CORINTHIA

GROUP

2023

ANNUAL REPORT

& Financial Statements

INTERNATIONAL HOTEL INVESTMENTS P.L.C.

INTERNATIONAL HOTEL INVESTMENTS P.L.C.

IS A HOTEL AND REAL ESTATE DEVELOPER AND OPERATOR.

BRUSSELS
BUCHAREST
BUDAPEST
DOHA
LISBON
LONDON
MALDIVES
MALTA
NEW YORK
PRAGUE
RIYADH
ROME
ST PETERSBURG
TRIPOLI
TUNIS

OUR FOCUS IS THE ESTABLISHMENT OF CORINTHIA HOTELS AS A GLOBAL LUXURY HOTEL BRAND.

To do this, we acquire, develop, own and operate Corinthia hotels. The Company also develops and manages hotels on behalf of partner owners and investors, and builds, owns and develops for sale – office, retail and residential property.

IHI has an issued capital of €615.6 million and an asset valuation of €1.77 billion. Listed on the Malta Stock Exchange, IHI was established in 2000 as the public arm of the founding Corinthia business – CPHCL (established in 1962).

Readers are reminded that the official statutory Annual Financial Report 2023, authorized for issue by the Board of Directors, is in European Single Electronic Format (ESEF) and is published on *www.corinthiagroup.com*. A copy of the Independent auditor's report issued on the official statutory Annual Financial Report 2023, is included within this printed document and comprises the auditor's report on compliance with the requirements of the European Single Electronic Format Regulatory Technical Standard (the ESEF RTS), by reference to Capital Markets Rule 5.55.6.

International Hotel Investments p.l.c.
22, Europa Centre Floriana FRN 1400,
Malta.
www.corinthiagroup.com

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Company registration number: C 26136

VILLA CORINTHIA

THE ORIGINS OF THE GROUP LIE IN THE OPENING OF THIS PROPERTY AS A FINE DINING RESTAURANT IN 1962.

WE ARE OWNERS, INVESTORS, DEVELOPERS AND OPERATORS OF LUXURY HOTELS & REAL ESTATE

WE ARE A PLC, WITH A STABLE SHAREHOLDING BASE, COMPRISING THE FOUNDING FAMILY ALONGSIDE FUNDS & PUBLIC INVESTORS

INTERNATIONAL HOTEL INVESTMENTS p.l.c.

CORINTHIA HOTELS

QP. design | engineer | manage

CDI DEVELOPMENTS

IHI IS THE HOLDING COMPANY AND TAKES AN ENGAGED LEADERSHIP ROLE OF THE GROUP ON ASSET MANAGEMENT, GROUP FUNDING, INTERNAL GOVERNANCE AND BUSINESS DEVELOPMENT.

We own:

◊ 12 hotel properties in prime locations.

◊ Corinthia Hotels Limited - our operating and brand company, headquartered with 75 professionals in London and globally, having 25 active management agreements with owned hotels and others owned by blue chip partners.

◊ 2 commercial and retail centres.

◊ Land for development.

◊ QPM Limited - a professional services company offering project management, architectural, interior and structural design services, quantity surveying etc. having 100 professionals on its books. 80% of QPM's revenue is from third parties.

◊ CDI Limited - a specialist company with a team of entrepreneurial executives who originate and execute real estate projects.

OUR PORTFOLIO

OUR VISION IS TO BUILD CORINTHIA WORLDWIDE, NOT ONLY WITHIN EUROPE AND THE MIDDLE EAST, BUT EQUALLY IN THE WORLD'S MAIN GATEWAY CITIES AND RESORTS.

HOTELS OWNED & MANAGED

BRUSSELS*	Corinthia Hotel, opening 2024, Former Grand Hotel Astoria, 126 Rooms · 50% Holding
BUDAPEST	Corinthia Hotel, Former Grand Hotel Royal, 414 Rooms · 100% Holding
LISBON	Corinthia Hotel, 518 Rooms · 100% Holding
LONDON*	Corinthia Hotel & Residences, 283 Rooms · 50% Holding
MALTA	Corinthia Palace Hotel – Attard, 147 Rooms · 100% Holding
	Corinthia Hotel – St George's Bay, 248 Rooms · 100% Holding
	Radisson Blu Resort & Spa – Golden Sands, 329 Rooms · 100% Holding
	Marina Hotel – St George's Bay, 200 Rooms · 100% Holding
	Radisson Blu Resort – St Julian's, 252 Rooms · 100% Holding
ST PETERSBURG	Corinthia Hotel, 388 Rooms · 100% Holding
TRIPOLI	Corinthia Hotel, 300 Rooms · 100% Holding

HOTELS MANAGED

BUCHAREST	Corinthia Hotel, opening 2024, Former Grand Hotel Du Boulevard, 35 Suites
BUDAPEST	Aquincum Hotel, 310 Rooms
DOHA	Corinthia Hotel, Residences, Golf & Yacht Club, opening 2025, 110 Rooms and 18 villas
NEW YORK	The Surrey, A Corinthia Hotel, opening 2024, 100 Rooms, 14 Residences
PRAGUE	Panorama Hotel, 441 Rooms
ROME	Corinthia Hotel, opening 2025, 60 Rooms
TUNIS	Ramada Plaza, 309 Rooms
MALTA	Verdi Hotel, 106 Rooms
RIYADH	Corinthia Hotel and Residences, opening 2027, 85 Rooms and 10 Residential Villas
MALDIVES	Corinthia Hotel Maldives, opening 2027, 77 Rooms

HOTELS OWNED & LEASED

PRAGUE	Grand Hotel Towers, a former Corinthia branded hotel, now leased to third parties, 539 Rooms · 100% Holding

LAND & COMMERCIAL PROPERTIES

BUDAPEST	Royal Residences
LONDON	10, Whitehall Place Residences,
	Craven House, Northumberland Avenue
MALTA	Corinthia Oasis, (Detailed Design Underway)
ST PETERSBURG	Nevskij Plaza Shopping & Office Centre
TRIPOLI	Corinthia Commercial Centre

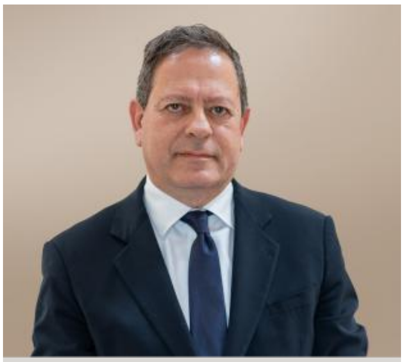
*Partly owned

BRUSSELS
BUCHAREST
BUDAPEST
DOHA
LISBON
LONDON
MALDIVES
MALTA
NEW YORK
PRAGUE
RIYADH
ROME
ST PETERSBURG
TRIPOLI
TUNIS

BOARD OF DIRECTORS

ALFRED PISANI
CHAIRMAN

Chairman of IHI. He founded the Corinthia Group in 1962 and has guided the Group and IHI ever since, spearheading investment and growth across three continents over five decades.



SIMON NAUDI

Simon Naudi is the Managing Director and Group CEO of International Hotel Investments plc.

He joined Corinthia in 1997 and was primarily responsible for asset management, acquisitions and developments across Europe, the Gulf, North Africa and the USA. This included the acquisition, development and launch of the flagship Corinthia Hotel & Residences in London, as well as other luxury hotels and real estate under development in Brussels, Rome, Bucharest, New York, Riyadh, the Maldives and Doha. Up until 2023, he was also CEO of Corinthia Hotels Limited, the operating arm of the Group.

MOUSSA ATIQ ALI

Mr Atiq Ali is the General Manager of Libyan Foreign Investment Company (LAFICO) since 13 June 2021. He has previously occupied the post of Manager Director of Libya Africa Investment Portfolio (LAIP). He also occupied the position of Legal Consultant at the Libyan Investment Authority (LIA).

HAMAD BUAMIM

President and CEO of the Dubai Chamber of Commerce and Industry and serves as the Deputy Chairman of the World Chambers Federation – ICC – in Paris. He is a member of the Board of Directors of the UAE Central Bank, Chairman of National General Insurance and Board Member of Union Properties.

JOSEPH PISANI

Founder director and member of the main board of CPHCL Company Limited (CPHCL) as from 1962 and has served on a number of boards of subsidiary companies. From 2000 to 2014 he has served as Chairman of the Monitoring Committee of IHI.

RICHARD CACHIA CARUANA

Joined the Board of IHI in 2022 as an independent director. He is also an Independent Director, Chairperson of the IHI Audit Committee and the IHI Remuneration and Nominations Committee. He has occupied senior positions within the Maltese government and the European Union. In particular, he was Malta's Chief Negotiator for its EU accession negotiations, a long-serving Chief of Staff to the Maltese Prime Minister and Member of the EU's Committee of Permanent Representatives.

DOURAID ZAGHOUANI

Chief Operating Officer of the Investment Corporation of Dubai (ICD). Previously, he was with Xerox for over 25 years, holding a number of senior management, sales and marketing posts in Europe and North America. Was Board Chairman of several Xerox companies; his last appointment was Corporate Officer and President, Channel Partner Operations for Xerox in New York.

MOHAMED MAHMOUD SHAWSH

Joined the Board of IHI in 2022. Mr Shawsh holds the position of Chief Investment Officer at LAFICO. Prior to taking up this position in 2021, Mr Shawsh occupied several senior positions within subsidiaries of LAFICO and International Companies including BP Exploration, Libya. He is experienced in digital transformation, financial investments and risk management. Mr Shawsh holds a Bachelor's degree in Accounting and Finance from the National Institute of Business Administration in Tripoli and a high diploma in accounting and finance, from the High Institute of Administrative and Financial Occupations, Tripoli.

FRANK XERRI DE CARO

Joined the Board of IHI in 2005, having previously been the General Manager of Bank of Valletta p.l.c., besides serving on the boards of several major financial, banking and insurance institutions.

STEPHEN BAJADA

Stephen Bajada is the Company Secretary of International Hotel Investments plc and its subsidiaries.

Since joining the Corinthia Group in 1998, he held several key positions and performed duties in various aspects of the business including that of Company Secretary of Mediterranean Investments Holding Plc, a leading real estate developer in North Africa, Company Secretary of several Corinthia Group and International Hotel Investments Plc entities, and directorships of Corinthia subsidiaries. His involvement also includes other facets of the business particularly insurance procurement for all group entities.

Mr Bajada holds a Bachelor's degree in business management from the University of Malta and is a member of the Forum of Company Secretaries.

CHAIRMAN'S STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2023
INDIRIZZ TAĊ-CHAIRMAN GĦAS-SENA LI GĦALQET NHAR IL-31 TA' DIĊEMBRU 2023

Dear Shareholders,

I look forward to meeting you once again at the forthcoming Annual General Meeting. This will be the 24th AGM under my chairmanship since the inception of the company and whilst it has been challenging, it has also given me tremendous satisfaction.

I would like to inform that, with effect from January this year, I have handed over my IHI executive responsibilities to Simon Naudi who is now on the Board of Directors in the position of Managing Director. I will retain my position as Chairman as long as reasonably possible.

God willing, we will this year open several new Corinthia hotels, namely in New York, Bucharest, and Brussels. Next year, we are scheduled to open Corinthia hotels in Rome and soon after in Doha and Riyadh, followed by a lovely resort in the Maldives. As a result of these openings, we have engaged a number of General Managers and other top executives, with the result that we are now incurring additional salaries and other pre-opening costs, whilst the income and benefit of managing these new properties, will only materialise once these hotels are in operation.

This preparatory approach is necessary to ensure that the new hotels are up to the standard of the Corinthia Brand, thereby achieving worldwide recognition whilst attracting more third-party hotel owners to seek out our management services. This is no less similar to the interest that had been generated with the opening of our London Hotel and others, creating a snowball effect of attracting more attention to the Corinthia Brand. Our target is to operate many more hotels belonging to third-party owners, as offering management services should be a faster road to fly the Corinthia flag in many more destinations without IHI, the holding company, having to invest in these new properties. This is no different to what all the other international hotel management brands have done to achieve growth. It is our plan to manage one hundred hotels on behalf of third-party owners by 2030.

With great personal pride I can say that Corinthia is Malta's international hotel brand. The development of our first hotel took place in 1968 with the opening of the Corinthia Palace Hotel in Attard. We could have then chosen the easier road of appointing established international hotel management companies to manage this hotel and other wholly owned properties that followed, rather than creating the brand, Corinthia. Instead, we chose the more difficult road to manage our first and subsequent hotels, thereby creating and building the Corinthia Brand.

Our hotel management company, CHL, has focused on providing hotel management services to hotels owned

Għeżież Azzjonisti,

Għandi pjaċir li nerġa' niltaqa' magħkom fil-Laqgħa Ġenerali Annwali li jmiss. Din ser tkun l-24 waħda taħt it-tmexxija tiegħi bħala Chairman minn meta bdiet il-Kumpanija. Waqt li dan kien xogħol ta' sfida, kien ukoll ta' sodisfazzjon kbir.

Nixtieq ninfurmakom li b'effett minn Jannar ta' din is-sena, jien għaddejt ir-responsabiltajiet eżekuttivi tiegħi f' IHI lil Simon Naudi li issa qiegħed fuq il-Bord tad-Diretturi bħala Managing Director. Jien ser nibqa' fil-kariga ta' Chairman sakemm ikun raġonevolment possibli.

Jekk Alla jrid, din is-sena Corinthia se tiftaħ diversi lukandi ġodda f'New York, Bukarest u Brussell. Il-pjan hu li fis-sena li ġejja nifthu f'Ruma, u ftit wara f'Doha u Riyadh, u warajhom b' *resort* mill-isbaħ fil-Maldives. Bħala riżultat ta' dan, daħħalna numru ta' General Managers u uffiċjali eżekuttivi għolja, bir-riżultat li qegħdin inħallsu salarji addizzjonali u spejjeż oħra waqt li d-dħul u benefiċċji ta' tmexxija ta' dawn il-propjetajiet ġodda ser jimmaterjalizzaw biss meta dawn il-lukandi jibdew joperaw.

Din il-ħidma hija meħtieġa sabiex niżguraw li l-lukandi ġodda jkunu ta' livell tal-marka Corinthia. B'hekk niksbu għarfien dinji u nkunu nistgħu nattiraw aktar sidien ta' lukandi biex jitolbu servizzi ta' *management* minn għandna. Dan bħalma ġara mill-interess li kien ġenerat mal-ftuħ tal-lukanda tagħna f'Londra u bnadi oħra, li kattar sew l-attenzjoni lejn il-marka Corinthia. Il-mira tagħna hi li noperaw ħafna aktar lukandi ta' terzi li jwassluna aktar malajr li ntajjru l-bandiera ta' Corinthia f'ħafna aktar postijiet. Dan jista jseħħ mingħajr il-bżonn li IHI jkollha tinvesti f'dawn il-propjetajiet ġodda. Dan hu eżattament kif għamlu l-marki ta' tmexxija ta' lukandi internazzjonali oħra biex jiksbu tkabbir. Il-pjan tagħna hu li qabel l-2030 immexxu mitt lukanda ta' kumpaniji terzi.

Jiena kburi ngħid li l-Corinthia hija rikonoxxuta internazzjonalment. L-ewwel lukanda tagħna, il-Corinthia Palace Hotel, infetħet f'H'Attard fl-1968. Dak iż-żmien stajna nagħżlu alternattivi eħfef u nqabbdu kumpaniji ta' immaniġġjar ta' lukandi internazzjonali biex imexxu dik il-lukanda u oħrajn li ġew wara u li kienu totalment tagħna, minflok ma noħolqu l-marka Corinthia. Imma minflok, għażilna t-triq aktar iebsa li mmexxu aħna l-ewwel lukanda tagħna u dawk li ġew wara. B'hekk ħloqna u kattarna l-marka Corinthia.

Il-kumpanija tagħna tat-tmexxija tal-lukandi, CHL, iffukat li tipprovdi servizzi ta' tmexxija ta' lukandi kemm jekk propjeta` ta' IHI kif ukoll ta' terzi. Preżentament, bil-lukandi kollha fil-portafoll tagħna u, jekk wieħed ukoll by IHI as also to third party owners. Presently, with all the hotels under our portfolio and, taking into account the opening of the 7 hotels referred to above, all owned by third-party owners, will make it possible for Corinthia Hotels Limited (CHL) to contribute €25 million in EBITDA by 2026 as a stand-alone activity and owned by the holding company IHI. The development of our own Corinthia brand has created substantial additional value to our Group and this is additional to the value of the properties we own. The strategic decision to set up our own management company, CHL is now delivering the desired results.

Likewise, we have been growing QP, from what was originally a division within the group to a wholly owned subsidiary of IHI. QP has today become a global design, engineering, and management office of professionals servicing clients in different continents. Over the past few years, QP has secured contracts in Romania, Belgium, Rome, Tripoli, Doha and United Kingdom with plans to be also present in Dubai, the United States, Oman, Saudi Arabia and Ethiopia. QP's target is to achieve €5 million in EBITDA by 2026 and €10 million by 2030.

Likewise, we are also looking forward to seeing our real estate development company, CDI, providing its own contribution of EBITDA.

These three subsidiaries, that is CHL, QP, and CDI, which are wholly owned by IHI, will likely facilitate a possible flow of about €35 million in EBITDA to IHI as the holding company in addition to what IHI will generate from the ownership of its own hotels.

Therefore, we have not only survived the two and a half years of Covid and the subsequent increase in bank interest and other rising costs, but we are now also looking at a future where we will see regular financial support from IHI's three service companies, bringing us that much closer to issue regular dividends.

Concurrently with achieving these EBITDAs and in anticipation that bank interest will be reduced, we will endeavour to sell one or more non-core assets. From these sales we will be able to repay circa €50 million in bank loans thus leaving an amount that would give us enough latitude to decide on a possible dividend distribution with the rest being re-invested for further growth.

IHI, the holding company, has seen a further increase in its EBITDA from €51.7 million in 2022 to €60.3 million in 2023. The ultimate result would have been more positive had we not incurred the necessary preparatory costs for the opening of the new hotels. Extra to these costs, one must also keep in mind the increase in bank interest charges of recent years.

jiehu in konsiderazzjoni l-ftuħ tas-seba' lukandi li huma propjeta ta' terzi, ser ikun possibbli għal Corinthia Hotels Limited (CHL), li hi propjeta' tal-IHI, tikkontribwixxi €25 miljun EBITDA sal-2026. L-iżvilupp tal-marka tagħna Corinthia żied b'mod sostanzjali l-valur tal-Grupp tagħna. U ma dan irridu nsemmu l-valur tal-propjetajiet tagħna. L-istrateġija li nwaqqfu kumpanija ta' ġestjoni tagħna, CHL, issa qed trendi r-riżultati mixtieqa.

Bl-istess mod, kabbarna QP minn sempliċi taqsima nterna tal-Grupp għal sussidjarja ta' IHI. Illum, QP żviluppat f'kumpanija li toffri servizzi globali ta' disinn, inġinerija u tmexxija minn professjonisti għall-klijenti f'pajjiżi differenti. Tul dawn l-aħħar snin, QP kisbet kuntratti fir-Rumanija, Belġju, Ruma, Tripli, Doha u Renju Unit. Hemm pjanijiet li tkabbar f'Dubai, Stati Uniti tal-Amerika, Oman, Arabja Sawdija u Etjopja. Il-mira ta' QP hi li tilħaq il-€5 miljun EBITDA sal- 2026 u 10 miljuni sal-2030.

Bl-istess mod, qed inħarsu 'l quddiem li l-kumpanija CDI, kumpanjia tagħna għall-iżvilupp ta' propjeta` immobbli, tikkontribwixxi wkoll għal EBITDA.

Dawn it-tlett sussidjarji, CHL, QP u CDI , li huma kollha propjeta` tal- IHI, x'aktarx se jiffaċilitaw dħul ta' madwar €35 miljun f'EBITDA lil IHI, u li jingħaddu ma' dak li IHI se tiġġenera mill-lukandi li huma propjeta` tagħha.

Għalhekk, mhux biss għelibna sentejn u nofs ta' Covid u sussegwentement iż-żieda fl-imgħax bankarju kif ukoll spejjeż oħra, imma issa qed inħarsu lejn futur fejn se naraw sapport finanzjarju regolari minn tlett kumpaniji ta' servizz ta' IHI, li jressquna aktar viċin għall-ħruġ ta' *dividend* regolari.

Flimkien mal-kisba tal-EBITDA li diġa semmejt u bit-tama li l-imgħax bankarju jonqos, aħna għandna pjanijiet biex inbiegħu xi propjetajiet li huma *non-core* u minn dan il-bejgħ ser inkunu nistgħu nħallsu s-self bankarju ta' madwar €50 miljun u nħallu ammont li jtina marġini biżżejjed li niddeċiedu fuq possibilita' ta' tqassim ta' *dividend*. Il-bilanċ li jibqa', jerġa jiġi investit għal aktar tkabbir.

IHI, bħala *holding company*, rat tkabbir fl-EBITDA tagħha minn €51.7 miljun fl-2022 għal €60.3 miljun fl-2023. Ir-riżultat finali kien ikun aktar pożittiv kieku ma kienux għal spejjeż preparatorji neċessarji biex nifthu lukandi ġodda. Barra minn dawn l-ispejjeż, wieħed ma għandux jinsa ż-żieda fl-imgħax bankarju tul dawn l-aħħar snin.

Barra minn hekk, qed inħossu t-tnaqqis fil-kummerċ fil-lukanda tagħna f'San Petroburgu, waqt li l-lukanda fi Tripli għadha tbati b'okkupazzjoni baxxa minħabba l-inċertezzi politiċi f'dan il-pajjiż. Madankollu, nemmen li dawn

Additionally, we are also suffering the loss of trade from our hotel in St Petersburg, whilst the hotel in Tripoli is still facing low occupancy due to the political uncertainty in that country. However, I believe that, as these uncertainties would hopefully wane, all our properties will eventually make a fair contribution to our Group's financial results.

Notwithstanding all these difficulties, the net asset value as determined by the IFRSs as at 31st December 2023, when adopting a very conservative approach, still reads €1 per share on our books. Therefore, it is so unfortunate that, due to the lack of liquidity on the local exchange, the shares of IHI are being traded at half their par value.

My assessment of the Company is that we have a very solid management structure as well as the ownership of valuable properties in a number of countries. The operations of our own hotels will keep improving and, therefore, we should be able to achieve an EBITDA of between €90 to €100 million in the very near future. Extra to this is the anticipated additional income from our subsidiary companies, adding a further contribution to EBITDA within the next three years. We believe that these projections should be met, and we would then be able to proceed with a second listing by 2030, at the latest.

In conclusion, since 2020 we have battled against many adverse situations in the hospitality sector, with the toughest being Covid and the subsequent effects of rising costs. Now that we are seeing an improved environment and outlook, I am convinced that all the hard work of the past years will provide the desired benefits for the Company and its stakeholders.

Thank you.

Alfred Pisani
Chairman

l-inċertezzi jistgħu imajnaw u għalhekk il-propjetajiet tagħna kollha eventwalment jagħtu kontribuzzjoni xierqa għar-riżultati finanzjarji tal-Grupp.

Minkejja dawn id-diffikultajiet kollha, il-valur nett tal-assi kif determinat fil-31 ta' Diċembru 2023 mill-*International Financial Reporting Standards* bl-adozzjoni ta' approċċ konservattiv, għadu ta' €1 għal kull sehem fil-kotba tagħna. Għalhekk hi tassew ħasra li, minħabba nuqqas ta' likwidita fil-Borża, l-ishma ta' IHI qed jiġu negozjati bil-valur ta' nofs il-valur attwali (*par value*) tagħhom.

Jien nemmen li-Kumpanija għandha struttura ta' tmexxija solida ħafna u propjetajiet ta' valur għoli f'diversi pajjiżi. L-operat tal-lukandi tagħna jibqa' jitjieb u għalhekk inkunu nistgħu nilħqu EBITDA ta` bejn €90 u €100 miljun fil-ġejjieni qrib. Barra minnhekk, hemm mistenni dħul addizjonali mill-kumpaniji sussidjarji tagħna fi żmien it-tliet snin li ġejjin. Nemmnu li dawn il-proġezzjonijiet għandhom jintlaħqu u nkunu nistgħu nkomplu bis-*second listing* mhux aktar tard mil-2030.

Biex nagħlaq, ilna sa mill-2020 nissieltu kontra ħafna sitwazzjonijiet negattivi fis-settur tal-ospitalita` - l-agħar kienu l-Covid u l-effetti taż-żieda fl-ispejjeż sussegwenti. Jiena konvint li x-xogħol iebes tas-snin li għaddew ser iwassalna għall-benefiċċji mixtieqa kemm għall-Kumpanija kif ukoll għall-partijiet interessati tagħha.

Grazzi.

Alfred Pisani
Chairman

CEO'S REPORT

FOR THE YEAR ENDED 31 DECEMBER 2023

Dear Shareholders,

The year under review was characterized by a welcome return to normality in the global travel markets following the havoc wreaked by the prior years' pandemic.

On the other hand, as revenues return, and even outpace pre-pandemic levels in certain countries, the Company continues to exercise a tight handle on operating costs in an environment of adverse geopolitical developments, significant inflationary pressures and rising interest rates.

This report will demonstrate that our business is progressing in revenue growth and resulting contributions to our EBITDA and cashflows. Our total revenue increased by 21% to €288 million in 2023, year on year, and likewise our EBITDA by an equal margin, recorded at €60.3 million in 2023 notwithstanding well documented cost pressures and operational investments we will describe in further detail.

The principal highlights reported in these financial statements are as follows:

REVENUE	2023 € MILLION	2022 € MILLION	
Wholly owned hotels *hotels in Malta, Prague, Budapest, St Petersburg, Lisbon and Tripoli*	157	119	
NLI Limited *owner of the Corinthia Hotels in London and in Brussels under development*	92	81	
Corinthia Hotels Limited *operator of owned & 3rd party hotels, in return for management fees*	17	12	
QP Limited *design and project management services*	9	8	
Rent income from commercial centres *rents in Euro at our office and retail centres in Tripoli & St Petersburg*	10	11	
Non-hotel catering activities *Corinthia Caterers and Costa Coffee in Malta*	20	15	
Intra Group Deductions	(17)	(8)	
Total Revenue	**288**	**238**	21% increase
GROUP EBITDA			
before new hotels' pre-opening costs *pre-opening costs incurred as of 2023 in Rome and Brussels hotel projects*	**62.2**	**51.7**	20% increase
GROUP EBITDA			
after new hotels' pre-opening costs	**60.3**	**51.7**	
efficiencies	21%	21%	

The major part of our business is of course hotel ownership and operations and here, we can report significant improvements in operating profits in our hotels' performance year on year.

OWNED HOTELS GOP	2023	2023 GOP %	2022
London £	26,782,456	33.6%	25,012,780
London €	30,619,103	33.7%	29,107,971
St Petersburg RUB	464,992,668	41.9%	210,765,125
St Petersburg €	5,094,727	42.5%	3,417,548
Lisbon €	10,778,884	33.8%	7,437,609
Malta (x5) €	20,732,915	29.5%	12,648,291
Budapest €	6,015,734	27.7%	4,383,139
Prague €	2,932,859	18.0%	583,157
Tripoli €	256,679	5.8%	693,689
TOTAL	76,430,901	30.6%	58,271,404

The above table excludes revenues from other sources reported in the first table above.

This financial snapshot on Revenues, GOP and EBITDA shows a 21% conversion of revenues to EBITDA. This implies the continued safeguarding of hard-earned operational efficiencies forced upon us during the pandemic, as well as a mitigation of other exceptional circumstances in 2023:

- Payroll and energy costs in 2023 continue to be significantly impacted by inflation across all jurisdictions in which we operate.

	2023	2022
EFTE [full-time equivalents as at August]	3,410	3,184
Payroll [including outsourced employees]	€106.9 million	€85.7million
Energy Costs	€11.3 million	€11.9 million

- The continuing exceptional situation surrounding Russia in 2023, where 4% of our revenues erstwhile originated, as well as the Rouble devaluation throughout 2023, means the Euro reporting of our hotel and rental income in St Petersburg has been relatively impacted.

- Corinthia Hotels Limited [CHL], an operator of 25 hotels including eight under various stages of development, and owner of the Corinthia brand, is itself in its crunch growth years. We have made significant investments in human resources at senior levels throughout 2023 and acquired a dedicated corporate office in London in 2022, in anticipation of the company's expansion phase with openings in prime locations such as New York, Rome, Brussels, Bucharest, Doha, Riyadh, the Maldives and the Oasis project in Malta. Whilst CHL's business was traditionally to manage our owned hotels, we are increasingly focusing the company in licensing our Corinthia Brand and providing management services to third parties in return for industry standard management and branding fees. Six of the eight new Corinthia hotels under development are in fact owned entirely by partner investors. This company used to generate circa €8 million annually in EBITDA prior to the pandemic, a situation which is now at break even given the significant human resources, operational, marketing and technology investments we are making in anticipation of the new hotels' opening. We have also made significant investments in our business development team tasked with further growth of new hotels, as well as building the platform and distribution and marketing foundations for a new brand, Verdi, to be used in the upscale four-star category, both for some of our owned hotels as well as others being developed by investors around the world. On the other hand, as new Corinthia hotels come on stream, and as the Corinthia brand gains further global recognition, we expect CHL and its Corinthia brand to become the single most important contributor to our overall profitability and international growth, far out-stripping its pre-Covid EBITDA contributions we had become accustomed to.

- IHI is also incurring standard pre-opening payroll and marketing costs related to our owned hotel project in Brussels, where we own 50% via the company NLI Limited, which also owns the Corinthia Hotel in London. These pre-opening operating costs are expensed fully in our Profit & Loss as one-time costs, in anticipation of the hotel's launch later in 2024.

- Similarly, in Rome, where CHL is the lessee of a luxury Corinthia Hotel under development, we are incurring all pre-opening costs in payroll and marketing as we ramp up to launch the hotel in the coming months.

- Our non-hotel catering activities in Malta recovered well in terms of revenues, but not in terms of profitability given sharp rises in operating costs and supplies. A plan of action is underway to re-assess our involvement in this business and maximize returns. 2023 was a breakeven year on a consolidated basis for our non-hotel catering business, but we plan to regain profitability over the next year or so as strategic changes and business practices are updated and improved.

- Finally, our company QPM, which provides design and project management services to our owned projects but more so to 3rd party projects, is growing from strength to strength, and operates profitably with a contribution of €1.5 million in EBITDA. Significant efforts and costs are being incurred to expand the company's international footprint, in particular in the Gulf Region.

PROFIT	2023 € MILLION	2022 € MILLION
EBITDA	**60.3**	**51.7**
Below the line highlights		
Depreciation and amortisation	(27.6)	(29.2)
Other losses on property, plant & equipment	(1.7)	(0.1)
Other operational exchange losses	(1.2)	(0.3)
Net changes in fair values	6.7	(7.8)
Net Finance costs	(37.5)	(27.7)
Exchange Gains	(1.3)	15.4
Others	(1.8)	(3.1)
Loss before tax	**(4.1)**	**(1.1)**
Tax (expense)/credit	(7.2)	(1.2)
Net Loss after Tax	**(11.3)**	**(2.3)**
Minority Interest	1.0	(3.1)
Net loss after Tax and Non-controlling Interest	**(10.3)**	**(5.4)**

This table describes salient below the line items reported in our financial statements. Our company is heavily invested in real estate financed in part by bank borrowings and bonds. We are therefore subject to annual re-assessments on the "value in use" of our properties, as well as susceptible to interest rate and exchange rate fluctuations, besides charging depreciation.

The table shows:

- Depreciation has decreased as some assets are now fully depreciated.
- Fair value movements in 2023 mainly relate to an uplift in the assessed valuation of our investment property, namely the commercial centre in Tripoli amounting to € 7.9 million on account of stable cashflows against an impairment of € 1.7 million on the St Petersburg commercial centre.
- Interest costs reflect increased base rates in 2023 and, marginally, new loan drawdowns relating to investments.
- The comparative 2022 income statement was positively influenced by an exchange gain of €15.4 million stemming from Russia where a loan was fully settled in 2022 thus reducing the overall potential exchange rate volatility of the Group.
- Tax was impacted by the situation in Russia, where a potential benefit of tax losses was not recognised.

OTHER COMPREHENSIVE INCOME	2023 € MILLION	2022 € MILLION
Net loss after Tax	**(11.3)**	**(2.3)**
Gross surplus on revaluations	62.5	3
Deferred tax on revaluations	(15.4)	1.9
Currency translation differences	(20.8)	(22.6)
Deferred tax on currency translations	3.7	(0.7)
Other	(0.2)	0.4
Net Total Comprehensive Income	**18.5**	**(20.3)**

Separately, the Statement of Comprehensive Income detailed in this report shows

- €62.5 million in net revaluation uplifts were recognised in other comprehensive income. The uplifts were recognised on account of the improving performance of the hotels in question :- €17.3 million relates to London, €37.5 million to our Malta assets and €12.2 million to our hotel in Lisbon. The property in Budapest was impaired by €4.5 million.

- The fluctuation in exchange rate for the Sterling and Rouble further impacted the Statement of Financial Position by €20.8 million.

- The overall result for 2023 was of €18.5 million in Total Comprehensive Income against a loss of €20.3 million in 2022.

STATEMENT OF FINANCIAL POSITION	2023 € MILLION	2022 € MILLION
Total Assets	1,768	1,662
Total Liabilities	932	844

The Statement of Financial Position reported in our financial statements reports the following:

- Total assets in 2023 increased to €1.76 billion from €1.66 billion in 2022. This is mainly driven by the uplifts in value of our properties as reported above and continuing works on our Brussels project.

- Shareholders' equity increased to €613.3 million from €606.9 million last year, translating into an NAV per share of €0.996 from €0.985.

BUSINESS PLAN

Our Founding Chairman has well explained the key strategies for the IHI Group in his statement.

Firstly, as explained, we are positively investing in our management company CHL. This company operates 25 hotels around the world, of which eight are luxury Corinthia Hotels under development and expected to come on stream over the next couple of years. This investment is in the form of recruitment of added senior level human resources, based mostly out of a new corporate office we have acquired in London, as well as significant global marketing and technology investments to underpin the Corinthia brand, now being exclusively focused on the luxury segment worldwide. Our target is to grow this Brand by providing services to 3rd party hotel owners and developers worldwide.

UPCOMING OPENINGS

THE SURREY, A CORINTHIA HOTEL IN NEW YORK	100 keys + 14 residences	2024
CORINTHIA GRAND HOTEL ASTORIA BRUSSELS	126 keys	2024
CORINTHIA GRAND HOTEL BOULEVARD BUCHAREST	35 suites	2024
CORINTHIA ROME	60 keys	2025
CORINTHIA DOHA & RESIDENCES	100 keys + 18 villas	2025
CORINTHIA MALDIVES	77 keys	2026
CORINTHIA RIYADH	85 keys + 10 villas	2027
CORINTHIA OASIS MALTA	162 keys + 25 villas	2027

All owned by 3rd party investors, except for the Corinthia in Brussels in which we own 50%, and the land in Malta where we are seeking permits for the Oasis project, which we own 100%.

Secondly, and partly as a consequence to the decision to focus our Corinthia brand solely on luxury operations, we are re-assessing our owned property portfolio, and in consequence our overall Statement of Financial Position.

IHI owns 12 hotels and related commercial real estate globally, of which eight are branded as Corinthia Hotels, the rest operated by CHL under different brands or under different marketing strategies.

OWNED PROPERTIES

CORINTHIA HOTEL LISBON	518 keys
CORINTHIA HOTEL BRUSSELS (50% owned)	126 keys, former Grand Hotel Astoria
CORINTHIA HOTEL LONDON (50% owned)	283 keys
CORINTHIA BUDAPEST	438 keys

CORINTHIA PALACE MALTA	147 keys
CORINTHIA ST GEORGE'S BAY MALTA	248 keys
CORINTHIA ST PETERSBURG AND COMMERCIAL CENTRE	388 keys + 16,186m² of commercial areas
CORINTHIA TRIPOLI AND COMMERCIAL CENTRE	299 keys + 7,555m² of commercial areas

FORMER CORINTHIA PRAGUE*	539 keys
MARINA HOTEL MALTA	200 keys
RADISSON BAY POINT MALTA	252 keys
RADISSON GOLDEN SANDS MALTA	338 keys
LAND FOR DEVELOPMENT IN MALTA	85,000m² of land for development [Oasis project]

IHI also owns a residential apartment development in Lisbon which is now complete. Sales of individual apartments are underway.

** The Corinthia Prague Hotel was leased to third parties on 1 April 2024 and has since been de-branded.*

On a strategic level, your Board has tasked management to re-assess our strategy for all our assets, ensuring that our core, owned Corinthia branded assets, are well-invested and maintained to a level that matches the brand's aspirations and luxury segment positioning. Where property age and design style has passed its peak, we will be supporting further with industry standard capital improvements, or re-assigning such property to a new brand more appropriate to its positioning.

In reviewing our asset strategies, we are also actively assessing opportunities to sell non-core assets. This is a clear direction from your Board, but one which has to take into account the international investment climate, which currently is penalising hotel valuations on account of higher borrowing costs.

Where a sale is thus not possible in the immediate term, we will assess interim solutions for the management of such non-core hotels, as we did in Prague where we have deferred a potential sale until a lowering of interest rates translates into healthy valuations that would be far in excess of our book values. In the meantime, we have leased the property, which was operated as a Corinthia up until Q1 2024, to a third party local specialist operator and securing an appropriate return on this investment.

All of the above implies a concentrated focus at IHI on our role as asset managers, with a brief to maximise returns in the immediate term for our shareholders.

We would wish to emphasize here that net proceeds from sales of assets will be deployed exclusively towards paying down debt we took on during the pandemic, as well as a combination of dividends and further investments into new real estate projects.

This recycling of our capital, through the ownership cycle of acquisition, development and disposal at a gain, will increasingly become a hallmark of IHI's central strategy in years ahead. Furthermore, as EBITDA grows in years ahead on account of an improved economic climate and the opening of our new hotels, and as debt is itself paid down, we will no doubt achieve our goal to balance our net debt versus EBITDA to a multiple of a maximum 6 times.

We are also in parallel open to, and actively seeking to add new capital to the Group, either in our parent public company, or equally, on specific projects we are pursuing. Such added funds will be exclusively utilised for growth and investment.

Specifically, we have created a division inside our development company, named C-REV, which is tasked to originate real estate projects, and carry these forward by piecing acquisitions and 3rd party funding, and then acting on behalf of investors in executing such projects in return for fees and profit share arrangements. Preliminary agreements for mixed use real estate developments, which will feature a luxury Corinthia Hotel component, have already been executed in prominent locations around the world awaiting 3rd party funding. We will continue to work on this developer model elsewhere across the globe.

PROJECTS

BRUSSELS

IHI owns 50% of this hotel under development. Besides, our own subsidiary companies are project managing design and construction, acting as owners’ representatives on corporate matters, and finally, will operate the hotel through CHL.

This has been a delicate and complex job in the making. The property we acquired was the famed Grand Hotel Astoria, built as Belgium’s flagship hotel in 1909. By the time of our acquisition, the hotel had been shut and fallen into disrepair. Following extensive negotiations with the local authorities, including the Royal Commission responsible for heritage properties, we agreed a plan to demolish all of the upper floors, whilst retaining and restoring the historic ground floor and façade. We were also granted permission to excavate beneath the ground floor, meaning the property at one point consisted solely of the historic ground floor literally suspended in mid-air while excavations and demolitions were proceeding above and below, and all behind the original façade which was retained and propped up. We are now in the final stages of construction. The building is up and watertight, and extended by two additional floors and other volumes we added on neighbouring land we had acquired along with the original hotel. Fit out and finishing works are proceeding and a pre-launch marketing campaign is underway, led by a fully-fledged management team who are already in place. Partnerships with some of Belgium’s best known culinary leaders, chefs, spa brands and art curators are in place to provide the depth and substance expected of what will become one of Europe’s leading luxury hotels. Opening is slated for Q4 2024.

Our all-in total investment in the project, including design, construction and fit out, as well as land, finance costs and all pre-opening costs is set to be around €150 million, which equates to €1.2 million per bedroom, an industry metric which should be well regarded when viewed against comparable projects across Europe. Half of the investment is being financed by our partner Ares Bank of Spain.

NEW YORK

Our role in New York is through CHL, which has been appointed as the operator of the famed Surrey, an iconic 100-year hotel in Manhattan's affluent Upper East Side.

