Intangible assets

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

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

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

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

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

b. Acquisition of art'otel® rights

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

c. Other intangible assets

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

d. Amortisation

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

e. Impairment

In 2025, there were no indicators of impairment.

Note 4 Property, plant and equipment

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

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

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

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

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

a. For information regarding liens, see Note 12

b. Impairment

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

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

c. Capitalised borrowing costs

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

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

a. Investment in joint ventures

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

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

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

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

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

(i) Signature Top Ltd

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

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

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

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

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

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

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

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

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

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

(ii) Arena Hospitality Group d.d.

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

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

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

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

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

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

(iii) European Hospitality Real Estate Fund

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

On 20 June 2025, the Fund entered into an agreement for the acquisition of a 13,000 m² mixed-use development site in a prime central location near the City of London and Tower Bridge, with planning permission ("Leman Street") for a consideration of £17.5 million. Due to open in 2029, the hotel will feature a select service Radisson RED lifestyle hotel, with a minimum of 182 bedrooms, a restaurant, bar and gym, and 41,000 ft² of office space.

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

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

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

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

Note 6 Other non-current assets

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

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

Note 7 Trade receivables

a. Composition:

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

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

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

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

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

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

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

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

Note 8 Other receivables and prepayments

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

Note 9 Cash and cash equivalents

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

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

Note 10 Equity

a. Share capital

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

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

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

b. Treasury shares

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

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

c. Nature and purpose of reserves

Foreign currency translation reserve

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

Hedging reserve

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

Note 11 Share-based payments

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

2007 Option Plan

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

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

2020 PPHE Executive Share Option Plan

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

The plan has four types of options:

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

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

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

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

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

2022 Long-Term Incentive Plan

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

Grants in the period

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

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

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

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

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

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

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

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

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

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

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

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

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

Movements during the year

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

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

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

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

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

Note 12 Pledges, contingent liabilities and commitments

a. Pledges, collateral and securities

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

b. Restricted cash

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

c. Commitments

(i) Management and franchise agreements

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

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

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

(ii) Construction contract commitment

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

(iii) Guarantees

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

Note 13 Borrowings

The borrowings of the Group are composed as follows:

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

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

For securities and pledges, see Note 12.

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

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

For securities and pledges, see Note 12.

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

Revolving Credit Facility

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

Refinancing of Park Plaza London Riverbank

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

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

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

Refinancing of Park Plaza Victoria London

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

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

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

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

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

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

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

Aareal Dutch tranche refinance

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

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

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

Amendment of the W29 loan

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Note 14 Provisions Provision for concession fee on land

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Note 16 Other financial liabilities

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

Note 17 Leases

Group as a lessee

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

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

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

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

Cost:

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

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

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

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

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

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

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

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

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

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

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

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

Impairment

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

The following are the amounts recognised in profit or loss:

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

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

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

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

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

¹ Relates mainly to the concession fee on land (see Note 14).

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

¹ Relates mainly to the concession fee on land (see Note 14).

Lease extension and termination options

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

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

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

Note 18 Other payables and accruals

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

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

Note 19 Revenues

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

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

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

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

Note 20 Operating expenses

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

Note 21 Financial expenses

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

Note 22 Financial income

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

Note 23 Other income and expense

a. Other expenses

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

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

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

b. Other income

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

¹ Early termination of the lease for Park Plaza Wallstreet Berlin Mitte.

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

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

Note 25 Income taxes

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

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

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

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

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

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

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

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

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

d. Tax laws applicable to the Group companies:

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

e. Losses carried forward for tax purposes

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

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

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

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

i. Tax incentives

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

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

Note 26 Earnings per share

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

	As at 31 December	
	2025 £'000	2024 £'000
Profit attributable to equity holders of the parent basic and diluted	13,185	28,206
Weighted average number of ordinary shares outstanding for basic earnings per share (in thousands)	41,840	42,045
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.

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

Note 27 Segments

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

	Year ended 31 December 2025							
	The Netherlands £'000	Germany £'000	United Kingdom £'000	Croatia £'000	Other 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 ³								(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.
3 See note 4b for more information around the impairment recorded in the different segments.

	The Netherlands £'000	Germany £'000	United Kingdom £'000	Croatia £'000	Other 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							Consolidated £'000
	The Netherlands £'000	Germany £'000	United Kingdom £'000	Croatia £'000	Other ¹ £'000	Management and Central Services £'000	Adjustments ² £'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.

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

Note 28 Related parties

a. Balances with related parties

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

b. Transactions with related parties

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

c. Significant other transactions with related parties

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

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

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

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

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

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

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

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

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

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

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

Directors' interests in employee share incentive plan

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

Note 29 Financial instruments risk management objectives and policies

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

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

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

a. Interest rate risk

The Group's exposure to the risk for changes in market interest rates relates primarily to the Group's long-term debt obligations with a floating interest rate.

The Group's policy is to manage its interest costs using fixed-rate debt. To manage its interest costs, the Group enters into interest rate swaps, in which the Group agrees to exchange, at specified intervals, the difference between fixed and variable rate interest amounts calculated by reference to an agreed-upon notional principal amount. Furthermore, the Group uses fixed interest rate debts. For this reason, the Group's cash flow is not significantly sensitive to possible changes in market interest rates. Possible changes in interest rates do, however, affect the Group's equity as the fair value of the swap agreements changes with interest rate changes. These swaps are designated to hedge underlying debt obligations.

