

International Hotel Investments p.l.c.

Interim Financial Statements (Unaudited)

For the six-month period

1 January 2025 to 30 June 2025

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Interim Financial Statements
For the period from 1 January 2025 to 30 June 2025

Directors' Report

Six-month period ended 30 June 2025

Basis of Preparation

The published figures for the reporting period have been extracted from the unaudited consolidated financial statements of International Hotel Investments p.l.c. ("the Group") for the six months ended 30 June 2025 and the comparative period in 2024. Comparative balance sheet information as of 31 December 2024 has been extracted from the audited financial statements of the Group for the year ended on that date. This report is being published in terms of Capital Markets Rule 5.74 issued by the Listing Authority and has been prepared in accordance with the applicable Capital Markets Rules and International Accounting Standard 34, 'Interim Financial Reporting'. In terms of Capital Markets Rule 5.75.5, the Directors are stating that this Half-Yearly Financial Report has not been audited or reviewed by the Group's independent auditors.

Principal Activities

IHI plc dates its origins to that of its founding shareholder in Malta in 1962. It is engaged primarily in the ownership, development and management of luxury hotels and its proprietary Corinthia brand, but is also involved in related commercial and residential real estate development and project design services. The Company has several subsidiary companies and investments in associate companies through which it promotes the business of the Group.

Review of Performance

Significant factors impacting the period under review are the following

- Following a complex redevelopment and re-construction programme, the Corinthia Grand Hotel Astoria in Brussels has been successfully launched as the leading luxury hotel in Belgium. It is already breaking records, achieving the highest room rates in the country, and it is expected to gradually build up occupancy rates over its initial years of operation. The current profitability of the property is, as expected, reflective of an opening and ramp-up phase. The hotel is 50% owned by IHI but is consolidated at 100% in the Profit & Loss Statement.
- C-Rev, the Group's property development arm, has successfully completed the acquisition of two midscale hotels and an adjoining office building in a prime location in Beverly Hills, California, in the United States. Having identified the development opportunity of these buildings and steered the transaction, the Group retains a minority, preferred shareholding in the properties and their future development, alongside blue-chip investors who have come on board. The investors are hotel investment company Action Group of Kuwait and private equity firm The Gores Group of the United States. Part of the funding of the acquisition was raised by way of a Bond issued by the consortium on the Malta Stock Exchange.
- The Group's hotel management arm, CHL Limited, has successfully launched the Surrey, a Corinthia Hotel, in New York, in the United States, and the Corinthia Grand Hotel du Boulevard in Bucharest, Romania. Both hotels are operating at the top end of their respective markets in the luxury segment. Fee income from these hotels will now start accruing to the Group.
- Temporary incidents in downtown Tripoli during the period under review have negatively impacted what was gradually re-establishing itself as a profitable hotel operation. The Group however expects business to return to normal levels of demand for hotel services within a few months. The Tripoli property includes an adjoining office building which remains fully leased to AAA oil sector tenants, which together with the hotel, deliver EBITDA contributions to the Group.

Directors' Report - continued

Period ended 30 June 2025

- Corinthia London is experiencing challenges in the UK capital due to increased competition resulting from the opening of new competing hotels. On the positive side, however, although room rates in the luxury segment have dropped marginally, Corinthia London has managed to retain its room rates. All other hotel operations, including those owned by the group and others managed by CHL, have increased revenues and profit contributions when compared to the previous year.

Based on these factors and other circumstances, the Group's revenues increased by 10% in the first half of 2025, reaching €149.7 million compared to €135.6 million in the same period last year. When excluding the contributions from the Brussels property, which partially opened in December 2024, and the Beverly Hills hotels, which were leased in March 2025, the comparable year-on-year revenue growth adjusts to 4%.

The Group reports an EBITDA of €20.7 million for the period or a 14% conversion rate. As explained, Corinthia Brussels and the Beverly Hills hotels are still in their early post-opening phases and, are thereby diluting EBITDA contribution. Adjusted EBITDA after removing Brussels and Beverly Hills hotel operations amounts to €25.4 million for 2025 – a conversion rate of 18% and an increase of €2.5 million compared to last year's EBITDA of €22.9 million.

More importantly, the adjusted EBITDA conversion rate of 18% for the first half of the year is stable notwithstanding the continued inflationary pressures on payroll and other costs.

In reviewing the financial results for the first six months of 2025, one should also note the following:

Depreciation and amortisation have increased compared to last year. This increase is driven by the depreciation of the now completed Brussels hotel. This increase is partially offset by the suspension of depreciation on the Lisbon hotel which is now classified as available for sale.