Investors Reuben Brothers acquired the property some years back, and appointed Corinthia to support design development and eventually operate the hotel. The property itself has been replanned to feature 100 bedrooms and 14 residences to be sold and serviced by the hotel. World renown designers were appointed and works have been ongoing, here too now reaching their final fit out stage. We are targeting an opening of the hotel through the summer months of 2024, trading as The Surrey, a Corinthia Hotel. The hotel will also include dining and a private members club operated by Casa Tua, an exclusive private members club originating in South Beach, Miami.

We had agreed commercial terms for the entering into of our arrangements on this hotel, which include industry-standard key money versus income to our group via management, marketing and incentive fees over a minimum 25 years.

BUCHAREST

Private investors from Romania had acquired the famed Grand Hotel du Boulevard, Bucharest's most famous historic hotel, first opened in 1867, but latterly utilized as corporate offices. They subsequently decided to gut the property back to its bones, saving all its protected and historic halls, and external façade, and return the iconic property back to hotel use. Other than its external fabric and historic hallways, most of the rest of the property has been entirely rebuilt.

Our role here has been twofold.

Corinthia was appointed as the operator of the hotel, to be known as the Corinthia Hotel Bucharest. Subsequent to this appointment, the owners asked us to also put forward QP, our project management company, to supervise and drive design and construction.

The property is in its final stages of construction and opening is scheduled for Q3 2024. The hotel is an all-suite product, with 30 keys, and intended to occupy the top spot for luxury accommodation in Romania. The dining options will include a Sass Café brasserie being developed with the well-known Sass Café of Monaco.

ROME

Our role in this project is twofold.

Firstly, our development company CDI has been engaged as the owner's representative in coordinating design and contractors. Secondly, CHL is the hotel's tenant, occupying the property on a long-term lease once it is completed. This means Corinthia will retain all revenues, incur all operating costs and retain all profits after paying an agreed rent to the owners.

The property is itself a protected landmark. It is the former seat of the Bank of Italy right opposite Italy's Parliament in central Rome. It was acquired by the Reuben Brothers some years back and works have been ongoing to repurpose the building into a 60-room and suites luxury hotel, complete with a Carlo Cracco dining operation, him being arguably Italy's best known chef personality.

Works are ongoing and entering the fit out stage. A hotel management team is in place and pre-opening marketing has commenced. An opening date is to be set shortly, within Q1 2025.

RIYADH, DOHA & MALDIVES

Our work in Doha, the Maldives and Riyadh is ongoing.

Having successfully opened the Corinthia Yacht Club, which is now in its second year, as well as the Gewan Island Golf Club, both on the Pearl Island in Doha, construction works are now focused on the adjoining 100-room Corinthia Hotel and beach club, as well as the completion of 18 branded villas being sold with the hotel. The villas are expected to be completed in 2024 and an opening target date for the hotel has been set for the end of 2025. Our role in all of these projects in Doha is that of a provider of technical services, the hotel operator and licensor for the Corinthia brand name, in return for fees.

Work in Riyadh, capital of Saudi Arabia, is also ongoing. Our project here is among the most iconic of several mega projects ongoing in the Kingdom. We are one of eight prominent hotel brands worldwide selected to manage a series of luxury hotels being built in a clustered, traditional style in a reconstruction of old Diriyah, the ancient capital. The site selected for Corinthia is the most prominent, on the main square of Diriyah, and features 85 bedrooms and suites, as well as 10 villas for sale. Our role here is also that of a provider of technical services, the hotel operator and licensor for the Corinthia brand name, in return for fees. A target opening is set for 2027.

Finally, in the Maldives, the owners of the project are proceeding with the land reclamation underway to form the five islands which will host a 100-key luxury hotel. Our arrangements here are again via an operating agreement entered into by CHL to provide technical services and eventually manage the hotel once it is completed in 2027.


CORINTHIA

OASIS

Closer to home, we have completed the full design of our landmark Oasis project at a site formerly known as Hal Ferh in our home country Malta. This 85,000m^2 site is located in pristine, beachfront open countryside, where a former UK Military barracks once stood. Our project is fully respectful of sustainability and environmental considerations, with only a fraction of the site being developed, and limited to single and two storey buildings. The project features a 162-room luxury hotel and 25 villas for sale. The permit process is ongoing, expected by year end, after which financing will be put in place for construction to commence.

CONCLUSION

We wish to conclude the report by repeating our over-riding message. IHI has passed from some turbulent years in the recent past, firstly the pandemic and then an era of adverse geopolitical events and high inflation. Notwithstanding, we have stayed the course, and in parallel continued to invest in our portfolio and human capital in preparation of our next growth phase with the opening of eight hotels in rapid succession. This augurs well for a strong future, and for this, I wish to personally thank all of my colleagues on the Board and in management, and across the entire company for their support, direction and unbending commitment. IHI is a company made up of thousands of colleagues, and each one of us is proud to contribute to our collective success.

Signed by Simon Naudi (CEO & Managing Director) on 30 April 2024.

DIRECTORS' AND OTHER STATUTORY REPORTS &

FINANCIAL STATEMENTS

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DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2023

THE DIRECTORS PRESENT THEIR REPORT ON INTERNATIONAL HOTEL INVESTMENTS P.L.C. (THE 'COMPANY') AND THE GROUP OF WHICH IT IS THE PARENT FOR THE YEAR ENDED 31 DECEMBER 2023.

PRINCIPAL ACTIVITIES

International Hotel Investments p.l.c. carries on the business of an investment company in connection with the ownership, development and operation of hotels, residential and commercial real estate. The Company owns a number of investments in subsidiary and associate companies (as detailed in the notes to the financial statements), through which it furthers the business of the Group.

REVIEW OF BUSINESS DEVELOPMENT AND FINANCIAL POSITION

Total revenue for the year under review increased to €287.8 million from €238.2 million last year, an increase of 21%. Total Revenue represents 107% of 2019 revenue figures as the group has recovered from the COVID-19 pandemic in most of its operations. In reviewing this performance, it is important to note that the financial performance for 2023, particularly for the Group's operations in Russia, continued to be affected by the military conflict between Russia and Ukraine which commenced in February 2022. This conflict led to international sanctions on Russia and had an effect on the Group's results and assets held in Russia as disclosed in Note 5.2. The geopolitical situation between Russia and the west continues to result in a drop in international business which is partially impacting the operational results in Russia. On a positive note, in spite of the situation in and around the Russian market, the hotel continued to strengthen its occupancy levels in 2023 with the occupancy for 2023 amounting to 44% or 73% of the pre COVID-19 occupancy levels, this in view of the local trade that the hotel always enjoyed.

On the strength of the increased revenue, the Group recorded a gain on operating results before depreciation and fair value of €60.3 million, an increase of €8.6 million from the operating results before depreciation and fair value movements of €51.7 million registered last year. In 2023, the Group incurred one-off preopening costs amounting to €1.9 million relating to the opening in Rome and Brussels.

In 2023, the Group is reporting in its Income Statement, an exchange loss of €1.3 million compared to a gain of €15.1 million in 2022. The positive movement in exchange differences in the prior year, was mainly related to the repayment of the bank loan on the St. Petersburg property in May 2022. This repayment had eliminated future exchange rate volatility from the Income Statement on this loan.

In 2023, the Group recognised in its Income Statement, uplifts on its investment properties amounting to €6.4 million. These related mainly to an uplift of €7.9 million on the Tripoli Commercial Centre, on account of consistent cashflows based on long term agreements, offset by a decrease in fair value of the St. Petersburg investment property of €1.7million.

During the current year, the Group also recognised uplifts on the London hotel amounting to €17.3 million, on the Corinthia Hotel Lisbon amounting to €12.2 million and €37.5 million on its Malta properties, on account of continued recovery and improved operational performance. These uplifts were offset by a fair value loss recognised on the property in Hungary amounting to €4.5 million, following the delay in recovery for this operation due to inflationary pressures including a hike in energy prices.

The Group recorded a combined currency translation loss of €20.8 million in Other Comprehensive Income, relative to a loss of €22.6 million registered in 2022. The weakening of the Rouble in 2023 relative to the reporting currency of the Group, which is the Euro, resulted in a loss on translation of the investment in Russia. This was partially offset by gains on the Pound Sterling in relation to the Group's operations in London.

The Group registered total comprehensive income of €18.5 million in 2023 against a loss of €20.3 million registered in 2022. The share of total comprehensive income attributable to the shareholders of IHI amounted to €6.4 million for the year under review. The corresponding figure for 2022 was a loss of €17.9 million.

At 31 December 2023, the Group is reporting a positive working capital of €6.3 million relative to a negative working capital of €26.5 million reported in 2022.

FUTURE DEVELOPMENTS

The Group's main strategy is to further grow the Corinthia Brand through Corinthia Hotels Limited (CHL) by handling more operations under management worldwide in the luxury space. The brand will add three new luxury hotels operated by CHL in Brussels, New York and Bucharest in 2024, in Rome and Doha in 2025, Riyad in 2026 and Maldives in 2027.

With most of the Group's owned hotels having fully recovered from the pandemic, conversion ratios from Revenue to operating results before depreciation and fair value movements are expected to continue to improve.

The inflationary pressures, high interest rates and tight labour markets experienced in the past years are expected to persist. We continue to counter or minimise these pressures by retaining as many of the efficiencies and cost discipline gained during the pandemic.

In Malta, the the permitting process on the Oasis project is ongoing, expected by year end, after which financing will be put in place for construction to commence.

GOING CONCERN

The Directors have reviewed the Company's and the Group's operational cash flow forecasts. Based on this review, after making enquiries, and in the light of the current financial position, the existing banking facilities and other funding arrangements, the Directors confirm, in accordance with Capital Markets Rule 5.62, that they have a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future.

PRINCIPAL RISKS AND UNCERTAINTIES

The Group started trading in 2000, undertaking a strategy of rapid expansion. The hotel industry globally is marked by strong and increasing consolidation and many of the Group's current and potential competitors may thus have bigger name recognition, larger customer bases and greater financial and other resources than the companies within the Group.

The Group is subject to general market and economic risks that may have a significant impact on the valuations of its properties (comprising hotels and investment property). A number of the Group's major operations are located in stable economies.

The Group also owns certain subsidiaries that have operations situated in emerging or unstable markets. Such markets present different economic and political conditions from those of the more developed markets and present less social, political and economic stability. Businesses in unstable markets are not operating in a market-oriented economy as known in other developed or emerging markets. Further information about the significant uncertainties being faced in Libya and Russia are included in Note 5.

The Group is exposed to various risks arising through its use of financial instruments including market risk, credit risk and liquidity risk, which result from its operating activities.

The most significant financial risks as well as an explanation of the risk management policies employed by the Group are included in Note 41 of the financial statements.

RESERVES

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

BOARD OF DIRECTORS

Mr Alfred Pisani (Chairman)
Mr Simon Naudi (Managing Director) – appointed 18 January 2024
Mr Richard Cachia Caruana (Senior Independent Non-Executive Director)
Mr Frank Xerri de Caro
Mr Moussa Atiq Ali
Mr Hamad Buamim
Mr Douraid Zaghouani
Mr Joseph Pisani
Mr Mohamed Mahmoud Shawsh
Mr Alfred Camilleri - appointed 13 June 2023

AUDITORS

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

Signed on behalf of the Board of Directors on 30 April 2024 by Alfred Pisani (Executive Chairman) and Richard Cachia Caruana (Senior Independent Non-Executive Director) as per the Directors' Declaration on ESEF Annual Financial Report submitted in conjunction with the Annual Financial Report.

Registered Office
22 Europa Centre, Floriana FRN 1400,
Malta

STATEMENT BY THE DIRECTORS

ON THE FINANCIAL STATEMENTS AND OTHER INFORMATION INCLUDED IN THE ANNUAL REPORT

Pursuant to Capital Markets Rules 5.68, we, the undersigned, declare that to the best of our knowledge, the financial statements included in the annual report and prepared in accordance with the requirements of International Financial Reporting Standards, as adopted by the European Union, give a true and fair view of the assets, liabilities, financial position and results of the Company and its undertakings included in the consolidation taken as a whole and that this report includes a fair review of the development and performance of the business and position of the Company and its undertakings together with a description of the principal risks and uncertainties that they face.

STATEMENT BY THE DIRECTORS

ON NON-FINANCIAL INFORMATION

This report on non-financial information provides an overview of the various actions taken by International Hotel Investments p.l.c. (the 'Company') as the parent company, and its subsidiaries (the 'Group'), to enhance sustainability efforts in its operations and corporate responsibility initiatives.

As described in more detail in the annual report, the Group is a hotel and real estate developer, as well as a hotel operator. The Group is also engaged in the ownership and leasing of investment property.

The Group is deeply committed to upholding sustainability principles across three vital pillars, essential for its continued growth:

- Environmental sustainability
- Social responsibility
- Governance

The Group strives to achieve the highest standards in the most sustainable way possible, ensuring that the resulting benefits are enjoyed by its shareholders, clients, and the wider community, alike.

The primary objective is to align with multiple Sustainable Development Goals (SDGs) set out by the United Nations in 2015 for the 2030 Agenda for Sustainable Development. These goals are designed to foster development that aims to eradicate poverty, protect the planet, and ensure peace and prosperity. Specifically, the key SDGs that the Company's activities will focus on tackling include: good health and well-being, quality education, gender equality, clean water and sanitation, affordable and clean energy, decent work and economic growth, industry, innovation and infrastructure, reduced inequalities, responsible consumption and production, climate action, and life on land. All actions should contribute to one or more of these goals without adverse effects, all while tackling climate change and working to preserve our natural environment.

This report will delve into the actions and plans developed by the Group to improve its sustainability footprint and meet regulatory disclosure requirements.

ENVIRONMENTAL SUSTAINABILITY

The hospitality sector, including the Group which trades as Corinthia, has recognised the critical importance of sustainability, stemming not only from the realities of climate change, but also from the ever-growing awareness of employees, customers and financial institutions regarding environmental and social responsibilities. The Group believes that an authentic approach to sustainability principles is foundational for making a positive impact. This commitment extends beyond environmental conservation to enhancing the well-being of its workforce, customers and the broader society; recognising proper governance as pivotal in achieving this.

In view of this, the Group has strategically embraced sustainability into the core of its growth and operational philosophy. This commitment started with a formulation of a sustainability policy in 2021, underscored by a declaration from the Company's Chairman, whereby it was stated in no uncertain terms that the vision of the Group was to continue 'uplifting lives within the wider community' and that it would be 'bringing sustainability to the forefront of our agenda' with the goal of attaining 'long term sustainable success'. The policy outlines important principles such as to 'continually reduce and mitigate the impact of our activities on the physical and social environment we operate in, without affecting the quality of service we offer' and 'safeguarding the well-being of our people and the communities within which we operate' while we seek the 'development of new services and initiatives which will alleviate some of the problems we face and create better outcomes for current and future generations'.

The establishment of the Head of Sustainability position in 2022 served as a significant milestone in the Group's sustainability journey, meaning that sustainability within the Group now had a driver and coordinator who would coordinate initiatives across the organisation. The plan was to develop a structured but practical strategy that would provide direction by setting clear targets and mapping out measurable actions needed to attain these targets. The aim is to have a comprehensive, realistic, modern strategy that would serve as a road map for the Group's sustainability journey. As a living document, the strategy is subject to periodic reviews to take into account and adapt to the ever-changing geopolitical, economic, regulatory, environmental, and operational landscapes. This adaptable approach ensures that the Group's sustainability efforts remain relevant and effective, paving the way for a sustainable future.

The Group has since also contracted external consultants to identify the Group's obligations for sustainability regulatory reporting under the EU Taxonomy and the Corporate Sustainability Reporting Directive (CSRD). The object was to identify the Group's reporting framework and identify gaps that require action in the short and medium term. In addition, these consultants were tasked with helping the Group develop its sustainability strategy for the hotel business by setting targets and devising practical action plans. This process started in the last quarter of 2023 and will be completed in second quarter of 2024.

CSRD

A peer study was conducted with relevant peers to benchmark hotel operations and establish the Group's present state, which also informed the identification of the list of potential material topics for the organisation. Following this, stakeholder consultations were conducted with various stakeholder groups, which helped further refine and consolidate the list of potential material topics. The Group then conducted its Double Materiality Assessment in accordance with CSRD and established the main material topics for reporting. Double materiality takes into account both the impacts of the Group on the environment and society (outward-looking) and the financial implications that external factors have on the Group (inward-looking), and helped us understand the sustainability-related impacts, risks, and opportunities being faced as an organisation, considering the interests of all stakeholders. This approach helped guide the Group in determining the most pressing issues needed to be addressed and supports the development of effective management through action plans and objectives. Reporting data points were defined and categorised into existing reporting, easily extendable data for the current year, and areas requiring further data collection efforts to enable improved reporting in the coming years. A plan was outlined to tackle these data collection enhancements.

In anticipation of the upcoming reporting year, the Company is actively engaged in several initiatives aimed at strengthening our sustainability practices and corporate responsibility. These efforts include but are not limited to:

1. Drafting an updated comprehensive sustainability strategy to align with emerging global standards and best practices.
2. Enhancing stakeholder engagement processes to ensure robust dialogue and collaboration on sustainability issues.
3. Implementing new measurement and reporting frameworks to enhance transparency and accountability in our non-financial disclosures.
4. Strengthening internal capacity and expertise to effectively address emerging sustainability challenges and opportunities.
5. Exploring innovative solutions and partnerships to advance our environmental, social, and governance objectives.

The Company remains committed to driving meaningful progress in our sustainability journey.

STRATEGY

The results of the Double Materiality Assessment, combined with insights from the peer study and stakeholder consultations, have laid the groundwork for a potential strategic framework. This framework is set to be further defined and analysed in the first half of 2024. Once the strategy is clearly defined and approved by our primary stakeholders, the targets and action plans will be elaborated upon, with the aim of consolidating these by end 2024. In parallel, a sustainability organisational framework will be established, starting at Board level and filtering down to all levels of the organisation, ensuring that sustainability is integrated into every facet of our operations.

ACTIONS

In 2023 the Group set up a Sustainability Committee comprising of representatives of all major internal stakeholders. The Committee, together with the Head of Sustainability, identified easily attainable opportunities and set up a number of focus groups (F&B, drinking water, low energy rooms and waste) to investigate and take actions in this regard. The activities of these focused groups resulted in the following:

- Food waste monitoring trial using camera recognition with AI technology.
- Internal bottling of drinking water for a restaurant as a trial.
- Development of waste conversions methodology to align waste reporting.
- Cooking oil filtering trial, which is now being adopted in other hotels.

A number of other actions were taken in 2023 to improve the sustainability profile of the hotel operations. These included:

- Guidelines for uniforms with sustainability criteria
- Appointment of a Sustainability Champion in each hotel
- The removal of single use plastics in F&B was rolled out in 2022 and consolidated in 2023.

RENEWABLES

All owned hotels located in Malta within the Group now have photovoltaic panels (PVs) on their rooftops with a total generating capacity of 679 kWp. The hotels' PV systems started operating in Q1 2023 and generated 889,601kWh of electricity over the year with an equivalent reduction of CO2 emissions by 345 tons.

ENERGY CONSUMPTION AND EMISSIONS

The continued rollout of measurement and control technologies, and directed operational measures, have increased overall energy efficiency, driving down relative emissions. Company policy and the effective management of resources has had a tangible effect and although occupancy rates increased in the year under review, the relative energy use increased by a smaller proportion, as is demonstrated by the KPIs. These KPIs are from all IHI owned Hotels and properties leased to directly owned business entities (QP, CHL, Corinthia Caterers, Costa Coffee).

ENERGY AND EMISSIONS 2023

ENERGY CONSUMED	VOLUME	ENERGY		CO_2E
	Lit	kWh		Tons
Fuel Consumed Transport				
Fuel consumed - Diesel	29,473	297,084	0.31%	80
Fuel consumed - Petrol	25,471	225,361	0.24%	57
Fuel Consumed Total Transport	54,944	522,445	0.55%	136
Fuel Consumed				
Heating/Hot Water				
LPG		858,949	0.91%	196
LHO (Diesel/gasoline)		8,428,770	8.90%	2,256
NG		30,990,292	32.74%	6,259
Other (kitchen)				
LPG		1,099,556	1.16%	251
LHO (Diesel/gasoline)		-	-	-
NG		-	-	-
Fuel Consumed Total Non-Transport		41,377,568	43.71%	8,962
Electricity Generated RES (PV)		889,601		
Electricity Generated CHP		192,276	0.20%	55
Electricity Consumed		52,566,398	55.53%	20,553
Total Energy Consumed		94,658,686	100.00%	29,707
Net Energy Consumed (Total energy less RES to grid)		93,769,086	99.06%	28,576

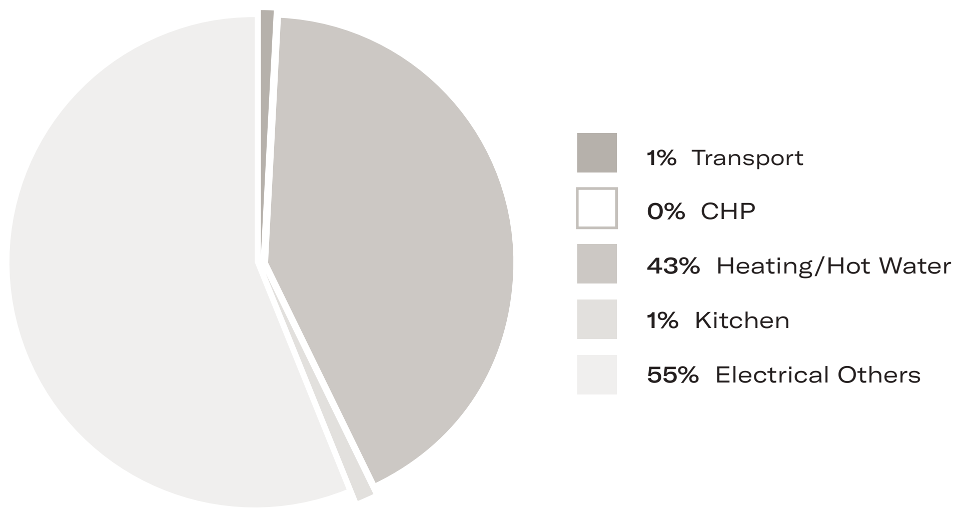
Note: Figures for transport fuel in 2023 have been reviewed and data collection efforts enhanced.

Total energy consumed for 2023 was 94,658 MWh, notwithstanding an increase in occupancy across the whole Group, which increased by 26% as can be seen in the table below. The total CO2e footprint stands at 29,023 tons. Electricity generated by the PV plant from 4 hotels in Malta was fed into the grid. Combined Heat and Power (CHP) generation has been separated from RES for ease of analysis

OCCUPANCY			
2023	2022	CHANGE	
758,247	600,612	157,635	26%
58%	45%		

ENERGY BY AREA	KWH	
Transport	522,445	0.55%
Heating/Hot Water	40,278,012	42.55%
Kitchen	1,099,556	1.16%
Electrical Others	52,566,398	55.53%
CHP	192,276	0.20%
Total	**94,658,686**	**100.00%**

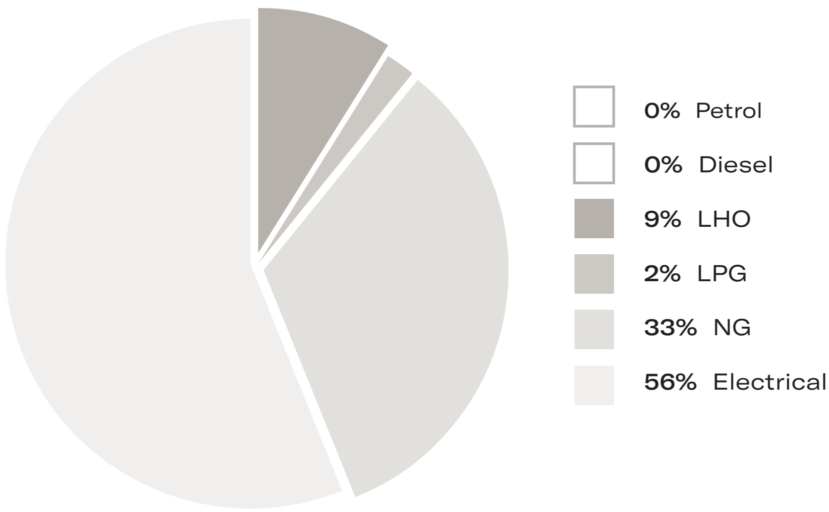
ENERGY BY AREA KWH



The main consumption of energy was electrical, which made up 55% of total energy consumption, as can be seen in the table provided. This was followed by energy required for heating and hot water, totalling 43%. Energy used in kitchens (fuel) was less significant, making up 1% of total energy consumption, and CHP only contributed 0.20%. Data for fuel for transport was improved over previous year with data collected from most parts of the organisation. Notwithstanding this, fuel consumption attributed to transport remains minimal, with a contribution of only 1% of total energy use.

ENERGY BY FUEL	KWH	
Diesel	297,084	0.31%
Petrol	225,361	0.24%
LHO	8,428,770	8.90%
LPG	1,958,505	2.07%
NG	31,182,568	32.94%
Electrical	52,566,398	55.53%
Total	**94,658,686**	**100.00%**

ENERGY BY TYPE KWH

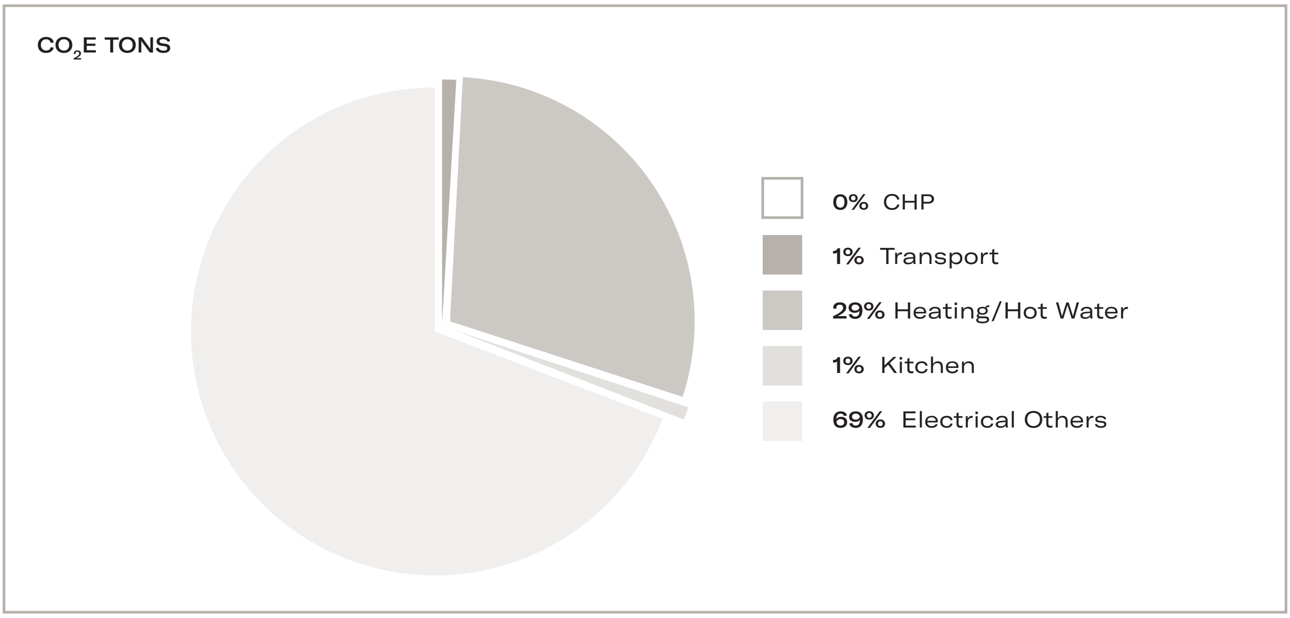


The main fuels used in 2023 were natural gas, representing 32.94% of total energy, followed by light heating oil (LHO) 8.90%, used mainly for boilers in Malta and Libya. LPG accounted for 2.07% of total energy use in hotels. Absolute values in kWh can be seen in the tabulation above.

ENERGY BY AREA	CO_2E TONS	
Transport	136	0.46%
Heating/Hot Water	8,711	29.32%
Kitchen	251	0.84%
Electrical Others	20,553	69.19%
CHP	55	0.19%
Total	**29,707**	**100.00%**

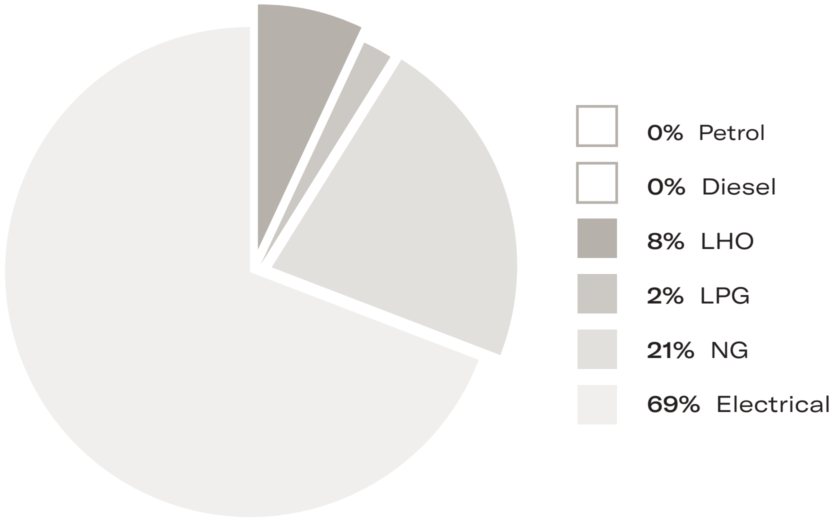
Note: The following conversion factors have been used:

ENERGY CONSUMED	CONV	UNITS	KG CO_2E /KWH
Transport Diesel	*10.08*	*kWh/lit*	*0.268*
Transport Petrol	*8.85*	*kWh/lit*	*0.251*
LPG	*6.67*	*kWh/lit*	*0.228*
LHO (Diesel/gasoline)	*10.08*	*kWh/lit*	*0.268*
NG	*9.72*	*kWh/m^3*	*0.202*
Electricity Generated CHP			*0.202*
Electricity Consumed			*0.391*



ENERGY BY FUEL	CO_2E TONS	CO_2E TONS
Diesel	80	0.27%
Petrol	57	0.19%
LHO	2,256	7.59%
LPG	447	1.50%
NG	6,314	21.26%
Electrical	20,553	69.19%
Total	**29,707**	**100.00%**

CO_2E TONS



In 2023, the CO_2e equivalent emissions footprint closely mirrored the energy consumption patterns. Electrical energy was the predominant contributor, accounting for 69% of the total CO_2e footprint with 20,553 tons, followed by natural gas with 21% and 6,314 tons.

DIRECT ENERGY PER OCCUPIED ROOM (OR)	2023		2022		CHANGE	
Total available Rooms	1,310,715		1,336,265		(25,550)	(2%)
Occupied Rooms	758,247	58%	600,612	45%	157,635	26%
Energy Consumed per Occupied Room	**Energy**	**CO_2e**	**Energy**	**CO_2e**		
	kWh/OR	**Kg**	**kWh/OR**	**Kg**	**kWh/OR**	
Fuel Consumed / OR						
Heating/Hot Water /OR						
LPG / OR	1.13	0.26	1.50	0.34	(0.36)	(24%)
LHO (Diesel/gasoline) / OR	11.12	2.98	13.23	3.54	(2.11)	(16%)
NG / OR	40.87	8.25	49.77	10.05	(8.90)	(18%)
Other (kitchen) / OR						
LPG / OR	1.45	0.33	1.70	0.39	(0.25)	(15%)
LHO (Diesel/gasoline)	-	-	-	-	-	0%
NG	-	-	-	-	-	0%
Fuel Consumed Total Non-Transport	**54.57**	**11.82**	**66.19**	**14.32**	**(11.62)**	**(18%)**
Electricity Generated RES (PV) / OR	1.17	-	0.01	-	1.16	12782%
Electricity Generated CHP / OR	0.25	0.10	0.98	0.38	(0.73)	(74%)
Electricty Consumed / OR	**69.33**	**27.11**	**85.73**	**33.52**	**(16.41)**	**(19%)**
Total Energy Consumed excl RES / OR	**124.15**	**39.02**	**151.93**	**47.84**	**(27.78)**	**(18%)**
Net Energy Consumed / OR	**122.98**	**38.83**	**150.94**	**47.46**	**(27.97)**	**(19%)**

Notes: 2022 data has been updated with latest figures. PV generation is fed to the grid. Total Energy Consumed excludes RES to the grid but includes CHP own use. Net Energy Consumed is Total Energy Consumed less RES to the grid.

In the year under review, the total energy consumed decreased from 151.93 kWh per occupied room in 2022 to 124.15 kWh per occupied room in 2023, representing a decrease of 18%. The corresponding CO_2e decrease was 8.82 $KgCO_2e$/OR. Non-transport fuel also decreased by 18%, while electrical consumption decreased by 19%. The main reasons for this were twofold:

1. Inherently higher efficiencies as occupancy levels increased due to a reduction in the base load effect.

2. Continual drive within the group to reduce energy consumption by fine tuning operational parameters and taking all operational measures possible to eliminate energy wastage.

The Group has maintained a strong emphasis on reducing energy use, which not only enhances operational efficiency and sustainability, but also decreases the CO_2e footprint, thereby lowering operational costs.

ONGOING INITIATIVES

Since 2021, the Group has implemented ongoing operational energy efficiency measures which include:
1. During periods of low occupancy hotels which have zoned systems must close off sections of the hotel where possible.
2. Optimise kitchen hours and ensure that only equipment being used is switched on.
3. Reduce dishwasher operating hours to operate on full load only.
4. Reduce laundry hours and ensure that loads are maximised, and other equipment operates strictly when and as needed.
5. Saunas and steam rooms to be operated on demand and switched off when not in use.
6. Operating temperatures of heating and cooling systems modulated for maximum efficiency.
7. Water pressure to be optimised where possible to reduce pump operating hours.
8. Where possible use cold fresh air to cool areas such as kitchens and the gym through the AHUs.
9. All public area AHUs stopped or reduced between 23.00 and 05.00.
10. Lighting in all BOH areas particularly loading bays and garages to be minimised from 21.00 to 05.00 leaving a minimum amount of lighting for CCTV safety and security purposes.
11. Monitor utility consumption on a daily basis and investigate any anomalous consumption immediately.
12. Keep outside doors closed to avoid heating/cooling loss.
13. Housekeeping to ensure the rooms in use are fully switched off after cleaning.
14. Security and maintenance personnel to ensure all areas are switched off during patrols.

ENERGY MANAGEMENT SYSTEM

The Group also continued the rollout of its hotel energy management system, EDGE MARS, in five (5) hotels,
- Corinthia St Georges,
- Corinthia Lisbon,
- Radisson Blu Resort St Julians,
- Corinthia Budapest.
- Corinthia St Petersburg

This digital energy management system uses AI and utilises a comprehensive network of sub-meters installed as part of the same project. It systemically identifies opportunities to improve energy performance and optimise the operation of the central plant and other site equipment, while also improving guest comfort. The system monitors energy use, and a follow up with hotel engineering, performed periodically to ensure that these events are tackled and sorted in a timely manner. All events are tracked and reported on.

The system was fully operational in 2023 at Corinthia St Georges, Corinthia Lisbon and Radisson Blu Resort St Julians. In Corinthia Budapest it started full operation in the last quarter of 2023, however, its implementation at Corinthia St Petersburg was suspended temporarily due to the prevailing circumstances in Russia.

BMS UPGRADING

The BMS systems of Radisson Golden Sands in Malta and Corinthia Budapest were being upgraded as part of a renewal project. The systems are expected to be completed in 2024 and this would help improve energy efficiency further.

USING WATER EFFICIENTLY

USING WATER EFFICIENTLY				
TOTAL VOLUME OF WATER WITHDRAWN FROM SOURCE	2023	2022	CHANGES	
Units	m^3	m^3	m^3	
Municipal Mains Supply (volume from water meter)	427,875	399,066	28,809	7%
Private Water Supplier by Bowser (volume from bowser receipts)	19,664	14,413	5,251	36%
Groundwater Self-Abstraction (meter installed by WSC)	-	-	-	
Private RO facility (sea-well) (private metering facilities)	160,378	146,309	14,069	10%
Harvested Rain Water (volume of reservoir and number of times use)	-	950	(950)	(100%)
Treated Wastewater (private metering facilities – if applicable)	-	-	-	
Total water consumed	**607,917**	**560,738**	**47,179**	**8%**
Total Guests	**1,288,673**	**994,307**	**294,366**	**30%**
Water per guest (m^3/guest)	**0.4717**	**0.5639**	**(0.0922)**	**(16%)**

Note: 2022 data was updated with latest figures and a correction due to misclassification was corrected.

The total water consumption increased by 8%, yet due to higher occupancy rates, the water consumed per guest actually decreased by 16% from 2022 figures. This improvement can be attributed to effective water management and monitoring practices implemented by the organisation.

MANAGING WASTE

The Group is diligently monitoring the evolving waste regulations as they unfold across the various territories in which the Group's Hotels are located. Despite the dynamic nature of these regulations, the Group is committed to being ahead, especially where the regulations are lacking. To this end, a focus on avoidance, reduction, recycling and reuse has therefore been adopted across the Group's operations.

MANAGING WASTE

WASTE BY TYPE AND DISPOSAL METHOD	2023	2022	CHANGES	
Units	kg	kg	kg	
Hazardous waste by type and disposal method				
Acids (kg)	-	-		
Solvents (kg)	-	-		
Toxic metals (kg)	-	9	(9)	(100%)
Batteries (kg)	351	-		
Electronic equipment (kg)	770	-		
Lamps (kg)	1,273	-		
Other (kg)	-	145	(145)	(100%)
Kitchen oil (kg)	32,592	2,970	29,622	
Total Kg of hazardous waste generated	34,986	3,124	31,862	1020%
Non Hazardous waste by type and disposal method				
Commingled (Cardboard + Plastic + Glass) (kg)	4,071	255,537	(251,467)	(98%)
Cardboard (kg)	94,616	-	94,616	
Glass (kg)	378,805	186,593	192,212	103%
Metal (kg)	3,562	24,766	(21,204)	(86%)
General waste (kg)	2,359,727	1,629,051	730,676	45%
Organic Waste (kg)	972,694	235,182	737,512	314%
Plastic (kg)	66,337	99,739	(33,402)	(33%)
Construction waste (kg)	186,160	-	186,160	
Total Kg of non-hazardous waste generated	**4,065,972**	**2,430,868**	**1,635,104**	**67%**
Total Waste	**4,100,958**	**2,433,992**	**1,666,966**	**68%**

The indicated increase in waste is attributed partly to an increase in the number of guests, but also to enhancements in data collection. Previously, not all waste streams were fully recorded, but recent improvements in data collection methodology and procedures are expected to improve accuracy and completeness of the gathered data. In addition, the Group is committed to continuously exploring and implementing solutions that promote waste avoidance and reduction, along with improved opportunities for recycling and reuse. Food waste is receiving particular attention, and a trial project using camera recognition and AI technology is being run to establish better monitoring methods and follow up actions to reduce food waste.

SOCIAL RESPONSIBILITY

As the Group continues to grow, our founding ethos, known as the Spirit of Corinthia, becomes increasingly important. This ethos is based on a set of values inspired by our founder, captured under the concepts of Heart, Head, and Hands. These values are not only the cornerstone of our culture immersion programme, but also underpin our suite of learning programmes and orientation initiatives.

These values guide our colleagues in their daily interactions as they strive to fulfil their purpose of uplifting the lives of fellow colleagues, guests, and surrounding communities. No matter what role, colleagues are all expected to embody 'The Spirit of Corinthia' in their place of work.

Our values are also reflected in policies and procedures that are summarised in the Colleague Handbook, with an emphasis on:

- How we take care of each other's needs, our family friendly provisions, and our respect for diversity and inclusion (HEART).