The Company has entered into interest rate swap contracts with unrelated financial institutions in order to reduce the effect of interest rate fluctuations or risk of certain real estate investments' interest expense on their variable rate debt. The Company is exposed to credit risk in the event of non-performance by the counterparty to these financial instruments. Management believes the risk of loss due to non-performance to be minimal and therefore decided not to hedge this.

The accounting treatment for the interest rate swaps and whether they qualify as hedge accounting under IFRS 9 is determined separately for each contract. If the contract qualifies as hedge accounting then the unrealised gain or loss on the contract is recorded in the consolidated statement of comprehensive income. If the contract does not qualify as hedge accounting then the gain or loss on the contract is recorded in the consolidated income statement. The fair value of the interest rate swaps is determined by taking into account the present interest rates compared with the contracted fixed rate over the life of the contract. The valuation models incorporate various market inputs such as interest rate curves, and the fair value measurement is classified to Level 2 of the fair value hierarchy.

In 2025, in connection with the refinancing of Park Plaza Victoria London, the Group amended its existing £100 million interest rate swap that was originally entered into in 2022. The notional amount was reduced to £79.2 million (representing 90% of the new loan amount) and the swap terms were aligned with those of the new facility. The revised swap carries a fixed interest rate of 1.55%. The Group elected not to apply hedge accounting to this instrument; accordingly, any gains or losses arising from the swap are recognised in the consolidated income statement.

For the year ended 31 December 2025, the Company recorded a loss of £0.8 million (2024: profit of £4.3 million) in Other income/other expense in the consolidated income statement and an unrealised loss of £1.6 million (2024: profit of £4.3 million) in the consolidated statement of comprehensive income, representing the change in the fair value of these interest rate swaps during the period. The aggregate fair value of the interest rate swap contracts was £21.2 million as at 31 December 2025 (2024: £28.4 million) and is included in Other receivables and prepayments and Other non-current financial assets on the consolidated statements of financial position.

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected, after the impact of hedge accounting. With all other variables held constant, the Group's profit before tax is affected through the impact on floating rate borrowings, as follows:

	Effect on profit before tax £'000		
	Pound Sterling	EUR	US Dollar
Increase in floating interest rate ¹			
1%	1,252	476	61
2%	2,503	953	123
5%	6,258	2,381	307

¹ The assumed movement in floating interest rate for the interest rate sensitivity analysis is based on the currently observable market environment.

b. Credit risk

The Group trades only with recognised, creditworthy third parties. It has policies in place to ensure that sales are made to customers with an appropriate credit history. The Company's policies ensure that sales to customers are settled through advance payments, in cash or by major credit cards (individual customers). Since the Group trades only with recognised third parties, there is no requirement for collateral for debts with third parties. Furthermore, the Group has no dependency on any of its customers. The receivable balances are monitored on an ongoing basis. Management monitors the collection of receivables through credit meetings and weekly reports on individual balances of receivables. The maximum credit exposure equals the carrying amount of the trade receivables and other receivables since a loss allowance

for expected credit losses is recorded in respect of all trade and other receivables. The result of these actions is that the Group's exposure to bad debts is not significant.

With respect to credit risk arising from other financial assets of the Group, which comprise cash and cash equivalents, the Group's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments. The Group has limited concentration risk in respect of its cash at banks.

c. Liquidity risk

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts and bank loans. The Group's policy is to arrange medium-term bank facilities to finance its construction operation and then to convert them into long-term borrowings when required.

The Group continues to hold a strong liquidity position, with an overall consolidated cash balance of £123.5 million as at 31 December 2025.

The table below summarises the maturity profile of the Group's financial liabilities as at 31 December 2025 and 2024 based on contractual undiscounted payments.

	As at 31 December 2025					
	Less than 3 months £'000	3 to 12 months £'000	Year 2 £'000	Year 3 to 5 £'000	> 5 years £'000	Total £'000
Interest-bearing loans and borrowings ¹	28,763	83,155	98,406	687,966	196,517	1,094,807
Financial liability in respect of Income Units sold to private investors ²	3,304	9,910	13,214	39,642	107,943	174,013
Lease liability ³	3,824	11,255	13,401	41,072	954,909	1,024,461
Trade payables	10,382	–	–	–	–	10,382
Other liabilities	19,286	21,377	1,069	1,596	5,255	48,583
	65,559	125,697	126,090	770,276	1,264,624	2,352,246

	As at 31 December 2024					
	Less than 3 months £'000	3 to 12 months £'000	Year 2 £'000	Year 3 to 5 £'000	> 5 years £'000	Total £'000
Interest-bearing loans and borrowings ¹	28,969	86,087	250,146	309,862	354,010	1,029,074
Financial liability in respect of Income Units sold to private investors ²	3,534	10,602	14,136	42,408	110,565	181,245
Lease liability ³	3,650	11,176	13,715	39,693	890,292	958,526
Trade payables	9,088	–	–	–	–	9,088
Other liabilities	20,047	20,926	1,810	1,188	4,995	48,966
	65,288	128,791	279,807	393,151	1,359,862	2,226,899

¹ See Note 13 for further information.