Interest income and expense have marginally increased compared to last year. Interest cost increased by €0.8 million from €21.7million in the corresponding period to €22.5 million on account of further bank loan drawdowns in Brussels to finance the completion of the hotel.

The Group remains focused on debt reduction, through a programme of targeted sales of mature assets, with important developments expected by the year's end.

All the above results in a reported loss after tax of €10.0 million compared to a loss of €10.2 million in the same period last year

The net loss, net of tax, of €7.8 million in the Statement of Comprehensive Income principally reflects the currency translation difference on the Group's non-Euro denominated investments in London and in St Petersburg. The Sterling weakened whereas the Rouble strengthened against the reporting currency of the Group which is the Euro.

Situation and Outlook

In line with the Financial Analysis Summary published in June 2025, most hotels are performing better than last year, and the Group is expecting to close the year with increased revenues and EBITDA year on year. In all our hotels and businesses, management remains entirely focused on maintaining tight discipline on all operating costs whilst offering a quality service.

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Directors' Report - continued

Period ended 30 June 2025

All CAPEX remains tightly controlled. As at the end of June 2025, the Group had €89.2 million in cash and bank balances at its disposal.

Through its operating entity Corinthia Hotels Limited, the Company remains focused on a growth strategy that is based on management agreements. Works are now well underway on projects on sites in Rome, Dubai, Doha, Riyadh and Maldives, where Group subsidiary companies are involved as development partners, technical services providers and hotel operators, with practically all the capital funding for these projects being provided by third parties.

The project in Rome, which IHI will lease on its completion, is progressing with a handover date expected at the end of 2025.

In line with our asset strategy, management is continuing with the evaluation of all our assets. We are also actively assessing opportunities to sell non-core or fully mature assets. Net proceeds from such sales of assets would be deployed mostly towards paying down additional debt incurred during the pandemic, as well as a combination of dividends and further investments into new real estate projects.

Directors

At the date of this report, the Directors of the Group are as follows:

Mr Alfred Pisani (Chairman)
Mr Frank Xerri de Caro
Mr Moussa Atiq Ali
Mr Hamad Buamim
Mr Douraid Zaghouni
Mr Joseph Pisani
Mr Richard Cachia Caruana
Mr Mohamed Mahmoud Alzarouq Shawsh
Mr Alfred Camilleri
Mr Simon Naudi

In accordance with the Group's Articles of Association, the present Directors remain in office.

On behalf of the Board,



Alfred Pisani
Chairman



Richard Cachia Caruana
Director

28 August 2025

Registered Office:

22 Europa Centre,
Floriana FRN1400,
Malta

Interim Income Statement - the Group

	1 January to 30 June 2025 €'000	1 January to 30 June 2024 €'000
Revenue	149,719	135,605
Direct costs	(82,219)	(74,824)
	<u>67,500</u>	<u>60,781</u>
Marketing costs	(7,468)	(5,942)
Administrative expenses	(30,138)	(23,332)
Other operating expenses	(9,206)	(8,621)
Operating results before depreciation and fair value gains	<u>20,688</u>	<u>22,886</u>
Depreciation and amortisation	(14,227)	(13,347)
Other losses arising on property, plant and equipment	-	(436)
Other operational exchange (loss) / gain	(489)	656
Results from operating activities	<u>5,972</u>	<u>9,759</u>
Net changes in fair value of financial assets through profit and loss		
Finance income		
- interest and similar income	1,324	1,045
Finance costs		
- interest expense and similar charges	(22,516)	(21,686)
- net exchange differences on borrowings	1,599	(1,117)
Loss before tax	<u>(13,621)</u>	<u>(11,999)</u>
Tax credit	3,581	1,824
Loss for the period	<u>(10,040)</u>	<u>(10,175)</u>
Loss for the period attributable to:		
- Owners of IHI	(4,101)	(7,576)
- Non-controlling interests	(5,939)	(2,599)
	<u>(10,040)</u>	<u>(10,175)</u>

Interim Statement of Comprehensive Income - the Group

	1 January to 30 June 2025 €'000	1 January to 30 June 2024 €'000
Loss for the period	(10,040)	(10,175)
Other comprehensive income/(loss):		
Deferred tax on revaluation of hotel property arising from change in tax rate	(519)	-
Translation reserve	(704)	15,257
Income tax relating to components of other comprehensive income	(6,587)	1,874
Other comprehensive income/(loss) for the period, net of tax	(7,810)	17,131
Total comprehensive income/(loss) for the period	(17,850)	6,956