- How we use information and communication tools securely while respecting and protecting others' data (HEAD).
- How we ensure and safeguard the health and safety of everyone while behaving according to the highest ethical standards. (HANDS)

As we strive to uplift colleagues' lives, we focus on the following six areas of employee experience:
- Enhancing well-being of colleagues
- Ensuring colleagues feel involved
- Recognising effort and commitment
- Creating a place where colleagues belong
- Understanding colleague needs
- Growing colleague career with Corinthia

Our purpose of uplifting lives, guided by our core values, lie at the heart of every colleague's journey with the Group. Delivering on our commitments across all aspects of the employee experience is vital to the success and sustainability of Corinthia Hotels. While we operate luxury Hotels in some of the most beautiful places in the world, our success is dependent upon the invaluable effort and contribution of all our colleagues.

COLLEAGUES

As of 31 December 2023, the group employed 2,946 full-time and part-time employees (2,468 in 2022). The distribution of the workforce by gender and categories was as follows:

COLLEAGUES BY CATEGORY (IN HEADCOUNT)

	2023			2022		
	Male	Female	Total	Male	Female	Total
Management	202	145	347	217	173	390
Board of Directors	11	–	11	8	–	8
Workforce	1,551	1,037	2,588	1,235	835	2,070
Total	**1,764**	**1,182**	**2,946**	**1,460**	**1,008**	**2,468**

NUMBER OF COLLEAGUES BY EMPLOYMENT CONTRACT

	2023		2022	
	Full-Time	Part-Time	Full-Time	Part-Time
% Contract Type	78.68%	21.32%	79.67%	20.28%
Full-Time vs Part-Time Contract Ratio		3.69		3.9

NUMBER OF COLLEAGUES BY GENDER — 2023

	FULL-TIME				PART-TIME			
	Male	Female	Total	%	Male	Female	Total	%
Management	202	142	344	41	–	3	3	100
Board of Directors	4	–	4	0	7	–	7	–
Workforce	1,212	758	1,970	38	339	279	618	45
Total	**1,418**	**900**	**2,318**		**346**	**282**	**628**	

NUMBER OF COLLEAGUES BY GENDER	2022							
	FULL-TIME				PART-TIME			
	Male	Female	Total	%	Male	Female	Total	%
Management	209	169	378	45	7	4	11	36
Board of Directors	8	–	8	25	–	–	–	–
Workforce	1,075	663	1,738	38	160	173	333	52
Total	**1,292**	**832**	**2,124**		**167**	**177**	**344**	

NUMBER OF COLLEAGUES BY NATIONALITY	2023							
	FULL-TIME				PART-TIME			
	Male	Female	Total	%	Male	Female	Total	%
Maltese	358	181	539	34	152	121	273	44
Non-Maltese	1,159	623	1,782	35	191	160	351	46
Total	1,517	804	1,957		344	281	625	
Multi-national workforce (%)				77				56
Total Multi-national Workforce								72

NUMBER OF COLLEAGUES BY NATIONALITY	2022							
	FULL-TIME				PART-TIME			
	Male	Female	Total	%	Male	Female	Total	%
Maltese	436	246	682	36	50	33	83	40
Non-Maltese	854	588	1,442	41	117	144	261	55
Total	1,290	834	2,124		167	177	344	
Multi-national workforce (%)				68				76
Total Multi-national Workforce								69

NUMBER OF COLLEAGUES BY AGE*	2023									
	FULL-TIME					PART-TIME				
	Under 20	20-30	30-50	Over 50	Total	Under 20	20-30	30-50	Over 50	Total
Management	0	39	228	77	344	0	0	3	0	3
Board of Directors	0	0	3	1	4	0	0	0	7	7
Workforce	38	649	945	338	1,970	106	226	205	81	618
Total	38	688	1,176	416	2,318	106	226	208	88	628

**Comparative data by age was not collected for 2022*

Learning lies at the heart of the Group's philosophy, and each year we make substantial investments in the development of our workforce. Colleagues who show the willingness and potential to advance their careers are given the opportunity to progress and are often promoted to leadership positions.

Managers are expected to lead by example, treating their immediate reports with care, dignity and respect. Colleagues in leadership positions are expected to act as coaches rather than just superiors, engaging in regular, meaningful discussions with team members to evaluate performance and behaviour, and to identify areas for improvement or further development.

The Group operates businesses in multiple destinations and high-performing colleagues have the opportunity to embark on cross-exposure programmes and undertake management traineeships. Additionally, throughout the year, employees attend in-person and online learning programmes aimed at fine-tuning their operational know-how and contributing towards their personal and professional development.

	2023	2022
TRAINING HOURS UNDERTAKEN DURING THE REPORTING PERIOD	HOURS	HOURS
Total no. of hours of training	82,383	45,009
Total no. of labour hours	5,433,131	2,886,541
Total no. of hours of training vs. total number of hours	1.52%	1.6%
Percentage of employees receiving regular performance and career development reviews		
Number of colleagues receiving regular performance and career development reviews	482	725
% colleagues receiving regular performance and career development reviews	16%	29%

Colleagues across all levels, from operative and supervisory, to middle and senior management, are given equal opportunity and access to education and training. This ensures that they possess the necessary generic and specialist knowledge and skills for the effective execution of their duties and responsibilities. Training is provided in-house or via third-party training service providers.

INCLUSION AND DIVERSITY

The Group is committed to fostering inclusion and diversity in the workplace, promoting equal employment opportunities regardless of age, disability, gender reassignment, marital or civil partner status, pregnancy or maternity, race, colour, nationality, ethnic or national origin, religion, belief or non-belief, sex, or sexual orientation (Protected Characteristics) or any other characteristics identified by local law and regulation.

As an equal opportunity employer, the Group understands the importance of striking a balance between work and family life. It supports colleagues with parental responsibilities through family-friendly measures, including the granting of parental leave to both male and female members of the workforce.

HEALTH AND SAFETY

The Group prioritises health and safety of both its clients and employees across all its entities and on all its premises. To ensure adequate security, the Group continues to upgrade the physical security systems in all its properties, especially in jurisdictions considered high risk, by investing significantly in enhanced security systems.

To standardise procedures for handling security concerns across the various jurisdictions where the Group operates, operational emergency action plans have been developed to comply with local and international health and safety standards. These standards are rolled out across its operations and updated on a regular basis.

The Emergency Action Plan is split into three sections namely:

- Preparing for emergencies and crises;
- A security assessment toolkit; and
- Dealing with emergencies.

Throughout its operations, the Group encourages its employees, through constant communication and rigorous training, to promptly report any risks so that they can be addressed as they arise.

Additionally, a new health and safety management system was developed to meet today's international health & safety requirements. The new management plan includes a new health and safety policy, a general statement of intent, new implementation arrangements, a risk assessment, safety checklists, and statutory compliance (e.g. service and maintenance regimes etc.). The management plan has been digitalised so that related work can be completed online via desktops and the shield's safety app.

COMMUNITIES

The Group is committed to fostering ongoing engagement within the communities where it operates. This commitment involves endorsing local development initiatives and catering to the distinctive needs of each destination it serves through its business efforts. This approach originates from a sincere recognition of the company's ability to create value through its operational practices.

During the year, a wide range of initiatives were undertaken:

- Fund raising activities in aid of sick and under privileged children:
  - Puttinu Cares, the children's cancer support group - Malta.
  - Dr. Klown, provides hospitalised children distraction through fun and laughter - Malta.
  - Spread a Smile – London.
  - Shoe Box campaign - Budapest.
  - Robert Burns International Foundation - Budapest.
  - Magic Lamp Wish Granting Foundation - Budapest.
  - Make a Wish - Lisbon.
- Fund raising activities in aid of Cancer foundations:
  - The Marigold Foundation – Malta.
  - Hospice - Malta.
  - Action for Breast Cancer Foundation - Malta.
  - Europa Donna Malta - Prague.
- Donations made:
  - Aġenzija Sedqa- social welfare services in relation to alcohol and substance abuse - Malta.
  - Dar T'Għannieqa ta' Omm a home for young pregnant girls facing emotional, social and financial difficulties - Malta.
  - SOAR is a peer-support service supporting women and child survivors of domestic violence - Malta.
  - Fondazzjoni Sebħ, which provides residential services to survivors of violence and their children -Malta.
  - Ajuda de Mãe and Ajuda de Berço Institution – for women and children in need- Lisbon
  - Caritas Foundation-Malta.
  - Various orphanages – Malta, Tripoli.

GOVERNANCE

The Group maintains that strong governance processes are critical to integrating sustainability topics seamlessly into the business, rather than treating them as separate business issues. The Board plays an essential role in determining strategic priorities and considers sustainability issues as an integral part of the business oversight. To aid the Board, the Audit Committee provides more focussed oversight for the Group's policies, programmes and related risks that concern key public policy and sustainability matters.

The Audit Committee met 12 times during 2023 with detailed minutes being kept of all proceedings and decisions taken.

RISK MANAGEMENT

The Group acknowledges that the management, prevention and mitigation of risk are integral components of its strategic management processes. To ensure that potential risks and issues are adequately identified and addressed in an effective and efficient manner, the Group has established an Enterprise Risk Management framework which falls under the responsibility of the Risk Management Committee, on behalf of the Board of Directors.

The primary responsibilities of the Risk Management Committee ("RMC") is to:

- Build and maintain a risk aware culture across all levels of the Group;
- Develop, recommend and maintain an appropriate risk management framework to the Board;
- Coordinate, handle and review the risk assessment, evaluation and response processes; and
- Monitor and report on risk performance in a timely and effective manner.

In line with the Risk Management Committee Terms of Reference, the RMC is composed of senior management executives with diverse backgrounds and expertise in their respective fields who are responsible for overseeing the implementation of policies and practices aimed at enhancing the enterprise risk management framework in the Group.

As part of its comprehensive risk framework, the Group has drafted a Risk Management Policy and Risk Assessment Procedure to provide an effective structure for managing risk and formalising and communicating the Group's approach towards risk management. In so doing, the Group has adopted a standard methodology, based on the International Risk Management Standard ISO 31000:2009 and the COSO (Committee of Sponsoring Organisations of the Treadway Commission) standard for Enterprise Risk Management, to guide its risk management practices.

Through the enterprise risk management framework, the Group proactively identifies, mitigates, and manages principal business risks including sustainability and ESG considerations to ensure the Group's risk register captures a 360-perspective of its risk universe.

DATA PROTECTION

Aligned with the Group's Enterprise Risk Management strategy, the Group is firmly committed to manage and protect the personal data it processes in line with the General Data Protection Regulation (EU) 2016/679 ("GDPR"), the Data Protection Act ("DPA") (Cap 586 of the Laws of Malta), and other applicable laws and regulations. In so doing, the Group is elevating its stance to proactively enhance its awareness and foster a culture of data protection as an integral part of its business activities.

The Group considers personal data as any information relating directly or indirectly to an individual, be it the individual's private, professional or public life. With the broadening of disclosure requirements for each category of data subjects, it has become crucial to inform them of the legal grounds for processing their data, their rights as data subjects, and the data retention periods involved. As a Maltese company, the Group recognises the Office of the Information and Data Protection Commissioner ("IDPC") in Malta as its Lead Supervisory Authority in relation to data protection matters. Data subjects have a right to lodge a complaint to the IDPC if they believe their data is being handled in a non-compliant manner.

The Group's commitment towards Data Protection is also shown through the appointment of an internal Data Protection Officer (DPO) who is responsible for ensuring that the Group and the underlying group entities remain in compliance with the applicable data protection legislation at all times.

Furthermore, the Group has implemented a comprehensive data protection governance structure that includes robust reporting processes to the Board and stronger control mechanisms. These measures ensure that the Group's Board, executive team, senior management, employees, and third parties are aware of their respective obligations under the GDPR and other data protection legislation.

ETHICAL CONDUCT

ANTI-FRAUD AND WHISTLEBLOWER POLICY

The Group's set of values underpins its high standards of ethical conduct. It respects human rights, embraces diversity and stands firmly against corruption. In September 2014, the Group introduced the Anti-Fraud and Whistleblower Policy.

This was drawn up by the Audit Committee with the purpose of minimising the risk of fraud and maintaining integrity in the Group's business dealings. The Anti-Fraud and Whistleblower Policy is implemented across all jurisdictions in which the Group operates.

The primary objectives of the policy are to:

- Provide a clear and unambiguous statement of the Group's position on theft, fraud and corruption;
- Minimise the risk of fraud;
- Enhance the Group's governance and related internal controls;
- Standardise business activities;
- Maintain integrity in the Group's business dealings; and
- Establish procedures and protections that allow employees of the Group and members of the public to act on suspected fraud or corruption with potentially adverse ramifications and to achieve the legitimate business objectives of the Group for the benefit of its shareholders.

The policy also outlines the systems in place that facilitate reporting misconduct and the procedures for investigating and resolving instances of malpractices. As a Group that prioritises good governance, we are committed to ensuring that our staff acts with the utmost integrity. This commitment is supported by thorough training and well-defined guidelines and procedures.

The policy has been widely distributed and is currently available on the Group's website www.corinthiagroup.com. In 2023, one report was submitted through the whistleblower channel, prompting a comprehensive investigation. Despite diligent efforts, the investigation yielded no conclusive evidence that would implicate any individual as a perpetrator.

ANTI-MONEY LAUNDERING/COMBATING THE FINANCING OF TERRORISM (AML/CFT)

Although the Group is not considered a subject entity under Anti-Money Laundering and Counter-Terrorist Financing (AML/CFT) regulations, it has formally adopted and internally communicated a policy which in itself, reflects the commitment of the Group to the prevention of money laundering and terrorist financing. This policy is aimed at detecting and preventing the use of the Group and its subsidiary companies, which operate within the travel accommodation, hospitality, industrial catering, leisure industries and asset management activities, including rental/leasing activities (the "Group Entities"), for these purposes. The Group is committed to the highest standards of compliance and seeks to follow best practice wherever possible.

This policy is applicable to, and shall be followed by all employees, members of management and executives of the Group authorised to accept payments, including, without limitation, staff members working at the front desk, reception and lobby areas of the hotels, spas and/or restaurants, within the billing departments and other relevant departments matters relating to the payment for accommodation, hospitality, catering, leisure-related services, and/or any other business activity of the Group may be handled.

CONFLICTS OF INTEREST POLICY

This policy establishes the procedures and guidelines to manage situations where the interest of the Company or any of the Group entities might conflict with the direct or indirect personal interest of the directors or of persons subject to rules governing conflicts of interest.

CAPITAL MARKET RULES

These rules establish the minimum standards for the buying and selling of securities and the management of privileged and confidential information. They outline compliance measures in accordance with sections 5.102 to 5.116, ensuring that all financial transactions and information handling are conducted ethically and legally.

CODE OF CONDUCT

The Code of Conduct sets out the highest moral and ethical standards that are expected from all employees. The Group's rationale behind the Code of Conduct is to set the highest example for employees, guests, and the wider business community. Failure to comply with local laws can result in our business incurring fines or other penalties, suffering restrictions on our business activities and, in some cases, the withdrawal of the right to operate.

Colleagues must avoid unethical practices and attitudes, not only to avoid potential consequences, but because acting ethically aligns with the core values of the Group.

The Code of Conduct is applicable to all colleagues and extends to the Group's wider business operations. It is intended to foster a culture of transparency and integrity. The Code of Conduct comprises our guiding principles and strict adherence is expected from all colleagues.

COLLEAGUE HANDBOOK

All colleagues receive a copy of the employee handbook which provides an introduction to the culture of the Company, as well as information on key policies and procedures, including anti-fraud, anti-bribery, whistleblowing, fair competition, equal opportunity, customer/employee data privacy, as well as anti-modern slavery.

All colleagues are familiarised with the content of the colleague handbook during the orientation programme, thus ensuring that they are aware of the expectations of the Group related to ethical and professional conduct.

It is the responsibility of management to behave in an exemplary manner, lead by example, and ensure adherence to policies and procedures.

CONSOLIDATED DISCLOSURES PURSUANT TO ARTICLE 8 OF THE TAXONOMY REGULATION

INTRODUCTION

In order to achieve the targets established by the European Union ('EU') of reaching net zero greenhouse gas ('GHG') emissions by 2050, with an interim target of reducing GHG emissions by 55%, compared to 1990 levels, by 2030, the EU has developed a classification system, by virtue of the EU Taxonomy Regulation[1], or ('the EU Taxonomy') which establishes the criteria for determining whether an economic activity qualifies as environmentally sustainable.

The EU Taxonomy establishes criteria in terms of six environmental objectives, against which entities will be able to assess whether economic activities qualify as environmentally sustainable.

In order to qualify as such, an economic activity must be assessed to substantially contribute to at least one of these environmental objectives, whilst doing no significant harm ('DNSH') to the remaining objectives. This is achieved by reference to technical screening criteria established in delegated acts to the EU Taxonomy. The economic activity is also required to meet minimum safeguards established in the EU Taxonomy.

The six environmental objectives considered by the EU Taxonomy are the following, where climate-related environmental objectives (i-ii below) are established in the Climate Delegated Act[2] ('CDA'), whilst non-climate environmental objectives (iii-vi below) are established in the Environmental Delegated Act[3] ('EDA'). This financial year is the first reporting period in which the Group is required to report in the context of the EDA, which was formally adopted in 2023.

1 EU Regulation 2020/852

2 Commission Delegated Regulation 2021/2139

3 Commission Delegated Regulation 2023/2486

i. Climate change mitigation ('CCM');
ii. Climate change adaptation ('CCA');
iii. Sustainable use and protection of water and marine resources ('WTR');
iv. Transition to a circular economy ('CE');
v. Pollution prevention and control ('PPC'); and
vi. Protection and restoration of biodiversity and ecosystems ('BIO').

A Delegated Act to the EU Taxonomy was issued in 2021, supplementing Article 8 of the Taxonomy Regulation ('the Disclosures Delegated Act[4]'), which establishes the disclosure requirements of entities within the scope of the Taxonomy Regulation.

This currently comprises entities subject to an obligation to publish non-financial information pursuant to the Non-Financial Reporting Directive ('NFRD')[5], emanating from article 19a or 29a of the Accounting Directive[6].

The Disclosures Delegated Act was further updated in 2023 by the Complementary Climate Delegated Act to include certain energy activities relating to fossil gas and nuclear energy.

In the following section, the Group, as a non-financial parent undertaking, presents the share of its turnover, capital expenditure (CapEx) and operating expenditure (OpEx) for the reporting period ended 31 December 2023, which are associated with the following, in accordance with the Disclosures Delegated Act.

- Taxonomy-eligible and Taxonomy-aligned economic activities in respect of climate-related environmental objectives; and
- Taxonomy-eligible economic activities in respect of non-climate environmental objectives.

This does not include subsidiary level Taxonomy KPIs in the contextual information, which are only required where the parent undertaking identifies significant differences between the risks or impacts of the Group and those of the subsidiaries, in line with FAQ 12 in the Commission Notice on the interpretation and implementation of certain legal provisions of the Disclosures Delegated Act under Article 8 of EU Taxonomy Regulation on the reporting of Taxonomy-eligible and Taxonomy-aligned economic activities and assets (second Commission Notice)[7]. The Group is currently still in the process of identifying such risks and impacts as part of its preparation for CSRD reporting.

The Group does not identify any significant differences between the risks or impacts of the Group and those of its subsidiaries. In addition, none of the Group's subsidiaries are currently obliged to publish non-financial information pursuant to the NFRD. Neither do they avail of the subsidiary exemption emanating from paragraph (9) of Article 19a, or paragraph (8) of Article 29a, of the Accounting Directive, respectively.

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4 Commission Delegated Regulation 2021/2178

5 EU Directive 2014/95/EU. *NFRD entities are public interest entities exceeding an average of 500 employees during the reporting period. The introduction of EU Directive 2022/2464/EU (the Corporate Sustainability Reporting Directive, 'CSRD', which will replace the NFRD) will significantly extend the scope of EU Taxonomy reporting.*

6 EU Directive 2013/34/EU

7 C/2023/305

OUR ACTIVITIES

OVERVIEW

PROPORTION OF TAXONOMY-ELIGIBLE AND TAXONOMY-ALIGNED ECONOMIC ACTIVITIES IN TOTAL TURNOVER, CAPEX AND OPEX IN FY 2023

FY 2023	TOTAL (€000)	PROPORTION OF TAXONOMY-ELIGIBLE (NON-ALIGNED) ECONOMIC ACTIVITIES	PROPORTION OF TAXONOMY-ALIGNED ECONOMIC ACTIVITIES	PROPORTION OF TAXONOMY NON-ELIGIBLE ECONOMIC ACTIVITIES
Turnover	287,773	89.9%	0%	10.1%
CapEx	63,437	93.0%	0%	7.0%
OpEx	7,877	97.4%	0%	2.6%

The Group also provides comparatives for the financial year ended 31 December 2022.

PROPORTION OF TAXONOMY-ELIGIBLE AND TAXONOMY-ALIGNED ECONOMIC ACTIVITIES IN TOTAL TURNOVER, CAPEX AND OPEX IN FY 2022

FY 2022	TOTAL (€000)	PROPORTION OF TAXONOMY-ELIGIBLE (NON-ALIGNED) ECONOMIC ACTIVITIES	PROPORTION OF TAXONOMY-ALIGNED ECONOMIC ACTIVITIES	PROPORTION OF TAXONOMY NON-ELIGIBLE ECONOMIC ACTIVITIES
Turnover	238,207	4.7%	0%	95.3%
CapEx	46,061	75.0%	0%	25.0%
OpEx	6,744	0%	0%	100%

DEFINITIONS

'Taxonomy-eligible economic activity' means an economic activity that is described in the delegated acts supplementing the Taxonomy Regulation (that is, either the Climate Delegated Act or the Environmental Delegated Act), irrespective of whether that economic activity meets any or all of the technical screening criteria laid down in those delegated acts.

The Climate Delegated Act is structured such that Annex I contains a list of activities and the respective technical screening criteria in relation to the Climate Change Mitigation objective, whereas Annex II relates to the Climate Change Adaptation objective, with potentially different activities being considered in the different annexes.

The Environmental Delegated Act similarly comprises respective lists of activities and technical screening criteria in relation to the non-climate environmental objectives therein.

'Taxonomy-aligned economic activity' refers to a taxonomy-eligible activity which complies with the technical screening criteria as defined in the Climate Delegated Act or Environmental Delegated Act and it is carried out in compliance with minimum safeguards regarding human and consumer rights, anti-corruption and bribery, taxation, and fair competition. To meet the technical screening criteria, an economic activity must contribute substantially to one or more environmental objectives while 'doing no significant harm' to any of the other environmental objectives. Furthermore, the activity must be performed in a manner that meets minimum safeguards in relation to human rights, bribery & corruption, fair competition and taxation.

'Taxonomy-non-eligible economic activity' means any economic activity that is not described in the delegated acts supplementing the Taxonomy Regulation.

TAXONOMY-ELIGIBLE AND TAXONOMY-ALIGNED ECONOMIC ACTIVITIES

TAXONOMY ELIGIBILITY OF TURNOVER-GENERATING ACTIVITIES

The Group has examined all economic activities carried out to see which of these are taxonomy-eligible and also taxonomy-aligned in accordance with Annexes I and II to the Climate Delegated Act and Annexes I to IV to the Environmental Delegated Act. The table below indicates the activities performed by the Group which have been identified as taxonomy-eligible and the environmental objective to which the activity may be associated with. Information on the extent to which the economic activities are also taxonomy-aligned is provided in the KPI templates further below.

Taxonomy-eligible activities were identified by extracting the total turnover, CapEx and OpEx required to be captured in the denominators of the respective KPIs and assessing the NACE code of the activities to which the amounts relate. The Group then assessed which of the identified NACE codes relate to activities included within the annexes to the Climate Delegated Act. For the identified eligible activities, the Group then began the process to begin assessing them against the technical screening criteria.

Through the activity highlighted in the table below, the Group generates turnover, and generally incurs both CapEx and OpEx for these activities.

ECONOMIC ACTIVITY	DESCRIPTION	TURNOVER (%)*	CAPEX (%)*	OPEX (%)*	ENVIRONMENTAL OBJECTIVE	NACE CODE
2.1. Hotels, holiday, camping grounds and similar accommodation	The generation of income through short-term accommodation with associated services	86.5	9.2	92.7	BIO	I55
7.6 Installation, maintenance and repairs of renewable energy technologies	The generation of income from PV panels owned by the Group	0.04	1.2	-	CCM, CCA	F42
7.7 Acquisition and ownership of buildings	The generation of rental income through investment property held by the Group	3.4	6.6	4.7	CCM, CCA	L68

*% of the total turnover, CapEx and OpEx included in the denominator of the respective KPI
Economic activities classified under activity 2.1 'Hotels, holiday, camping grounds and similar accommodation' relate to the generation of income related to short-term accommodation with associated services, through hotel operations.

The CapEx classified as taxonomy-eligible in respect of activity 2.1 entails the refurbishment and upkeeping of property though which the Group offers short term accommodation.

Economic activities classified under activity 7.6 'Installation, maintenance and repairs of renewable energy technologies' relate to the generation of income from PV panels owned by the Group.

The CapEx classified as taxonomy-eligible in respect of activity 7.6 entails the capital investments in relation to solar photovoltaic systems and ancillary technical equipment. In the current year, this relates purely to the acquisition of a new solar photovoltaic system by the Group, partly classified as a 'right-of-use-asset' and which supplies electricity to the national grid, generating income.

Economic activities classified under activity 7.7 'Acquisition and ownership of buildings' relate to the generation of rental income through investment property leased by the Group.

The CapEx classified as taxonomy-eligible in respect of activity 7.7 entails capital investments which relate to necessary components to execute the respective turnover-generating economic activity. In the current year, this relates purely to the acquisition of a new property by the Group, partly classified as 'Investment Property' and which is currently leased and generating rental income.

The largest change in the Group's turnover from taxonomy-eligible activities, vis-à-vis the prior period, owes to activity 2.1, which increased from 0% to 86.5% of turnover. Such an increase in taxonomy-eligibility is driven by the inclusion of short-term accommodation services offered by hotels as an eligible activity within the Environmental Delegated Act.

The Group's OpEx from eligible activities has increased substantially vis-à-vis the prior period, given that the Group opted to classify all OpEx as non-eligible in the prior period due to allocation method constraints.

OTHER TURNOVER GENERATING ACTIVITIES PERFORMED BY THE GROUP CLASSIFIED AS TAXONOMY NON-ELIGIBLE

The Group's other taxonomy non-eligible activities include:

- Catering for corporate events, weddings, and airlines;
- Hotel management services, including the management and operation of hotel properties by providing on-site support and services in all areas of hospitality management; and
- Construction and property consultancy, specialising in project management, cost management, design services, architecture, land surveying and archaeology.

TAXONOMY ELIGIBILITY OF INVESTMENT ACTIVITIES NOT DIRECTLY RELATED TO TURNOVER-GENERATING ACTIVITIES

Further to the activities from which the Group generates turnover, and generally incurs both CapEx and OpEx, the Group also engages in investment activities not directly related to its turnover-generating activities as highlighted below.

ECONOMIC ACTIVITY	DESCRIPTION OF THE TAXONOMY-ELIGIBLE PURCHASED OUTPUT OR INDIVIDUAL MEASURE	CAPEX (%)*	OPEX (%)*	ENVIRONMENTAL OBJECTIVE	NACE CODE
6.5 Transport by motorbikes, passenger cars and light commercial vehicles	The acquisition of motor vehicles designated as category M1 and N1	0.7	-	CCM, CCA	N77
7.1 Construction of new buildings	The development of new hotel properties	3.4	-	CCM, CCA, CE	F41
7.2 Renovation of existing buildings	Renovation of existing buildings	62.8	-	CCM, CCA, CE	F41.2
7.3 Installation, maintenance, and repair of energy efficiency equipment	The installation of the energy efficient equipment in the Group's existing buildings (primarily the replacement of air conditioners and kitchen/sanitary water fittings)	8.8	-	CCM, CCA	F43
7.5 Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings	The installation of devices for measuring, regulating, and controlling energy performance in one of the Group's existing buildings	0.3	-	CCM, CCA	F43

*% of the total CapEx and OpEx included in the denominator of the respective KPI

Included in the above are amounts that relate to the acquisition of motor vehicles, and additions to right-of-use assets in respect of motor vehicles, which are utilised by the Group to enable it to perform certain operations towards its customers. The CapEx in this respect has been classified under activity 6.5 'Transport by motorbikes, passenger cars and light commercial vehicles' as opposed to being allocated to a turnover-generating activity (for which the Group would make use of such vehicles at times in performing its duties). The Group has classified the amounts in this manner since the assessment to determine Taxonomy-alignment of the vehicles acquired would only be possible to be performed against the technical screening criteria developed under activity 6.5.

In a similar manner, CapEx has been allocated to activities classified under category 7 'Construction and real estate activities' given that they are not directly associated with a turnover-generating activity. In particular, construction activities related to works on new hotels are allocated to activity 7.1 'Construction of new buildings', renovation works such as upgrades, structural alterations and related finishing, to the Group's hotels are allocated under activity 7.2 'Renovation of existing buildings', installation of air-conditioning systems are allocated under activity 7.3 'Installation, maintenance and repair of energy efficiency equipment'. The Group's additions in right-of-use assets relating to leases on property are allocated under 7.7 'Acquisition and ownership of buildings'.

The largest change in the Group's CapEx from eligible activities, vis-à-vis the prior period owes to activity 7.2, which increased from 0% to 62.8% of CapEx. Such an increase in taxonomy-eligibility is largely driven by increased construction and civil engineering works on existing properties owned by the Group.

TAXONOMY ALIGNMENT

Determining whether an activity meets the requirements to be classified as taxonomy-aligned requires considerable detailed information about the activity in order to properly assess it against the established technical screening criteria.

The Group is currently still in the process of gathering the necessary information in order to conclude that activities may be considered as taxonomy-aligned and verifying its accuracy. As a result of the ongoing process, the Group has not been able to substantiate the alignment of any of its activities in the current year.

OUR KPIs AND ACCOUNTING POLICIES

The key performance indicators ('KPIs') comprise the turnover KPI, the CapEx KPI and the OpEx KPI. In presenting the Taxonomy KPIs, the Group uses the templates provided in Annex II to the Disclosures Delegated Act.

Moreover, since the Group is not performing any of the activities related to fossil gas and nuclear energy (activities 4.26-4.31), the Group only publishes Template 1 of Annex XII of the Disclosures Delegated Act as regards activities in certain energy sectors.

In section A.1 'Environmentally sustainable activities (Taxonomy-aligned)' of respective Turnover, CapEx, and OpEx templates, columns 5 and 6 are marked as 'N' given that the Group does not have any Taxonomy-aligned balances, whilst remaining columns 7-17 are marked as '-' since, under Substantial Contribution criteria, Taxonomy-alignment reporting is not required for non-climate environmental objectives and under DNSH criteria and Minimum Safeguards, there is no current Taxonomy-alignment assessment to be reported.

TURNOVER KPI TEMPLATE FOR FINANCIAL YEAR 2023

Financial Year 2023		2023		Substantial contribution criteria						DNSH criteria ('Does Not Significantly Harm')									
Econimic activities (1)	Code (2)	Turnover (3)	Proportion of turnover 2023 (4)	Climate change mitigation (5)	Climate Change Adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity (10)	Climate Change Mitigation (11)	Climate Change Adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)	Minimum safeguards (17)	Proportion of Taxonomy aligned (A.1.) or eligible (A.2.) Turnover 2022 (18)	Category enabling activity (19)	Category transitional activity (20)
		€000	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	%	E/T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)		0	0.0%	N	N	-	-	-	-	-	-	-	-	-	-	-	0.00%		
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)		0	0.0%	N	N	-	-	-	-	-	-	-	-	-	-	-	0.00%		
Of which Enabling		0	0.0%	N	N	-	-	-	-	-	-	-	-	-	-	-	0.00%	E	
Of which Transitional		0	0.0%	N						-	-	-	-	-	-	-	0.00%		T
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
Installation, maintenance and repair of renewable energy technologies	CCM 7.6 / CCA 7.6	120	0.04%	EL	EL	N/EL	N/EL	N/EL	N/EL								0.00%		
Acquisition and ownership of buildings	CCM 7.7 / CCA 7.7	9,710	3.37%	EL	EL	N/EL	N/EL	N/EL	N/EL								4.70%		
Hotels, holiday, camping grounds and similar accommodation	BIO 2.1	249,005	86.53%	N/EL	N/EL	N/EL	N/EL	N/EL	EL								0.00%		
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		258,835	89.94%	3.42%	0.00%	0.00%	0.00%	0.00%	86.53%								4.70%		
A. Turnover of Taxonomy-eligible activities (A.1+A.2)		258,835	89.94%	3.42%	0.00%	0.00%	0.00%	0.00%	86.53%								4.70%		
B. TAXONOMY-NON ELIGIBLE ACTIVITIES																			
Turnover of Taxonomy-non-eligible activities		**28,938**	**10.06%**																
TOTAL		**287,773**	**100%**																

	PROPORTION OF TURNOVER /TOTAL TURNOVER	
	TAXONOMY-ALIGNED PER OBJECTIVE	TAXONOMY-ELIGIBLE PER OBJECTIVE
CCM	0.0%	3.4%
CCA	0.0%	3.4%
WTR	-	0.0%
CE	-	0.0%
PPC	-	0.0%
BIO	-	86.5%

CAPEX KPI TEMPLATE FOR FINANCIAL YEAR 2023

Financial Year 2023		2023		Substantial contribution criteria						DNSH criteria ('Does Not Significantly Harm')									
Economic Activities (1)	Code (2)	CapEx (3)	Proportion of CapEx 2023 (4)	Climate Change Mitigation (5)	Climate Change Adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity (10)	Climate Change Mitigation (11)	Climate Change Adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)	Minimum Safeguards (17)	Proportion of Taxonomy aligned (A.1.) or eligible (A.2.) CapEx 2022 (18)	Category enabling activity (19)	Category transitional activity (20)
		€'000	%	"Y; N; N/EL"	"Y; N; N/EL"	"Y; N; N/EL"	"Y; N; N/EL"	"Y; N; N/EL"	"Y; N; N/EL"	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		0	0.0%	N	N	-	-	-	-	-	-	-	-	-	-	-	0.0%		
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		0	0.0%	N	N	-	-	-	-	-	-	-	-	-	-	-	0.0%		
Of which Enabling		0	0.0%	N	N	-	-	-	-	-	-	-	-	-	-	-	0.0%	E	
Of which Transitional		0	0.0%	N						-	-	-	-	-	-	-	0.0%		T
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
Transport by motorbikes, passenger cars and light commercial vehicles	CCM 6.5 / CCA 6.5	419	0.7%	EL	EL	N/EL	N/EL	N/EL	N/EL								0.4%		
Construction of new buildings	CCM 7.1 / CCA 7.1 / CE 3.1	2,161	3.4%	EL	EL	N/EL	N/EL	EL	N/EL								47.7%		
Renovation of existing buildings	CCM 7.2 / CCA 7.2 / CE 3.2	39,834	62.8%	EL	EL	N/EL	N/EL	EL	N/EL								0.0%		
Installation, maintenance and repair of energy efficiency equipment	CCM 7.3 / CCA 7.3	5,592	8.8%	EL	EL	N/EL	N/EL	N/EL	N/EL								1.0%		
Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings	CCM 7.5 / CCA 7.5	190	0.3%	EL	EL	N/EL	N/EL	N/EL	N/EL								0.1%		
Installation, maintenance and repair of renewable energy technologies	CCM 7.6 / CCA 7.6	734	1.2%	EL	EL	N/EL	N/EL	N/EL	N/EL								0.0%		
Acquisition and ownership of buildings	CCM 7.7 / CCA 7.7	4,204	6.6%	EL	EL	N/EL	N/EL	N/EL	N/EL								25.9%		
Hotels, holiday, camping grounds and similar accommodation	BIO 2.1	5,861	9.2%	EL	EL	N/EL	N/EL	N/EL	N/EL								0.0%		
CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		58,995	93.0%	93.0%	0.0%	0.0%	0.0%	0.0%	0.0%								75.1%		
A. CapEx of Taxonomy-eligible activities (A.1+A.2)		58,995	93.0%	93.0%	0.0%	0.0%	0.0%	0.0%	0.0%								75.1%		
B. TAXONOMY-NON ELIGIBLE ACTIVITIES																			
CapEx of Taxonomy-non-eligible activities		**4,442**	**7.0%**																
TOTAL		**63,437**	**100%**																

	PROPORTION OF CAPEX/TOTAL CAPEX	
	TAXONOMY-ALIGNED PER OBJECTIVE	TAXONOMY-ELIGIBLE PER OBJECTIVE
CCM	0.0%	83.8%
CCA	0.0%	83.8%
WTR	-	0.0%
CE	-	66.2%
PPC	-	0.0%
BIO	-	9.2%

OPEX KPI TEMPLATE FOR FINANCIAL YEAR 2023

Financial Year 2023		2023		Substantial contribution criteria						DNSH criteria ('Does Not Significantly Harm')									
Econimic activities (1)	Code (2)	OpEx (3)	Proportion of OpEx 2023 (4)	Climate change mitigation (5)	Climate Change Adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity (10)	Climate Change Mitigation (11)	Climate Change Adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)	Minimum safeguards (17)	Proportion of Taxonomy aligned (A.1.) or eligible (A.2.) OpEx 2022 (18)	Category enabling activity (19)	Category transitional activity (20)
		€000	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	%	E/T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		0	0.0%	N	N	-	-	-	-	-	-	-	-	-	-	-	0.0%		
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		0	0.0%	N	N	-	-	-	-	-	-	-	-	-	-	-	0.0%		
Of which Enabling		0	0.0%	N	N	-	-	-	-	-	-	-	-	-	-	-	0.0%	E	
Of which Transitional		0	0.0%	N						-	-	-	-	-	-	-	0.0%		T
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
Acquisition and ownership of buildings	"CCM 7.7 / CCA 7.7"	370	4.70%	EL	EL	N/EL	N/EL	N/EL	N/EL								0.0%		
Hotels, holiday, camping grounds and similar accommodation	BIO 2.1	7,303	92.71%	N/EL	N/EL	N/EL	N/EL	N/EL	EL								0.0%		
OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		7,673	97.4%	4.7%	0.0%	0.0%	0.0%	0.0%	92.7%								0.0%		
A. OpEx of Taxonomy-eligible activities (A.1+A.2)		7,673	97.4%	4.7%	0.0%	0.0%	0.0%	0.0%	92.7%								0.0%		
B. TAXONOMY-NON ELIGIBLE ACTIVITIES																			
OpEx of Taxonomy-non-eligible activities		**204**	**2.59%**																
TOTAL		**7,877**	**100%**																

	PROPORTION OF OPEX/TOTAL OPEX	
	TAXONOMY-ALIGNED PER OBJECTIVE	TAXONOMY-ELIGIBLE PER OBJECTIVE
CCM	0.0%	4.7%
CCA	0.0%	4.7%
WTR	-	0.0%
CE	-	0.0%
PPC	-	0.0%
BIO	-	92.7%

TEMPLATE 1 NUCLEAR AND FOSSIL GAS RELATED ACTIVITIES FOR FINANCIAL YEAR 2023

ROW	NUCLEAR ENERGY RELATED ACTIVITIES	
1	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	NO
2	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	NO
3	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	NO
	FOSSIL GAS RELATED ACTIVITIES	
4	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	NO
5	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	NO
6	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels	NO

The specification of the KPIs is determined in accordance with Annex I to the Disclosures Delegated Act. The Group adopts the methodology to determine taxonomy-alignment in accordance with the legal requirements and describes its policies in this regard as follows:

TURNOVER KPI

DEFINITION

The proportion of taxonomy-aligned economic activities of the total turnover has been calculated as the part of net turnover derived from products and services associated with taxonomy-aligned economic activities (numerator) divided by the net turnover (denominator), in each case for the financial year from 1 January 2023 to 31 December 2023. Given that the Group has not identified any taxonomy-aligned economic activities, the current proportion of alignment is 0%.

The denominator of the turnover KPI is based on the consolidated net turnover in accordance with paragraph 82(a) of IAS 1. For further details on our accounting policies regarding the Group's consolidated net turnover, refer to disclosure note 3.14 'Revenue recognition' in the Group's consolidated financial statements included in this Annual Report.

RECONCILIATION

The Group's consolidated net turnover captured in the denominator of the KPI of €287,773,000 reconciles with the amount disclosed in the 'Revenue' financial statement line item included in the 'Income Statement' in the consolidated financial statements included in this annual report. Additionally, the amount also reconciles to Note 6 'Segment reporting' summarised below.