² Presented according to discounted amount due to the variability of the payments over the balance of the 999-year term.

³ Lease liability includes three leases (2024: four leases) with upward rent reviews based on future market rates in one lease and changes in the CPI/RPI in the other lease and, thus, future payments have been estimated using current market rentals and current United Kingdom-based CPIs/RPIs, respectively, except for Park Plaza London Waterloo where the amounts included 50 years of future payments regarding the lease of Park Plaza London Waterloo instead of 199 years as stated in the lease agreement. Also, the amounts do not take into account the collar of 2%. The Group's management believes that the amount included in the above table reflects the relevant cash flow risks to which the Group would be reasonably exposed in the ordinary course of business.

Notes to consolidated financial statements for the year ended 31 December 2025 – continued

Capital management

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions. The Group monitors capital using a gearing ratio, which is net bank debt divided by total capital plus net bank debt. The Group's policy is to keep the gearing ratio between 50% and 60%. The Group includes within net bank debt interest-bearing bank loans and borrowings, less cash and cash equivalents, and other liquid assets. Capital includes equity less the hedging reserve.

	2025 £'000	2024 £'000
Interest-bearing bank loans and borrowings	913,471	885,644
Less – cash and cash equivalents	(123,466)	(113,225)
Less – long-term restricted cash	(6,421)	(5,826)
Less – short-term restricted cash	(8,062)	(16,602)
Net debt	775,522	749,991
Equity	512,594	526,058
Hedging reserve ¹	(13,392)	(19,711)
Total capital	499,202	506,347
Capital and net debt	1,274,724	1,252,795
Gearing ratio	60.8%	59.9%

¹ Includes the hedging reserve that is allocated to the Non-controlling interests.

Changes in liabilities arising from financing activities

The table below summarises the movements in the Group's financial liabilities for the years ended at 31 December 2025 and 2024.

	As at 1 January 2025 £'000	Cash flows £'000	Re- measure- ment through profit and loss £'000	Re- measure- ment against right-of- use assets £'000	Foreign exchange movement £'000	Movement through profit and loss £'000	Reclassifi- cation and other movements £'000	As at 31 December 2025 £'000
Non-current interest-bearing loans and borrowings	805,057	40,489	–	–	12,517	–	(14,630)	843,433
Non-current lease liability	275,224	–	4,121	10,139	2,399	(3,555)	(9,291)	279,037
Financial liability in respect of Income Units sold to private investors	110,564	(3,666)	–	–	–	–	1,045	107,943
Current share appreciation rights	3,470	–	3,612	–	–	–	–	7,082
Current interest-bearing loans and borrowings	80,587	(28,527)	–	–	2,062	1,286	14,630	70,038
Current lease liability	6,441	(3,853)	–	–	270	–	(251)	2,607
	1,281,343	4,443	7,733	10,139	17,248	(2,269)	(8,497)	1,310,140

	As at 1 January 2024 £'000	Cash flows £'000	Re- measure- ment through profit and loss £'000	Re- measure- ment against right-of-use assets £'000	Foreign exchange movement £'000	Movement through profit and loss £'000	Reclassifi- cation and other movements £'000	As at 31 December 2024 £'000
Non-current interest-bearing loans and borrowings	845,199	46,668	–	–	(12,746)	–	(74,064)	805,057
Non-current lease liability	273,274	–	3,984	5,889	(2,491)	1,335	(6,767)	275,224
Financial liability in respect of Income Units sold to private investors	114,287	(5,287)	–	–	–	–	1,564	110,564
Current share appreciation rights	2,703	–	767	–	–	–	–	3,470
Current interest-bearing loans and borrowings	47,837	(41,147)	–	–	(1,503)	981	74,419	80,587
Current lease liability	4,089	(4,162)	–	–	(253)	–	6,767	6,441
	1,287,389	(3,928)	4,751	5,889	(16,993)	2,316	1,919	1,281,343

Fair value of financial instruments

The fair values of the financial assets and liabilities are included in the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

The fair values of cash and cash equivalents, trade receivables, trade payables, and other current financial assets and liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments. The fair value of floating interest rate liabilities also approximates their carrying amount as the periodic changes in interest rates reflect the movement in market rates.

The fair value of loans from banks and other financial liabilities is estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities.

Fair value hierarchy

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by a valuation technique based on the lowest level input that is significant to the fair value so determined:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2: other techniques for which all inputs which have significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

The Group enters into derivative financial instruments with financial institutions with investment grade credit ratings. Derivatives are valued using valuation techniques for swap models, using present value calculations. The models incorporate various inputs, including the credit quality of counterparties, and interest rate curves. The Group also granted share appreciation rights of the Company to Clal (see Note 5b) which is valued by using the Black-Scholes model. In addition, the Group also holds 46 Income Units in Park Plaza County Hall London, which were valued by external valuator using a discounted cash flow technique. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2. If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3.