Interim Statement of Financial Position - the Group

	30 June 2025 €'000	31 December 2024 €'000
Assets		
Non-current		
Intangible assets	45,118	45,972
Indemnification assets	17,168	17,168
Investment property	258,958	253,492
Property, plant and equipment	1,253,230	1,262,807
Right-of-use assets	22,196	12,601
Deferred tax assets	29,144	27,870
Investments accounted for using the equity method	5,207	5,207
Financial assets at fair value through profit or loss	3,411	3,411
Other financial assets at amortised cost	5,811	6,396
Trade and other receivables	10,100	11,012
Total non-current assets	1,650,343	1,645,936
Current		
Inventories	18,975	19,187
Other financial assets at amortised cost	72	86
Trade and other receivables	74,839	58,216
Current tax asset	537	189
Cash and cash equivalents	94,545	71,656
Assets placed under trust arrangement	77	77
Total current assets other than assets classified as held for sale	189,045	149,411
Assets classified as held for sale	144,812	147,330
Total current assets	333,857	296,741
Total assets	1,984,200	1,942,677

Interim Statement of Financial Position - the Group

	30 June 2025 €'000	31 December 2024 €'000
Equity and liabilities		
Equity		
Capital and reserves attributable to owners of IHI:		
Issued capital	615,685	615,685
Revaluation reserve	147,935	148,456
Translation reserve	(46,099)	(46,395)
Reporting currency conversion difference	443	443
Other components of equity	2,502	2,502
Retained earnings	(50,460)	(46,361)
	670,006	674,330
Non-controlling interests	222,519	236,046
Total equity	892,525	910,376
Liabilities		
Non-current		
Trade and other payables	16,189	26,010
Bank borrowings	446,089	382,581
Bonds	287,720	253,275
Lease liabilities	18,925	11,582
Other financial liabilities	19,223	33,224
Deferred tax liabilities	136,716	133,969
Total non-current liabilities	924,862	840,641
Current		
Trade and other payables	130,254	100,460
Bank borrowings	26,809	40,939
Bond	-	44,953
Lease liabilities	4,621	2,174
Current tax liabilities	5,128	3,134
Total current liabilities	166,813	191,660
Total liabilities	1,091,675	1,032,301
Total equity and liabilities	1,984,200	1,942,677

Interim Statement of Changes in Equity - the Group

	Share capital €'000	Revaluation reserve €'000	Translation reserve €'000	Reporting currency conversion difference €'000	Other equity components €'000	Retained earnings €'000	Total attributable to owners €'000	Non-controlling interests €'000	Total equity €'000
Balance at 1 January 2024	615,685	97,941	(52,684)	443	2,617	(50,728)	613,274	223,074	836,348
Loss for the period	-	-	-	-	-	(7,576)	(7,576)	(2,599)	(10,175)
Other comprehensive gain	-	-	11,019	-	-	-	11,019	6,112	17,131
Total income and expenses for the period	-	-	11,019	-	-	(7,576)	3,443	3,513	6,956
Balance at 30 June 2024	615,685	97,941	(41,665)	443	2,617	(58,304)	616,717	226,587	843,304
Gain for the period	-	-	-	-	-	11,943	11,943	(3,014)	8,929
Other comprehensive gain	-	50,515	(4,730)	-	(115)	-	45,670	12,473	58,143
Balance at 31 December 2024	615,685	148,456	(46,395)	443	2,502	(46,361)	674,330	236,046	910,376
Loss for the period	-	-	-	-	-	(4,101)	(4,101)	(5,939)	(10,040)
Other comprehensive loss	-	(519)	296	-	-	-	(223)	(7,588)	(7,811)
Total income and expenses for the period	-	(519)	296	-	-	(4,101)	(4,324)	(13,527)	(17,851)
Balance at 30 June 2025	615,685	147,935	(46,099)	443	2,502	(50,460)	670,006	222,519	892,525

Interim Statement of Cash Flows - the Group

	1 January to 30 June 2025 €'000	1 January to 30 June 2024 €'000
Loss before tax	(13,621)	(11,999)
Adjustments	34,425	34,932
Working capital changes:		
Inventories	51	(909)
Trade and other receivables	(13,189)	(9,543)
Advance payments	(113)	(58)
Trade and other payables	20,178	15,482
Cash generated from operations	27,731	27,905
Tax paid	(686)	(671)
Net cash generated from operating activities	27,045	27,234
Investing activities		
Payments to acquire property, plant and equipment	(14,390)	(38,876)
Payments to acquire intangible assets	(43)	(759)
Payments to acquire investment property	(81)	(384)
Proceeds from sale of investment property	-	795
Proceeds from sale of assets held for sale	2,518	-
Payments for acquisition of financial assets at fair value through profit or loss	-	(487)
Interest received	1,324	1,045
Net cash used in investing activities	(10,672)	(38,666)
Financing activities		
Bank finance advanced – net of arrangement fees	94,584	31,905
Repayment of bank borrowings	(33,816)	(10,404)
Proceeds from the issue of bonds	3,147	-
Payment for redemption of bonds	(13,147)	(10,392)
Bond issue costs	(737)	-
Bank loan fees	(1,794)	(900)
Payments to Ultimate parent	(14,000)	-
Principal elements of lease payments	(1,668)	(1,377)
Interest paid	(18,054)	(17,243)
Net cash generated / (used) in financing activities	14,515	(8,411)
Net change in cash and cash equivalents	30,888	(19,843)
Cash and cash equivalents at beginning of period	62,448	78,532
Effect of translation of group entities to presentation currency	(4,126)	1,975
Cash and cash equivalents at end of period	89,210	60,664