TURNOVER RECONCILIATION	AMOUNT (€000)
Turnover as per EU Taxonomy KPI denominator	**287,773**
Turnover as per the consolidated financial statements relating to:	**287,773**
Hotels *[referred to as segment revenue]*	249,125
Rental income from investment property	9,710
Hotel management company revenue	17,003
Catering business revenue	19,768
Project management revenue	8,503
Development revenue	144
Holding company revenue	4,686
Elimination of intra-group revenue	(21,166)

DETAILED BREAKDOWN OF TURNOVER	AMOUNT (€000)
Turnover (disclosure note 6)	**287,773**
Allocation of Turnover	**287,773**
2.1 Hotels, holiday, camping grounds and similar accommodation	249,005
7.6 Installation, maintenance and repair of renewable energy technologies	120
7.7 Acquisition and ownership of buildings	9,710
Taxonomy non-eligible	28,938

The full amount of €9,710,000 allocated to 'Rental income from investment property', in the amounts disclosed above, is disclosed as taxonomy-eligible under activity 7.7 'Acquisition and ownership of buildings' in the Turnover KPI. The amount of €249,125,000 allocated to hotels is disclosed as taxonomy-eligible under activity 2.1 'Hotels, holiday, camping grounds and similar accommodation' and activity 7.6 'Installation, maintenance and repair of renewable energy technologies'.

All other revenue allocated to other activities, amounting to €28,938,000 is all disclosed as taxonomy non-eligible in the Turnover KPI.

CAPEX KPI

DEFINITION

The CapEx KPI is defined as taxonomy-aligned CapEx (numerator) divided by the Group's total CapEx (denominator).

Total CapEx consists of additions to tangible and intangible fixed assets during the financial year, before depreciation, amortisation, and any remeasurements, including those resulting from revaluations and impairments, as well as excluding changes in fair value. It includes acquisitions of tangible fixed assets (IAS 16), intangible fixed assets (IAS 38) and right-of-use assets (IFRS 16) and acquisitions of investment properties (IAS 40). Additions as a result of business combinations would also be captured however, the Group had no such activities in the current year. For further details on our accounting policies regarding the Group's CapEx, refer to disclosure notes 3.7 'Property plant and equipment',3.8 'Investment property', 3.9 'Intangible assets' and 16 'Leases', in the Group's consolidated financial statements included within this annual report.

The Disclosures Delegated Act established three categories under which to classify CapEx:

a. CapEx related to assets or processes that are associated with Taxonomy-aligned economic activities ("category a"). In this case, the Group considers that assets and processes are associated with Taxonomy-aligned economic activities where they are essential components necessary to execute an economic activity.

The Group follows the generation of external revenues as a guiding principle to identify economic activities that are associated with CapEx under this category (a).

Eligible CapEx under this category has been disclosed in the table named 'Taxonomy-eligible economic activity' in the 'Taxonomy eligible and Taxonomy-aligned economic activities' section above.

b. CapEx that is part of a plan to upgrade a Taxonomy-eligible economic activity to become Taxonomy-aligned or to expand a Taxonomy-aligned economic activity ("category b").

The Group has currently not developed such a plan, and therefore, no CapEx is considered to be eligible under this category.

c. CapEx related to the purchase of output from Taxonomy-aligned economic activities and individual measures enabling certain target activities to become low-carbon or to lead to GHG reductions ("category c").

The Group distinguishes between the purchase of output and individual measures as follows:
- 'Purchase of output' relates to when the Group just acquires the product or service that is mentioned in the activity description.
- 'Individual measure' refers to when the Group acquires a product through an activity that is regularly performed by the supplier, but where the Group controls the content and design of the product in detail.

Eligible CapEx under this category has been disclosed in the table named 'Individually taxonomy-eligible CapEx/OpEx and the corresponding economic activities' in the 'Taxonomy eligibility of investment activities not directly related to turnover generating activities' section above. The full amount of CapEx considered under this category relates purely to 'purchase of output'.

Purchases of output qualify as taxonomy-aligned CapEx in cases where it can be verified that the respective supplier performed a taxonomy-aligned activity to produce the output that the Group acquired. Since taxonomy-alignment also includes DNSH criteria and minimum safeguards, the Group is not able to assess the Taxonomy-alignment on its own. For the purchased output in 2023, we were not able to obtain any conclusive confirmation of taxonomy-alignment.

In order to avoid double counting in the CapEx KPI, the Group ensured that CapEx captured as part of "category a", which relates to turnover-generating activities, was not also included with the activities identified within "category c", particularly in the case of taxonomy-eligible CapEx relating to the acquisition of a property which is partly leased out to third parties and partly utilised by the Group in the performance of its own operations.

RECONCILIATION

The Group's total CapEx captured in the denominator of the KPI can be reconciled to the consolidated financial statements of the Group included in this annual report, by reference to the respective disclosures capturing the additions for property, plant and equipment, investment property, intangible assets, and right-of-use assets.

CAPEX RECONCILIATION	AMOUNT (€000)	
CapEx as per EU Taxonomy KPI denominator	**63,437**	
Additions as per the consolidated financial statements relating to:	**63,437**	
Property, plant and equipment (PPE)	54,265	*Disclosure note 15*
Investment property	2,232	*Disclosure note 14*
Intangible assets	1,040	*Disclosure note 12*
Right-of-use assets (ROU)	5,900	*Disclosure note 16*

The following is a detailed breakdown of the property, plant and equipment, investment property, intangible assets, and right of use assets amongst the different activities disclosed in the Capex KPI.

DETAILED BREAKDOWN OF PROPERTY, PLANT AND EQUIPMENT ADDITIONS	AMOUNT (€000)
PPE additions as per consolidated financial statements	**54,265**
Allocation of PPE in the CapEx KPI	**54,265**
6.5 Transport by motorbikes, passenger cars and light commercial vehicles	33
7.1 Construction of new buildings	2,161
7.2 Renovation of existing buildings	37,602
7.3 Installation, maintenance and repair of energy efficiency equipment	5,592
7.5 Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings	190
2.1 Hotels, holiday, camping grounds and similar accommodation	5,861
Taxonomy non-eligible	2,826

DETAILED BREAKDOWN OF INVESTMENT PROPERTY ADDITIONS	AMOUNT (€000)
Investment property additions as per consolidated financial statements	**2,232**
Allocation of Investment Property in the CapEx KPI	
7.2 Renovation of existing buildings	**2,232**

DETAILED BREAKDOWN OF INTANGIBLE ASSETS ADDITIONS	AMOUNT (€000)
Intangible asset additions as per consolidated financial statements	**1,040**
Allocation of Intangible Assets in the CapEx KPI	
Taxonomy non-eligible	**1,040**

DETAILED BREAKDOWN OF RIGHT-OF-USE ASSET ADDITIONS	AMOUNT (€000)
ROU additions as per consolidated financial statements	**5,900**
Allocation of ROU in the CapEx KPI	**5,900**
6.5 Transport by motorbikes, passenger cars and light commercial vehicles	386
7.6. Installation, maintenance and repair of renewable energy technologies	734
7.7. Acquisition and ownership of buildings	4,204
Taxonomy non-eligible	576

OPEX KPI

DEFINITION

The OpEx KPI is defined as taxonomy-aligned OpEx (numerator) divided by the Group's total OpEx (denominator).

Total OpEx consists of direct non-capitalised costs that relate to all forms of maintenance and repair. This includes staff costs, costs for services and material costs for daily servicing as well as for regular and unplanned maintenance and repair measures. Direct non-capitalised costs in relation to research and development, building renovation measures and short-term leases would also be captured, however, no such costs were incurred in the current year.

In addition to the OpEx items captured in the current denominator of the OpEx KPI, the Group acknowledges that certain additional costs should also be captured, which are not currently included in light of the Group's developing approach in allocating such expenditure towards taxonomy-eligible activities.

Such costs not currently being included in the OpEx KPI relate to staff costs and repair and maintenance costs in respect of additions to motor vehicles owned by the Group, since in the current year the Group is currently unable to allocate such costs towards taxonomy-eligible activities. Once the Group develops an approach for allocating such costs, these will be captured as OpEx and as part of the KPI accordingly.

The OpEx considered by the Group does not include expenses relating to the day-to-day operation of PPE, such as raw materials, cost of employees operating any equipment and electricity or fluids that are necessary to operate the PPE. Amortisation and depreciation are also not included in the OpEx KPI.

The Group also excludes direct costs for training and other human resources adaptation needs from the denominator and the numerator. This is because Annex I to the Disclosures Delegated Act lists these costs only for the numerator, which does not allow a mathematically meaningful calculation of the OpEx KPI.

Given that the Group has not identified any CapEx as being taxonomy-aligned, naturally, no OpEx is able to be considered as taxonomy-aligned.

RECONCILIATION

The OpEx of the Group recognised during the financial year ended December 2023 is disclosed further in the Group's consolidated financial statements included within this annual report in disclosure note 7 'Expenses by nature', with the full amount included in the denominator of the KPI, €7,877,000 relating fully to 'repairs and maintenance' disclosed in note 7.

The following is a detailed breakdown of the OpEx amongst the different activities disclosed in the OpEx KPI.

DETAILED BREAKDOWN OF OPEX	AMOUNT (€000)
Repairs and Maintenance as per consolidated financial statements	**7,877**
Allocation of OpEx KPI	**7,877**
2.1. Hotels, holiday, camping grounds and similar accommodation	7,303
7.7 Acquisition and ownership of buildings	370
Taxonomy non-eligible	204

STATEMENT BY THE DIRECTORS

ON COMPLIANCE WITH THE CODE OF PRINCIPLES OF GOOD CORPORATE GOVERNANCE

Listed companies are subject to The Code of Principles of Good Corporate Governance (the 'Code'). The adoption of the Code is not mandatory, but listed companies are required under the Capital Markets Rules issued by the MFSA to include a Statement of Compliance with the Code in their Annual Report, accompanied by a report of the independent auditors.

The board of directors (the 'directors' or the 'board') of International Hotel Investments p.l.c. ('IHI' or the 'Company') restate their support for the Code and note that the adoption of the Code has resulted in positive effects to the Company.

The board considers that during the reporting period, the Company has been in compliance with the Code to the extent that was considered adequate with the size and operations of the Company. Instances of divergence from the Code are disclosed and explained below.

COMPLIANCE WITH THE CODE

PRINCIPLES 1 AND 4: THE BOARD

The board of directors is entrusted with the overall direction and management of the Company, including the establishment of strategies for future development, and the approval of any proposed acquisitions by the Company in pursuing its investment strategies.

Its responsibilities also involve the oversight of the Company's internal control procedures and financial performance, and the review of business risks facing the Company, ensuring that these are adequately identified, evaluated, managed and minimised. All the directors have access to independent professional advice at the expense of the Company, should they so require.

Further to the relevant section in Appendix 5.1 to the Capital Markets Rules the board of directors acknowledge that they are stewards of the Company's assets, and their behaviour is focused on working with management to enhance value to the shareholders.

The board is composed of persons who are fit and proper to direct the business of the Company with the shareholders as the owners of the Company.

All directors are required to:

- Exercise prudent and effective controls which enable risk to be assessed and managed in order to achieve continued prosperity to the Company;
- Be accountable for all actions or non-actions arising from discussion and actions taken by them or their delegates;
- Determine the Company's strategic aims and the organizational structure;
- Regularly review management performance and ensure that the Company has the appropriate mix of financial and human resources to meet its objectives and improve the economic and commercial prosperity of the Company;
- Acquire a broad knowledge of the business of the Company;
- Be aware of and be conversant with the statutory and regulatory requirements connected to the business of the Company;
- Allocate sufficient time to perform their responsibilities; and
- Regularly attend meetings of the board.

The board strives to achieve a balance of ethnicity, age, culture and educational backgrounds in order to reflect the multicultural environment of its ownership and the condition in which it operates.

The board comprises a number of individuals, all of whom have extensive knowledge of hotel operations and real estate development, in particular across the various jurisdictions in which IHI operates. Members of the board are selected on the basis of their core competencies and professional background in the industry so as to ensure the continued success of IHI.

In terms of the Capital Markets Rules 5.117 – 5.134 the board has established an Audit committee to monitor the Company's present and future operations, threats and risks in the external environment and current and future strengths and weaknesses. The Audit committee ensures that the Company has the appropriate policies and procedures in place to ensure that the Company and its employees maintain the highest standards of corporate conduct, including compliance with applicable laws, regulations, business, and ethical standards. The Audit committee has a direct link to the board and is represented by the Chairman of the Audit committee in all board meetings.

PRINCIPLE 2: CHAIRMAN AND CHIEF EXECUTIVE

Mr Alfred Pisani occupies the position of Chairman. The role of CEO and Managing Director is held by Mr Simon Naudi.

The Chairman is responsible to:

- Lead the board and set its agenda;
- Ensure that the directors of the board receive precise, timely and objective information so that they can take sound decisions and effectively monitor the performance of the company;
- Ensure effective communication with shareholders; and
- Encourage active engagement by all members of the board for discussion of complex or contentious issues.

The CEO and Managing Director is responsible to:

- Manage the company's overall operations and development efforts;
- Drive profitability and increase shareholder's value;
- Communicate with the board on a regular basis and implement the strategy, decisions and polices adopted by the board; and
- Ensure conformity with corporate governance policies adopted by the board.

PRINCIPLE 3: COMPOSITION OF THE BOARD

The board of directors consists of one chairman, one Managing Director who occupies the post of CEO, and eight non-executive directors. The present mix of executive and non-executive directors is considered to create a healthy balance and serves to unite all shareholders' interests, whilst providing direction to the Company's management to help maintain a sustainable organization.

The non-executive directors constitute a majority on the board and their main functions are to monitor the operations of the Chairman and of the Managing Director/CEO and their performance as well as to analyze any investment opportunities that are proposed by the Managing Director. In addition, the non- executive directors have the role of acting as an important check on the possible conflicts of interest of the Chairman and Managing Director, which may exist as a result of the Chairman's dual role as executive director of the Company and his role as officer of IHI's principal shareholder, CPHCL Company Limited and its other subsidiaries.

For the purpose of Capital Markets Rules 5.118 and 5.119, the non-executive directors are deemed independent. The board believes that the independence of its directors is not compromised because of long service or the provision of any other service to the Corinthia Group.

Directors are to be mindful of maintaining independence, professionalism and integrity in carrying out their duties, responsibilities and providing judgement as directors of the Company.

Directors individually declare that they undertake to:

a. maintain in all circumstances their independence of analysis, decision and action;
b. not to seek or accept any unreasonable advantages that could be considered as compromising their independence; and
c. clearly express their opposition in the event that they find that a decision of the board may harm the Company.

The board is made up as follows:

Executive Directors	**Date of first appointment**
Mr Alfred Pisani, Chairman	29 March 2000
Mr Simon Naudi, Managing Director	18 January 2024
Non-executive Directors	
Mr Frank Xerri de Caro	2 July 2004
Mr Hamad Buamim	31 December 2013
Mr Douraid Zaghouani	3 November 2014
Mr Joseph Pisani	22 December 2014
Mr Moussa Atiq Ali	23 July 2021
Mr Richard Cachia Caruana	9 June 2022
Mr Mohamed Mahmoud Shawsh	4 July 2022
Mr Alfred Camilleri	13 June 2023

Mr Stephen Bajada acts as Secretary to the board of directors, effective 20 February 2024.

PRINCIPLE 5: BOARD MEETINGS

The board met five times during the period under review. The number of board meetings attended by directors for the year under review is as follows:

Mr Alfred Pisani	5
Mr Simon Naudi	5
Mr Frank Xerri de Caro	5
Mr Hamad Buamim	5
Mr Douraid Zaghouani	5
Mr Joseph Pisani	5
Mr Moussa Atiq Ali	5
Mr Richard Cachia Caruana	5
Mr Mohamed Mahmoud Shawsh	4
Mr Alfred Camilleri (since 13 June 2023)	3

PRINCIPLE 6: INFORMATION AND PROFESSIONAL DEVELOPMENT

The Company ensures that it provides directors with relevant information to enable them to effectively contribute to board decisions. The Company is committed to provide adequate and detailed induction training to directors who are newly appointed to the board. The Company pledges to make available to the directors all training and advice as required.

PRINCIPLE 8: COMMITTEES

AUDIT COMMITTEE

The primary objective of the Audit Committee is to assist the board in fulfilling its oversight responsibilities over the financial reporting processes, financial policies and internal control structures. The committee is made up of non-executive directors and reports directly to the board of directors. The committee oversees the conduct of the internal and external audit and acts to facilitate communication between the board, management, the internal audit team and the external auditors.

During the year under review, the committee met 12 times. The internal and external auditors were invited to attend these meetings.

Mr Richard Cachia Caruana acts as Chairman as from 9 June 2022 succeeding Mr Frank Xerri de Caro. Mr Joseph Pisani, Mr Mohamed Mahmoud Shawsh, Mr Frank Xerri De Caro, and Mr Alfred Camilleri (from 13 June 2023) act as members, the Company Secretary, Mr Stephen Bajada acts as Secretary to the committee. The independent directors currently sitting on the Committee are Mr Richard Cachia Caruana, Mr Alfred Camilleri and Mr Mohamed Mahmoud Shawsh.

The board of directors, in terms of Capital Markets Rule 5.118A, has indicated Mr Mohamed Mahmoud Shawsh as the independent non- executive member of the Audit Committee who is considered "... to be independent and competent in accounting and/or auditing" in view of his considerable experience at a senior level in the accounting and auditing field.

The Audit Committee is also responsible for the overview of the internal audit function. The role of the internal auditor is to carry out systematic risk-based reviews and appraisals of the operations of the Company (as well as of the subsidiaries and associates of the Group) for the purpose of advising management and the board, through the Audit Committee, on the efficiency and effectiveness of management policies, practices and internal controls. The function is expected to promote the application of best practices within the organization. During 2023, the internal audit function continued to advise the Audit committee on aspects of the regulatory framework which affect the day-to-day operations of the hotels.

The directors are fully aware that the close association of the Company with CPHCL and its other subsidiaries is central to the attainment by the Company of its investment objectives and implementation of its strategies. The Audit Committee ensures that transactions entered into with related parties are carried out on an arm's length basis and are for the benefit of the Company, and that the Company and its subsidiaries accurately report all related party transactions in the notes to the financial statements.

In the year under review the Audit Committee ensured compliance in terms of the General Data Protection Regulation which came into effect in 2018.

The Audit Committee oversaw the introduction of risk management processes and the development of this function within the Company in 2022.

Pursuant to Articles 16 and 17 of Title III of the provisions of the Statutory Audit Regulations the Audit Committee has been entrusted with overseeing the process of appointment of the statutory auditors or audit firms.

NOMINATION AND REMUNERATION COMMITTEE

The function of this committee is to propose the appointment and the remuneration package of directors and senior executives of IHI and its subsidiaries. The members of the committee are Mr Alfred Camilleri (as Chairman from 28 February 2024) succeeding Mr Richard Cachia Caruana, Mr Joseph Pisani, Mr Richard Cachia Caruana, and Mr Mohamed Mahmoud Shawsh. Mr Stephen Bajada acts as Secretary to the committee from 20 February 2024.

The Nomination and Remuneration Committee met seven times in the course of 2023.

PRINCIPLE 9: RELATIONS WITH SHAREHOLDERS AND THE MARKET

The Company is highly committed to having an open and communicative relationship with its shareholders and investors. In this respect, over and above the statutory and regulatory requirements relating to the Annual General Meeting, the publication of interim and annual financial statements, and respective Company announcements, the Company seeks to address the diverse information needs of its broad spectrum of shareholders in various ways.

Moreover, all representations by shareholders at the Annual General Meeting were satisfactorily addressed on the Company's website.

The Company has invested considerable time and effort in setting up and maintaining its website and making it user- friendly, with a new section dedicated specifically to investors. In the course of 2023, 17 company announcements were issued through the Malta Stock Exchange.

Individual shareholders can raise matters relating to their shareholdings and the business of the Group at any time throughout the year and are given the opportunity to ask questions at the Annual General Meeting or to submit written questions in advance.

The Company holds an additional meeting for stockbrokers and institutional investors twice a year to coincide with the publication of its financial information. As a result of these initiatives, the investing public is kept abreast of all developments and key events concerning the Company, whether these take place in Malta or abroad.

During 2023 the Company continued issuing the IHI Insider newsletter which is available on the IHI website (https:// insider.ihiplc.com). The purpose of this newsletter is to keep stakeholders fully informed of developments in the Company.

The Company's commitment to its shareholders is shown by the special concessions which it makes available to them. In order to better serve the investing public, the board has appointed the Company Secretary to be responsible for shareholder relations.

PRINCIPLE 10: INSTITUTIONAL SHAREHOLDERS

The Company ensures that it is constantly in close touch with its principal institutional shareholders and bondholders (institutional investors). The Company is aware that institutional investors have the knowledge and expertise to analyse market information and make their independent and objective conclusions of the information available.

Institutional investors are expected to give due weight to relevant factors drawn to their attention when evaluating the Company's governance arrangements in particular those relating to board structure and composition and departure from the Code of Corporate Governance.

PRINCIPLE 11: CONFLICTS OF INTEREST

The directors are fully aware of their obligations regarding dealings in securities of the Company as required by the Capital Markets Rules in force during the year. Moreover, they are notified of blackout periods prior to the issue of the Company's interim and annual financial information during which they may not trade in the Company's shares and bonds. Meanwhile, Mr Alfred Pisani, and Mr Joseph Pisani have common directorships with the ultimate parent of the Corinthia Group. Commercial relationships between International Hotel Investments p.l.c. and CPHCL Company Limited are entered into in the ordinary course of business.

A new Conflict of Interest policy was approved by the IHI Board of Directors on 6th September 2022. This policy has now come into effect. This policy aims to increase transparency and integrity within the Group by giving all members the opportunity to disclose any potential Conflict of Interest they may be involved in. The policy lists several situations which may lead to a Conflict of Interest and also stipulates that acceptance of gifts, such as hospitality, free travel, tickets, or invitations to sports or entertainment events or other benefits, is considered a conflict of interest if the value of the gift is equal to or greater than €200 or in total exceeds €200 in a 12-month period.

As at year end, Mr Alfred Pisani had a beneficial interest of 5,061,879 shares. Mr Richard Cachia Caruana had an indirect beneficial interest of 20,000 shares, Mr Frank Xerri de Caro had a beneficial interest of 10,927 shares. None of the other Directors of the Company have any interest in the shares of the Company or the Company's subsidiaries or investees or any disclosable interest in any contracts or arrangements either subsisting at the end of the last financial year or entered into during this financial year.

PRINCIPLE 12: CORPORATE SOCIAL RESPONSIBILITY

The Company understands that it has an obligation towards society at large to put into practice sound principles of Corporate Social Responsibility (CSR). It has embarked on several initiatives which support the community, its culture, as well as sports and the arts in the various locations where it operates.

The Company recognizes the importance of good CSR principles within the structure of its dealings with its employees. In this regard, the Company actively encourages initiative and personal development, and consistently creates such opportunities. The Company is committed towards a proper work-life balance and the quality of life of its workforce and their families, and of the environment in which it operates.

NON-COMPLIANCE WITH THE CODE

PRINCIPLE 7: EVALUATION OF THE BOARD'S PERFORMANCE

Under the present circumstances, the board does not consider it necessary to appoint a committee to carry out a performance evaluation of its role, as the board's performance is always under the scrutiny of the shareholders.

PRINCIPLE 9: CONFLICTS BETWEEN SHAREHOLDERS

Currently there is no established mechanism disclosed in the Company's memorandum and articles of association to trigger arbitration in the case of conflict between the minority shareholders and the controlling shareholders. In any such cases should a conflict arise, the matter is dealt with in the board meetings and through the open channel of communication between the Company and the minority shareholders via the Office of the Company Secretary.

Approved by the board of directors and signed on its behalf by Richard Cachia Caruana (Non-Executive Director and Chairman of the Audit Committee) and Joseph Pisani (Director) on 30 April 2024.

OTHER DISCLOSURES IN TERMS OF CAPITAL MARKETS RULES

PURSUANT TO CAPITAL MARKETS RULE 5.64.1

SHARE CAPITAL STRUCTURE

The Company's issued share capital is six hundred and fifteen million and six hundred and eighty-four thousand nine hundred and twenty (615,684,920) ordinary shares of €1 each. All of the issued shares of the Company form part of one class of ordinary shares in the Company, which shares are listed on the Malta Stock Exchange. All shares in the Company have the same rights and entitlements and rank pari passu between themselves.

PURSUANT TO CAPITAL MARKETS RULE 5.64.3

Shareholders holding 5 per cent or more of the equity share capital as at 31 December 2023:

	SHARES	%
CPHCL Company Limited	355,988,463	57.82
Istithmar Hotels FZE	133,561,548	21.69
Libyan Foreign Investment Company	66,780,771	10.85

There were no changes in shareholders holding 5 per cent or more of the equity share capital as at 30 April 2024.

PURSUANT TO CAPITAL MARKETS RULE 5.64.8

APPOINTMENT AND REPLACEMENT OF DIRECTORS

In terms of the Memorandum and Articles of Association of the Company, the directors of the Company shall be appointed through an election. All shareholders are entitled to vote for the nominations in the list provided by the nominations committee. The rules governing the nomination, appointment and removal of directors are contained in Article 19 of the Articles of Association.

AMENDMENTS TO THE MEMORANDUM AND ARTICLES OF ASSOCIATION

In terms of the Companies Act the Company may by extraordinary resolution at a general meeting alter or add to its Memorandum or Articles of Association.

PURSUANT TO CAPITAL MARKETS RULE 5.64.9

POWERS OF BOARD MEMBERS

The powers of directors are outlined in Article 21 of the Articles of Association.

STATEMENT BY THE DIRECTORS PURSUANT TO CAPITAL MARKETS RULE 5.70.1

Pursuant to Capital Markets Rule 5.70.1 there are no material contracts to which the Company, or anyone of its subsidiaries, was party to and in which anyone of the directors had a direct or indirect interest therein.

PURSUANT TO CAPITAL MARKETS RULE 5.70.2

COMPANY SECRETARY AND REGISTERED OFFICE

Stephen Bajada
22 Europa Centre,
Floriana FRN 1400, Malta Telephone (+356) 2123 3141

PURSUANT TO CAPITAL MARKETS RULE 5.97.4

INTERNAL CONTROLS AND RISK MITIGATION PRACTICES

INTERNAL CONTROL

The board is ultimately responsible for the Company's system of internal controls and for reviewing its effectiveness. Such a system is designed to manage rather than eliminate risk to achieve business objectives, and can provide only reasonable, and not absolute, assurance against normal business risks or loss.

Through the Audit Committee, the board reviews the effectiveness of the Company's system of internal controls. The key features of the Company's system of internal control are as follows:

ORGANIZATION

The Company operates through the CEO with clear reporting lines and delegation of powers.

CONTROL ENVIRONMENT

The Company is committed to the highest standards of business conduct and seeks to maintain these standards across all its operations. Company policies and employee procedures are in place for the reporting and resolution of improper activities.

The Company has an appropriate organizational structure for planning, executing, controlling and monitoring business operations in order to achieve Company objectives. Lines of responsibility and delegation of authority are documented. The Company has implemented control procedures designed to ensure complete and accurate accounting for financial transactions and to limit the potential exposure to loss of assets or fraud. Measures taken include physical controls, segregation of duties and reviews by management, internal audit and the external auditors.

RISK IDENTIFICATION

Company management is responsible for the identification and evaluation of key risks applicable to their respective areas of business. These risks are assessed on a continued basis and may be associated with a variety of internal or external sources including control breakdowns, disruption in information systems, competition, natural catastrophe and regulatory requirements.

A risk management function has been set up and training on risk management is being extended to all the Company's subsidiaries.

INFORMATION AND COMMUNICATION

The Company participates in periodic strategic reviews including consideration of long-term financial projections and the evaluation of business alternatives.

MONITORING AND CORRECTIVE ACTION

There are clear and consistent procedures in place for monitoring the system of internal financial controls. The Audit committee met 12 times in 2023 and, within its terms of reference, reviews the effectiveness of the Company's system of internal financial controls. The Committee receives reports from management, internal audit and the external auditors.

2023 REMUNERATION STATEMENT

In terms of Rule 8A.4 of the Code, the Company is to include a remuneration statement in its annual report which shall include details of the remuneration policy of the Company and the financial packages of Directors and Senior Executives.

The resolution by the shareholders of the Company at the Annual General Meeting held on 9th June 2022, approved an aggregate figure for fees and remuneration due to the Chairman and Directors of the Company, capped at €1,300,000 per annum. This figure relates to:

- the salary of the Chairman,
- directors' fees due in their capacity as directors of the Company, and
- fees due to the Chairman and directors with respect to their membership on sub-committees of the board of directors of the Company.

REMUNERATION COMMITTEE

The role of the Nomination and Remuneration Committee is to devise the appropriate packages needed to attract, retain, and motivate Directors, whether executive or not, as well as senior executives with the right quality and skills for the proper management of IHI and its subsidiaries. The Nomination and Remuneration Committee operates under its 'Terms of Reference'. These terms define the scope of its authority and the procedures it must follow. This Committee is a sub-committee of the Board and is directly responsible and accountable to the Board.

In 2023 the members of the Nomination and Remuneration Committee were Mr Richard Cachia Caruana as Chairman and non-executive directors, Mr Joseph Pisani and Mr Mohamed Mahmoud Shawsh (appointed on 8th February 2023), as members.

Mr Jean-Pierre Schembri acted as Secretary to the Committee.

The Nomination and Remuneration Committee met seven times in the course of 2023.

REMUNERATION POLICY – DIRECTORS AND SENIOR EXECUTIVES

The Remuneration Policy was approved at the 20th Annual General Meeting of 31st July 2020. It outlines the main principles upon which the fixed and variable elements of the remuneration of Directors, and senior executives are set. The policy further delineates the various components comprising fixed and variable elements, encompassing bonuses and other benefits.

The Chairman and senior executives are entitled to a fixed base salary based on a predefined amount and is determined based on the experience, knowledge, and responsibilities which the position entails.

Meanwhile, Non-Executive directors are entitled to a fixed yearly remuneration fee.

The compensation and employment conditions of the Board of Directors of the Company, including the Chairman, and senior executives are considered to be in line with the pay and employment conditions applied by international companies operating in the same sector as the Company and are considered commensurate to the importance of the role performed by such person/s in a Company of such reputation and standing. In determining its remuneration levels, and to ensure that it attracts the right talent, the Company consults with reputable international recruitment and advisory agencies who provide compensation and benefits related data, in order to ensure that it remains an attractive employer of choice.

The variable performance bonus awarded to the Chairman and the CEO is based on a predefined percentage of EBITDA. The variable performance bonus of senior executives is based on a balanced scorecard system, which may include, amongst others, revenue, EBITDA and net profit after tax. The variable remuneration is considered and approved by the Nomination and Remuneration Committee. The Non-Executive Directors are not entitled to any variable performance bonus.

All senior executives are entitled to non-cash benefits in terms of a number of services offered by the Group. These are mainly limited to discounts for services rendered by the Company and its subsidiaries. The Chairman and Senior executives are entitled for company financed health insurance. Furthermore, the Chairman and the directors of the Company are entitled to complimentary accommodation and F&B at the Company's hotels, and F&B establishments.
In 2023, the Company did not offer share-based

remuneration, profit-sharing, stock options but offered limited pension benefits to all UK based employees, in line with local legislative requirements.

According to the Company's Articles of Association, directors are appointed by shareholders at general meetings and serve until the subsequent general meeting. No contractual agreements exist between directors and the Company that include provisions for termination payments or other compensations associated with early termination.

The remuneration earned by the Chairman, the non-executive Directors of the Company, and the CEO during 2023 amounted to €2,365,280. A total of €196,000 was recovered from CPHCL Company Limited for management services provided by the Chairman.

The following table provides a summary of the remuneration and emoluments earned and paid to the Directors and the CEO for 2023, including fees paid in connection with their membership of board committees and other subsidiary boards:

REMUNERATION AND EMOLUMENTS FOR YEARS ENDED 2023 & 2022

		FIXED REMUNERATION 2023	VARIABLE REMUNERATION 2023	FIXED REMUNERATION 2022	VARIABLE REMUNERATION 2022
Mr Alfred Pisani	Chairman	€452,045	€376,416	€455,934	€310,131
Mr Moussa Atiq Ali	Non-Executive Director	€50,000	–	€50,007	–
Mr Hamad Buamin	Non-Executive Director	€15,000	–	€15,471	–
Mr Joseph Pisani	Non-Executive Director	€120,000	–	€120,471	–
Mr Douraid Zaghouani	Non-Executive Director	€15,000	–	€15,471	–
Mr Mohamed Mahmoud Shawsh	Non-Executive Director	€62,522	–	€35,522	–
Mr Richard Cachia Caruana	Non-Executive Director	€120,000	–	€67,000	–
Mr Frank Xerri De Caro	Non-Executive Director	€120,000	–	€123,457	–
Mr Alfred Camilleri *(appointed 13 June 2023)*	Non-Executive Director	€165,000	–	–	–
Mr Abdulnaser Ahmida *(resigned 4 July 2022)*	Non-Executive Director	–	–	€28,483	–
Mr David Curmi *(resigned 9 June 2022)*	Non-Executive Director	–	–	€6,677	–
Mr Joseph Fenech *(deceased 2 August 2022)*	Executive Director	–	–	€70,000	–
Sub-Total		€1,119,567	€376,416	€988,493	€310,131
Mr Simon Naudi *(appointed Managing Director on 18 January 2024)*	Chief Executive Officer & Managing Director	€618,353	€250,944	€615,895	€209,869
Total aggregate		€1,737,920	€627,360	€1,604,388	€520,000

Directors' remuneration levels reflect the number of subsidiary companies' boards on which the different Directors sit on, as also certain statutory positions, including the Audit and Remuneration Committee.

In terms of the requirements within Appendix 12.1 of the Capital Markets Rules, the following table presents the annual change of remuneration, of the Company's performance, and of average remuneration on a full-time equivalent basis of the Group's employees and directors over the four most recent financial years.

	2023	2022	2021	2020
Annual aggregate employee remuneration	€89,259,000	€73,634,000	€55,228,000	€56,603,000
Employee remuneration (excluding CEO)	€88,389,703	€72,808,236	€54,481,260	€55,774,000
CEO's remuneration	€869,297	€825,765	€746,740	€828,780
Company performance – operating results before depreciation and fair value gains/ (losses)*	€60,325,000	€51,706,000	€26,528,000	(€3,807,000)
Average employee remuneration (excluding CEO) – full-time equivalent	€34,114	€32,374	€29,417	€30,763

*The closest equivalent to EBITDA

The years 2020 and 2021 were materially impacted by Covid-19 and the resultant restrictions.

On the basis of legal advice received by the Company, the remuneration of the directors and CEO discussed within this report is solely determined on the basis of remuneration payable by International Hotel Investments p.l.c. as the parent and its subsidiaries.

Mr Simon Naudi, CEO, has been appointed Managing Director of the Group with effect from 18 January 2024.

A new remuneration policy has been drafted and shall be put to a binding vote of the shareholders at the 2024 Annual General Meeting. This remuneration policy shall be reviewed regularly, and any material amendments thereto shall be submitted to a vote by the annual general meeting of the Company before adoption, and in any case at least every four years.

The Remuneration Statement has undergone a thorough review by the Company's external auditors to ensure compliance with the stipulations outlined in Appendix 12.1 of the Capital Market Rules.

Signed on behalf of the board of directors by Richard Cachia Caruana (Senior Independent Non-Executive Director) on 30 April 2024.

INCOME STATEMENT

THE GROUP

	NOTES	2023 €'000	2022 €'000
Revenue	6	**287,773**	238,207
Costs of providing services	7	**(151,241)**	(125,586)
Gross Profit		**136,532**	112,621
Marketing costs		**(10,762)**	(7,604)
Administrative expenses	7	**(48,063)**	(36,941)
Other operating expenses	7	**(17,382)**	(16,370)
Operating results before depreciation and fair value gains		**60,325**	51,706
Depreciation and amortisation	7	**(27,592)**	(29,164)
Other losses arising on property, plant and equipment	15	**(1,680)**	(98)
Impairment gain/(loss) on property, plant and equipment	15	**275**	(1,207)
Net changes in fair value of investment property	14	**6,423**	(6,620)
Other operational exchange losses		**(1,246)**	(306)
Results from operating activities	6	**36,505**	14,311
Net changes in fair value of financial assets through profit and loss	22	**(1,787)**	(2,925)
Finance income			
- interest and similar income	9	**1,266**	440
Finance costs			
- interest expense and similar charges	9	**(38,754)**	(28,160)
- net exchange differences on borrowings	9	**(1,304)**	15,367
Share of net loss/gain of associates and joint ventures accounted for using the equity method	18	**(25)**	(61)
Other (losses)/gains		**(27)**	198
Reclassification of currency translation reserve to profit or loss upon loss in subsidiary		**-**	(264)
Loss before tax		**(4,126)**	(1,094)
Tax expense/credit	10	**(7,177)**	(1,248)
Loss for the year		**(11,303)**	(2,342)
Loss for the year attributable to:			
- Owners of IHI		**(10,346)**	(5,442)
- Non-controlling interests		**(957)**	3,100
Loss for the year attributable to Owners of IHI and non-controlling interest		**(11,303)**	(2,342)
Earnings per share	11	**(0.02)**	(0.01)

STATEMENT OF COMPREHENSIVE INCOME

THE GROUP

	NOTES	2023 €'000	2022 €'000
Loss for the year		**(11,303)**	(2,342)
Other comprehensive income:			
Items that will not be subsequently reclassified to profit or loss			
Gross surplus arising on revaluation of hotel properties	15, 25	**62,495**	2,959
Deferred tax on surplus arising on revaluation of hotel property	10.2	**(15,462)**	1,949
Items that may be subsequently reclassified to profit or loss			
Currency translation differences	10.2	**(20,842)**	(22,559)
Deferred tax arising on currency translation differences	10.2	**3,707**	(666)
Share of other comprehensive income of joint ventures and associates accounted for using the equity method			
- currency translation differences	18.1	**(139)**	71
Items reclassified to profit or loss			
Reclassification of currency translation reserve to profit or loss upon loss in subsidiary		**-**	264
Other comprehensive income for the year, net of tax		**29,759**	(17,982)
Total comprehensive income for the year		**18,456**	(20,324)
Attributable to:			
- Owners of IHI		**6,375**	(17,860)
- Non-controlling interests		**12,081**	(2,464)
Total comprehensive income for the year		**18,456**	(20,324)

STATEMENT OF FINANCIAL POSITION

THE GROUP

	NOTES	31 DECEMBER 2023 €'000	31 DECEMBER 2022 €'000
Assets			
Non-current			
Intangible assets	12	**46,395**	46,785
Indemnification assets	13	**17,168**	17,168
Property, plant and equipment	15	**1,341,845**	1,254,715
Right-of-use assets	16	**14,810**	11,626
Investment property	14	**161,635**	167,682
Deferred tax assets	33	**20,761**	18,019
Investments accounted for using the equity method	18	**5,034**	5,198
Financial assets at fair value through profit or loss	22	**3,411**	5,373
Other financial assets at amortised cost	19	**6,083**	6,460
Trade and other receivables	21	**453**	1,535
Total non-current assets		**1,617,595**	1,534,561
Current			
Inventories	20	**14,535**	14,606
Other financial assets at amortised cost	19	**110**	152
Trade and other receivables	21	**48,707**	45,337
Current tax asset		**228**	50
Financial assets at fair value through profit or loss	22	**-**	1,018
Cash and cash equivalents	23	**87,084**	66,231
Assets placed under trust arrangement	31, 41	**77**	77
Total current assets		**150,741**	127,471
Total assets		**1,768,336**	1,662,032

STATEMENT OF FINANCIAL POSITION

THE GROUP

	NOTES	31 DECEMBER 2023 €'000	31 DECEMBER 2022 €'000
Equity and liabilities			
Equity			
Capital and reserves attributable to owners of IHI:			
Issued capital	24	**615,685**	615,685
Revaluation reserve	25	**97,941**	59,559
Translation reserve	26	**(52,684)**	(31,023)
Reporting currency conversion difference	28	**443**	443
Other components of equity	27	**2,617**	2,617
Accumulated losses	29	**(50,728)**	(40,382)
Equity attributable to owners of IHI		**613,274**	606,899
Non-controlling interests		**223,074**	210,993
Total equity		**836,348**	817,892
Liabilities			
Non-current			
Trade and other payables	34	**8,134**	10,543
Bank borrowings	30	**332,844**	277,490
Bonds	31	**297,769**	273,062
Lease liabilities	16	**13,221**	10,542
Other financial liabilities	32	**24,623**	26,714
Deferred tax liabilities	33	**110,992**	91,596
Provisions		**-**	206
Total non-current liabilities		**787,583**	690,153
Current			
Trade and other payables	34	**90,606**	83,634
Bank borrowings	30	**38,396**	56,790
Bond	31	**10,362**	9,985
Lease liabilities	16	**2,715**	1,943
Other financial liabilities	32	**91**	113
Current tax liabilities		**2,235**	1,522
Total current liabilities		**144,405**	153,987
Total liabilities		**931,988**	844,140
Total equity and liabilities		**1,768,336**	1,662,032

The financial statements were approved and authorised for issue by the Board of Directors on 30 April 2024. The financial statements were signed on behalf of the Board of Directors by Alfred Pisani (Chairman) and Richard Cachia Caruana (Director) as per the Directors' Declaration on ESEF Annual Financial Report submitted in conjunction with the Annual Financial Report.