Notes to consolidated financial statements for the year ended 31 December 2025 – continued

As at 31 December 2025, the Group held the following financial instruments measured at fair value:

Liabilities

	31 December 2025 £'000	Level 1 £'000	Level 2 £'000	Level 3 £'000
Share appreciation rights	7,082	–	–	7,082

Assets

	31 December 2025 £'000	Level 1 £'000	Level 2 £'000	Level 3 £'000
Money market funds	39,223	39,223	–	–
Interest rate swaps	21,173	–	21,173	–
Income Units in Park Plaza County Hall London	18,300	–	–	18,300

A change of up to 10% in the key inputs (Expected volatility of the share price, Risk-free interest rate) used in the valuation of the share appreciation rights and a change of up to 50bp in the discount rate used in the valuation of the Income Units in Park Plaza County Hall London would not result in a significant change in the fair value.

As at 31 December 2024, the Group held the following financial instruments measured at fair value:

Liabilities

	31 December 2024 £'000	Level 1 £'000	Level 2 £'000	Level 3 £'000
Share appreciation rights	3,470	–	–	3,470

Assets

	31 December 2024 £'000	Level 1 £'000	Level 2 £'000	Level 3 £'000
Money market funds	34,981	34,981	–	–
Interest rate swaps used for hedging	28,398	–	28,398	–
Income Units in Park Plaza County Hall London	18,150	–	–	18,150

During 2025 and 2024, there were no transfers between Level 1 and Level 2 fair value measurements, and no transfers into or out of Level 3 fair value measurements.

The carrying amounts and fair values of the Group's financial instruments other than those whose carrying amount approximates their fair value are as follows:

	Carrying amount 31 December		Fair value 31 December	
	2025 £'000	2024 £'000	2025 £'000	2024 £'000
Financial liabilities				
Bank borrowings	913,471	885,644	903,706	860,339

Note 30 Subsequent events

Final dividend

The Board is proposing a final dividend payment of 22 pence per share (2024: 21 pence per share), subject to shareholder approval at the Annual General Meeting.

Refinancing of the Loan Facility for Società Immobiliare Alessandro De Gasperis S.r.l.

On 16 February 2026, the Group entered into a new agreement to refinance its existing loan with UniCredit Spa, in relation to art'otel Rome Piazza Salustio (the "Hotel"). This refinancing terminates the existing facility and establishes a new one with a new Lender, Aareal Bank AG ("Aareal"). Under the terms of the new facility, the borrowed amount is €27.6 million (£24.1 million), has a five-year term, carries a fixed interest of 4.8% from signing and carries no amortisation through the life of the loan.

Sale of New York development site

On 17 February 2026, W29 Owner LLC, a wholly owned subsidiary of the Group, has entered into an agreement for the sale of its development site located in Manhattan, New York for a consideration of \$33.5 million. There are no due diligence conditions to consummate the sale, and it is expected that the disposal will close in the coming months.

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Subsidiaries included in the Group

Name of Company	Principal activity	Country of incorporation	Direct and indirect holdings %
1 Westminster Bridge Plaza Management Company Limited	Hotel operation	United Kingdom	56.7
A40 Data Centre B.V.	Holding company	The Netherlands	100
A40 Office B.V.	Holding company	The Netherlands	100
ABK Hotel Holding B.V.	Holding company	The Netherlands	66.1
ACO Hotel Holding B.V.	Holding company	The Netherlands	66.1
Amsterdam Airport Hotel Holding B.V.	Holding company	The Netherlands	100
Amsterdam Airport Hotel Operator B.V.	Hotel operation	The Netherlands	100
Arena 88 Rooms d.o.o. Beograd-Palilula	Hotel operation	Serbia	66.1
Arena Franz Ferdinand GmbH	Hotel operation	Austria	66.1
Arena Hospitality Group d.d.	Hotel operation	Croatia	66.1
Arena Hospitality Management d.o.o.	Management	Croatia	66.1
art'otel Amsterdam Hotel Operator B.V.	Hotel operation	The Netherlands	100
art'otel Berlin City Centre West GmbH	Hotel operation	Germany	66.1
art'otel Köln betriebsgesellschaft mbH	Hotel operation	Germany	66.1
Aspirations (Limited)	Holding company	Guernsey	51
Bona B.V.	Holding company	The Netherlands	100
Bona Finco B.V.	Holding company	The Netherlands	100
County Hall Hotel Holdings B.V.	Holding company	The Netherlands	100
Dvadeset Osam d.o.o.	Holding company	Croatia	100
Eindhoven Hotel Operator B.V.	Hotel operation	The Netherlands	100