Notes to the Financial Statements

1. Summary of significant accounting policies

The accounting policies adopted in the preparation of the 2025 Group's Half-Yearly Report are the same as those adopted in the preparation of the audited financial statements for the year ended 31 December 2024.

2. Tangible fixed assets

Tangible fixed assets acquired during the period amounted to **€24 million**.

3. Related party transactions

The Company has a related party relationship with its parent company, CPHCL Company Limited (CPHCL), and other entities forming part of the CPHCL Group of Companies, of which IHI is a subsidiary. Transactions with these companies are subject to review by the Audit Committee which provides comfort to the Board of Directors that such transactions are carried out on an arm's length basis and are for the benefit of the IHI Group. All transactions with companies forming part of the IHI Group have been eliminated in the preparation of this consolidated Half-Yearly Report.

Summary of Related Party Transactions	€'000
Parent and associated company – Management fee income	208
Associated companies – Hotel fee income	625

Notes to the Financial Statements

4. Segmental Reporting – Information about reportable segments

Hotels	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000
	European countries	European countries	Eastern European countries	Eastern European countries	North Africa	North Africa	North America	North America	Total	Total
Segment revenue	90,011	90,057	28,264	21,286	4,384	4,258	2,407	-	125,066	115,601
Operating results before depreciation and fair value gains/(losses)	17,244	17,342	478	4,078	898	1,441	730	-	19,350	22,861
Depreciation and amortisation	(4,210)	(5,370)	(3,216)	(1,971)	(861)	(859)	(810)	-	(9,097)	(8,200)
Segment profit or loss	13,034	11,972	(2,738)	2,107	37	582	(80)	-	10,253	14,661

Notes to the Financial Statements

4. Segmental Reporting – Information about reportable segments - *continued*

Entity-wide disclosure

	June 2025	June 2024
	€'000	€'000
Segment revenue	125,066	115,601
Rental income from investment property	8,211	5,857
Hotel management company revenue	9,061	8,677
Catering business	9,364	9,079
Project management	5,850	4,888
Holding company revenue and other revenue	1,901	2,067
Elimination of intra-group revenue	(9,734)	(10,564)
Group revenue	149,719	135,605
Segment profit or loss	10,253	14,661
Net rental income from investment property	6,675	4,871
Catering business	118	(101)
Other write-offs	-	(436)
Project management	1,409	1,095
Development management	(1,390)	(1,617)
Unallocated items	(1,245)	(1,637)
Corporate office operating loss	(5,077)	(2,019)
Hotel management company operating profit	370	188
Depreciation and amortisation	(5,129)	(5,147)
Consolidation adjustment	(13)	(100)
	5,971	9,758
Finance income	1,324	1,045
Finance costs	(22,516)	(21,686)
Net foreign exchange translation differences	1,603	(1,117)
Other exceptional losses	(4)	-
	(13,622)	(12,000)

As at June 2025, revenues generated from the Corinthia Hotel Lisbon amounted to €19.3 million (June 2024: €18.8 million) and the EBITDA contribution from this property amounted to €5.4 million (June 2024: €5.6 million). These results will be reported as profits / losses from discontinued operations should the sale of this property crystallise later on this year.

Statement Pursuant to Capital Markets Rule 5.75.3

We confirm that to the best of our knowledge:

- the interim financial statements give a true and fair view of the financial position of International Hotel Investments p.l.c. as at 30 June 2025, and of its financial performance and its cashflows for the six-month period then ended in accordance with International Financial Reporting Standards as adopted by the EU applicable to interim financial reporting (International Accounting Standard 34 – Interim Financial Reporting), and
- the interim Directors' Report includes a fair review of the information required in terms of Capital Markets Rules 5.81 to 5.84.



Alfred Pisani
Chairman



Richard Cachia Caruana
Director

28 August 2025