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	ACCUMULATED LOSSES €'000	TOTAL ATTRIBUTABLE TO OWNERS €'000	NON-CONTROLLING INTERESTS €'000	TOTAL EQUITY €'000
Balance at 1 January 2022	615,685	61,003	(20,049)	443	2,617	(34,940)	624,759	213,457	838,216
Loss for the year	-	-	-	-	-	(5,442)	(5,442)	3,100	(2,342)
Other comprehensive income	-	(1,444)	(10,974)	-	-	-	(12,418)	(5,564)	(17,982)
Total comprehensive income	-	(1,444)	(10,974)	-	-	(5,442)	(17,860)	(2,464)	(20,324)
Balance at 31 December 2022	**615,685**	**59,559**	**(31,023)**	**443**	**2,617**	**(40,382)**	**606,899**	**210,993**	**817,892**
Balance at 1 January 2023	**615,685**	**59,559**	**(31,023)**	**443**	**2,617**	**(40,382)**	**606,899**	**210,993**	**817,892**
Loss for the year	**-**	**-**	**-**	**-**	**-**	**(10,346)**	**(10,346)**	**(957)**	**(11,303)**
Other comprehensive income	**-**	**38,382**	**(21,661)**	**-**	**-**	**-**	**(16,721)**	**13,038**	**29,759**
Total comprehensive income	**-**	**38,382**	**(21,661)**	**-**	**-**	**(10,346)**	**6,375**	**12,081**	**18,456**
Balance at 31 December 2023	**615,685**	**97,941**	**(52,684)**	**443**	**2,617**	**(50,728)**	**613,274**	**223,074**	**836,348**

STATEMENT OF CASH FLOWS

THE GROUP

	NOTES	2023 €'000	2022 €'000
Loss before tax		**(4,126)**	(1,094)
Adjustments	36	**64,961**	52,596
Working capital changes:			
Inventories		**(13)**	(2,191)
Trade and other receivables		**(5,809)**	(9,038)
Advance payments		**196**	-
Trade and other payables		**838**	9,991
Cash generated from operations		**56,047**	50,264
Tax paid		**(1,454)**	(483)
Net cash generated from operating activities		**54,593**	49,781
Investing activities			
Payments to acquire property, plant and equipment		**(55,519)**	(38,680)
Payments to acquire intangible assets		**(1,039)**	(19)
Payments to acquire investment property		**106**	(6,596)
Payments for the acquisition of financial assets at fair value through profit or loss		**17**	(90)
Proceeds from sale of financial asset at fair value through profit or loss		**1,103**	6,273
Interest received		**1,266**	440
Net cash generated used in investing activities		**(54,066)**	(38,672)

The accompanying notes are an integral part of these financial statements.

STATEMENT OF CASH FLOWS

THE GROUP

	NOTES	2023 €'000	2022 €'000
Financing activities			
Proceeds from bank borrowings		**221,342**	20,907
Repayment of bank borrowings		**(183,248)**	(58,261)
Proceeds from the issue of bonds		**29,502**	-
Payments for redemption of bonds		**(4,058)**	-
Bond issue costs		**(780)**	-
Cancellation of bonds		**(53)**	-
Bank loan fees		**(2,846)**	-
Advances by Ultimate parent		**-**	20,000
Principal elements of lease payments		**(2,269)**	(2,553)
Interest paid		**(38,410)**	(26,882)
Net cash generated from/(used) in financing activities		**19,180**	(46,789)
Net change in cash and cash equivalents		**19,707**	(35,680)
Cash and cash equivalents at beginning of year		**55,740**	97,906
Effect of translation of group entities to presentation currency		**3,086**	(6,486)
Cash and cash equivalents at end of year	23	**78,533**	55,740

The accompanying notes are an integral part of these financial statements.

STATEMENT OF COMPREHENSIVE INCOME

THE COMPANY

	NOTES	2023 €'000	2022 €'000
Dividend income		**1,521**	-
Interest income on other financial assets at amortised cost		**9,628**	5,210
Management fees and other similar income		**4,445**	3,819
Interest expense and similar charges		**(18,521)**	(15,139)
Differences on Exchange		**400**	(182)
Administrative expenses		**(8,268)**	(7,450)
Credit losses on loans receivable and other assets	41.1	**-**	201
Loss before tax		**(10,795)**	(13,541)
Tax income	10	**4,226**	4,644
Loss for the year		**(6,569)**	(8,897)
Other comprehensive income			
Items that will not be subsequently reclassified to profit or loss			
Net changes in fair value of investments in subsidiaries, associates and joint ventures	18.2, 27.2, 17.3	**50,989**	(6,097)
Income tax relating to these items	27.2	**(11,740)**	(432)
Other comprehensive income for the year, net of tax		**39,249**	(6,529)
Total comprehensive income for the year		**32,680**	(15,426)

STATEMENT OF FINANCIAL POSITION

THE COMPANY

	NOTES	31 DECEMBER 2023 €'000	31 DECEMBER 2022 €'000
Assets			
Non-current			
Intangible assets	12	**2,408**	2,414
Indemnification assets	13	**1,997**	1,997
Property, plant and equipment	15	**140**	139
Right-of-use assets	16	**1,114**	84
Deferred tax assets	33	**12,526**	8,236
Investments in subsidiaries	17	**885,829**	827,858
Investments in associates and joint ventures	18	**5,034**	5,198
Other financial assets at amortised cost	19	**173,646**	140,138
Trade and other receivables		**7,027**	-
Total non-current assets		**1,089,721**	986,064
Current			
Other financial assets at amortised cost	19	**1,312**	2,556
Trade and other receivables	21	**65,850**	60,468
Current tax asset		**31**	31
Cash and cash equivalents	23	**17,865**	8,564
Assets placed under trust arrangement	31, 41	**77**	77
Total current assets		**85,135**	71,696
Total assets		**1,174,856**	1,057,760

STATEMENT OF FINANCIAL POSITION

THE COMPANY

	NOTES	31 DECEMBER 2023 €'000	31 DECEMBER 2022 €'000
Equity			
Issued capital	24	**615,685**	615,685
Other reserves	27.2	**100,434**	61,185
Reporting currency conversion difference	28	**443**	443
Accumulated losses	29	**(8,600)**	(2,031)
Total equity		**707,962**	675,282
Liabilities			
Non-current			
Trade and other payables	34	**1,613**	1,574
Bank borrowings	30	**57,260**	16,739
Bonds	31	**297,769**	273,062
Other financial liabilities	32	**52,667**	52,955
Lease liabilities	16	**951**	50
Deferred tax liabilities	33	**23,580**	11,840
Total non-current liabilities		**433,840**	356,220
Current			
Trade and other payables	34	**14,578**	12,686
Bank borrowings	30	**7,813**	3,460
Bonds	31	**10,362**	9,985
Other financial liabilities	32	**92**	87
Lease liabilities	16	**209**	40
Total current liabilities		**33,054**	26,258
Total liabilities		**466,894**	382,478
Total equity and liabilities		**1,174,856**	1,057,760

The financial statements were approved and authorised for issue by the Board of Directors on 30 April 2024. The financial statements were signed on behalf of the Board of Directors by Alfred Pisani (Chairman) and Richard Cachia Caruana (Director) as per the Directors' Declaration on ESEF Annual Financial Report submitted in conjunction with the Annual Financial Report.

STATEMENT OF CHANGES IN EQUITY

THE COMPANY

	SHARE CAPITAL €'000	OTHER EQUITY COMPONENTS €'000	REPORTING CURRENCY CONVERSION DIFFERENCE €'000	ACCUMULATED LOSSES €'000	TOTAL EQUITY €'000
Balance at 1 January 2022	615,685	67,714	443	6,866	690,708
Loss for the year	-	-	-	(8,897)	(8,897)
Other comprehensive income	-	(6,529)	-	-	(6,529)
Total comprehensive income	-	(6,529)	-	(8,897)	(15,426)
Balance at 31 December 2022	615,685	61,185	443	(2,031)	675,282
Balance at 1 January 2023	**615,685**	**61,185**	**443**	**(2,031)**	**675,282**
Loss for the year	**-**	**-**	**-**	**(6,569)**	**(6,569)**
Other comprehensive income	**-**	**39,249**	**-**	**-**	**39,249**
Total comprehensive income	**-**	**39,249**	**-**	**(6,569)**	**32,680**
Balance at 31 December 2023	**615,685**	**100,434**	**443**	**(8,600)**	**707,962**

STATEMENT OF CASH FLOWS

THE COMPANY

	NOTES	2023 €'000	2022 €'000
Loss before tax		**(10,795)**	(13,541)
Adjustments	36	**7,290**	10,322
Working capital changes:			
Trade and other receivables		**(9,903)**	(4,451)
Trade and other payables		**2,687**	(477)
Cash used in operations		**(10,721)**	(8,147)
Tax refund		**-**	160
Net cash used in operating activities		**(10,721)**	(7,987)
Investing activities			
Payments to acquire property, plant and equipment		**(38)**	(48)
Payments to acquire right of use		**-**	30
Payments to acquire intangible assets		**(7)**	(2)
Loan repayments received from related parties		**(32,097)**	(34,992)
Net cash used in investing activities		**(32,142)**	(35,012)
Financing activities			
Drawdowns of bank borrowings		**49,886**	5,000
Proceeds from bank borrowings		**-**	-
Repayment of bank borrowings		**(4,504)**	(3,110)
Bank Loan Fees		**(575)**	-
Proceeds of loans from related parties		**3,712**	4,100
Proceeds/(Repayment) of loan from ultimate parent		**(2,000)**	20,000
Proceeds from bond issue		**29,502**	-
Repayment of bond		**(4,058)**	-
Lease payment – principal		**(271)**	(271)
Bond issue costs		**(780)**	-
Cancellation of bonds		**(53)**	-
Interest paid		**(18,695)**	(14,594)
Net cash generated from financing activities		**52,164**	11,125
Net change in cash and cash equivalents		**9,301**	(31,874)
Cash and cash equivalents at beginning of year		**8,564**	40,438
Cash and cash equivalents at end of year	23	**17,865**	8,564

The accompanying notes are an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

1. GENERAL INFORMATION

International Hotel Investments p.l.c. (the 'Company') is a public limited liability company incorporated and domiciled in Malta. The address of the Company's registered office and principal place of business is 22, Europa Centre, Floriana FRN 1400, Malta. The ultimate parent company is CPHCL Company Limited (CPHCL) with the same registered office address.

2. NATURE OF OPERATIONS

International Hotel Investments p.l.c. and its subsidiaries' (the 'Group' or 'IHI') principal activities include the ownership, development and operation of hotels, leisure facilities and other activities related to the tourism industry and commercial centres. The Group is also actively engaged in the provision of residential accommodation and project management services.

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES

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

3.1 BASIS OF PREPARATION

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

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

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

GOING CONCERN

Operating conditions continued to improve during 2023 as almost all operations recovered from the effect of the COVID-19 pandemic. In 2023, the Group recorded an improved operating result before depreciation and fair value adjustments of €60.3 million compared to €51.7 million last year. The Group is projecting that consolidated revenue levels will continue to improve during 2024 and beyond as new openings come into play.

As from February 2022, the Group's operations in Russia were impacted in view of the military conflict between Russia and Ukraine. The geopolitical situation between Russia and the west resulted in a drop in international business to and from Russia, and in sanctions and counter sanctions being imposed (Note 5.2).

In 2022, due to the evolving situation in and around the Russian market, the Group opted to settle in full its bank loan on its property in St. Petersburg. Naturally this had impacted the Group's cashflows and liquidity.

All COVID related arrangements that the Group had entered into with its funding banks both in Malta and internationally, had reverted back to their pre COVID-19 terms in 2022 and all capital and interest is being met when due. The Group's liquidity situation is being kept under constant review, particularly in view of increased interest costs and certain projects and commitments that the Group is currently engaged in.

At 31 December 2023, the Group had access to €143.6 million, comprising €49.1 million of undrawn committed facilities, €7.4 million of unutilised bank overdrafts and

€87.1 million of cash balances. This liquidity position enables the Group to sustain its operations as well as meet its capital commitments. Overall, the Group's statement of financial position remains robust.

Accordingly, the Directors and senior management consider the going concern assumption in the preparation of the Group's financial statements as appropriate as at the date of authorisation for issue of the 2023 financial statements. In their view, as at that date, there were no material uncertainties that may cast significant doubt on the Group's ability to continue operating as a going concern.

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

WORKING CAPITAL POSITION

The Group's working capital position as at the end of December 2023 reflects a surplus of €6.3m (2022: deficit of €26.5m). The 2022 deficit was due to a bullet repayment of €29 million which was due in 2023, hence classified as a current liability as at December 2022. The Group managed to successfully refinance this loan.

Apart from the surplus cash flows generated from the Group's operations and investment, the Group maintains a policy of supplementing cash available for its working capital requirements with various financing initiatives and when the market conditions permit, the disposal of non-core assets.

Further disclosures on liquidity risk are included in Note 41.2.

3.2 STANDARDS, INTERPRETATIONS AND AMENDMENTS TO PUBLISHED STANDARDS EFFECTIVE IN 2023

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

- Amendments to IAS 1 and IFRS Practice Statement 2 – Disclosure of Accounting Policies
- IAS 12 Amendment – Deferred Tax related to Assets and Liabilities arising from a Single Transaction
- Amendment to IAS 8 – Accounting Policies, Changes in Accounting Estimates and Errors

3.3 STANDARDS, INTERPRETATIONS AND AMENDMENTS TO PUBLISHED STANDARDS THAT ARE NOT YET EFFECTIVE

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

3.4 PRINCIPLES OF CONSOLIDATION AND EQUITY ACCOUNTING

(I) SUBSIDIARIES

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

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

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

(II) ASSOCIATES

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

(III) EQUITY METHOD

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

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

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

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

3.5 INVESTMENTS IN SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES IN THE COMPANY'S STAND-ALONE FINANCIAL STATEMENTS

In the Company's separate financial statements, investments in subsidiaries, associates and joint ventures are accounted for in accordance with IFRS 9's requirements for equity investments. The Company elects, on an instrument-by-instrument basis, whether its investments will be measured at fair value, with fair value movements in other comprehensive income. Management has adopted the FVOCI election for all of its investments in subsidiaries, associates and joint ventures. The fair value of investments in subsidiaries, associates and joint ventures is established by using valuation techniques, in most cases by reference to the net asset backing of the investee taking cognisance of the fair values of the underlying assets.

Additional detail on the subsequent measurement and impairment requirements for FVOCI assets is disclosed in Note 3.10.

3.6 FOREIGN CURRENCY TRANSLATION

(I) FUNCTIONAL AND PRESENTATION CURRENCY

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

(II) TRANSACTIONS AND BALANCES

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

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

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

(III) GROUP COMPANIES

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

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

the dates of the transactions); and
- all resulting exchange differences are recognised in other comprehensive income.

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

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

3.7 PROPERTY, PLANT AND EQUIPMENT

All property, plant and equipment is initially recorded at historical cost. Land and buildings are subsequently shown at fair value, based on periodic valuations by professional valuers, less subsequent depreciation for buildings. Valuations are carried out on a regular basis such that the carrying amount of property does not differ materially from that which would be determined using fair values at the end of the reporting period. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset, and the net amount is restated to the revalued amount of the asset. All other property, plant and equipment is subsequently stated at historical cost less depreciation and impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Borrowing costs which are incurred for the purpose of acquiring or constructing a qualifying asset are capitalised as part of its cost. Borrowing costs are capitalised while acquisition or construction is actively underway. Capitalisation of borrowing costs is ceased once the asset is substantially complete and is suspended if the development of the asset is suspended.

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

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

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

	YEARS
Freehold buildings	33-150
Plant and equipment	2 -15
Furniture, fixture and fittings	3 -10
Motor vehicles	5

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

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

Property, plant and equipment is reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable (refer to Note 3.10). An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. Property, plant and equipment that suffered an impairment is reviewed for possible reversal of the impairment at the end of each reporting period.

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

3.8 INVESTMENT PROPERTY

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

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

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

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

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

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

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

3.9 INTANGIBLE ASSETS

(A) GOODWILL

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

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose. The units or groups of units are identified at the lowest level at which goodwill is monitored for internal management purposes, being the operating segments (Note 6).

(B) BRANDS

The brands mainly comprise the 'Corinthia' brand name relating to hospitality and catering. The 'Corinthia' brand was acquired from the Group's parent, CPHCL, and represents the consideration paid on its acquisition.

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

(C) OTHER INTANGIBLE ASSETS

Separately acquired intangible assets, such as purchased computer software are shown at historical cost. Customer contracts acquired in a business combination are recognised at fair value at the acquisition date.

These intangible assets have a finite useful life and are subsequently carried at cost less accumulated amortisation and impairment losses.

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

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

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

3.10 FINANCIAL INSTRUMENTS

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

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

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

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

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

3.10.1 CLASSIFICATION OF FINANCIAL ASSETS

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

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

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

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

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

3.10.2 RECOGNITION AND DERECOGNITION OF FINANCIAL ASSETS

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

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

3.10.3 SUBSEQUENT MEASUREMENT OF FINANCIAL ASSETS

DEBT INSTRUMENTS

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

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

- Amortised cost: Financial assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other operating expenses together with foreign exchange gains and losses. Impairment losses are presented under net movements in credit losses on loans receivable in the income statement.

- FVTPL: Financial assets that do not meet the criteria for amortised cost or FVOCI are measured at FVTPL. A gain or loss on a debt investment that is subsequently measured at FVTPL is recognised in profit or loss and presented net within net changes in fair value of financial assets in the period in which it arises. The Group classified its investments in mutual funds in this category, on the basis that such investments fail to meet the 'solely payments of principal and interest' test.

EQUITY INSTRUMENTS

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

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

3.10.4 TRADE RECEIVABLES

Trade and other receivables are subsequently measured at amortised cost using the effective interest method, less loss allowance. The Group holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method. Details about the Group's impairment policies and the calculation of the loss allowance are provided in Note 37.

3.10.5 CASH AND CASH EQUIVALENTS

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

3.10.6 IMPAIRMENT OF FINANCIAL ASSETS

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

For trade receivables the Group applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables, see Note 37.1 for further details.

3.10.7 CLASSIFICATION, RECOGNITION AND DERECOGNITION OF FINANCIAL LIABILITIES

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

3.10.8 SUBSEQUENT MEASUREMENT OF FINANCIAL LIABILITIES

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

3.10.9 TRADE AND OTHER PAYABLES

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

3.10.10 BORROWINGS

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

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

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

3.10.11 OFFSETTING FINANCIAL INSTRUMENTS

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

3.11 INVENTORIES

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

3.12 INCOME TAX

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

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

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

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

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

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

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

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

3.13 PROVISIONS

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

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

3.14 CONTINGENT LIABILITIES

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

3.15 REVENUE RECOGNITION

(A) REVENUE FROM HOTEL OPERATIONS

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

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

(B) CATERING SERVICES

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

(C) PROJECT MANAGEMENT SERVICES

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

The consideration for project management services is based on the expected number of hours that the Group expects to be required for the project to be completed.

Revenue and contract costs are recognised over the period of the contract, respectively, as revenue and expenses. When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

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

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

(D) HOTEL MANAGEMENT AGREEMENTS

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

CONTRACT ASSETS

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

3.16 LEASES

The Group's lease accounting policy where the Group is the lessee is disclosed in Note 16.

3.16.1 ACCOUNTING POLICY WHERE THE GROUP IS THE LESSOR

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

3.17 EMPLOYEE BENEFITS

(A) SHORT-TERM OBLIGATIONS

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

(B) BONUS PLANS

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

(C) CONTRIBUTIONS TO DEFINED CONTRIBUTION PENSION PLANS

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

3.18 GOVERNMENT GRANTS

Grants are recognised when there is reasonable assurance that all the conditions attached to them are complied with and the grants will be received. Grants related to income are recognized in the profit or loss over the periods necessary to match them with the related costs which they are intended to compensate. Such grants are presented as part of profit or loss, by deducting them from the related expense. Grants related to assets are presented in the statement of financial position as deferred income, which is recognized as income over the useful life of the asset.

3.19 EARNINGS PER SHARE

BASIC EARNINGS PER SHARE

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the Group,
- by the weighted average number of ordinary shares outstanding during the financial year.

3.20 SEGMENT REPORTING

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

The board of IHI has appointed a strategic steering committee which assesses the financial performance and position of the Group and makes strategic decisions and accordingly has been identified as being the chief operating decision maker.

4. CRITICAL ACCOUNTING ESTIMATES, JUDGEMENTS AND ERRORS

4.1 SIGNIFICANT ESTIMATES AND JUDGEMENTS

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

The fair value of property, plant and equipment and investment properties is determined by using valuation techniques. Further details of the judgements and assumptions made are disclosed in Note 15. This Note highlights information about the fair value estimation of land and buildings and investment property, together with a sensitivity analysis of the effects of shifts in unobservable inputs used in determining these fair values. Additionally, the significant estimates and uncertainties arising from the Group's operations in Libya and Russia are disclosed in Note 5.

Estimations, uncertainties and judgements made in determining the lease term in relation to lease accounting are disclosed in Note 16.

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of taxable profits, together with future tax planning strategies. Additional information on the unrecognised deferred tax assets is included in Note 33.

The Company's critical estimates pertain to the fair valuation of its investments in subsidiaries, associates and joint ventures. Refer to Note 41.6 for more information.

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

5. THE GROUP'S OPERATIONS IN LIBYA AND RUSSIA

5.1 THE GROUP'S OPERATIONS IN LIBYA

The Group's investments in Libya principally comprise:

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

Encouragingly in March 2024, the speaker of the eastern based House of Representatives and the head of the western based High Council of State met in Egypt and agreed to unify sovereign positions stressing Libya's sovereignty, independence and territorial integrity and rejecting any foreign intervention that affects the Libyan political process negatively. Following this agreement a technical committee will be formed within a given timeframe to resolve unsettled matters.

The state of economic uncertainty that continued to prevail during the financial year ended 31 December 2023 continues to impact negatively the Libyan hospitality and real estate sectors which in turn impacts the Group's financial results in Libya. Having stated the above, and notwithstanding the negative impact of the COVID-19 pandemic and Libyan Dinar devaluation in 2021 which saw the Group's revenue and profitability reduce significantly, it should be noted that the turnover registered during 2023 by Corinthia Towers Tripoli Limited amounts to €11.86 million (2022: €12.19 million) representing 4.12% (2022: 5.12%) of the Group's Revenue, with a profit before tax of €10.90 million (2022: profit before tax of €4.33 million). In 2023 a fair value gain on the investment property of €7.92 million was recognised (2022: nil) in view of the consistent cashflows based on long-term agreements. Current year's revenue includes €7.45 million (2022: €7.90 million) generated from rental contracts attributable to the Commercial Centre that remained in full operation throughout since its opening, generating a steady income from the lease of commercial offices within the Centre to international blue-chip companies. The existence of long-term leases has mitigated the impact of the continued political instability and state of uncertainty on the Commercial Centre. The Commercial Centre remained fully leased out in 2023.

Whilst the Commercial Centre continued to generate positive net contributions as in previous years, the year ended 2023 saw the hotel closing with a negative net financial result of €0.50 million mainly due to loss of occupancy, versus the positive net operational financial result achieved in 2022. Management's objective for the hotel is to continue to build on the current operational base and to ensure that payroll and other operating costs are managed in the context of reduced operating income levels. At the same time, however, the company continues to invest in maintenance and security costs to ensure that the hotel is kept in a pristine condition to allow it to benefit from increased revenues once the situation improves.

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

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

	CARRYING AMOUNT AS AT	
	31 DECEMBER 2023 €M	31 DECEMBER 2022 €M
Corinthia Towers Tripoli Limited		
Property, plant and equipment	**65.4**	67.1
Investment property	**112.8**	104.8
Inventories	**1.9**	1.8
Trade receivables, net of provisions	**0.5**	0.3
Medina Towers J.S.C.		
Investment in associate accounted for using the equity method of accounting	**5.0**	5.2

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

In assessing the value of the Hotel, the Directors also believe that the outlook has not changed significantly over the past twelve months and therefore they have retained the expectations of a gradual recovery for the Hotel. However, the Directors also recognise that there is interest from a number of sources for short and long-term accommodation. Hotel occupancy rates in the initial months of 2024 have shown signs of improvement and the outlook is encouraging. As a result, the results of the valuation assessment supporting the carrying amount of the Hotel in Libya are substantially in line with the assessments made last year, save for a reduction in the carrying value of €1.84 million representing the depreciation charge for the year under review. In accordance with this assessment, no further impairment charges were deemed necessary in these financial statements after taking into account the impairment charges of €40.50 million recognised in 2014 and further depreciation charges amounting to €23.96 million accounted for between 2016 and 2023.

In the case of the Commercial Centre, on account of consistent cashflows based on long-term agreements an uplift in the carrying amount of €7.92 million was recognised during the current year.

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

The Group's investment property also includes a site surrounding the Hotel, with no determined commercial use, having a carrying amount of €29.50 million as at 31 December 2023, which is unchanged from the carrying amount as at 31 December 2022. This fair valuation is based on an independent real estate value of the site taking into account limited available market information.

In view of the prevailing circumstances in Libya, The Medina Tower Project owned by an associate of the Group has slowed down considerably. The key assets within this company as at 31 December 2023 held in Libyan Dinar comprise the project site carried at LYD 67.84 million equivalent to €12.89 million (2022: LYD 67.81 million equivalent to €13.16 million), and Euro denominated cash balances amounting to €7.35 million (2022: €7.90 million). The carrying amount of investment held by the Group in this project amounts to €5.00 million (2022: €5.20 million).

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

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

5.2 THE GROUP'S OPERATIONS IN RUSSIA

The Group's investments in Russia principally comprise:

The Corinthia Hotel St Petersburg, a fully owned five-star hotel in St. Petersburg with a carrying amount of €53.46 million (2022: €71.83 million) managed through Corinthia Hotels Limited a subsidiary of IHI p.l.c.;

An adjoining Commercial Centre to the above-mentioned hotel, with a carrying amount of €38.32 million (2022: €52.48 million) operated by IHI Benelux B.V., a subsidiary of IHI p.l.c.; and

A 10% equity investment in Lizar Holdings Limited, a hotel and residential development in Moscow, having a carrying amount of €0.03 million (2022: €0.03 million).

In February 2022, a military conflict erupted between Russia and Ukraine with consequential international sanctions being imposed on Russia. The situation regarding these sanctions and counter-sanctions imposed by Russia itself continues to evolve. The consequences of these sanctions on the group and future effects on operational incomes are difficult to determine and depend on the duration of this conflict. The Group has engaged international legal advisers to assist in managing the situation that the sanctions have brought about.

The geopolitical situation between Russia and the west resulted in a drop in international business. Nevertheless, the hotel still increased occupancy levels over 2022 in view of the local trade that the hotel always enjoyed.

In 2022, due to the evolving situation in and around the Russian market and in view of the escalating sanctions that were being imposed on Russia, the Group settled the bank loan on its property in St. Petersburg. Whilst naturally impacting on the Group's cashflows, the transaction has also had the beneficial effect of removing exchange rate volatility which the Group had experienced during past years due to this facility.

Both the hotel and the Commercial Centre have remained operational since the eruption of the conflict. The turnover registered during 2023 by IHI Benelux BV and Corinthia St.Petersburg LLC amounts to €14.22 million (2022: €13.26 million), representing 4.94% (2022: 5.57%) of the Group's Revenue, with a profit before tax of €1.67 million after deducting a fair value movement of €1.72 on the investment property (2022: profit before tax of €4.86 million). Current year's revenue includes €2.28 million (2022: €3.20 million) generated from rental contracts attributable to the Commercial Centre.

The settlement of the bank loan in 2022 resulted in a gain on exchange of €12.09 million reported in the comparative income statement with net exchange differences on borrowings.

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

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

	CARRYING AMOUNT AS AT	
	31 DECEMBER 2023 €M	31 DECEMBER 2022 €M
IHI Benelux B.V.		
Property, plant and equipment	**53.5**	71.8
Investment property	**38.3**	52.5
Inventories	**0.6**	0.7
Trade receivables, net of provisions	**0.3**	0.1
Moscow project		
Investment and loans	**6.1**	6.5

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

In assessing the value of the Hotel, the Directors recognised that the recent developments resulted in a drastic drop in international trade and consequentially a delay in the recovery from COVID-19. The valuation assessment carried out by professional valuers includes a higher element of uncertainty. Nevertheless, the carrying amount of the hotel remained unchanged in 2023 (2022: fair value loss of €9.74 million) whilst a negative fair value movement of €1.71 million on the Commercial Centre was reported in the income statement (2022: €5.90 million).

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

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

The above assets totalling €92.7 million are based on an exchange rate of 99.1919. Should this vary by 5%, the impact on the Group's assets would increase or reduce by €4.4 million.

6. SEGMENT REPORTING

The standard requires a "management approach" under which segment information is presented on the same basis as that used for internal reporting purposes. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Group's board of directors.

An operating segment is a group of assets and operations engaged in providing services that are subject to risks and returns that are different from that of other segments. Each hotel is considered to be an operating segment.

Hotel ownership, development and operations is the dominant source of the Group's risks and returns. The Group is also engaged in the ownership and leasing of its investment property. Malta is the jurisdiction of the parent and management companies.

The board of directors assesses performance based on the measure of operating results before depreciation and fair value of each hotel.

The Group is not required to report a measure of total assets and liabilities for each reportable segment since such amounts are not regularly provided to the chief operating decision maker. However, in accordance with IFRS 8, non-current assets (other than financial instruments, investments accounted for using the equity method and deferred tax assets) are divided into geographical areas.

INFORMATION ABOUT REPORTABLE SEGMENTS

HOTELS	MALTA		LISBON		BUDAPEST		ST. PETERSBURG	
	2023 €'000	2022 €'000	**2023 €'000**	2022 €'000	**2023 €'000**	2022 €'000	**2023 €'000**	2022 €'000
Segment revenue	**70,298**	53,466	**31,977**	25,189	**21,870**	15,686	**11,954**	10,053
Operating results before depreciation and fair value gains/(losses)	**15,457**	9,565	**8,414**	5,506	**4,128**	2,885	**3,180**	1,552
Depreciation and amortisation	**(5,959)**	(5,766)	**(3,834)**	(4,017)	**(1,577)**	(1,629)	**(1,618)**	(2,222)
Segment profit or loss	**9,498**	3,799	**4,580**	1,489	**2,551**	1,256	**1,562**	(670)

HOTELS	PRAGUE		LONDON		TRIPOLI		TOTAL	
	2023 €'000	2022 €'000	**2023 €'000**	2022 €'000	**2023 €'000**	2022 €'000	**2023 €'000**	2022 €'000
Segment revenue	**16,287**	10,735	**92,326**	82,472	**4,413**	4,293	**249,125**	201,894
Operating results before depreciation and fair value gains/(losses)	**1,954**	(90)	**14,440**	14,085	**(389)**	143	**47,184**	33,646
Depreciation and amortisation	**(1,749)**	(1,742)	**(8,440)**	(8,471)	**(1,839)**	(2,589)	**(25,016)**	(26,436)
Segment profit or loss	**205**	(1,832)	**6,000**	5,614	**(2,228)**	(2,446)	**22,168**	7,210

HOTELS	TOTAL	
	2023 €'000	2022 €'000
Segment revenue	**249,125**	201,894
Rental income from investment property	**9,710**	11,104
Hotel management company revenue	**17,003**	13,826
Catering business revenue	**19,768**	18,533
Project management revenue	**8,503**	7,207
Development revenue	**144**	325
Holding company revenue	**4,686**	3,985
Elimination of intra-group revenue	**(21,166)**	(18,667)
Group revenue	**287,773**	238,207
Segment profit or loss	**22,168**	7,210
Net rental income from investment property	**7,845**	8,973
Change in fair value of investment property	**6,423**	(6,620)
Catering business result	**(372)**	919
Other impairments	**(1,405)**	(1,307)
Project management business result	**1,494**	1,298
Development business result	**(675)**	(228)
Corporate office operating profit	**(4,373)**	(5,453)
Hotel management company operating profit	**2,759**	2,652
Depreciation	**(1,146)**	(1,278)
Amortisation	**(1,430)**	(1,450)
Unallocated items	**(3,557)**	(1,085)
Consolidation adjustments	**8,774**	10,680
	36,505	14,311
Share of results from equity accounted investments	**(25)**	(61)
Net changes in fair value of financial assets at fair value through profit and loss	**(1,787)**	(2,925)
Finance income	**1,266**	440
Finance costs	**(40,058)**	(12,793)
Other exceptional gains/(losses)	**(27)**	198
Reclassification of currency translation reserve to profit or loss	**-**	(264)
Loss before tax	**(4,126)**	(1,094)

NON-CURRENT ASSETS	MALTA		LISBON		BUDAPEST		ST. PETERSBURG	
	2023 €'000	2022 €'000	**2023 €'000**	2022 €'000	**2023 €'000**	2022 €'000	**2023 €'000**	2022 €'000
Hotels	**233,499**	209,646	**119,183**	108,615	**116,048**	119,758	**53,458**	71,830
Investment properties								
Hotel management								
Catering business								
Project management business								
Holding company								
Unallocated items								

NON-CURRENT ASSETS	PRAGUE		LONDON		TRIPOLI		TOTAL	
	2023 €'000	2022 €'000	**2023 €'000**	2022 €'000	**2023 €'000**	2022 €'000	**2023 €'000**	2022 €'000
Hotels	**87,980**	89,438	**538,943**	514,401	**65,400**	67,135	**1,214,511**	1,180,823
Investment properties							**161,635**	167,682
Hotel management							**42,723**	38,913
Catering business							**11,779**	11,721
Project management business							**3,084**	2,484
Holding company							**130,952**	79,185
Unallocated items							**52,911**	53,753
							1,617,595	1,534,561

During the current and comparative year there were no material inter-segment sale transactions.

7. EXPENSES BY NATURE

The major items included within profit or loss are included below:

	THE GROUP		THE COMPANY	
	2023 €'000	2022 €'000	2023 €'000	2022 €'000
Loss on disposal of property, plant and equipment	**1,708**	166	**-**	-
Depreciation of property, plant and equipment (Note 15)	**23,654**	24,919	**37**	33
Depreciation of right-of-use assets (Note 16)	**2,508**	2,795	**248**	255
Amortisation of intangible assets (Note 12)	**1,430**	1,450	**13**	26
Professional fees	**5,708**	4,181	**776**	342
Cost of goods sold	**25,529**	22,009	**-**	-
Energy utilities	**11,317**	11,886	**9**	14
Employee benefit expenses (Note 8)	**89,259**	70,123	**4,855**	4,610
Property taxes	**4,053**	4,636	**-**	-
Repairs and maintenance	**7,877**	6,744	**-**	-
Net movements in credit losses on receivables and other assets balances	**482**	(255)	**-**	-

Director's remuneration charged in the income statements in 2023 amounted to €1.3 million (2022: €1.3 million). This amount is net of a recharge of €0.1 million (2022: Nil) to CPHCL Company Limited, the Group's immediate parent entity. The gross amount includes a fixed portion of €1.1million (2022: €1.0 million) and a variable portion of €0.3

million (2022: €0.3 million). Directors' fees charged in the income statement in 2023 amounted to €0.4 million (2022: €0.6 million).

7.1 AUDITOR'S FEES

Fees charged by the auditor (including fees charged by other network firms) for services rendered during the financial years ended 31 December 2023 and 31 December 2022 are shown in the table below.

	THE GROUP		THE COMPANY	
	2023 €'000	2022 €'000	2023 €'000	2022 €'000
Annual statutory audit	**731**	685	**146**	134
Tax compliance and advisory fees	**34**	41	**12**	12
Other non-audit services	**93**	2	**93**	93
	858	728	**251**	239

Fees charged by the parent company auditor for services rendered during the financial year ended 31 December 2023 and 2022 to the Group relating to the annual statutory audit amounted to €368,000 (2022: €344,000). Fees charged by connected undertakings of the company's parent auditor to the group relating to tax compliance and advisory fees amounted to €127,000 (2022: €42,000).

8. PERSONNEL EXPENSES

	THE GROUP		THE COMPANY	
	2023 €'000	2022 €'000	2023 €'000	2022 €'000
Wages and salaries	**77,734**	58,317	**4,652**	4,089
Social security contributions	**7,540**	6,057	**82**	74
Other staff costs	**3,985**	5,749	**121**	447
	89,259	70,123	**4,855**	4,610

Weekly average number of employees:

	THE GROUP		THE COMPANY	
	2023 NO.	2022 NO.	2023 NO.	2022 NO.
Management and administrative	**675**	559	**38**	33
Operating	**1,917**	1,690	**-**	-
	2,592	2,249	**38**	33

In response to the COVID-19 pandemic, the Group has benefitted from varying schemes adopted by the respective Governments in all countries in which the Group operates. The Group and the Company received grants amounting to €3.2 million and €0.1 million respectively in 2022, under the varying schemes adopted by the respective Governments. No grants were received during 2023. These grants have been netted off against the wages and salaries amount disclosed above.

In addition to the amounts shown in the above table, the Group also incurred outsourced labour costs amounting to €17.6 million (2022: €15.6 million).

9. FINANCE INCOME AND FINANCE COSTS

	THE GROUP 2023 €'000	THE GROUP 2022 €'000
Finance income:		
Interest income on:		
Loans advanced to related companies	**194**	127
Loans advanced to other investee	**242**	248
Other balances	**566**	-
Bank deposits	**264**	65
Finance income	**1,266**	440
Finance costs:		
Interest expense on:		
Bank borrowings	**(22,164)**	(12,832)
Bonds	**(12,996)**	(12,788)
Amortisation of transaction costs on borrowings	**(946)**	(761)
Lease liabilities (Note 16)	**(823)**	(679)
Other costs	**(1,825)**	(1,100)
Net exchange differences	**(1,304)**	15,367
Finance costs	**(40,058)**	(12,793)

10. TAX (EXPENSE)/CREDIT

The (expense)/credit for income tax on profits/(losses) derived from local and foreign operations has been calculated at the applicable tax rates.

	THE GROUP		THE COMPANY	
	2023 €'000	2022 €'000	2023 €'000	2022 €'000
Current taxation:				
- Current year tax (expense)	**(2,034)**	(1,904)	**(64)**	-
Deferred taxation:				
- Deferred tax income	**(5,138)**	684	**4,290**	4,644
- Adjustment recognised in financial period for deferred tax of prior period	**(5)**	(28)	**-**	-
	(7,177)	(1,248)	**4,226**	4,644

Refer to Note 33 for information on the deferred tax assets and liabilities.