Name of Company	Principal activity	Country of incorporation	Direct and indirect holdings %
Euro Sea Hotels N.V.	Holding company	The Netherlands	100
Germany Real Estate B.V.	Holding company	The Netherlands	66.1
Golden Wall Investments Limited	Finance company	British Virgin Islands	100
Grandis Netherlands Holding B.V.	Holding company	The Netherlands	100
Hotel Club Construction B.V.	Holding company	The Netherlands	100
Hotel Leeds Holding B.V.	Holding company	The Netherlands	100
Hotel Nottingham Holding B.V.	Holding company	The Netherlands	100
Hoxton Hotel Operator Limited	Hotel operation	United Kingdom	51
Hoxton Co-Working Limited	Holding company	United Kingdom	51
Leeds Hotel Operator Limited	Hotel operation	United Kingdom	100
Leman St Holdings Limited	Holding company	United Kingdom	51
Leno Investment Limited	Holding company	Guernsey	100
Marlbray Limited	Holding company	United Kingdom	100
Mazurana d.o.o.	Holding company	Croatia	66.1
North Lambeth Holding B.V.	Holding company	The Netherlands	100
Nottingham Hotel Operator Limited	Hotel operation	United Kingdom	100
Park Plaza Germany Holdings GmbH	Holding company	Germany	66.1
Park Plaza Hospitality Services (UK) Limited	Hotel operation	United Kingdom	100
Park Plaza Hotels (Germany) Services GmbH	Hotel operation	Germany	66.1
Park Plaza Hotels (UK) Limited	Holding company	United Kingdom	100
Park Plaza Hotels (UK) Services Limited	Management	United Kingdom	100
Park Plaza Hotels Berlin Wallstrasse GmbH	Hotel operation	Germany	66.1
Park Plaza Hotels Europe (Germany) B.V.	Holding company	The Netherlands	100
Park Plaza Hotels Europe B.V.	Management	The Netherlands	100
Park Plaza Hotels Europe Holdings B.V.	Holding company	The Netherlands	100
Park Plaza Nürnberg GmbH	Hotel operation	Germany	66.1
Park Royal Hotel Holding B.V.	Holding company	The Netherlands	100
Park Royal Hotel Operator Limited	Hotel operation	United Kingdom	100
Parkvondel Hotel Holding B.V.	Holding company	The Netherlands	100
Parkvondel Hotel Operator B.V.	Hotel operation	The Netherlands	100

Appendices – continued

Name of Company	Principal activity	Country of incorporation	Direct and indirect holdings %
Parkvondel Hotel Real Estate B.V.	Holding company	The Netherlands	100
PPHE Art Holding B.V.	Holding company	The Netherlands	100
PPHE Coop B.V.	Holding company	The Netherlands	100
PPHE Germany B.V.	Holding company	The Netherlands	100
PPHE Germany Holdings GmbH	Holding company	Germany	66.1
PPHE Headco Limited	Holding company	United Kingdom	100
PPHE Holdings Limited	Holding company	United Kingdom	100
PPHE Hotel Group Limited	Holding company	Guernsey	100
PPHE Hoxton B.V.	Holding company	The Netherlands	51
PPHE Living Limited	Holding company	United Kingdom	100
PPHE Management (Croatia) B.V.	Holding company	The Netherlands	100
PPHE Netherlands B.V.	Holding company	The Netherlands	100
PPHE NL Region B.V.	Holding company	The Netherlands	100
PPHE Nürnberg Operator Hotelbetriebsgesellschaft mbH	Hotel operation	Germany	66.1
PPHE Support Services Limited	Hotel operation	United Kingdom	100
PPHE UK Holding B.V.	Holding company	The Netherlands	100
PPHE USA B.V.	Holding company	The Netherlands	100
PPHE USA Holding B.V.	Holding company	The Netherlands	100
PPHE West 29th Street USA Inc	Holding company	Delaware	100
PPWL Parent B.V.	Holding company	The Netherlands	100
Riverbank Hotel Holding B.V.	Holding company	The Netherlands	51
Riverbank Hotel Operator Limited	Hotel operation	United Kingdom	51
Sherlock Holmes Hotel Shop Limited	Hotel operation	United Kingdom	100
Sherlock Holmes Park Plaza Limited	Hotel operation	United Kingdom	100
Signature Sub B.V.	Holding company	The Netherlands	51
Signature Top Ltd	Holding company	United Kingdom	51
Signature Top II Ltd	Holding company	United Kingdom	51
Società Immobiliare Alessandro De Gasperis S.r.l.	Hotel operation	Italy	51
Suf Holding B.V.	Holding company	The Netherlands	100
Sugarhill Investments B.V.	Holding company	The Netherlands	66.1

Name of Company	Principal activity	Country of incorporation	Direct and indirect holdings %
SW Szállodaüzemeltető Kft	Hotel operation	Hungary	66.1
The Mandarin Hotel B.V.	Holding company	The Netherlands	100
TOZI Restaurant Operator Limited	Hotel operation	United Kingdom	100
Ulika d.o.o.	Holding company	Croatia	66.1
Utrecht Hotel Holding B.V.	Holding company	The Netherlands	100
Utrecht Hotel Operator B.V.	Hotel operation	The Netherlands	100
Victoria Amsterdam Hotel Holding B.V.	Holding company	The Netherlands	100
Victoria Amsterdam Hotel Operator B.V.	Hotel operation	The Netherlands	100
Victoria London (Real Estate) B.V.	Holding company	The Netherlands	100
Victoria London B.V.	Holding company	The Netherlands	100
Victoria Monument B.V.	Holding company	The Netherlands	100
Victoria Park Plaza Operator Limited	Hotel operation	United Kingdom	100
W29 Development LLC	Holding company	Delaware	100
W29 Owner LLC	Holding company	Delaware	100
Waterloo Hotel Holding B.V.	Holding company	The Netherlands	100
Waterloo Hotel Operator Limited	Hotel operation	United Kingdom	100
Westminster Bridge Hotel Operator Limited	Hotel operation	United Kingdom	100
Westminster Bridge London (Real Estate) B.V.	Holding company	The Netherlands	100
Westminster Bridge London B.V.	Holding company	The Netherlands	100

Jointly controlled entities

Name of company	Principal activity	Country of incorporation	Direct and indirect holdings %
ABM Hotel Holding B.V. ¹	Holding company	The Netherlands	50
art'otel Berlin Mitte/Park Plaza betriebsgesellschaft mbH ¹	Hotel operation	Germany	50
Park Plaza betriebsgesellschaft mbH ¹	Hotel operation	Germany	50
PPBK Hotel Holding B.V. (formerly known as ABK Hotel Holding B.V.) ¹	Holding company	The Netherlands	50

¹ Indirectly held through Arena Hospitality Group d.d.

Current renovation, repositioning and pipeline projects

Project	Location	Scope	Status
Development project London Victoria	London, United Kingdom	Asset optimisation	In design process
Development site Park Royal, London	London, United Kingdom	New development	In design process
Development site Westminster Bridge Road, London	London, United Kingdom	New development	In design process
Development site Leman Street, London	London, United Kingdom	New development	In design process

Annual General Meeting	The Annual General Meeting of PPHE Hotel Group.
Annual Report and Accounts	The Annual Report of PPHE Hotel Group in relation to the year ended 31 December 2025.
Arena Campsites®	Located in eight beachfront sites across the Southern coast of Istria, Croatia. They operate under the Arena Hospitality Group umbrella, of which PPHE Hotel Group is a controlling shareholder. arenacampsites.com
Arena Hospitality Group	Also referred to as 'Arena' or 'AHG'. One of the most dynamic hospitality groups in Central and Eastern Europe, currently offering a portfolio of 30 owned, co-owned, leased and managed properties with more than 10,000 rooms and accommodation units in Croatia, Germany, Hungary, Serbia and Austria. PPHE Hotel Group has a controlling ownership interest in Arena Hospitality Group. arenahospitalitygroup.com
Arena Hotels & Apartments®	Arena Hotels & Apartments is a collection of hotels and self-catering apartment complexes offering relaxed and comfortable accommodation within beachfront locations across the historic settings of Pula and Medulin in Istria, Croatia, and at a mountain resort in Nassfeld, Austria. They operate under the Arena Hospitality Group umbrella, of which PPHE Hotel Group is a controlling shareholder.
art'otel®	A lifestyle collection of hotels that fuse exceptional architectural style with art-inspired interiors, located in cosmopolitan centres across Europe. PPHE Hotel Group is owner of the art'otel® brand worldwide. artotel.com
Board	Ken Bradley (Non-Executive Chairman), Boris Ivesha (President & Co-Chief Executive Officer), Greg Hegarty (Co-Chief Executive Officer), Daniel Kos (Chief Financial Officer & Executive Director), Nigel Keen (Non-Executive Director & Senior Independent Director), Marcia Bakker (Non-Executive Director), Stephanie Coxon (Non-Executive Director), Roni Hirsch (Non-Executive Director)
BREEM	Building Research Establishment Environmental Assessment Method.
Capital expenditure, CAPEX	Purchases of property, plant and equipment, intangible assets, associate and joint venture investments, and other financial assets.
Company	PPHE Hotel Group Limited, a Guernsey incorporated Company listed on the Main Market of the London Stock Exchange plc.
CSRD	Corporate Sustainability Reporting Directive.
Derivatives	Financial instruments used to reduce risk, the price of which is derived from an underlying asset, index or rate.
Direct channels	Methods of booking hotel rooms (both digital and voice) not involving third party intermediaries.
Dividend per share	Proposed/approved dividend for the year divided by the weighted average number of outstanding shares after dilution at the end of the period.

Earnings per share	Earnings per share amounts are calculated by dividing the net profit (loss) for the year by the weighted average number of ordinary shares outstanding during the year. Diluted earnings (loss) per share amounts are calculated by dividing the net profit (loss) for the year by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.
Employee engagement survey	We ask our team members to participate in a survey to measure employee engagement.
EPRA (European Public Real Estate Association)	The EPRA reporting metrics analyse performance (value, profit and cash flow) given that we have full ownership of the majority of our properties.
EPS	Earnings per share.
EU	The European Union.
Euro, EUR, €	The currency of the European Economic and Monetary Union.
Exceptional items	Items which are not reflective of the normal trading activities of the Group.
Exchange rates, FX	The exchange rates used were obtained from the local national banks' website.
FF&E	Furniture, fittings and equipment.
Franchise	A form of business organisation in which a company which already has a successful product or service (the franchisor) enters into a continuing contractual relationship with other businesses (franchisees) operating under the franchisor's trade name and usually with the franchisor's guidance, in exchange for a fee.