10.1 TAX (EXPENSE)/CREDIT RECONCILIATION

	THE GROUP		THE COMPANY	
	2023 €'000	2022 €'000	2023 €'000	2022 €'000
Loss before tax	**(4,126)**	(1,094)	**(10,795)**	(13,541)
Income tax using the Company's domestic tax rate of 35%	**1,444**	383	3,778	4,739
Effect of (losses)/income subject to foreign/different tax rates	(538)	1,192	-	-
Effect of reduction in tax rate on opening temporary difference	93	617	-	-
Non-tax deductible expenses	(1,180)	(3,225)	(41)	(113)
Non taxable income	266	-	532	-
Over/(under) provision in respect of previous years	76	(28)	-	(8)
Movement in unrecognised temporary differences	(6,138)	(254)	20	26
Effect of Group's share of profit and loss of investments recognised using the equity method	(9)	(21)	-	-
Other	(1,191)	88	(63)	-
Tax (expense)/credit	(7,177)	(1,248)	4,226	4,644

10.2 TAX RECOGNISED IN OTHER COMPREHENSIVE INCOME

The tax impacts which are entirely attributable to deferred taxation, relating to components of other comprehensive income and accordingly presented directly in equity are as follows:

	2023			2022		
	BEFORE TAX €'000	TAX CREDIT €'000	NET OF TAX €'000	BEFORE TAX €'000	TAX CREDIT €'000	NET OF TAX €'000
Group						
Fair valuation of land and buildings	**62,495**	**(15,462)**	**47,032**	2,959	1,949	4,908
Currency translation differences	**(20,842)**	**3,707**	**(17,135)**	(22,559)	(666)	(23,225)
	41,653	**(11,755)**	**29,897**	(19,600)	1,283	(18,317)
Company						
Fair value movements on investments in subsidiaries, associates and joint ventures	**50,989**	**(11,740)**	**39,249**	(6,097)	(432)	(6,529)

11. EARNINGS PER SHARE

Basic earnings per share is calculated by dividing loss attributable to equity holders of IHI by the weighted average number of ordinary shares in issue during the year.

	THE GROUP	
	2023 €'000	2022 €'000
Loss from operations attributable to the owners of the parent	**(10,346)**	(5,442)
Number of shares:		
At 1 January and 31 December	**615,685**	615,685
Weighted average number of shares:		
At 1 January and 31 December	**615,685**	615,685
Earnings per share	**(0.02)**	(0.01)

As at 31 December 2023 and 2022, the Group did not have any dilutive shares. Accordingly, the diluted earnings per share disclosure which would have otherwise been required by IAS 33, is not presented.

12. INTANGIBLE ASSETS

	THE GROUP						
	GOODWILL €'000	BRANDS €'000	BRAND DESIGN FEE AND OTHER RIGHTS €'000	CONCESSIONS €'000	OPERATING CONTRACTS €'000	OTHERS €'000	TOTAL €'000
Cost							
At 1 January 2022	37,608	25,121	9,108	463	23,334	3,289	98,923
Additions	–	–	11	–	–	8	19
Exchange differences	–	–	(2)	–	–	–	(2)
At 31 December 2022	37,608	25,121	9,117	463	23,334	3,297	98,940
At 1 January 2023	**37,608**	**25,121**	**9,117**	**463**	**23,334**	**3,297**	**98,940**
Additions	**-**	**-**	**35**	**-**	**-**	**1,005**	**1,040**
Disposals	**-**	**-**	**1**	**-**	**-**	**-**	**1**
Exchange differences	**-**	**-**	**1**	**-**	**-**	**-**	**1**
At 31 December 2023	**37,608**	**25,121**	**9,154**	**463**	**23,334**	**4,302**	**99,982**
Amortisation							
At 1 January 2022	17,482	3,193	9,008	450	17,695	2,879	50,707
Amortisation for the year	–	–	47	13	1,317	73	1,450
Exchange differences	–	–	(2)	–	–	–	(2)
At 31 December 2022	17,482	3,193	9,053	463	19,012	2,952	52,155
At 1 January 2023	**17,482**	**3,193**	**9,053**	**463**	**19,012**	**2,952**	**52,155**
Amortisation for the year	**-**	**-**	**25**	**-**	**1,167**	**238**	**1,430**
Disposals	**-**	**-**	**1**	**-**	**-**	**-**	**1**
Exchange differences	**-**	**-**	**1**	**-**	**-**	**-**	**1**
At 31 December 2023	**17,482**	**3,193**	**9,080**	**463**	**20,179**	**3,190**	**53,587**
Carrying amount							
At 1 January 2022	20,126	21,928	100	13	5,639	410	48,216
At 31 December 2022	20,126	21,928	64	–	4,322	345	46,785
At 31 December 2023	**20,126**	**21,928**	**74**	**-**	**3,155**	**1,112**	**46,395**

	THE COMPANY		
	BRAND €'000	OTHERS €'000	TOTAL €'000
Cost			
At 1 January 2022	2,400	103	2,503
Additions	-	1	1
At 31 December 2022	2,400	104	2,504
At 1 January 2023	**2,400**	**104**	**2,504**
Additions	**-**	**7**	**7**
At 31 December 2023	**2,400**	**111**	**2,511**
Amortisation			
At 1 January 2022	-	64	64
Amortisation for the year	-	26	26
At 31 December 2022	-	90	90
At 1 January 2023	**-**	**90**	**90**
Amortisation for the year	**-**	**13**	**13**
At 31 December 2023	**-**	**103**	**103**
Carrying amount			
At 1 January 2022	2,400	39	2,439
At 31 December 2022	2,400	14	2,414
At 31 December 2023	**2,400**	**8**	**2,408**

During 2019, the Group, through IHI p.l.c., acquired rights to use the Corinthia brand in all respects. The rights acquired during the year are in addition to the rights previously held by the Group on the acquisition of the Corinthia brand in 2010.

Simultaneously with the acquisition of the brand, IHI p.l.c. also acquired investments in Catermax Limited and Corinthia Caterers Limited. These were assessed as one business combination from a Group perspective on which goodwill of €1.1 million was recognised.

INTANGIBLE ASSETS ARISING FROM HOTEL MANAGEMENT

On the acquisition of Corinthia Hotels Limited in 2006, the Group recognised goodwill amounting to €9.7 million, and operating contracts, amounting to €23.3 million, representing the assumed value attributable to the operation of hotel properties.

Further to the above, in December 2010, the Company purchased the Corinthia brand from its parent company (CPHCL) for €19.6 million. This value was determined by independent valuers on the basis of the projected income statements of existing hotels as at the end of 2009 and was subject to an adjustment following a similar valuation exercise based on 2010 figures.

During 2018, the Company sold the Corinthia brand to CHL for an amount of €35.0 million, recognising a profit on disposal of €15.4 million. Although the intra-group profit was eliminated at Group level, the tax base from use of the brand from a Group perspective increased from €19.6 million to €35.0 million, and a deferred tax asset was recognised in this respect.

The goodwill, operating contracts and the Corinthia brand were subject to an internal impairment assessment on the basis that these intangibles comprise one cash-generating unit. The indicative valuation is based on the discounted cash flows derived from hotel operating projections as prepared by specialists in hotel consulting, and confirm that no impairment charge is required as at 31 December 2023 and 2022.

The discounted cash flow (value-in-use) calculation was determined by discounting the forecast future cash flows generated by CHL for a ten-year explicit period 2024 – 2033, also refer to Note 3.1. The following are the key assumptions underlying the projections:

- revenue derived from IHI properties is based on operational projections. This accounts for 56.7% of the total revenue in the explicit period (2022 - 68.0%);
- revenue from other properties is assumed to increase by 2.0% per annum on 2024 budget (2022 – 2.0% on 2023 budget) (in-perpetuity growth rate of 2.0% per annum applied subsequently to the ten-year period covered by the explicit projections); and
- a pre-tax discount rate of 12.28% was applied to the operating projections of CHL (2022 – 12.28%).

GOODWILL ON THE ACQUISITION OF THE IHGH GROUP

During the year ended 31 December 2015, IHI acquired the IHGH Group. The goodwill arising on this major acquisition was of €1.4 million. The goodwill is attributable to cost synergies expected from combining the operations of IHGH Group and the Group. Relative to the Group's total asset base, the goodwill arising on this acquisition is not material to warrant the disclosures that would have otherwise been required by IAS 36.

GOODWILL ON THE ACQUISITION OF QPM LIMITED

During the year ended 31 December 2016, the Group acquired QPM Limited and its subsidiaries, as a result of which, the Group recognised goodwill amounting to €2.5 million. Relative to the Group's total asset base, the goodwill arising on this acquisition is not material to warrant the disclosures that would have otherwise been required by IAS 36.

GOODWILL ON THE ACQUISITION OF GOLDEN SANDS RESORT LTD

During the year ended 31 December 2021, the Group acquired the remaining 50% in Golden Sands Resort Ltd. This gave rise to a goodwill of €5.41 million.

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

BRAND DESIGN FEE AND OTHER RIGHTS

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

COSTA COFFEE MALTA

This cash-generating unit includes the operation of the Costa Coffee retail brand in Malta. At 31 December 2023, the Group operated thirteen outlets (2022: fifteen) each enjoying a strategic location in areas popular for retail operations. The carrying amount of the Brand design fees and other rights for Costa Coffee Malta amounted to €0.1 million (2022: €0.1 million).

OTHERS

Other intangible assets represent web-site development costs, a lease premium fee and licences.

13. INDEMNIFICATION ASSETS

	THE GROUP		THE COMPANY	
	2023 €'000	2022 €'000	2023 €'000	2022 €'000
As at 1 January and 31 December	**17,168**	17,168	**1,997**	1,997

In view of Group tax relief provisions applicable in Malta, any tax due by Corinthia Palace Hotel Company Limited ("CPHCL") on the transfer of the shares in IHI Towers s.r.o ("IHIT") and Corinthia Towers Tripoli Limited ("CTTL") to IHI effected in 2007 was deferred. This tax will only become due in the eventuality that IHI sells the shares in IHIT and/or CTTL and/or their underlying properties outside the Group. In accordance with the indemnity agreement entered into at the time of the acquisitions, CPHCL has indemnified the Group for future tax it may incur should the Group sell the shares or the underlying properties outside the Group. This indemnity will be equivalent to the tax that will be due by IHI on the gain that was untaxed in the hands of CPHCL. The indemnity has no time limit and has a maximum value of €45.0 million.

The indemnity agreement provides that in the event of a sale of the shares in IHIT and/or CTTL and/or their underlying properties outside the Group, CPHCL will be liable for the tax that will be due on the gain that was exempt in the hands of CPHCL at the time of the sale. Since it is certain that indemnification will be received from CPHCL if IHI settles the tax obligation, the indemnification assets have been recognised and treated as separate assets. During 2021 the asset relating to CTTL was reduced by €6.2 million to reflect the lower tax rate that would be chargeable in the event of a sale.

On the sale of its shares in Marina San Gorg Limited ("MSG"), CPHCL provided a tax indemnity to IHI, initially recognised at an amount of €1.5 million, and had a carrying amount of €0.2 million as at 31 December 2018. The indemnity agreement expired during 2019 and was written down to nil. The change in value of €0.2 million was recognised in profit or loss.

On the sale of its shares in QP Management Limited ("QPM") during the year ended 31 December 2016, CPHCL provided a tax indemnity to IHI. The sales contract was exempt from taxation on the basis that CPHCL and IHI form part of the same ultimate group for tax purposes. Should IHI dispose of the shares, it may become liable to tax that it would not have become liable to pay had CPHCL not been a related party. The indemnity has been recognised as a separate asset of €1.9 million, representing the tax that will be due by IHI on the gain that was untaxed in the hands of CPHCL.

14. INVESTMENT PROPERTY

	THE GROUP	
	2023 €'000	2022 €'000
At 1 January	**167,682**	161,149
Change in fair value	**6,423**	(6,620)
Additions	**2,232**	6,596
Transfer (to)/from property, plant and equipment (Note 15)	**(2,340)**	1,200
Currency translation differences	**(12,362)**	5,357
At 31 December	**161,635**	167,682

The transfer to property, plant and equipment in 2023 relates to Craven House, as additional parts of this office block are being used by the Group.

The transfer from property, plant and equipment in 2022 relates to one of the buildings in St. Petersburg, Russia. This building will in the future be used for leasing purposes and consequently its original cost and improvements made are being transferred from property, plant and equipment to investment property.

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

Disclosures required in terms of IFRS 13 in relation to fair value measurements attributable to investment property are presented in Note 15.1.

The carrying amount of each investment property is as follows:

	THE GROUP	
	2023 €'000	2022 €'000
Investment property		
Commercial Centre in St Petersburg	**38,316**	52,484
Commercial Centre in Tripoli	**83,260**	75,344
Apartment block in Lisbon	**6,386**	5,908
Site in Tripoli	**29,500**	29,500
Office block in London	**4,173**	4,446
	161,635	167,682

b. Investment properties are hypothecated with a carrying amount of €116.9 million (2022: €109.3 million) in favour of the Group's bankers as collateral for amounts borrowed as stated in Note 30.

c. Rental income earned by the Group for the period from investment property amounted to €9.7 million (2022: €11.1 million) and direct expenses to €1.8 million (2022: €2.1 million).

d. Direct operating expenses in relation to investment properties that did not generate rental income amounted to €0.1 million (2022: 0.05 million).

e. All investment property is leased out under operating leases with rentals payable monthly. Lease payments for some contracts include Consumer Price Index (CPI) increases. Where considered necessary to reduce credit risk, the Group may obtain bank guarantees for the term of the lease.

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

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

	THE GROUP	
	2023 €'000	2022 €'000
Within 1 year	**7,556**	7,098
Between 1 and 2 years	**6,359**	3,038
Between 2 and 3 years	**5,821**	2,329
Between 3 and 4 years	**4,691**	1,621
Between 4 and 5 years	**3,224**	1,588
Later than 5 years	**702**	34
	28,353	15,708

15. PROPERTY, PLANT AND EQUIPMENT

	THE GROUP					
	LAND AND BUILDINGS €'000	PLANT AND EQUIPMENT €'000	FURNITURE, FIXTURES AND FITTINGS €'000	MOTOR VEHICLES €'000	ASSETS IN THE COURSE OF CONSTRUCTION €'000	TOTAL €'000
Cost/revalued amount						
Balance at 1 January 2022	1,396,015	135,179	120,890	1,351	62,386	1,715,821
Revaluation	2,959	-	-	-	-	2,959
Revaluation adjustment *	(4,634)	-	-	-	-	(4,634)
Additions	10,814	2,378	2,306	60	23,285	38,843
Reallocations	660	265	533	-	(1,458)	-
Disposals	-	(500)	(223)	(306)	-	(1,029)
Other movements	(263)	-	-	-	(937)	(1,200)
Other write-offs	-	-	-	-	(98)	(98)
Currency translation differences	(19,634)	(2,050)	(2,185)	5	172	(23,692)
Balance at 31 December 2022	1,385,917	135,272	121,321	1,110	83,350	1,726,970
Balance at 1 January 2023	**1,385,917**	**135,272**	**121,321**	**1,110**	**83,350**	**1,726,970**
Revaluation	**66,995**	**-**	**-**	**-**	**-**	**66,995**
Revaluation adjustment *	**(44,916)**	**-**	**-**	**-**	**-**	**(44,916)**
Additions	**3,397**	**2,701**	**3,176**	**33**	**44,958**	**54,265**
Reallocations	**453**	**1,040**	**144**	**-**	**(1,637)**	**-**
Disposals	**(48)**	**(662)**	**(802)**	**-**	**(744)**	**(2,256)**
Other movements	**-**	**-**	**-**	**-**	**(1,405)**	**(1,405)**
Transfer from investment property	**2,340**	**-**	**-**	**-**	**-**	**2,340**
Currency translation differences	**(6,599)**	**(650)**	**(708)**	**(14)**	**(59)**	**(8,030)**
Balance at 31 December 2023	**1,407,539**	**137,701**	**123,131**	**1,129**	**124,463**	**1,793,963**
Depreciation and impairment losses						
Balance at 1 January 2022	238,876	111,195	105,162	900	-	456,133
Depreciation for the year	16,797	3,950	4,093	79	-	24,919
Impairment losses	1,207	-	-	-	-	1,207
Revaluation adjustment *	(4,634)	-	-	-	-	(4,634)
Disposals	-	(486)	(157)	(306)	-	(949)
Currency translation differences	(449)	(1,931)	(2,045)	4	-	(4,421)
Balance at 31 December 2022	251,797	112,728	107,053	677	-	472,255
Balance at 1 January 2023	**251,797**	**112,728**	**107,053**	**677**	**-**	**472,255**
Depreciation for the year	**15,915**	**4,658**	**3,016**	**65**	**-**	**23,654**
Impairment losses	**4,225**	**-**	**-**	**-**	**-**	**4,225**
Revaluation adjustment *	**(44,916)**	**-**	**-**	**-**	**-**	**(44,916)**
Disposals	**(20)**	**(620)**	**(719)**	**-**	**-**	**(1,359)**
Currency translation differences	**(466)**	**(568)**	**(694)**	**(13)**	**-**	**(1,741)**
Balance at 31 December 2023	**226,535**	**116,198**	**108,656**	**729**	**-**	**452,118**
Carrying amounts						
At 1 January 2022	1,157,139	23,984	15,728	451	62,386	1,259,688
At 31 December 2022	1,134,120	22,544	14,268	433	83,350	1,254,715
At 31 December 2023	**1,181,004**	**21,503**	**14,475**	**400**	**124,463**	**1,341,845**

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

Changes in fair value during 2023 in respect of the Group's properties amounting to €62.5 million have been recognised within other comprehensive income. These fair value movements relate to an uplift to Corinthia Hotel London, Corinthia Hotel St. George's, Baypoint Hotel, Marina Hotel, Golden Sands Resort Hotel and Corinthia Hotel Lisbon, and a fair value loss on the Corinthia Hotel Budapest. In 2022, changes in fair value in respect of the Group's properties have been recognised within other comprehensive income, €3.0 million which related to an uplift to Corinthia Hotel London and an impairment on Corinthia Hotel St Petersburg.

An amount of €0.3 million was also recognised in the profit and loss account in relation to an uplift on the office block in London. In 2022 an impairment of €1.2 million had been recognized for the same office block in London.

In 2022 a loss of €0.1 million was recognised in the profit and loss account with regards to the work in progress of Hotel Astoria.

	THE COMPANY				
	LAND AND BUILDINGS €'000	PLANT AND EQUIPMENT €'000	FURNITURE, FIXTURES AND FITTINGS €'000	MOTOR VEHICLES €'000	TOTAL €'000
Cost					
Balance at 1 January 2022	4	270	191	42	507
Additions	–	30	19	–	49
Balance at 31 December 2022	4	300	210	42	556
Balance at 1 January 2023	**4**	**300**	**210**	**42**	**556**
Additions	**–**	**21**	**20**	**–**	**41**
Disposals	**–**	**(3)**	**–**	**–**	**(3)**
Balance at 31 December 2023	**4**	**318**	**230**	**42**	**594**
Depreciation					
Balance at 1 January 2022	1	214	127	42	384
Depreciation for the year	–	22	11	–	33
Balance at 31 December 2022	1	236	138	42	417
Balance at 1 January 2023	**1**	**236**	**138**	**42**	**417**
Depreciation for the year	**–**	**25**	**12**	**–**	**37**
Balance at 31 December 2023	**1**	**261**	**150**	**42**	**454**
Carrying amounts					
At 1 January 2022	3	56	64	–	123
At 31 December 2022	3	64	72	–	139
At 31 December 2023	**3**	**57**	**80**	**–**	**140**

15.1 FAIR VALUATION OF PROPERTY

The disclosure below, including the sensitivities to shifts in unobservable fair value inputs, reflects the events and circumstances existent as at 31 December 2023, and do not take into account the events after reporting period.

In 2023, the directors appointed independent professionally qualified property valuers having appropriate recognised professional qualifications and the necessary experience. Where a valuation resulted in an amount that was significantly different than the carrying amount of the respective property, the book value of the property was adjusted as at the respective year end date, as the directors had reviewed the carrying amount of the properties on the basis of assessments by the property valuers.

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

The resultant shift in value, net of applicable deferred income taxes, was reflected within the revaluation reserve in shareholders' equity (Note 25) or in profit or loss in accordance with the Group's accounting policies. Adjustments to the carrying amounts of the properties are disclosed in the tables below.

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

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

The Group's land and buildings, within property, plant and equipment, consists principally of hotel and other properties that are owned and managed by companies forming part of the Group. The Group's investment property comprises property that is held for long-term rental yields or for capital appreciation or both, and principally comprise the Commercial Centre in St Petersburg, the Commercial Centre in Tripoli and a site forming part of the grounds of the Corinthia Hotel in Tripoli, an apartment block in Lisbon and an office block in London. During 2022, the Group acquired an office block in London which is partly used as offices, and hence classified as property, plant and equipment, and partly earmarked for leasing to third parties, and hence classified with investment properties. All the recurring property fair value measurements at 31 December 2023 and 2022, as applicable, use significant unobservable inputs and are accordingly categorised within Level 3 of the fair valuation hierarchy.

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

A reconciliation from the opening balance to the closing balance of property for recurring fair value measurements categorised within Level 3 of the fair value hierarchy, for the current and preceding financial years, is reflected in the table above and in Note 14 for investment property.

VALUATION PROCESSES

Where management, through its assessment, concludes that the fair value of properties differs materially from its carrying amount, an independent valuation report prepared by third party qualified valuers, is performed. These reports are based on both:

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

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

The external valuations of the Level 3 property as at 31 December 2023 and 2022, as applicable, have been performed using a multi-criteria approach, with every property being valued utilising the valuation technique considered by the external valuer to be the most appropriate for the respective property.

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

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

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

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

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

INFORMATION ABOUT FAIR VALUE MEASUREMENTS USING SIGNIFICANT UNOBSERVABLE INPUTS (LEVEL 3) AS AT 31 DECEMBER 2023

DESCRIPTION BY CLASS BASED ON HIGHEST AND BEST USE	FAIR VALUE AT 31 DEC 2023 €'000	FAIR VALUE AT 31 DEC 2022 €'000	VALUATION TECHNIQUE	SIGNIFICANT UNOBSERVABLE INPUTS							
CURRENT USE AS HOTEL/ OTHER PROPERTIES (CLASSIFIED AS PROPERTY, PLANT AND EQUIPMENT):			INCOME CAPITALISATION APPROACH (DCF)	EVOLUTION OF OPERATING RESULTS BEFORE DEPRECIATION AND FAIR VALUE GAINS/(LOSSES) OVER INITIAL PROJECTED FIVE-YEAR PERIOD		PRE-TAX RATE (WACC)		GROWTH RATE		CAPITALISATION RATE	
				2023	2022	2023 %	2022 %	2023 %	2022 %	2023 %	2022 %
Corinthia Hotel & SPA Lisbon	**119,091**	108,615		**FY24-FY28 €9.5m - €10.7m**	FY23-FY27 €5.4m - €9.8m	**10.53**	10.28	**2**	2	**8.53**	8.28
Corinthia Hotel Prague	**87,980**	89,438		**FY24-FY28 €4.7m - €7.0m**	FY23-FY27 €1.8m - €7.9m	**9.44**	10.20	**2**	2	**7.44**	8.20
Marina Hotel, St. George's Bay, Malta	**34,800**	28,977		**FY24-FY28 €2.7m - €3.0m**	FY23-FY27 €2.3m - €2.5m	**10.47**	10.38	**2**	2	**8.47**	8.38
Corinthia Hotel, St.George's Bay, Malta	**56,039**	36,384		**FY24-FY28 €4.5m - €4.9m**	FY23-FY27 €4.0m - €4.3m	**10.54**	13.67	**2**	2	**8.54**	11.67
Corinthia Hotel St Petersburg	**53,458**	71,830		**FY24-FY28 RUB459.1m - RUB566.4m**	FY23-FY27 RUB267.7m – RUB615.4m	**13.74**	13.85	**4.74**	4.85	**9**	9
Corinthia Hotel Tripoli	**65,400**	67,135		**FY24-FY28 (€0.4m) - €2.1m**	FY23-FY27 (€0.5m) - €4.6m	**14.14**	14.45	**2**	2	**12.14**	12.45
Radisson Blu Resort, Malta	**46,000**	34,028		**FY24-FY28 €3.5m - €4.0m**	FY23-FY27 €3.2m - €3.4m	**10.51**	12.44	**2**	2	**8.51**	10.44
Corinthia Hotel London	**536,218**	512,990		**FY24-FY28 £20.0m - £25.52m**	FY23-FY27 £16.2m - £22.0m	**8.60**	7.99	**2**	2	**4**	4

DESCRIPTION BY CLASS BASED ON HIGHEST AND BEST USE	FAIR VALUE AT 31 DEC 2023 €'000	FAIR VALUE AT 31 DEC 2022 €'000	VALUATION TECHNIQUE	SIGNIFICANT UNOBSERVABLE INPUTS							
CURRENT USE AS HOTEL/ OTHER PROPERTIES (CLASSIFIED AS PROPERTY, PLANT AND EQUIPMENT):			INCOME CAPITALISATION APPROACH (DCF)	EVOLUTION OF OPERATING RESULTS BEFORE DEPRECIATION AND FAIR VALUE GAINS/ (LOSSES) OVER INITIAL PROJECTED FIVE-YEAR PERIOD		PRE-TAX RATE (WACC)		GROWTH RATE		CAPITALISATION RATE	
				2023	2022	2023 %	2022 %	2023 %	2022 %	2023 %	2022 %
IHI Palace Hotel Company Ltd, Malta	**31,482**	32,717		**FY24-FY28 €0.1m - €3.7m**	FY23-FY27 €0.9m - €2.4m	**10.20**	11.61	**2**	2	**8.20**	9.61
Golden Sands Resort, Malta	**68,000**	62,455		**FY24-FY28 (€4.3m) - €6.5m**	FY23-FY27 €3.9m - €4.2m	**10.39**	8.46	**2**	2	**8.39**	6.46
Corinthia Hotel Budapest	**116,025**	119,632		**FY24-FY28 €5.3m - €10.0m**	FY23-FY27 €3.8m - €10.4m	**10.02**	10.06	**2**	2	**8.02**	8.06
CURRENT USE AS HOTEL/ OTHER PROPERTIES (CLASSIFIED AS PROPERTY, PLANT AND EQUIPMENT):			ADJUSTED SALES-COMPARISON APPROACH	SALES PRICE PER SQUARE METER							
				2023	2022						
Office block in London	**7,160**	4,574		**£11,508**	£8,122						

DESCRIPTION BY CLASS BASED ON HIGHEST AND BEST USE	FAIR VALUE AT 31 DEC 2023 €'000	31 DEC 2022 €'000	VALUATION TECHNIQUE	SIGNIFICANT UNOBSERVABLE INPUTS							
CURRENT PROPERTY FOR COMMERCIAL USE (CLASSIFIED AS INVESTMENT PROPERTY):			**INCOME CAPITALISATION APPROACH (DCF)**	**EVOLUTION OF OPERATING RESULTS BEFORE DEPRECIATION AND FAIR VALUE GAINS/(LOSSES) OVER INITIAL PROJECTED FIVE-YEAR PERIOD**		**PRE-TAX RATE (WACC)**		**GROWTH RATE**		**CAPITALISATION RATE**	
				2023	**2022**	**2023 %**	**2022 %**	**2023 %**	**2022 %**	**2023 %**	**2022 %**
Commercial Centre in St Petersburg	**38,316**	52,484		**FY24-FY28 RUB77.1m – RUB390.0m**	FY23-FY27 RUB7.3m – RUB437.7m	**12.33**	12.8	**4**	4	**8.33**	8.8
Commercial Centre in Tripoli	**83,260**	75,344		**FY24-FY28 €4.5m - €3.8m**	FY23-FY27 €6.5m - €4.7m	**7.63**	8.48	**0**	0	**7.63**	8.48
CURRENT PROPERTY FOR COMMERCIAL USE (CLASSIFIED AS INVESTMENT PROPERTY):			**ADJUSTED SALES-COMPARISON APPROACH**	**SALES PRICE PER SQUARE METER**							
				2023	**2022**						
Apartment block in Lisbon	**6,386**	5,908		**€ 8,833**	€ 8,172						
Site in Tripoli	**29,500**	29,500		**€ 2,300**	€ 2,300						
Office block in London	**4,173**	**4,446**		**£11,508**	£8,122						

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

The Group experienced a significant movement in the carrying amount of the Corinthia Hotel London during 2022, followed by another uplift in 2023. Uplifts were also recognized in the current year for Corinthia St. George's Bay, Baypoint Hotel, Marina Hotel, Golden Sands Resort Hotel and Corinthia Hotel Lisbon against a fair value loss recognized in Corinthia Hotel Budapest. A considerable fair value loss on the carrying amount of the Corinthia Hotel St. Petersburg was reflected in 2022 as a result of the prevailing uncertainty in Russia as further explained in Note 5.2. The shift in the carrying amounts of the Corinthia Hotel St. Petersburg and Corinthia Hotel London in 2023 and 2022 were also affected by translating the financial position of the respective subsidiaries that own these properties from their functional currencies (RUB and GBP respectively) into the Group's presentation currency (EUR) at year end.

As evidenced in the tables above, the highest and best use of the Group properties is equivalent to their current use as at 31 December 2023.

As explained in Note 5.1 and 5.2 to the financial statements, the future performance of the Group's hotels and the commercial centres situated in Tripoli and Russia and the fair value of the related property assets are largely dependent on how soon the political and economical situation in Libya and the geopolitical situation between Russia and the west will return to normality and on how quickly the international oil and gas industry recovers and how soon international sanctions are lifted once political risks subside. In accordance with the fair valuations as at 31 December 2023 no further impairment charges were deemed necessary on the Tripoli property assets in these financial statements, after taking into account the impairment charges of €40.5 million recognised in 2014.

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

	SHIFT IN DISCOUNT RATE		SHIFT IN CASH FLOWS (OPERATING RESULTS BEFORE DEPRECIATION AND FAIR VALUE) (+/- 5%)	
	+/- 1% 2023 €'000	+/- 0.5% 2022 €'000	2023 €'000	2022 €'000
Corinthia Hotel & Spa Lisbon	**-12,145 to +15,357**	-11,903 to +15,183	**+/- 5,957**	+/- 5,381
Corinthia Hotel Budapest	**-12,912 to +16,599**	-13,760 to +17,687	**+/- 5,801**	+/- 5,982
Corinthia Hotel Prague	**-10,300 to +13,501**	-10,439 to +13,377	**+/- 4,399**	+/- 4,472
Marina Hotel, St George's Bay, Malta	**-3,551 to +4,501**	-2,971 to +3,775	**+/- 1,740**	+/- 1,449
Corinthia Hotel St George's Bay, Malta	**-5,672 to +7,175**	-2,725 to +3,235	**+/- 2,802**	+/- 1,819
Corinthia Hotel St Petersburg	**-1,865 to +1,960**	-2,616 to +2,750	**+/- 2,673**	+/- 3,592
Corinthia Hotel Tripoli	**-7,910 to +9,557**	-7,623 to +9,158	**+/- 3,246**	+/- 3,357
Commercial Centre in St Petersburg	**-4,265 to +5,442**	-5,693 to +7,176	**+/- 1,911**	+/- 2,624
Commercial Centre in Tripoli	**-10,460 to +13,722**	-8,419 to +10,765	**+/- 4,163**	+/- 3,765
Radisson Blu Resort, Malta	**-4,667 to +5,909**	-2,836 to +3,436	**+/- 2,300**	+/- 1,702
Corinthia Hotel London	**+/- 7,987**	+/- 34,000	**+/- 8,170**	+/- 22,000
Corinthia Palace Hotel and Spa, Malta	**-4,499 to +5,712**	-2,752 to +3,410	**+/- 1,574**	+/- 1,302
Golden Sands Resort, Malta	**-7,611 to +9,677**	-8,119 to +11,090	**+/- 3,400**	+/- 3,123

15.2 ADJUSTMENTS TO CARRYING AMOUNT OF PROPERTIES

Revaluation surplus and impairment charges recognised in other comprehensive income (within revaluation reserve), gross of deferred tax:

	THE GROUP		
	AT 1 JANUARY 2023 €'000	MOVEMENT €'000	AT 31 DECEMBER 2023 €'000
Hotel property			
Corinthia Hotel St George's Bay, Malta	12,169	15,106	27,275
Corinthia Hotel & Spa Lisbon	34,911	12,200	47,111
Corinthia Hotel Prague	17,857	-	17,857
Corinthia Hotel Budapest	25,129	(4,500)	20,629
Corinthia Hotel London	94,132	17,301	111,433
Marina Hotel, St George's Bay, Malta	9,206	5,983	15,189
Corinthia Hotel St Petersburg	4,069	-	4,069
Radisson Blu Resort, Malta	4,284	12,701	16,985
Golden Sands Resort	-	3,704	3,704
	201,757	**62,495**	**264,252**

	AT 1 JANUARY 2022 €'000	MOVEMENT €'000	AT 31 DECEMBER 2022 €'000
Hotel property			
Corinthia Hotel St George's Bay, Malta	12,169	-	12,169
Corinthia Hotel & Spa Lisbon	34,911	-	34,911
Corinthia Hotel Prague	17,857	-	17,857
Corinthia Hotel Budapest	25,129	-	25,129
Corinthia Hotel London	81,429	12,703	94,132
Marina Hotel, St George's Bay, Malta	9,206	-	9,206
Corinthia Hotel St Petersburg	13,813	(9,744)	4,069
Radisson Blu Resort, Malta	4,284	-	4,284
	198,798	2,959	201,757

Impairment charges recognised in profit or loss, gross of deferred tax:

	THE GROUP		
	AT 1 JANUARY 2023 €'000	MOVEMENT €'000	AT 31 DECEMBER 2023 €'000
Hotel and other properties			
Corinthia Hotel St George's Bay, Malta	522	–	522
Corinthia Hotel & Spa Lisbon	1,068	–	1,068
Corinthia Hotel Prague	3,642	–	3,642
Corinthia Hotel Tripoli	8,038	–	8,038
Corinthia Hotel Budapest	1,628	–	1,628
Corinthia Hotel St Petersburg	340	–	340
Marina Hotel, St George's Bay, Malta	121	–	121
Office block in London	1,207	(275)	932
	16,566	**(275)**	**16,291**

	AT 1 JANUARY 2022 €'000	MOVEMENT €'000	AT 31 DECEMBER 2022 €'000
Hotel property			
Corinthia Hotel St George's Bay, Malta	522	–	522
Corinthia Hotel & Spa Lisbon	1,068	–	1,068
Corinthia Hotel Prague	3,642	–	3,642
Corinthia Hotel Tripoli	8,038	–	8,038
Corinthia Hotel Budapest	1,628	–	1,628
Corinthia Hotel St Petersburg	340	–	340
Marina Hotel, St George's Bay, Malta	121	–	121
Office block in London	–	1,207	1,207
	15,359	**1,207**	**16,566**

The description of the hotel and other properties in the above tables indicate the segment to which each hotel property pertains.

The shifts in fair value determined in 2023 and 2022, reflected in the above tables, are principally attributable to changes in the projected financial performance and net operating cash inflows of the hotel properties and commercial centres.

The impairment charges recognised are attributable to reductions in the carrying amount of property so as to reflect the recoverable amount based on computing value in use determined at individual asset level.

15.3 CARRYING AMOUNTS OF HOTEL PROPERTIES

Following the adjustments to revision of the hotel property carrying amounts to reflect the outcome of the fair valuation process referred to above at each reporting period, the carrying amount of each hotel property is as follows:

	THE GROUP	
	2023 €'000	2022 €'000
Hotel and other properties		
Corinthia Hotel St George's Bay, Malta	**56,039**	36,384
Corinthia Hotel & Spa Lisbon	**119,091**	108,615
Corinthia Hotel Prague	**87,980**	89,438
Corinthia Hotel Tripoli	**65,400**	67,135
Corinthia Hotel Budapest	**116,025**	119,632
Corinthia Hotel St Petersburg	**53,458**	71,830
Corinthia Hotel London	**536,218**	512,990
Marina Hotel, St George's Bay, Malta	**34,800**	28,977
Radisson Blu Resort, Malta	**46,000**	34,028
Golden Sands Resort Limited	**68,000**	62,455
Corinthia Palace Hotel and Spa, Malta	**31,482**	32,717
Office block in London	**7,160**	4,574
	1,221,653	1,168,775

15.4 HISTORIC COST BASIS OF LAND AND BUILDINGS

If the cost model had been used, the carrying amounts of the revalued land and buildings would be €917.7 million (2022: €933.1 million). The revalued amounts include a revaluation surplus of €264.3 million before tax (2022: €201.7 million), which is not available for distribution to the shareholders of IHI.

15.5 USE AS COLLATERAL

All tangible fixed assets owned by the Group, except for Corinthia Hotel & commercial centre in St. Petersburg and the Corinthia Oasis land, are hypothecated in favour of the Group's bankers as collateral for amounts borrowed as stated in Note 30. The Corinthia Hotel Budapest is hypothecated in favour of a bond as stated in Note 31.

16. LEASES

This note provides information for leases where the Group is a lessee. For leases where the Group is a lessor, see Note 14.

I. AMOUNTS RECOGNISED IN THE STATEMENT OF FINANCIAL POSITION

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

	THE GROUP		THE COMPANY	
	31 DECEMBER 2023 €'000	31 DECEMBER 2022 €'000	31 DECEMBER 2023 €'000	31 DECEMBER 2022 €'000
Right-of-use assets				
Land and buildings	**12,277**	9,947	**1,082**	-
Plant and equipment	**2,120**	1,414	**-**	-
Motor vehicles	**413**	265	**32**	84
	14,810	11,626	**1,114**	84
Lease liabilities				
Current	**2,715**	1,943	**209**	40
Non-current	**13,221**	10,542	**951**	50
	15,936	12,485	**1,160**	90

Additions to the Group's and the Company's right-of-use assets during the 2023 financial year were €5.9 million and €1.3 million respectively (2022 were €3.4 million and €0.03 million respectively).

II. AMOUNTS RECOGNISED IN THE STATEMENT OF PROFIT OR LOSS

The statement of profit or loss shows the following amounts relating to leases:

	THE GROUP		THE COMPANY	
	31 DECEMBER 2023 €'000	31 DECEMBER 2022 €'000	31 DECEMBER 2023 €'000	31 DECEMBER 2022 €'000
Depreciation charge of right-of-use assets				
Land and buildings	**1,775**	2,203	**216**	199
Plant and equipment	**574**	449	**-**	-
Motor vehicles	**159**	143	**32**	56
	2,508	2,795	**248**	255
Interest expense (included in finance cost)	**823**	679	**63**	12
Expense relating to variable lease payments not included in lease liabilities	**596**	791	**-**	-

The total cash outflow for leases in 2023 was €4.6 million (2022: €4.8 million) for the Group and €0.3 million (2022: €0.3 million) for the Company.

The Group benefitted from reduced rates on its rent concessions granted in view of the COVID-19 pandemic. These reductions amounted to nil (2022: €0.01 million) for the Group.

III. THE GROUP'S LEASING ACTIVITIES AND HOW THESE ARE ACCOUNTED FOR

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

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

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

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

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

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

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

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

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

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

IV. VARIABLE LEASE PAYMENTS

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

Some property leases contain variable payment terms that are linked to sales generated from retails stores, and which range from 10.0% to 23.5% of sales. An increase of €1.0m in sales per store in the Group with such variable lease contracts would increase variable lease payments by approximately €0.2m (17%).

Other property leases contain variable payment terms that are linked to sales generated from catering establishments. Variable payment on such leases range from 15.0% to 25% of sales. An increase of €1.0m in sales per catering establishment in the Group with such variable lease contracts would increase total lease payments by approximately €0.1m (21%).

The variable lease payments element for the year ended 31 December 2023 amounts to €0.6 million (2022: €0.8 million). Variable lease payments that depend on sales are excluded from the measurement of the lease liability and are recognised in profit or loss in the period in which the condition that triggers those payments occurs.

V. EXTENSION AND TERMINATION OPTIONS

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

JUDGEMENTS IN DETERMINING THE LEASE TERM

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

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

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

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

17. INVESTMENTS IN SUBSIDIARIES

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

	THE COMPANY	
	2023 €'000	2022 €'000
Share in subsidiary companies (Note 17.3)	**722,483**	658,466
Loans to subsidiary companies	**163,346**	169,392
	885,829	827,858

17.1 *PRINCIPAL SUBSIDIARIES*

The Group had the following subsidiaries as at 31 December 2023 and 31 December 2022:

SUBSIDIARY COMPANY	REGISTERED OFFICE	NATURE OF BUSINESS	PERCENTAGE OF OWNERSHIP AND VOTING RIGHTS HELD DIRECTLY BY THE COMPANY		PERCENTAGE OF OWNERSHIP AND VOTING RIGHTS HELD BY THE GROUP		PERCENTAGE OF OWNERSHIP AND VOTING RIGHTS HELD BY NON-CONTROLLING INTERESTS	
			2023	2022	2023	2022	2023	2022
Alfa Investimentos Turisticos Lda	Avenida Columbano Bordalo Pinheiro, 105 Lisboa 1099 - 031 Portugal	Owns and operates the Corinthia Hotel & Spa Lisbon Portugal	**72**	72	**100**	100	**-**	-
Corinthia Hotels Limited	1, Europa Centre Floriana Malta	Hotel management company	**100**	100	**100**	100	**-**	-
Corinthia Company Limited	22, Europa Centre Floriana Malta	Investment company	**100**	100	**100**	100	**-**	-
Corinthia Towers Tripoli Limited	22, Europa Centre Floriana Malta	Owns and operates the Corinthia Bab Africa Hotel and Commercial Centre Libya	**100**	100	**100**	100	**-**	-
Five Star Hotels Limited	22, Europa Centre Floriana Malta	Owns and operates the Corinthia Hotel St George's Bay, Malta	**100**	100	**100**	100	**-**	-
Golden Sands Resort Limited	The Radisson SAS Golden Sands Resort & Spa Golden Bay 1/o Mellieha, Malta	Owns and operates the Golden Sands Resort, Golden Bay, Malta	**-**	-	**100**	100	**-**	-
IHI Benelux B.V.	Kingsfordweg 151, 1043 GR Amsterdam The Netherlands	Owns and operates the Corinthia Hotel St Petersburg	**100**	100	**100**	100	**-**	-
IHI Hungary Zrt	Erzsebet Krt 43-49 H-1073, Budapest Hungary	Owns and operates the Corinthia Hotel Budapest	**100**	100	**100**	100	**-**	-

SUBSIDIARY COMPANY	REGISTERED OFFICE	NATURE OF BUSINESS	PERCENTAGE OF OWNERSHIP AND VOTING RIGHTS HELD DIRECTLY BY THE COMPANY		PERCENTAGE OF OWNERSHIP AND VOTING RIGHTS HELD BY THE GROUP		PERCENTAGE OF OWNERSHIP AND VOTING RIGHTS HELD BY NON-CONTROLLING INTERESTS	
			2023	2022	2023	2022	2023	2022
IHI Lisbon Limited	22, Europa Centre Floriana Malta	Investment company holding an equity stake in Alfa Investimentos Turisticos Lda	**100**	100	**100**	100	**-**	-
IHI St Petersburg LLC	57, Nevskij Prospect St Petersburg 191023 Russian Federation	Owns and operates the Corinthia Hotel St Petersburg	**100**	100	**100**	100	**-**	-
IHI Towers s.r.o.	Kongresová 1655/1 1406 / 69 Praha Czech Republic	Owns and operates the Corinthia Hotel Azech Republic	**100**	100	**100**	100	**-**	-
IHI Zagreb d.d.	Centar Kaptol Nova Ves 11 10000 Zagreb Croatia	Investment company	**100**	100	**100**	100	**-**	-
Libya Holding Development Inc. JSC	Benghazi Libya	Owns the Benghazi hotel project	**-**	-	**55**	55	**45**	45
Marina San Gorg Limited	22, Europa Centre Floriana Malta	Owns and operates the Marina Hotel in St George's Bay, Malta	**100**	100	**100**	100	**-**	-
Island Resorts International Limited	First Name House, Victoria Residence, Douglas Isle of Man	Investment company	**100**	100	**100**	100	**-**	-
Corinthia (Malta) Staff Services Limited	22, Europa Centre Floriana Malta	Holding and management company	**100**	100	**100**	100	**-**	-
Corinthia Developments International Limited	22, Europa Centre Floriana Malta	Project management	**100**	100	**100**	100	**-**	-

SUBSIDIARY COMPANY	REGISTERED OFFICE	NATURE OF BUSINESS	PERCENTAGE OF OWNERSHIP AND VOTING RIGHTS HELD DIRECTLY BY THE COMPANY		PERCENTAGE OF OWNERSHIP AND VOTING RIGHTS HELD BY THE GROUP		PERCENTAGE OF OWNERSHIP AND VOTING RIGHTS HELD BY NON-CONTROLLING INTERESTS	
			2023	2022	2023	2022	2023	2022
Bay Point Hotel Limited	22, Europa Centre Floriana Malta	Owns and operates the Corinthia Bay Point Hotel, St George's Bay, Malta	**100**	100	**100**	100	**-**	-
Bay Point Collection Limited	First Name House, Victoria Residence Douglas Isle of Man	Vacation ownership company	**100**	100	**100**	100	**-**	-
Corinthia Oasis Company Ltd (formerly The Heavenly Collection Limited)	22, Europa Centre Floriana Malta	Owner of tract land in Golden Bay	**100**	100	**100**	100	**-**	-
The Coffee Company Malta Limited	22, Europa Centre Floriana Malta	Franchise retail catering company	**-**	-	**100**	100	**-**	-
QPM Limited	22, Europa Centre Floriana Malta	Project management	**100**	100	**100**	100	**-**	-
QPM Africa Limited	22, Europa Centre Floriana Malta	Non-trading company	**-**	-	**100**	100	**-**	-
D.X. Design Consultancy Ltd	22, Europa Centre Floriana Malta	Project management services	**-**	-	**100**	100	**-**	-
NLI Holdings Limited	CTV House La Pouquelaye St Helier Jersey	Parent company of a Group that owns and operates the Corinthia Hotel London and 10 Whitehall Place in London, UK	**50**	50	**50**	50	**50**	50
NLI Hotels Limited	CTV House La Pouquelaye St Helier Jersey	Owns the Corinthia Hotel London, UK	**-**	-	**50**	50	**50**	50

SUBSIDIARY COMPANY	REGISTERED OFFICE	NATURE OF BUSINESS	PERCENTAGE OF OWNERSHIP AND VOTING RIGHTS HELD DIRECTLY BY THE COMPANY		PERCENTAGE OF OWNERSHIP AND VOTING RIGHTS HELD BY THE GROUP		PERCENTAGE OF OWNERSHIP AND VOTING RIGHTS HELD BY NON-CONTROLLING INTERESTS	
			2023	2022	2023	2022	2023	2022
NLI Brussels Limited	22, Europa Centre Floriana Malta	Holding company of Hotel Astoria SA	**-**	-	**50**	50	**50**	50
NLI Operator Limited	Corinthia Hotel London, Whitehall Place, London SW1A 28D	Operates Corinthia Hotel London, a five star luxury hotel	**-**	-	**50**	50	**50**	50
IHI Palace Hotel Company Limited (formerly: Corinthia Palace Hotel Company Limited)	22, Europa Centre Floriana Malta	Owns and operates the Corinthia Palace Hotel and Spa, Malta	**100**	100	**100**	100	**-**	-
QPM Belgium SPRL	Avenue de Tervueren 168/18, 1150 Woluwe-Saint Pierre, Brussels, Belgium	Project and cost management and other ancillary services	**-**	-	**100**	100	**-**	-
IHI Holdings Limited	34, Kosti Palama 1096,Aspelia Court 4th Floor, office D4 Nicosia Cyprus	Investment company	**100**	100	**100**	100	**-**	-
Corinthia Caterers Limited	22, Europa Centre Floriana Malta	Event catering	**100**	100	**100**	100	**-**	-
Catermax Limited	22, Europa Centre Floriana Malta	Event catering	**100**	100	**100**	100	**-**	-
Corinthia Hotels (UK) Limited	Corinthia Hotel London, Whitehall Place, London SW1A 28D	Management consultancy services	**-**	-	**100**	100	**-**	-
Bezemer Limited	Nerine Chambers PO Box 905 Road Town Tortola, BVI	Holding company	**-**	-	**100**	100	**-**	-
Hotel Astoria S.A.	Rue Royal 103 1000 Bruxelles Belgium	Owner of site being developed into the Corinthia Brussels	**-**	-	**50**	50	**50**	50

SUBSIDIARY COMPANY	REGISTERED OFFICE	NATURE OF BUSINESS	PERCENTAGE OF OWNERSHIP AND VOTING RIGHTS HELD DIRECTLY BY THE COMPANY		PERCENTAGE OF OWNERSHIP AND VOTING RIGHTS HELD BY THE GROUP		PERCENTAGE OF OWNERSHIP AND VOTING RIGHTS HELD BY NON-CONTROLLING INTERESTS	
			2023	2022	2023	2022	2023	2022
CHL Surrey, Inc	251, Little Falls Drive Wilmington, New Castle Delaware DE 19808 United States	Hotel management company	-	-	**100**	100	-	-
CHL US Parent, Inc	251, Little Falls Drive Wilmington, New Castle Delaware DE 19808 United States	Investment company	-	-	**100**	100	-	-
Medi International Limited	Level 1, Palm Grove House Wickham's Cay 1 Road Town, Tortola British Virgin Islands	Internal financing	-	-	**100**	100	-	-
16 Craven House Limited	10 Whitehall Place London SW1A 2BD United Kingdom	Property owner	-	-	**100**	100	-	-
Corinthia Hotels Holdings s.r.l.	8, Piazza di San Silvestro Roma CAP 00187 Italia	Holding company	-	-	**100**	100	-	-
Corinthia Hotels Management DMCC	Address: Unit No: AG-13-H-F121, AG Tower, Plot No: JLT-PH1-I1A, Jumeirah Lakes Towers, Dubai, United Arab Emirates	Hotel Management Company	-	-	**100**	100	-	-
CHL Hotels Brussels srl	Rue Royale, 103 1000, Brussels Belgium	Hotel Management Company	-	-	**100**	-	-	-
Corinthia Hotels (Maldives) Private Limited	#02-01, Millenia Tower 10, Ameer Ahmed Magu Male', 20026 Republic of Maldives	Hotel Management Company	-	-	**100**	-	-	-
Verdi Hospitality Limited	1, Europa Centre Floriana Malta	Hotel Management Company	-	-	**100**	-	-	-
Corinthia Parlamento s.r.l.	8, Piazza di San Silvestro Roma CAP 00187 Italia	Hotel management company	-	-	**100**	-	-	-

All subsidiary undertakings are included in the consolidation.

17.2 SUBSIDIARIES WITH MATERIAL NON-CONTROLLING INTERESTS

Set out below is summarised financial information for the NLI Holdings Group. The amounts disclosed for are before inter-company eliminations.

SUMMARISED STATEMENT OF FINANCIAL POSITION	2023 €'000	2022 €'000
Current assets	**48,838**	47,385
Current liabilities	**(48,619)**	(35,932)
Current net assets	**219**	11,453
Non-current assets	**633,108**	575,730
Non-current liabilities	**(186,438)**	(164,471)
Non-current net assets	**446,670**	411,259
Net assets	**446,889**	422,712
Accumulated NCI	**223,444**	211,356

SUMMARISED STATEMENT OF COMPREHENSIVE INCOME	2023 €'000	2022 €'000
Revenue	**92,605**	82,519
(Loss)/gain for the period	**(1,883)**	5,204
Other comprehensive income	**26,060**	(10,140)
Total comprehensive income	**24,177**	(4,936)
(Loss)/profit allocated to NCI	**(941)**	2,602
Other comprehensive income allocated to NCI	**13,030**	(5,070)
Dividend paid to NCI	**-**	-

SUMMARISED CASH FLOWS	2023 €'000	2022 €'000
Cash flows from operating activities	**22,135**	17,493
Cash flows from investing activities	**(35,714)**	(12,378)
Cash flows used in financing activities	**20,100**	373
Net increase in cash and cash equivalents	**6,521**	5,488

17.3 SHARES IN SUBSIDIARY COMPANIES

	THE COMPANY	
	2023 €'000	2022 €'000
At 1 January	**658,466**	664,573
Additions	**12,864**	-
Change in fair value	**51,153**	(6,107)
At 31 December	**722,483**	658,466

Additions of €12.9m (2022: €0) in investments in subsidiaries during the reporting period pertained to the capitalisation of a loan receivable from subsidiary.

17.3.1 INVESTMENTS IN SUBSIDIARIES AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

The fair values of the Company's investments in its subsidiaries, accounted for at fair value through other comprehensive income (as explained further in Note 3.5), been determined by reference to the fair values of the underlying properties held by the respective subsidiaries and, in the case of CHL and QPM, by reference to its enterprise value.

18. OTHER INVESTMENTS

18.1 INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

The amounts recognised in the Group's and Company's statements of financial position are as follows:

	THE GROUP AND COMPANY	
	2023 €'000	2022 €'000
Associates	**5,034**	5,198
At 31 December	**5,034**	5,198

The amounts recognised in the Group's and Company's income statements are as follows:

	THE GROUP AND COMPANY	
	2023 €'000	2022 €'000
Associates	**(25)**	(61)
At 31 December	**(25)**	(61)

The amounts recognised in the Group's and Company's other comprehensive income are as follows:

	THE GROUP AND COMPANY	
	2023 €'000	2022 €'000
Associates	**(139)**	71
At 31 December	**(139)**	71

18.2 INVESTMENTS IN ASSOCIATES

	THE GROUP		THE COMPANY	
	2023 €'000	2022 €'000	2023 €'000	2022 €'000
At 1 January	**5,198**	5,188	**5,198**	5,188
Share of results	**(25)**	(61)	**-**	-
Share of other comprehensive income	**(139)**	71	**-**	-
Fair value movements	**-**	-	**(164)**	10
At 31 December	**5,034**	5,198	**5,034**	5,198

Set out below are the associates of the Group as at 31 December 2023 and 31 December 2022. The associates listed below have share capital consisting solely of ordinary shares, which are held directly by the Group.

COMPANY NAME	REGISTERED OFFICE	NATURE OF BUSINESS	% OF OWNERSHIP INTEREST HELD BY THE GROUP AND THE COMPANY	
			2023	2022
Medina Towers J.S.C.	Suite 107, Tower 2 Tripoli Tower Tripoli Libya	Owns the Medina Towers project in Tripoli	**25**	25

18.2.1 SUMMARISED FINANCIAL INFORMATION FOR MATERIAL ASSOCIATES

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

	MEDINA TOWERS J.S.C.	
	2023 €'000	2022 €'000
Non-current assets	**12,878**	13,212
Current assets	**7,350**	7,673
Total assets	**20,228**	20,885
Current liabilities	**91**	93
Total liabilities	**91**	93
Loss for the year	**(99)**	(244)
Other comprehensive income	**(556)**	284
Total comprehensive income	**(655)**	40

18.2.2 RECONCILIATION OF SUMMARISED FINANCIAL INFORMATION

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

	MEDINA TOWERS J.S.C. 2023 €'000	MEDINA TOWERS J.S.C. 2022 €'000
1 January	**20,792**	20,752
Loss for the period	**(99)**	(244)
Other comprehensive income	**(556)**	284
Closing net assets	**20,137**	20,792
Interest in associate (25%)	**5,034**	5,198
Carrying value	**5,034**	5,198

18.3 INVESTMENTS IN JOINT VENTURES

The joint ventures listed below have share capital consisting solely of ordinary shares, which are held directly by the Group.

COMPANY NAME	REGISTERED OFFICE	NATURE OF BUSINESS	% OF OWNERSHIP INTEREST HELD BY THE GROUP AND THE COMPANY 2023	% OF OWNERSHIP INTEREST HELD BY THE GROUP AND THE COMPANY 2022
Quality Catering & Retail Services Ltd	Miller House Airport Way Tarxien Road Luqa, Malta	Catering company	**50**	50

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

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

19. OTHER FINANCIAL ASSETS AT AMORTISED COST

	THE GROUP		THE COMPANY	
	2023 €'000	2022 €'000	2023 €'000	2022 €'000
Non-current				
Group companies	**-**	-	**173,646**	140,138
Other investees	**6,083**	6,460	**-**	-
Total non-current loans receivable	**6,083**	6,460	**173,646**	140,138
Current				
Group companies	**-**	-	**1,312**	2,556
Other	**110**	152	**-**	-
Total current loans receivable	**110**	152	**1,312**	2,556

Disclosure in respect of the fair value of the above financial assets is presented within Note 41.7.

Information about the impairment of financial assets at amortised cost and the Group's and the Company's exposure to credit risk, foreign currency risk and interest rate risk can be found in Note 41.

TERMS

NON-CURRENT

€8.0 million (2022: €4.2 million) of the Company's loans to Group companies are unsecured and bear interest at 4.00%.

Nil (2022: €0.3 million) of the Company's loans to Group companies are unsecured and bear interest at 4.65%.

€94.1 million (2022: €97.9 million) of the Company's loans to Group companies are unsecured, bear interest at Euribor + 3.25% and are subordinated to bank loans.

€25.9 million (2022: €25.9 million) of the Company's loans to Group companies are unsecured, bear interest at 4.00% and are subordinated to bank loans.

€3.5 million (2022: €4.3 million) of the Company's loans to Group companies are unsecured, bear interest at 6.25% and are subordinated to bank loans.

€1.2 million (2022: €0.5 million) of the Company's loans to Group companies are unsecured, bear interest at 3% (2022: 3%) and are subordinated to bank loans and are repayable not later than December 2029.

€1.0 million (2022: €1.0 million) of the Company's loans to Group companies are unsecured, bear interest at 3% and are subordinated to bank loans.

€6.1 million (2022: €6.1 million) of the Company's loans to Group companies are unsecured, bear interest at 4.00%.

€7.1 million (2022: Nil) of the Company's loans to Group companies are unsecured and bear interest at 3.00%.

€17.1 million (2022: 2.6 million) of the Company's loans to Group companies are unsecured, bear interest at Euribor + 2.75% (2022: interest free).

€9.6 million (2022: Nil) of the Company's loans to Group companies are unsecured and bear interest at 4.00%.

€6.1 million (2022: €6.45 million) of the Group's loans to other investees are unsecured, bear interest at 4%.

CURRENT

€1.3 million (2022: Nil) of the Company's loans to Group companies are unsecured and bear interest at 4.65%.

€0.02 million of the Group's loans to others held in 2022 were repaid in 2023.

€0.11 million (2022: €0.14 million) of the Group's loans to others are unsecured and interest-free.

20. INVENTORIES

	THE GROUP	
	2023 €'000	2022 €'000
Food and beverages	**3,264**	3,414
Consumables	**1,237**	1,189
Goods held for resale	**121**	244
Consumables and others	**9,913**	9,759
	14,535	14,606

21. TRADE AND OTHER RECEIVABLES

	THE GROUP		THE COMPANY	
	2023 €'000	2022 €'000	2023 €'000	2022 €'000
Non-current				
Subsidiary companies	**-**	-	**7,027**	-
Other receivables	**-**	958	**-**	-
Financial assets	**-**	958	**7,027**	-
Contract assets	**453**	577	**-**	-
Total receivables – non-current	**453**	1,535	**7,027**	-
Current				
Trade receivables	**25,595**	23,209	**-**	2
Credit loss allowances	**(4,291)**	(3,822)	**-**	-
Amounts owed by:				
Parent company	**6,900**	8,597	**742**	33
Subsidiary companies	**-**	-	**60,002**	56,227
Associate companies	**20**	33	**-**	-
Joint ventures	**201**	201	**201**	201
Other related companies	**7,533**	6,246	**649**	596
Other receivables	**3,818**	2,587	**192**	126
Financial assets	**39,776**	37,051	**61,786**	57,185
Contract assets	**2,971**	2,179	**3,769**	3,057
Advance payments in respect of capital creditors	**334**	781	**-**	-
Statutory receivables	**1,745**	1,341	**-**	-
Prepayments	**3,881**	3,985	**295**	226
Total receivables – current	**48,707**	45,337	**65,850**	60,468

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

Disclosure in respect of the fair value of trade and other receivables is presented within Note 41.7.

Information about the impairment of trade receivables and the Group's and the Company's exposure to credit risk, foreign currency risk and interest rate risk can be found in Note 41.

The Group's contract assets classified as current primarily comprise of balances from services in relation to project management for which the Group would not yet have an unconditional right to receive payment. The Company's contract assets relate to management services provided during the year, which the Company had not yet invoiced. These contract assets are subject to the expected credit loss model in accordance with IFRS 9 as disclosed in Note 41.1.

The Group's contract assets classified as non-current comprise of key money paid upon entering into a hotel management service agreement. This contract asset does not expose the Group to credit risk and accordingly, it is subject to the impairment model under IAS 36.

22. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

(I) CLASSIFICATION OF FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

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

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

	THE GROUP	
	2023 €'000	2022 €'000
Non-current assets		
Unlisted equity securities	**3,411**	5,373
Current assets		
Listed securities		
Mutual funds	-	1,018
Total current assets	-	1,018

During the year, the Group recognised a net fair value loss of €1.8 million (2022: loss of €2.9 million) in profit or loss on financial assets. The fair value losses on these financial assets are primarily due to a fair value gain incurred on the Group's investment in listed securities amounting to €0.2 million and an amount of €2.0 million relating to a fair value loss on the Group's investment in Azure Resorts Group (2022: fair value loss incurred in the Group's investment in listed securities amounting to €1.4 million and an amount of €1.5 million relating to a fair value loss on the Group's investment in Azure Resorts Group).

In 2020, the holding in Azure Resorts Group has been reclassified from investments accounted for using the equity method to financial assets at fair value through profit or loss (FVTPL) in view that this was put into liquidation on 27 April 2020. The carrying amount of the investment held in Azure Resorts Group amounts to Nil (2022: €2.0 million).

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

COMPANY NAME	REGISTERED OFFICE	NATURE OF BUSINESS	% OF OWNERSHIP INTEREST HELD BY THE GROUP	
			2023	2022
Azure Services Limited (in liquidation)	Level 1 LM Complex Brewery Street Mriehel, Malta	Marketing and promotional services	**50**	50
Azure Ultra Limited (in liquidation)	Level 1 LM Complex Brewery Street Mriehel, Malta	Luxury yacht leasing	**50**	50
Azure XP Limited (in liquidation)	Level 1, Palm Grove House Wickham's Cay 1 Road Town, Tortola British Virgin Islands	Financing of vacation ownership	**50**	50
Heathfield Overseas Limited (in liquidation)	Level 1, Palm Grove House Wickham's Cay 1 Road Town, Tortola British Virgin Islands	Payment solutions	**50**	50
Azure Resorts Limited (in liquidation)	Level 1, Palm Grove House Wickham's Cay 1 Road Town, Tortola British Virgin Islands	Vacation ownership selling agent	**50**	50
Brooksfield Overseas Limited (in liquidation)	Level 1, Palm Grove House Wickham's Cay 1 Road Town, Tortola British Virgin Islands	Marketing and promotional services	**50**	50

The Group's unlisted equity securities also include 13% (2022: 13%) holdings in Global Hotel Alliance and 10% holdings in Lizar Holdings Limited, a hotel and residential development in Moscow.

23. CASH AND CASH EQUIVALENTS

Cash and cash equivalents include the following components:

	THE GROUP		THE COMPANY	
	2023 €'000	2022 €'000	2023 €'000	2022 €'000
Cash and bank balances:				
Current	**87,084**	66,231	**17,865**	8,564
Cash and cash equivalents in the statement of financial position	**87,084**	66,231	**17,865**	8,564
Bank overdraft (Note 30)	**(8,551)**	(10,491)	**-**	-
Cash and cash equivalents in the statement of cash flows	**78,533**	55,740	**17,865**	8,564

The bank balances include amounts of €5.7 million (2022: €9.8 million) set aside by the Group for debt servicing requirements of which €0.7 million (2022: €0.7 million) are set aside by the Company.

The bank balances also includes treasury bills amounting to €29.4 million (2022: Nil) included by the Group and €10.4 million (2022: Nil) included by the Company set aside for bond redemption purposes.

24. SHARE CAPITAL

24.1 AUTHORISED SHARE CAPITAL

The authorised share capital consists of 1,000 million ordinary shares with a nominal value of €1 each.

24.2 ISSUED SHARE CAPITAL

The issued share capital consists of 615.7 million (2022: 615.7 million) ordinary shares of €1 each, fully paid up.

	THE GROUP AND COMPANY	
	2023 €'000	2022 €'000
At 1 January and 31 December	**615,685**	615,685

24.3 SHAREHOLDER RIGHTS

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

25. REVALUATION RESERVE

Revaluation reserve relating to movements in property, plant and equipment of entities forming part of the Group:

	THE GROUP		
	REVALUATION SURPLUS €'000	DEFERRED TAXATION €'000	NET €'000
At 1 January 2023	154,691	(23,368)	131,323
Revaluation surplus arising during the year:			
Corinthia Hotel St. George's Bay, Malta	15,106	(5,287)	9,819
Alfa Investimentos Turisticos Lda	12,200	(2,745)	9,455
Corinthia Hotel Budapest	(4,500)	405	(4,095)
Marina Hotel, St George's Bay, Malta	5,983	(2,094)	3,889
Radisson Blu Resort, Malta	12,701	(4,445)	8,256
Golden Sands Resort Limited	3,703	(1,296)	2,407
Corinthia Hotel London			
– Gross of non-controlling interest	17,302	–	17,302
– Share attributable to non-controlling interests	(8,651)	–	(8,651)
– Share attributable to owners of the parent	8,651	–	8,651
	53,844	(15,462)	38,382
At 31 December 2023	**208,535**	**(38,830)**	**169,705**
Analysed as follows:			
Corinthia Hotel St George's Bay, Malta	27,275	(9,546)	17,729
Corinthia Hotel & Spa Lisbon	47,111	(10,601)	36,510
Corinthia Hotel Prague	17,857	(3,392)	14,465
Corinthia Hotel Budapest	20,629	(1,922)	18,707
Marina Hotel, St George's Bay, Malta	15,189	(5,316)	9,873
Golden Sands Resort Limited	3,703	(1,296)	2,407
Radisson Blu Resort, Malta	16,985	(5,944)	11,041
Corinthia Hotel St Petersburg	4,069	(813)	3,256
Corinthia Hotel London	55,717	–	55,717
	208,535	**(38,830)**	**169,705**

	THE GROUP		
	REVALUATION SURPLUS €'000	DEFERRED TAXATION €'000	NET €'000
At 1 January 2022	158,084	(25,317)	132,767
Revaluation surplus arising during the year:			
Corinthia Hotel St Petersburg	(9,744)	1,949	(7,795)
Corinthia Hotel London			
- Gross of non-controlling interest	12,703	-	12,703
- Share attributable to non-controlling interests	(6,352)	-	(6,352)
- Share attributable to owners of the parent	6,351	-	6,351
	(3,393)	1,949	(1,444)
At 31 December 2022	**154,691**	**(23,368)**	**131,323**
Analysed as follows:			
Corinthia Hotel St George's Bay, Malta	12,169	(4,259)	7,910
Corinthia Hotel & Spa Lisbon	34,911	(7,856)	27,055
Corinthia Hotel Prague	17,857	(3,392)	14,465
Corinthia Hotel Budapest	25,129	(2,327)	22,802
Marina Hotel, St George's Bay, Malta	9,206	(3,222)	5,984
Radisson Blu Resort, Malta	4,284	(1,499)	2,785
Corinthia Hotel St Petersburg	4,069	(813)	3,256
Corinthia Hotel London	47,066	-	47,066
	154,691	**(23,368)**	**131,323**

The revaluation reserve is non-distributable.

The tax impacts relating to this component of other comprehensive income is presented in the tables above.

During the previous years, the Group has capitalised the revaluation reserve by issuing bonus shares and upon the issuance of additional shares to previous owners of the IHG Group. Movements relating to bonus share issues are included in the table below:

	THE GROUP	
	2023 €'000	2022 €'000
Aggregate amounts disclosed in tables above:	**169,705**	131,323
Bonus and other similar share issues:		
Opening and closing balance	**(71,764)**	(71,764)
Total revaluation reserve	**97,941**	59,559

26. TRANSLATION RESERVE

The translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations into the Group's presentation currency. Translation reserve movements are presented within other comprehensive income.

27. OTHER RESERVES AND EQUITY COMPONENTS

27.1 OTHER EQUITY COMPONENTS

THE GROUP	STEPPED ACQUISITION OF SUBSIDIARY €'000	OTHER €'000	TOTAL €'000
At 1 January 2022, 31 December 2022 and 31 December 2023	3,859	(1,242)	2,617

STEPPED ACQUISITION OF SUBSIDIARY

The stepped acquisition of subsidiary reserve relates to the increase in value of original shareholding in Corinthia Hotel Investments Limited, pursuant to independent valuation carried out on acquisition of further shareholding in 2006, net of deferred tax.

27.2 OTHER RESERVES

THE COMPANY	FVOCI RESERVE €'000	BONUS SHARES €'000	OTHER €'000	TOTAL €'000
As at 1 January 2022	166,813	(75,090)	(24,009)	67,714
Fair value movements on investments in subsidiaries, associates and joint ventures, net of tax	(6,529)	-	-	(6,529)
At 31 December 2022	160,284	(75,090)	(24,009)	61,185
As at 1 January 2023	**160,284**	**(75,090)**	**(24,009)**	**61,185**
Fair value movements on investments in subsidiaries, associates and joint ventures, net of tax	**39,249**	**-**	**-**	**39,249**
At 31 December 2023	**199,533**	**(75,090)**	**(24,009)**	**100,434**

FINANCIAL ASSETS AT FVOCI

The Company has elected to recognise changes in the fair value of investments in subsidiaries, associates and joint ventures in OCI, as explained in Note 3.5. These changes are accumulated within the FVOCI reserve within equity. The Company transfers amounts from this reserve to retained earnings when the relevant equity securities are derecognised.

OTHER RESERVES

The Company's other reserves principally relate to the absorption of losses.

28. REPORTING CURRENCY CONVERSION DIFFERENCE

The reporting currency conversion difference represents the excess of total assets over the aggregate of total liabilities and funds attributable to the shareholders, following the re-denomination of the paid-up share capital from Maltese lira to euro in 2003.

29. ACCUMULATED LOSSES

The loss for the year has been transferred to Accumulated losses as set out in the statements of changes in equity.

30. BANK BORROWINGS

	THE GROUP		THE COMPANY	
	2023 €'000	2022 €'000	2023 €'000	2022 €'000
Bank overdraft	**8,551**	10,491	**-**	-
Bank loans	**362,689**	323,789	**65,073**	20,199
	371,240	334,280	**65,073**	20,199
Comprising:				
Non-current bank borrowings				
Bank loans due within 2 - 5 years	**315,935**	266,542	**56,147**	16,739
Bank loans due later than 5 years	**16,909**	10,948	**1,113**	-
	332,844	277,490	**57,260**	16,739
Current bank borrowings				
Bank overdraft	**8,551**	10,491	**-**	-
Bank loans due within 1 year	**29,845**	46,299	**7,813**	3,460
	38,396	56,790	**7,813**	3,460

Bank borrowings are subject to variable interest rates linked to Euribor, other reference rates or bank base rates with an average interest rate of 6.11% annually at 31 December 2023 (2022: 3.96% annually) for the Group and 3.27% annually at 31 December 2023 (2022: 2.43%) for the Company.

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

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

31. BONDS

	THE GROUP		THE COMPANY	
	2023 €'000	2022 €'000	2023 €'000	2022 €'000
Bond VI	-	9,985	-	9,985
Bond VII	**44,830**	44,712	**44,830**	44,712
Bond IX	**10,362**	34,896	**10,362**	34,896
Bond X	**54,763**	54,677	**54,763**	54,677
Bond XI	**59,652**	59,546	**59,652**	59,546
Bond XII	**79,304**	79,231	**79,304**	79,231
Bond XIII	**59,220**	-	**59,220**	-
	308,131	283,047	**308,131**	283,047
Non-current	**297,769**	273,062	**297,769**	273,062
Current	**10,362**	9,985	**10,362**	9,985
	308,131	283,047	**308,131**	283,047

(I) THE GROUP HAS THE FOLLOWING BONDS IN ISSUE:

	YEAR OF ISSUE	NOMINAL AMOUNT €'000	RATE OF INTEREST %	MATURITY DATE
Bond VII	2015	45,000	5.75	13 May 2025
Bond IX	2014	10,392	6	15 May 2024
Bond X	2016	55,000	4	29 July 2026
Bond XI	2016	60,000	4	20 December 2026
Bond XII	2021	80,000	3.65	07 December 2031
Bond XIII	2023	60,000	6	14 November 2033

In 2023, IHI p.l.c. redeemed Bond VI amounting to €10.0 million and part of Bond IX, and issued Bond XIII for a total amount of €60.0 million.

(II) INTEREST

Interest is payable annually in arrears on the due date.

(III) SECURITY

The bonds constitute the general, direct, unconditional, unsecured and unsubordinated obligations of the Company and will rank pari passu, without any priority or preference, with all other present and future unsecured and unsubordinated obligations of the Company. The only exception is Bond X for €55.0 million which is secured by the Hotel property owned by IHI Hungary

(IV) SINKING FUNDS

The required contributions to the sinking funds as deposited under a trust arrangement as at 31 December 2023 amounted to €0.1 million (2022: €0.1 million).

(V) THE CARRYING AMOUNT OF THE BONDS IS AS FOLLOWS:

	VI €'000	VII €'000	IX €'000	X €'000	XI €'000	XII €'000	XIII €'000	TOTAL €'000
At 31 January 2022	9,969	44,601	34,823	54,595	59,443	79,160	–	282,591
Amortisation of transaction costs	16	111	73	82	103	71	–	456
At 31 December 2022	9,985	44,712	34,896	54,677	59,546	79,231	–	283,047
Proceeds from issue	–	–	–	–	–	–	29,502	29,502
Issue costs	–	–	–	–	–	–	(780)	(780)
Amortisation of transaction costs	15	118	75	86	106	73	–	473
Cancelled bonds	–	–	(53)	–	–	–	–	(53)
Redemption	(4,058)	–	–	–	–	–	–	(4,058)
Allocation to new bond	(5,942)	–	(24,556)	–	–	–	30,498	-
At 31 December 2023	**-**	**44,830**	**10,362**	**54,763**	**59,652**	**79,304**	**59,220**	**308,131**

Disclosure in respect of the fair value of the bonds is presented within Note 41.7.

The market price of bonds in issue is as follows:

	2023 €	2022 €
Bond VI	**-**	100
Bond VII	**100.50**	102
Bond IX	**100**	101.5
Bond X	**100**	99
Bond XI	**97.50**	99.5
Bond XII	**91.30**	90
Bond XIII	**103.97**	–

32. OTHER FINANCIAL LIABILITIES

	THE GROUP		THE COMPANY	
	2023 €'000	2022 €'000	2023 €'000	2022 €'000
Amounts owed to:				
Ultimate parent	**24,623**	26,623	**24,623**	26,623
Group companies	**-**	-	**28,136**	26,419
Other	**91**	204	**-**	-
	24,714	26,827	**52,759**	53,042
Non-current liabilities				
Amounts owed to:				
Ultimate parent	**24,623**	26,623	**24,623**	26,623
Group companies	**-**	-	**28,044**	26,332
Other	**-**	91	**-**	-
	24,623	26,714	**52,667**	52,955
Current liabilities				
Amounts owed to:				
Group companies	**-**	-	**92**	87
Other	**91**	113	**-**	-
	91	113	**92**	87

The carrying amount of the borrowings subject to a variable interest rate is considered a reasonable approximation of fair value on the basis of discounted cash flows. In the case of borrowing subject to a fixed rate of interest, the fair value is disclosed in Note 41.7. The terms of the amounts owed by the Company, as applicable, are as follows:

	€'000	INTEREST	REPAYABLE BY
At 31 December 2023			
Group companies	**9,887**	4.95%	Due by 10 March 2027
Group companies	**13,000**	Euribor + 2.65%	Due by 28 February 2026
Group companies	**4,440**	0%	No fixed repayment date
Group companies	**92**	0%	Due within 3 years
Group companies	**717**	0%	No fixed repayment date
Ultimate parent	**24,623**	3%	Due by 11 January 2026
	52,759		
At 31 December 2022			
Group companies	7,487	4.95%	Due by 10 March 2027
Group companies	13,000	Euribor + 2.65%	Due by 28 February 2026
Group companies	687	4.65%	Due by 22 December 2024
Group companies	4,440	0%	No fixed repayment date
Group companies	718	0%	No fixed repayment date
Group companies	87	0%	Due within 3 years
Ultimate parent	26,623	3%	Due by 11 January 2026
	53,042		

None of the loans are secured.

33. DEFERRED TAX ASSETS AND LIABILITIES

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

The balance at 31 December represents temporary differences attributable to:

THE GROUP	ASSETS		LIABILITIES		NET	
	2023 €'000	2022 €'000	2023 €'000	2022 €'000	2023 €'000	2022 €'000
Depreciation of property, plant and equipment	-	-	**(40,096)**	(43,563)	**(40,096)**	(43,563)
Fair valuation of land and buildings	-	-	**(81,827)**	(67,272)	**(81,827)**	(67,272)
Fair valuation of investment property	-	-	**(12,825)**	(11,640)	**(12,825)**	(11,640)
Intangible assets	-	-	**(3,538)**	(2,692)	**(3,538)**	(2,692)
Investment in subsidiaries	-	-	**(7,147)**	(7,147)	**(7,147)**	(7,147)
Investment in associates	**101**	101	-	-	**101**	101
Unrelieved tax losses and unabsorbed capital allowances	**53,942**	57,723	-	-	**53,942**	57,723
Exchange differences	**15**	-	-	(121)	**15**	(121)
Provision on trade receivables	**850**	800	-	-	**850**	800
Other	**294**	234	-	-	**294**	234
Tax assets/(liabilities) – before offsetting	**55,202**	58,858	**(145,433)**	(132,435)	**(90,231)**	(73,577)
Offset in the statement of financial position	**(34,441)**	(40,839)	**34,441**	40,839	-	-
Tax assets/(liabilities) – as presented in the statement of financial position	**20,761**	18,019	**(110,992)**	(91,596)	**(90,231)**	(73,577)

THE COMPANY	ASSETS		LIABILITIES		NET	
	2023 €'000	2022 €'000	2023 €'000	2022 €'000	2023 €'000	2022 €'000
Depreciation of property, plant and equipment	**84**	63	-	-	**84**	63
Investment in subsidiaries	-	-	**(23,580)**	(11,840)	**(23,580)**	(11,840)
Unrelieved tax losses and unabsorbed capital allowances	**12,411**	8,117	-	-	**12,411**	8,117
Exchange differences	-	-	**31**	56	**31**	56
Tax assets/(liabilities)	**12,495**	8,180	**(23,549)**	(11,784)	**(11,054)**	(3,604)
Offset in the statement of financial position	**31**	56	**(31)**	(56)	-	-
Tax assets/(liabilities) – as presented in statement of financial position	**12,526**	8,236	**(23,580)**	(11,840)	**(11,054)**	(3,604)

The recognised deferred tax assets and liabilities are expected to be recovered or settled principally after more than twelve months from the end of the reporting period. The deferred tax assets and liabilities reflected in other comprehensive income relate to fair valuation of property, plant and equipment and investments in subsidiaries, associates and joint venture which have been measured as financial assets at fair value through other comprehensive income.

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

THE GROUP	BALANCE 01.01.2022 €'000	RECOGNISED IN PROFIT OR LOSS €'000	RECOGNISED IN OTHER COMPREHENSIVE INCOME €'000	CURRENCY TRANSLATION DIFFERENCES €'000	OTHER €'000	BALANCE 31.12.2022 €'000	RECOGNISED IN PROFIT OR LOSS €'000	RECOGNISED IN OTHER COMPREHENSIVE INCOME €'000	CURRENCY TRANSLATION DIFFERENCES €'000	BALANCE 31.12.2023 €'000
Property, plant and equipment	(110,818)	(385)	1,949	(1,581)	-	(110,835)	465	(15,462)	3,909	(121,923)
Investment property	(12,381)	1,396	-	(655)	-	(11,640)	(1,563)	-	378	(12,825)
Intangible assets	(1,987)	(706)	-	1	-	(2,692)	(841)	-	(5)	(3,538)
Investments in subsidiaries	(7,147)	-	-	-	-	(7,147)	-	-	-	(7,147)
Investments in associates	101	-	-	-	-	101	-	-	-	101
Unrelieved tax losses and capital allowances	57,365	(367)	(666)	1,564	(173)	57,723	(3,521)	3,707	(3,967)	53,942
Exchange differences	(761)	640	-	-	-	(121)	136	-	-	15
Provision on trade receivables	759	41	-	-	-	800	50	-	-	850
Others	204	37	-	(7)	-	234	131	-	(71)	294
	(74,665)	656	1,283	(678)	(173)	(73,577)	(5,143)	(11,755)	244	(90,231)

UNRECOGNISED DEFERRED TAX ASSETS

Deferred income taxes are recognised for tax loss carry-forwards to the extent that the realisation of the related tax benefit through future taxable profits is probable. In 2023, the Group did not recognise deferred income tax assets of €17.0 million (2022: €8.5 million), in respect of losses amounting to €64.5 million (2022: €24.4 million) that can be carried forward against future taxable income.