Goodwill	The difference between the consideration given for a business and the total of the fair values of the separable assets and liabilities comprising that business.
GRS	Guest Rating Score is the online reputation score used by ReviewPro – an industry leader in guest intelligence solutions.
Guernsey	The Island of Guernsey.
Hotel revenue	Revenue from all revenue-generating activity undertaken by managed and owned and leased hotels, including room nights, food and beverage sales.
Income Units	Cash flows derived from the net income generated by rooms in Park Plaza London Westminster Bridge, which have been sold to private investors.
LSE	London Stock Exchange. PPHE Hotel Group's shares are traded on the Premium Listing segment of the Official List of the UK Listing Authority.
Key performance indicator (KPI)	Key performance indicator (KPI) is a measurable value that demonstrates how effectively an organisation is achieving its key business objectives.
Market share	The share of the total sales of a product or group of products by a company in a particular market. It is often shown as a percentage and can be used as a performance indicator to compare with competitors in the same market (sector).
NCI	Non-controlling interest.
Number of properties	Number of owned hotel properties at the end of the period.
Number of rooms	Number of rooms in owned hotel properties at the end of the period.
Occupancy	Total occupied rooms divided by net available rooms or RevPAR divided by ARR.

Online travel agent	Online companies whose websites permit consumers to book various travel related services directly over the Internet.
Park Plaza®	Upper upscale hotel brand. PPHE Hotel Group is master franchisee of the Park Plaza® Hotels & Resorts brand owned by Radisson Hotel Group. PPHE Hotel Group has the exclusive right to develop the brand across 56 countries in Europe, the Middle East and Africa. parkplaza.com
Park Plaza Hotel	One hotel from the Park Plaza® Hotels & Resorts brand.
Pipeline	Hotels/rooms that will enter the PPHE Hotel Group system at a future date.
Pound Sterling/ GBP £	The currency of the United Kingdom.
PPHE Hotel Group	PPHE Hotel Group is also referred to as 'the Group' and is an international hospitality real estate group. Through its subsidiaries, jointly controlled entities and associates, the Group owns, co-owns, develops, leases, operates and franchises hospitality real estate. The Group's primary focus is full-service upscale, upper upscale and lifestyle hotels in major gateway cities and regional centres, as well as hotel, resort and campsite properties in select resort destinations.

Radisson Hotel Group	Created in early 2018, one of the largest hotel companies in the world. Hotel brands owned by Radisson Hotel Group are Radisson Collection™, Radisson Blu®, Radisson®, Radisson RED®, Radisson Individuals, Park Plaza®, Park Inn® by Radisson, Country Inn & Suites® by Radisson, and Prize by Radisson. The portfolio of Radisson Hotel Group includes more than 1,600 hotels in operation and under development, located in more than 100 countries and territories, operating under global hotel brands. Jin Jiang International Holdings is the majority shareholder of Radisson Hotel Group. radissonhotelgroup.com
Radisson Rewards™	The hotel rewards programme of Radisson Hotel Group, including Park Plaza® Hotels & Resorts and art'otel®. The programme is owned by Radisson Hotel Group. radissonrewards.com
Responsible Business	PPHE Hotel Group's Responsible Business strategy is a genuine, active and responsible commitment to our environment and society.
Room count	Number of rooms franchised, managed, owned or leased by PPHE Hotel Group.
Subsidiary	A company over which the Group exercises control.
Weighted average number of shares outstanding during the year	The weighted average number of outstanding shares taking into account changes in the number of shares outstanding during the year.
Working capital	The sum of inventories, receivables and payables of a trading nature, excluding financing and taxation items.

Alternative Performance Measures

In order to aid stakeholders and investors in analysing the Group's performance and understanding the value of its assets and earnings from a property perspective, the Group has disclosed the following Alternative Performance Measures, which are commonly used in the Real Estate and the Hospitality sectors.

Adjusted EPRA earnings	EPRA earnings with the Company's specific adjustments. The main adjustments include removal of unusual or one-time influences which are not part of the Group's regular operations and adding back the reported depreciation change, which is based on assets at historical cost, and replacing it with a charge calculated as 4% of the Group's total revenue, representing the Group's expected average cost to maintain the real estate in good quality. The reconciliation of the Group's earnings attributed to equity holders of the parent company to Adjusted EPRA earnings can be found on page 37.	EBITDA margin	EBITDA divided by total revenue.
Adjusted EPRA earnings per share	Adjusted EPRA earnings divided by the weighted average number of ordinary shares outstanding during the year.	EBITDAR	Earnings before interest (Financial income and expenses), tax, depreciation and amortisation, impairment loss, rental expenses, share in results of joint ventures and exceptional items presented as other income and expense.
Average room rate (ARR)	Total room revenue divided by the number of rooms sold.	EPRA earnings	Shareholders' earnings from operational activities adjusted to remove changes in fair value of financial instruments and reported depreciation. The reconciliation of the Group's earnings attributed to equity holders of the parent company to EPRA earnings can be found on page 37.
Debt Service Coverage Ratio (DSCR)	EBITDA, less net expenses for financial liability in respect of Income Units sold to private investors and lease payments, divided by the sum of interest on bank loans and yearly bank loans redemption.	EPRA earnings per share	EPRA earnings divided by the weighted average number of ordinary shares outstanding during the year.
EBIT	Earnings before interest (Financial income and expenses), tax, share in results of joint ventures and exceptional items presented as other income and expense.	EPRA LTV (EPRA net debt leverage)	Net debt based on proportionate consolidation divided by the sum of the market value of the properties and the net working capital and excluding certain items not expected to crystallise in a long-term investment property business model (deferred tax on timing differences and financial instruments) based on proportionate consolidation. The reconciliation of the ratio between the reported net debt and the reported property value (net debt leverage per the financial statements) to EPRA LTV can be found on page 40.
EBITDA	Earnings before interest (Financial income and expenses), tax, depreciation and amortisation, impairment loss, share in results of joint ventures and exceptional items presented as other income and expense.	EPRA NAV (Net Asset Value)	Recognised equity, attributable to the parent company's shareholders, including reversal of derivatives, deferred tax asset for derivatives, deferred tax liabilities related to the properties and revaluation of operating properties.

EPRA NDV (Net Disposal Value)	Recognised equity, attributable to the parent company's shareholders on a fully diluted basis adjusted to include properties, other investment interests, deferred tax, financial instruments and fixed interest rate debt at disposal value. Adjustments to the recognised equity are calculated on the share allocated to the parent company's shareholders (net of non-controlling interest). The reconciliation of the Group's equity attributable to equity holders of the parent (NAV per the financial statements) to EPRA NDV can be found on page 36.	EPRA NTA (Net Tangible Assets)	Recognised equity, attributable to the parent company's shareholders on a fully diluted basis adjusted to include properties and other investment interests at fair value and to exclude intangible assets and certain items not expected to crystallise based on the Company's expectations for investment property disposals in the future. Adjustments to the recognised equity are calculated on the share allocated to the parent company's shareholders (net of non-controlling interest). The reconciliation of the Group's NAV to EPRA NTA can be found on page 37.
EPRA NDV per share	EPRA NDV divided by the fully diluted number of shares at the end of the period.	EPRA NTA per share	EPRA NTA divided by the fully diluted number of shares at the end of the period.
EPRA NRV (Net Reinstatement Value)	Recognised equity, attributable to the parent company's shareholders on a fully diluted basis adjusted to include properties and other investment interests at fair value and to exclude certain items not expected to crystallise in a long-term investment property business model (deferred tax on timing differences on property, plant and equipment and intangible assets and financial instruments). Adjustments to the recognised equity are calculated on the share allocated to the parent company's shareholders (net of non-controlling interest). The reconciliation of the Group's equity attributable to equity holders of the parent (NAV per the financial statements) to EPRA NRV can be found on page 36.	Gearing ratio	Net bank debt divided by the sum of total equity excluding hedging reserve and net bank debt.
EPRA NRV per share	EPRA NRV divided by the fully diluted number of shares at the end of the period.	Interest Cover Ratio (ICR)	EBITDA, less net expenses for financial liability in respect of Income Units sold to private investors and lease payments, divided by interest on bank loans.
		Like-for-like	Results achieved through operations that are comparable with the operations of the previous period. Current period's reported results are adjusted to have an equivalent comparison with previous periods' results, with similar seasonality and the same set of hotels.
		Loan-to-value ratio (LTV)	Interest-bearing liabilities after deducting cash and cash equivalents as a percentage of the properties' market value at the end of the period.
		Maintenance CAPEX	Calculated as 4% of revenues, which represents the expected average maintenance capital expenditure required in the operating properties.
		Net debt	Calculated as total borrowings minus cash and cash equivalents, including both long-term and short-term restricted cash.
		Normalised PBT, normalised profit before tax	Profit before tax adjusted to remove exceptional or one-time influences which are not part of the Group's regular operations. The reconciliation of the Group's reported profit before tax to normalised profit before tax can be found on page 34.
		RevPAR	Revenue per available room. Total room revenue divided by the number of available rooms.

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Forward-looking statements

This document may contain certain 'forward-looking statements' which reflect the Company's and/or the Directors' current views with respect to financial performance, business strategy and future plans, both with respect to the Group and the sectors and industries in which the Group operates. Statements which include the words 'expects', 'intends', 'plans', 'believes', 'projects', 'anticipates', 'will', 'targets', 'aims', 'may', 'would', 'could', 'continue' and similar statements are of a future or forward-looking nature. All forward-looking statements address matters that involve risks and uncertainties. Accordingly, there are or will be important factors that could cause the Group's actual results to differ materially from those indicated in these statements. Any forward-looking statements in this document reflect the Group's current views with respect to future events and are subject to risks, uncertainties and assumptions relating to the Group's operations, results of operations and growth strategy. These forward-looking statements speak only as of the date on which they are made. Subject to any legal or regulatory obligations, the Company undertakes no obligation publicly to update or review or revise any forward-looking statement, whether as a result of new information, future developments or otherwise. All subsequent written and oral forward-looking statements attributable to the Group or individuals acting on behalf of the Group are expressly qualified in their entirety by this paragraph. Nothing in this document should be considered as a profit forecast.

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