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

THE COMPANY	BALANCE 01.01.2022 €'000	RECOGNISED IN PROFIT OR LOSS €'000	RECOGNISED IN OTHER COMPREHENSIVE INCOME €'000	SURRENDER OF LOSSES €'000	BALANCE 31.12.2022 €'000	RECOGNISED IN PROFIT OR LOSS €'000	RECOGNISED IN OTHER COMPREHENSIVE INCOME €'000	SURRENDER OF LOSSES €'000	BALANCE 31.12.2023 €'000
Property, plant and equipment	43	20	-	-	63	21	-	-	84
Investments in subsidiaries	(11,408)	-	(432)	-	(11,840)	-	(11,740)	-	(23,580)
Investments in associates	-	-	-	-	-	-	-	-	-
Unrelieved tax losses and capital allowances	4,957	4,562	-	(1,402)	8,117	4,294	-	-	12,411
Exchange differences	(6)	62	-	-	56	(25)	-	-	31
	(6,414)	4,644	(432)	(1,402)	(3,604)	4,290	(11,740)	-	(11,054)

UNRECOGNISED DEFERRED TAX ASSETS

The Company did not have unrecognised deferred income tax assets that could be carried forward against future taxable income as at 31 December 2023 and 31 December 2022.

34. TRADE AND OTHER PAYABLES

	THE GROUP		THE COMPANY	
	2023 €'000	2022 €'000	2023 €'000	2022 €'000
Non-current				
Trade payables	-	-	-	-
Other payables	**1,557**	1,468	**456**	102
Accruals	**271**	271	**271**	271
Refundable lease deposits	**201**	263	-	-
Financial liabilities	**2,029**	2,002	**727**	373
Contract liabilities	**997**	2,053	-	-
Other statutory liabilities	**5,108**	6,488	**886**	1,201
Total payables - non-current	**8,134**	10,543	**1,613**	1,574
Current				
Trade payables	**21,360**	17,784	**14**	169
Amounts owed to:				
Parent company	**1,341**	1,158	-	-
Subsidiary companies	-	-	**5,996**	3,274
Associates	**238**	238	**237**	238
Other related parties	**8,368**	8,297	**6**	2
Capital creditors	**2,279**	2,337	-	-
Other payables	**6,775**	5,375	**1,655**	1,886
Refundable lease deposits	**595**	564	-	-
Accruals	**30,980**	28,542	**6,314**	6,794
Financial liabilities	**71,936**	64,295	**14,222**	12,363
Contract liabilities	**5,901**	4,014	-	-
Advance payments	**3,771**	2,811	-	-
Lease payments received in advance	**1,082**	1,915	-	-
Statutory liabilities	**7,916**	10,599	**356**	323
Total payables - current	**90,606**	83,634	**14,578**	12,686

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

Disclosure in respect of the trade and other payables is presented within Note 41.7.

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

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

The aggregate transaction price allocated to this long-term arrangement amounted to £2.3m equivalent to €2.7m (2022: £2.3m, €2.6m), of which £1.8m equivalent to €2.0m (2022: £1.8m, €2.1m) remains unsatisfied as at year-end. Management expects that the unsatisfied portion of the transaction price will be recognised as revenue on a straight-line basis over the remaining term of 40 years, since the directors consider the arrangement consistent with a stand-ready obligation to perform.

Revenue recognised during 2023 that was included in the contract liability balance at the beginning of the period amounted to €0.8 million (2022: €3.2 million).

35. DIVIDENDS

No dividends were declared for the financial years ended 31 December 2023 and 2022.

36. CASH FLOW INFORMATION

36.1 CASH GENERATED FROM OPERATIONS

	THE GROUP		THE COMPANY	
	2023 €'000	2022 €'000	2023 €'000	2022 €'000
Adjustments:				
Depreciation of property, plant and equipment	**23,654**	24,919	**37**	33
Depreciation of right-of-use assets	**2,508**	2,795	**248**	255
Increase in provision for impairment of trade receivables	**482**	(255)	**-**	-
Net loss/(gain) arising on disposal of property, plant and equipment	**1,735**	(33)	**-**	-
Amortisation of intangible assets	**1,430**	1,450	**13**	26
Other write offs	**(275)**	1,207	**-**	-
Net gain on disposal of intangible assets	**-**	-	**20**	(31)
Fair value (gain)/loss movements on investment properties	**(6,423)**	6,620	**-**	-
Fair value movements on investments	**1,787**	2,925	**-**	-
Share of results of associates and joint ventures	**25**	61	**-**	-
Amortisation of transaction costs on borrowings	**946**	761	**471**	455
Lease concessions	**-**	(14)	**-**	-
Interest income	**(1,266)**	(440)	**(9,628)**	(5,210)
Interest expense	**37,808**	27,399	**18,050**	14,614
Reclassification of Azure	**-**	264	**-**	-
Dividend income	**-**	-	**(1,521)**	-
Net exchange differences	**2,550**	(15,063)	**(400)**	180
	64,961	52,596	**7,290**	10,322

36.2 RECONCILIATION OF FINANCING LIABILITIES

THE GROUP	LIABILITIES FROM FINANCING ACTIVITIES					
	ASSETS PLACED UNDER TRUST ARRANGEMENT €'000	BONDS €'000	BANK LOANS €'000	OTHER FINANCIAL LIABILITIES €'000	LEASE LIABILITIES €'000	TOTAL €'000
As at 1 Jan 2022						
- Principal	77	(282,591)	(369,295)	(6,930)	(11,821)	(670,560)
- Accrued interest	–	(4,269)	(1,162)	–	–	(5,431)
- Net	77	(286,860)	(370,457)	(6,930)	(11,821)	(675,991)
Cash flows	–	12,788	50,768	(20,000)	3,233	46,789
Foreign exchange adjustments	–	–	8,458	–	–	8,458
Other movements	–	(13,244)	(14,134)	103	(3,897)	(31,172)
As at 31 December 2022	77	(287,316)	(325,365)	(26,827)	(12,485)	(651,916)
Comprising:						
- Principal	77	(283,047)	(323,789)	(26,827)	(12,485)	(646,071)
- Accrued interest	–	(4,269)	(1,576)	–	–	(5,845)
As at 31 December 2022	77	(287,316)	(325,365)	(26,827)	(12,485)	(651,916)
As at 1 Jan 2023						
- Principal	**77**	**(283,047)**	**(323,789)**	**(26,827)**	**(12,485)**	**(646,071)**
- Accrued interest	**–**	**(4,269)**	**(1,576)**	**–**	**–**	**(5,845)**
- Net	**77**	**(287,316)**	**(325,365)**	**(26,827)**	**(12,485)**	**(651,916)**
Cash flows	**–**	**(11,616)**	**(10,657)**	**–**	**3,092**	**(19,181)**
Foreign exchange adjustments	**–**	**–**	**(3,178)**	**–**	**–**	**(3,178)**
Other movements	**–**	**(12,941)**	**(25,087)**	**2,113**	**(6,543)**	**(42,458)**
As at 31 December 2023	**77**	**(311,873)**	**(364,287)**	**(24,714)**	**(15,936)**	**(716,733)**
Comprising:						
- Principal	**77**	**(308,131)**	**(362,689)**	**(24,714)**	**(15,936)**	**(711,393)**
- Accrued interest	**–**	**(3,742)**	**(1,598)**	**–**	**–**	**(5,340)**
As at 31 December 2023	**77**	**(311,873)**	**(364,287)**	**(24,714)**	**(15,936)**	**(716,733)**

THE COMPANY	LIABILITIES FROM FINANCING ACTIVITIES					
	ASSETS PLACED UNDER TRUST ARRANGEMENT €'000	BONDS €'000	BANK LOANS €'000	OTHER FINANCIAL LIABILITIES €'000	LEASE LIABILITIES €'000	TOTAL €'000
As at 1 Jan 2022						
- Principal	77	(282,591)	(18,308)	(28,268)	(352)	(329,442)
- Accrued interest	-	(4,269)	(745)	-	-	(5,014)
- Net	77	(286,860)	(19,053)	(28,268)	(352)	(334,456)
Cash flows	-	12,788	(84)	(24,100)	271	(11,125)
Other movements	-	(13,244)	(1,816)	(674)	(9)	(15,743)
As at 31 December 2022	77	(287,316)	(20,953)	(53,042)	(90)	(361,324)
Comprising:						
- Principal	77	(283,047)	(20,199)	(53,042)	(90)	(356,301)
- Accrued interest	-	(4,269)	(754)	-	-	(5,023)
As at 31 December 2022	77	(287,316)	(20,953)	(53,042)	(90)	(361,324)
As at 1 Jan 2023						
- Principal	**77**	**(283,047)**	**(20,199)**	**(53,042)**	**(90)**	**(356,301)**
- Accrued interest	**-**	**(4,269)**	**(754)**	**-**	**-**	**(5,023)**
- Net	**77**	**(287,316)**	**(20,953)**	**(53,042)**	**(90)**	**(361,324)**
Cash flows	**-**	**(11,616)**	**(39,702)**	**(1,712)**	**271**	**(52,759)**
Other movements	**-**	**(12,941)**	**(4,944)**	**1,994**	**(1,341)**	**(17,232)**
As at 31 December 2023	**77**	**(311,873)**	**(65,599)**	**(52,760)**	**(1,160)**	**(431,315)**
Comprising:						
- Principal	**77**	**(308,131)**	**(65,074)**	**(52,760)**	**(1,160)**	**(427,048)**
- Accrued interest	**-**	**(3,742)**	**(525)**	**-**	**-**	**(4,267)**
As at 31 December 2023	**77**	**(311,873)**	**(65,599)**	**(52,760)**	**(1,160)**	**(431,315)**

36.3 SIGNIFICANT NON-CASH TRANSACTIONS

The Company's and Group's significant non-cash transactions for 2023 relate to an amount of €30.5 million representing the portion of bonds that were redeemed through the re-issue of new bonds.

37. COMMITMENTS

Capital expenditure contracted for at the end of the reporting period but not yet incurred is as follows:

	THE GROUP	
	2023 €'000	2022 €'000
Contracted for:		
Property, plant and equipment	**89,217**	89,212
Authorised but not yet contracted for:		
Property, plant and equipment	**17,567**	27,473
	106,784	116,685

The board of directors of joint ventures have not authorised capital commitments for property, plant and equipment for the previous year.

38. CONTINGENT LIABILITIES

A claim in relation to brokerage fees on the sale of Lisbon Hotel to IHI p.l.c. in 2000 amounting to €1.7 million is being made by an individual against 8 defendants including IHI p.l.c. No provision has been made in these financial statements for this claim as the Company and the Group believe that it has a strong defence in respect of these claims.

A client has instituted proceedings against QPM Limited for damages sustained in relation to professional works. The directors do not expect that the cash outflow net of insurance recoveries to be material.

39. RELATED PARTIES

The Company and its subsidiaries have related party relationships with CPHCL, the Company's ultimate controlling party (Note 42) all related entities ultimately controlled, jointly controlled or significantly influenced by CPHCL. Related parties also comprise the shareholders of CPHCL, other major shareholders of IHI, the Group's associates and joint ventures (Note 18) together with the Group companies' key management personnel.

Key management personnel includes directors (executive and non-executive), members of the Executive Committee, the Company Secretary and the Head of Internal Audit. The compensation paid or payable to key management for employee services is disclosed in Note 39.2.

No guarantees were given or received. Amounts owed by/to related parties are shown separately in Notes 19, 21, 32 and 34.

39.1 TRANSACTIONS WITH RELATED PARTIES

	THE GROUP		THE COMPANY	
	2023 €'000	2022 €'000	2023 €'000	2022 €'000
Revenue				
Services rendered to:				
Parent company	**550**	550	**550**	550
Subsidiaries	**-**	-	**3,853**	3,269
Other related parties	**1,115**	978	**-**	-
	1,665	1,528	**4,403**	3,819
Financing				
Interest income				
Parent company	**78**	65	**-**	-
Subsidiaries	**-**	-	**9,628**	5,210
Other related parties	**358**	307	**-**	-
Interest expenses				
Parent company	**(704)**	(564)	**(802)**	(564)
Subsidiaries	**-**	-	**(1,455)**	(760)
	(268)	(192)	**7,371**	3,886

As explained in Note 3.1, the Company has secured a line of credit from its parent company, CPHCL, to ensure funding is available in case of any cash flow shortfalls.

39.2 TRANSACTIONS WITH KEY MANAGEMENT PERSONNEL

In addition to the remuneration paid to the directors included in Note 7, in the course of its operations the Group has a number of arrangements in place with its officers, executives and other related parties whereby concessions are made available for hospitality services rendered to them according to accepted industry norms.

In 2023, the remuneration of the Chairman and Senior Executives of the Company and its subsidiaries amounted to €7.4 million (2022: €7.0 million). The foregoing comprises a fixed portion of €5.8 million (2022: €5.6 million) and a variable portion of €1.6 million (2022: €1.4 million).

40. EVENTS AFTER THE REPORTING PERIOD

In March 2024, the Group leased out the Corinthia Hotel Prague, the 550-room high-rise hotel in Prague, which the Group has owned and operated since 1998. Consequently, as from 1 April 2024, this hotel will be debranded and transferred to Investment Property.

41. RISK MANAGEMENT OBJECTIVES AND POLICIES

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

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

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

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

The most significant financial risks to which the Group is exposed to are described below. See also Note 41.5 for a summary of the Group's financial assets and liabilities by category.

41.1 CREDIT RISK

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Group's receivables from related parties and customers. The Group's exposure to credit risk is measured by reference to the carrying amount of financial assets recognised at the end of the reporting period, as summarised below:

	THE GROUP		THE COMPANY	
	2023 €'000	2022 €'000	2023 €'000	2022 €'000
Classes of financial assets - fair value through profit or loss				
Investments in debt instruments	-	1,018	-	-
Classes of financial assets - carrying amounts				
Long-term loans	**6,083**	6,460	**173,646**	140,138
Short-term loans	**110**	152	**1,312**	2,556
Assets placed under trust arrangement	**77**	77	**77**	77
Trade and other receivables, including contract assets	**47,491**	44,587	**72,582**	60,242
Cash in hand and at bank	**87,084**	66,231	**17,865**	8,564
	140,845	118,525	**265,482**	211,577

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

(I) RISK MANAGEMENT AND SECURITY

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

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

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

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

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

(II) IMPAIRMENT OF FINANCIAL ASSETS

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

- trade receivables and contract assets relating to the provision of services;
- other financial assets at amortised cost, comprising loans receivable from related parties and, in the case of the Company, subsidiary undertakings; and
- cash and cash equivalents.

TRADE RECEIVABLES AND CONTRACT ASSETS

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

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

The expected loss rates are based on the payment profiles of sales over a period of 3 to 4 months before 31 December 2023 and 31 December 2022 respectively and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

Based on the assessment carried out in accordance with the above methodology, the movement in loss allowances identified as at 31 December 2023 and 31 December 2022 is deemed immaterial by management.

On this basis, the information pertaining to loss rates and loss allowances in the Group's provisions matrix, which would have otherwise been required by IFRS 7, is not presented as at 31 December 2023 and 31 December 2022.

The closing loss allowances for trade receivables and contract assets as at 31 December 2023 reconcile to the opening loss allowance as follows:

THE GROUP	TRADE RECEIVABLES AND CONTRACT ASSETS	
	2023 €'000	2022 €'000
Opening loss allowance as at 1 January	**3,818**	3,998
Increase in loss allowance recognised in profit or loss during the year	**429**	281
Receivables written off during the year as uncollectible	**63**	(412)
Unused amounts reversed	**(10)**	(124)
Currency translation differences	**(9)**	75
At 31 December	**4,291**	3,818

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

Impairment losses on trade receivables and contract assets are recognised within administrative expenses. Subsequent recoveries of amounts previously written off are credited against the same line item. All impaired balances were unsecured.

OTHER FINANCIAL ASSETS AT AMORTISED COST

The Group's and the Company's other financial assets at amortised cost which are subject to IFRS 9's general impairment model mainly include the following balances:

	THE GROUP		THE COMPANY	
	2023 €'000	2022 €'000	2023 €'000	2022 €'000
Amounts due from subsidiaries	-	-	**174,958**	142,694
Amounts due from other investees	**6,083**	6,460	**-**	-
Amounts due from others	**110**	152	**-**	-
At 31 December	**6,193**	6,612	**174,958**	142,694

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

As at year-end, based on the Directors' assessments of these factors, the equity position of the respective counterparty, and, where the probability of default is high, the recovery strategies contemplated by management together with the support of shareholders in place, the resulting impairment charge required was deemed to be immaterial.

CASH AT BANK

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

FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

The Group is also directly and indirectly exposed to credit risk in relation to certain bond funds that are measured at fair value through profit or loss. The maximum exposure at the end of the reporting period is the carrying amount of these investments which amounted to Nil (2022: €1.0 million).

41.2 LIQUIDITY RISK

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's exposure and management of liquidity risk as 31 December 2023 is disclosed below.

The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities as they fall due, under both normal and stressed conditions. Liquidity risk management includes maintaining sufficient cash and committed credit lines to ensure the availability of an adequate amount of funding to meet the Group's obligations. The Group's working capital position as at the end of December 2023 reflects a surplus of €6.3 million (2022: deficit of €26.5 million) as disclosed in further detail in Note 3.1.

The Group actively manages its cash flow requirements. Management monitors liquidity risk by reviewing expected cash flows through cash flow forecasts, covering both Head Office corporate cash flows and all Group entities' cash flows, financing facilities are expected to be required. This is performed at a central treasury function, which controls the overall liquidity requirements of the Group within certain parameters. Each subsidiary company within the Group updates its cash flow on a monthly basis.

Typically, the Group ensures that it has sufficient cash on demand to meet expected operational expenses for a period of 60 days, including the servicing of financing or borrowing obligations. Such planning also factors cash outflows required for capital projects and where necessary ensures that adequate bank facilities are in place. This excludes the potential impact of extreme circumstances that cannot be reasonably forecasted.

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

The Group has funding in place for the main contracted capital projects and has access to undrawn bank loans amounting to €49.10 million at the end of the reporting period. Furthermore, the Group has access to unutilised bank overdrafts amounting to €9.17 million at the end of the reporting period. The bank overdrafts are renewed yearly and the bank loans can be withdrawn within one year or beyond.

As at 31 December 2023 and 31 December 2022 the Group has financial liabilities, including estimated interest payments, with contractual maturities which are summarised below:

THE GROUP	CURRENT	NON-CURRENT	
31 DECEMBER 2023	WITHIN 1 YEAR €'000	1-5 YEARS €'000	MORE THAN 5 YEARS €'000
Non-derivatives:			
Bank borrowings	**57,985**	**391,311**	**22,485**
Bonds	**24,369**	**195,234**	**166,295**
Lease liabilities	**3,501**	**9,785**	**21,066**
Bank overdraft	**8,551**	**-**	**-**
Trade and other payables	**71,936**	**2,029**	**-**
Other financial liabilities	**838**	**25,384**	**-**
	167,180	**623,743**	**209,846**

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

THE GROUP	CURRENT	NON-CURRENT	
31 DECEMBER 2022	WITHIN 1 YEAR €'000	1-5 YEARS €'000	MORE THAN 5 YEARS €'000
Non-derivatives:			
Bank borrowings	65,860	288,673	11,615
Bonds	22,760	223,814	88,688
Lease liabilities	2,232	5,592	20,705
Bank overdraft	10,491	-	-
Trade and other payables	64,295	2,002	-
Other financial liabilities	931	28,350	-
	166,569	548,431	121,008

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

As at 31 December 2023 and 31 December 2022 the Company has financial liabilities, including estimated interest payments, with contractual maturities which are summarised below:

THE COMPANY 31 DECEMBER 2023	CURRENT WITHIN 1 YEAR €'000	NON-CURRENT 1-5 YEARS €'000	 MORE THAN 5 YEARS €'000
Non-derivatives:			
Bank borrowings	12,403	63,170	1,127
Bonds	24,369	195,234	166,295
Other financial liabilities	2,086	55,558	-
Lease liabilities	260	1,093	14
Trade and other payables	14,222	727	-
	53,340	**315,782**	**167,436**

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

THE COMPANY 31 DECEMBER 2022	CURRENT WITHIN 1 YEAR €'000	NON-CURRENT 1-5 YEARS €'000	 MORE THAN 5 YEARS €'000
Non-derivatives:			
Bank borrowings	4,574	13,520	-
Bonds	22,760	223,814	88,688
Other financial liabilities	2,646	56,767	-
Lease liabilities	38	53	-
Trade and other payables	12,363	373	-
	42,381	294,527	88,688

41.3 MARKET RISK

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

(I) FOREIGN CURRENCY RISK

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

All Group entities have euro as their functional currency with the exception of IHI Benelux BV, with Russian Rouble as its functional currency, the entities within the NLI Group, with the pound sterling as their functional currency, and Libya Hotels Development and Investment JSC, with Libyan dinars as its functional currency. IHI Benelux BV is exposed to foreign currency risk mainly with respect to a portion of revenue and purchases, which are denominated in euro, and all the entity's borrowings which are also denominated in euro.

The Group operates internationally and is exposed to currency risk on sales, purchases and borrowings that are denominated in a currency other than the functional currency of Group entities, the euro.

The Group has operations in Russia, Hungary, Czech Republic, United Kingdom and Libya and has subsidiaries domiciled in those territories. These entities are exposed to foreign currency in respect of a portion of their respected revenue and purchases which are denominated in foreign currencies.

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

THE GROUP	2023 FUNCTIONAL CURRENCY			2022 FUNCTIONAL CURRENCY		
	EUR			EUR		
	HUF €'000	LYD €'000	CZK €'000	HUF €'000	LYD €'000	CZK €'000
Group						
Assets:						
Loans and receivables:						
Trade receivables	**1,181**	**540**	**785**	1,410	285	535
Other receivables	**149**	**157**	**142**	109	48	292
Liabilities:						
Trade payables	**(746)**	**(406)**	**(889)**	(384)	(228)	(1,278)
Other payables	**(1,901)**	**(908)**	**(1,991)**	(1220)	(656)	(1,091)
Net exposure	**(1,317)**	**(617)**	**(1,953)**	(85)	(551)	(1,542)

On 1 June 2022, the Group settled in full the bank loan in Russia. This had the beneficial effect of removing exchange rate volatility which the Group had experienced during past years due to this facility. Consequently in 2022 the Group recognised a realised gain on exchange of €12.1 million in its income statement.

Additionally, IHI Benelux is also exposed to other financial liabilities and other payables due to Group companies which are eliminated on consolidation. These balances amounting to €94.1 million (2022: €97.8 million) and €27.2 million (2022: €20.1 million) respectively, are considered part of the Group's net investment in the foreign operation. Accordingly, any foreign exchange differences with respect to these balances, which at IHI Benelux standalone level are recognised in profit or loss, were reclassified to other comprehensive income on consolidation.

At 31 December 2023, if the euro had weakened/strengthened by 10% (2022: 10%) against the Rouble with all other variables held constant, the Group's equity would have been €13.5 million lower/€13.5 million higher (2022: €13.1 million lower/€13.1 million higher) as a result of foreign exchange losses/gains recognised in other comprehensive income on translation of the euro denominated payables.

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

In respect of monetary assets and liabilities denominated in foreign currencies, the Group strives to manage its net exposure within acceptable parameters by buying or selling foreign currencies at spot rates, when necessary, to address short-term mismatches.

Borrowings required to fund certain operations are generally denominated in currencies that match the cash flows generated by the respective operations of the Group so as to provide an economic hedge.

(II) INTEREST RATE RISK

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

	THE GROUP		THE COMPANY	
	2023 €'000	2022 €'000	2023 €'000	2022 €'000
Fixed rate instruments				
Financial assets:				
Parent company loan and other loans receivable	**6,083**	6,477	**63,708**	42,285
Assets placed under trust arrangement	**77**	77	**77**	77
Financial liabilities:				
Bonds	**(308,131)**	(283,047)	**(308,131)**	(283,047)
Parent company loan and other financial liabilities	**(24,714)**	(26,827)	**(34,510)**	(34,797)
	(326,685)	(303,320)	**(278,856)**	(275,482)
Variable rate instruments				
Financial assets:				
Loans to related company	**-**	-	**111,251**	97,853
Financial liabilities:				
Bank borrowings	**(371,240)**	(334,280)	**(65,073)**	(20,199)
Other financial liabilities	**-**	-	**(13,000)**	(13,000)
	(371,240)	(334,280)	**33,178**	64,654

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

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

At 31 December, if interest rates had been 100 (2022: 250 basis points) higher/lower with all other variables held constant, post-tax profit for the year for the Group would have been €4.02 million (2022: €8.1 million) lower/higher as a result of higher/lower net interest expense.

At 31 December, if interest rates had been 100 (2022: 250 basis points) higher/lower with all other variables held constant, post-tax profit for the year for the Company would have been €760k (2022: €480.5k) lower/higher as a result of higher/lower net interest expense.

(III) PRICE RISK

The Group's exposure to equity securities price risk arises from its investments in equities, funds and mutual funds, which are classified in the statement of financial position as financial assets at fair value through profit or loss. As at 31 December 2023, the carrying amount of these investments amounted to €3.4 million (2022: €6.4 million).

Nil (2022: €1.0 million) of investments are publicly traded. Management does not consider that a reasonable shift in indexes will have a significant impact on the Group's equity and post-tax profit. Accordingly, a sensitivity analysis disclosing how profit or loss and equity would have been affected by changes in indexes that were reasonably possible at the end of the reporting period is not deemed necessary.

In addition to the above, the Group holds a 10% and 13% investment in two private equities that were purchased in 2019. As at year-end, management do not consider that reasonable movements in market prices will impact the fair value of these investments materially.

41.4 CAPITAL MANAGEMENT POLICIES AND PROCEDURES

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

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

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

	THE GROUP		THE COMPANY	
	2023 €'000	2022 €'000	2023 €'000	2022 €'000
Bank loans (Note 30)	**362,689**	323,789	**65,073**	20,199
Other financial liabilities (Note 32)	**24,714**	26,827	**52,759**	53,042
Bonds (Note 31)	**308,131**	283,047	**308,131**	283,047
Lease liabilities (Note 16)	**15,936**	12,485	**1,160**	90
Less: cash and cash equivalents (Note 23)	**(78,533)**	(55,740)	**(17,865)**	(8,564)
Net debt	**632,937**	590,408	**409,258**	347,814
Total equity	**836,348**	817,892	**707,962**	675,282
Total capital	**1,469,285**	1,408,300	**1,117,220**	1,023,096
Net debt ratio	**43.08%**	41.92%	**36.63%**	34.00%

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

The carrying amounts of the Group's financial assets and liabilities as recognised at the end of the reporting periods under review may also be categorised as follows. See Note 3.10 for explanations about how the category of financial instruments affects their subsequent measurement.

41.5 SUMMARY OF FINANCIAL ASSETS AND LIABILITIES BY CATEGORY

	THE GROUP		THE COMPANY	
	2023 €'000	2022 €'000	2023 €'000	2022 €'000
Assets				
Other financial assets at amortised cost				
Cash at bank and in hand	**87,084**	66,231	**17,865**	8,564
- Trade receivables	**21,304**	19,387	**-**	2
- Other receivables	**3,818**	3,545	**192**	126
- Amounts due from Group and related companies	**14,654**	15,077	**406,925**	369,143
Assets placed under trust arrangement	**77**	77	**77**	77
Amounts due from other investees	**6,083**	6,460	**-**	-
Amounts due from others	**110**	152	**-**	-
Financial assets measured at fair value				
Equity securities				
- Investments in subsidiaries	**-**	-	**722,483**	658,466
- Investments in associates and joint ventures	**-**	-	**5,034**	5,198
Financial assets at fair value through profit or loss	**3,411**	5,373	**-**	-
Funds and mutual funds				
Financial assets at fair value through profit or loss	**-**	1,018	**-**	-
Total assets	**136,541**	117,320	**1,152,576**	1,041,576
Other financial liabilities measured at amortised cost				
- Bank borrowings	**371,240**	334,280	**65,073**	20,199
- Bonds	**308,131**	283,047	**308,131**	283,047
- Other financial liabilities	**24,714**	26,827	**52,759**	53,042
- Lease liabilities	**15,936**	12,485	**1,160**	90
- Trade payables	**21,360**	17,784	**14**	169
- Other payables	**21,354**	19,700	**8,349**	5,502
- Accruals	**31,250**	28,813	**6,585**	7,065
Total liabilities	**793,985**	722,936	**442,071**	369,114

41.6 FINANCIAL INSTRUMENTS MEASURED AT FAIR VALUE

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

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

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

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

THE GROUP	2023 €000	2022 €000
Level 1		
Investments in publicly-traded securities measured at fair value through profit or loss	-	1,018
Level 3		
Investments in unlisted equities measured at fair value through profit or loss	**3,411**	5,373

THE COMPANY	2023 €000	2022 €000
Level 3		
Investments in subsidiaries (a)	**722,483**	658,466
Investments in associates and joint ventures (b)	**5,034**	5,198

MEASUREMENT OF FAIR VALUE

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

Investments in unlisted equity securities, categorised as Level 3 instruments in view of their unlisted nature comprise the acquisition during 2019 of minority stakes in Global Hotel Alliance and Moscow Project. In 2022, this also included the investment in Azure Resorts Group which was fully written off in 2023. In the opinion of the directors, as at year-end, the fair value of these investments is best represented by the Group's acquisition price, or the share of adjusted net asset value.

Movements in these investments are portrayed in the table below:

THE GROUP	2023 €'000	2022 €'000
	LEVEL 3	
At 1 January		
Acquisitions	**5,373**	6,898
Fair value movements	**-**	-
At 31 December	**(1,962)**	(1,525)
	3,411	5,373

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

41.7 FAIR VALUE OF FINANCIAL INSTRUMENTS CARRIED AT AMORTISED COST

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

	THE GROUP			
	2023 €'000	2022 €'000	2023 €'000	2022 €'000
	LEVEL 1		LEVEL 3	
Financial assets				
Other financial assets at amortised cost	-	-	**5,348**	5,565
Financial liabilities				
Bonds	**304,539**	277,575	-	-
Other financial liabilities	-	-	**23,487**	24,828
	304,539	277,575	**23,487**	24,828

	THE COMPANY			
	2023 €'000	2022 €'000	2023 €'000	2022 €'000
	LEVEL 1		LEVEL 3	
Financial assets				
Loans receivable bearing fixed interest rates	-	-	**47,580**	36,589
Financial liabilities				
Bonds	**304,539**	277,575	-	-
Other financial liabilities	-	-	**32,753**	24,828
	304,539	277,575	**32,753**	24,828

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

The fair values of the financial assets and financial liabilities classified as Level 3 hierarchy during 2023 were calculated based on a cash flow discounted using the current lending rate for similar instruments at the reporting date. They are classified as Level 3 hierarchy due to the use of unobservable inputs including counterparty risk. Management considers the carrying amounts of these instruments for the comparative period presented to be a reasonable estimate of their fair values due to insignificant changes in the interest rates and counterparty risks.

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

42. ULTIMATE CONTROLLING PARTY

The Group's ultimate parent company is CPHCL Company Limited, the registered office of which is 22, Europa Centre, Floriana FRN 1400, Malta.

CPHCL Company Limited prepares the consolidated financial statements of the Group of which IHI and its subsidiaries form part. These financial statements are filed and are available for public inspection at the Registry of Companies in Malta.

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF INTERNATIONAL HOTEL INVESTMENTS P.L.C.

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

OUR OPINION

In our opinion:

- The Group financial statements and the Parent Company financial statements (the "financial statements") of International Hotel Investments p.l.c. give a true and fair view of the Group and the Parent Company's financial position as at 31 December 2023, and of their financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards ('IFRSs') as adopted by the EU; and
- The financial statements have been prepared in accordance with the requirements of the Maltese Companies Act (Cap. 386).

Our opinion is consistent with our additional report to the Audit Committee.

What we have audited

International Hotel Investments p.l.c.'s financial statements comprise:

- the Income statement for the Group for the year ended 31 December 2023;
- the Statement of comprehensive income for the Group for the year then ended;
- the Statement of financial position of the Group as at 31 December 2023;
- the Statement of changes in equity for the Group for the year then ended;
- the Statement of cash flows for the Group for the year then ended;
- the Statement of comprehensive income for the Company for the year then ended;
- the Statement of financial position of the Company as at 31 December 2023;
- the Statement of changes in equity for the Company for the year then ended;
- the Statement of cash flows for the Company for the year then ended; and
- the notes to the financial statements, which include material accounting policies and other explanatory information.

BASIS FOR OPINION

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

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

Independence

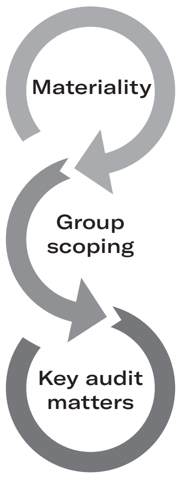
We are independent of the Group and the Parent Company in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code) together with the ethical requirements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

To the best of our knowledge and belief, we declare that non-audit services that we have provided to the parent company and its subsidiaries are in accordance with the applicable law and regulations in Malta and that we have not provided non-audit services that are prohibited under Article 18A of the Accountancy Profession Act (Cap. 281).

The non-audit services that we have provided to the parent company and its subsidiaries, in the period from 1 January 2023 to 31 December 2023, are disclosed in Note 7.1 to the financial statements.

OUR AUDIT APPROACH

Overview



- Overall group materiality: €2,650,000, which represents approximately 1% of total revenue.

- We conducted a full scope audit of the most significant components and performed specified audit procedures on certain account balances.
- The group engagement team performed oversight procedures on the work of component teams for all significant locations.

- Valuation and impairment of property, plant and equipment and investment properties including highlights on the valuation uncertainties in Russia and Libya.

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the consolidated financial statements. In particular, we considered where the directors made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

Materiality

The scope of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance whether the financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall group materiality for the consolidated financial statements as a whole as set out in the table below. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

Overall group materiality	€2,650,000
How we determined it	Approximately 1% of total revenue
Rationale for the materiality benchmark applied	We have applied revenue as a benchmark as we considered that this provides us with an adequate year-on-year basis for determining materiality, reflecting the group's fluctuating levels of profitability, and which we believe is also a key measure used by the shareholders as a body in assessing the group's performance. We selected 1% based on our professional judgement, noting that it is also within the range of commonly accepted revenue related thresholds.

We agreed with the Audit Committee that we would report to them misstatements identified during our audit above €265,000 as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. The following key audit matter was identified at Group level.

KEY AUDIT MATTER

VALUATION AND IMPAIRMENT OF PROPERTY, PLANT AND EQUIPMENT AND INVESTMENT PROPERTIES INCLUDING HIGHLIGHTS ON THE VALUATION UNCERTAINTIES IN RUSSIA AND LIBYA

The Group's property comprises hotels, commercial centres and land for commercial use amounting to €1.5 billion. This represents the majority of the Group's assets as at 31 December 2023. During 2023, a fair value increase (net) of €62.5 million on these properties has been recognised within other comprehensive income whereas a net increase of €6.4 million was recognised within the income statement.

Full valuation reports or updated valuation assessments were obtained for all of the Group's properties, classified as either property, plant and equipment or investment property.

The valuation reports by the third party valuers are based on both:

- Information provided by the Group; and
- Assumptions and valuation models used by the valuers, with assumptions being typically market related and based on professional judgement and market observation. The most significant judgements when adopting the income capitalisation approach relate to the projected cash flows, and the discount rate, growth rates (including the capitalisation rate). The most significant judgement when adopting the adjusted sales-comparison approach relates to the sales price per square metre or per room.

The valuation of the Group's property portfolio is inherently subjective due to, among other factors, the individual nature of each property, its location and the expected future returns.

The existence of significant estimation uncertainty evidenced by the sensitivity of the property valuations to possible shifts in key assumptions as described in Note 15 could result in material misstatement, and therefore we have devoted specific audit focus and attention to this area.

HOW OUR AUDIT ADDRESSED THE KEY AUDIT MATTER

Our procedures in relation to the valuation of the properties included:

- Reviewing the methodologies used by the external valuers and by management to estimate the fair value for all properties. We confirmed that the valuation approach for each property was suitable for use in determining the carrying value of properties as at 31 December 2023.

- Testing the mathematical accuracy of the calculations derived from each model.

- Assessing the key inputs in the calculations such as revenue growth and discount rate, by reference to management's forecasts, rental agreements for investment property, data external to the Group and our own expertise.

- Considering the appropriateness of the fair values estimated by the external valuers based on our knowledge of the industry. We engaged our own in-house valuation experts to challenge the work performed and assumptions used by the valuers.

- Considering the potential impact of reasonably possible changes in the key assumptions underlying the valuations to factor the impact of the current macroeconomic environment, including the increase in interest rates and costs.

We challenged the Company's valuations to assess whether they fell within a reasonable range of the expectations developed. Management was able to provide explanations and refer to appropriate supporting evidence.

We have also assessed the appropriateness of disclosures in Note 15 to the financial statements, including those regarding the key valuation assumptions applied in the property valuations in this respect.

KEY AUDIT MATTER	HOW OUR AUDIT ADDRESSED THE KEY AUDIT MATTER
Properties held in Russia and Libya	
The valuations of the properties held in Russia and Libya are characterised by a higher degree of estimation uncertainty brought about by the geo-political tensions and the market situation in the respective countries. *Russia* The military conflict between Russia and Ukraine, alongside the consequent economic sanctions, have had an adverse impact on the Group's operations in Russia. The future performance of the Hotel, Commercial Centre and other operations are largely dependent on how soon the economic and political situation in and around Russia will return to normality and how quickly international sanctions are lifted. The Group's assets in Russia principally comprise the Corinthia St. Petersburg Hotel valued at €53.5 million and the adjoining investment property with a carrying amount of €38.3 million as detailed in Note 5.2 and which are subject to fair value estimation. *Libya* Since 2014, Libya has experienced severe political instability due to the collapse of the central government and the country has been going through difficult times ever since. This prevailing situation has impacted and continues to impact the Group's financial results in Libya, which has impacted the level of economic performance from its operations in Libya, particularly from its hotel operations. The Group's assets in Libya principally comprise the Corinthia Hotel Tripoli with a carrying amount of €65.4 million and the adjoining investment property with a carrying amount of €112.8 million. The future performance of the properties in Libya and their fair values are largely dependent on how soon the political situation in Libya will return to normality and on how quickly the international oil and gas industry recovers once political risks subside. The directors have continued to monitor the situation in Libya closely.	In addition to the procedures listed above, we also performed the following on the properties held by the Group in Russia and Libya: • We engaged in several discussions with management to better understand the current circumstances impacting their business (e.g. level of occupancy, rates being charged, relevant sanctions, liquidity) and how management was responding to these geopolitical and economic challenges; • Together with our experts, we held meetings with the valuers and challenged a number of assumptions to ensure that the appropriate risk is reflected in the projected cash flows and the discount rate used in the valuation models; • With regards to expected future cash flows, we obtained the most recent forecasts approved by the audit committee/board reflecting current developments and conditions and the expected related consequences. We compared the underlying assumptions against recent market research and, in particular, we challenged the speed of recovery in the cash flows. We also obtained the actual results after year end to understand and challenge the projected cash flows being used in the valuation models. • With regards to the discount rate, we reassessed the different inputs into its calculation to ensure that changes in observable inputs had been captured and that the discount rate was also including an appropriate risk premium that reflects the increased uncertainty and volatility in these countries;

KEY AUDIT MATTER	HOW OUR AUDIT ADDRESSED THE KEY AUDIT MATTER
They recognise the fact that there were no major changes during the last year when it comes to the significant political and economic uncertainty prevailing in this country. With respect to the hotel, the directors have retained the expectations for a gradual recovery. On the other hand, the directors have taken into account the positive net contribution that the Commercial Centre continues to generate and the existence of long-term leases and have recognised a fair value uplift in this regard. The economic impact of the geopolitical risks associated with Russia and Libya depends on variables that are difficult to predict. The assumptions underlying the valuation of the properties held in these countries (Note 5) are subject to a higher level of estimation in view of the significant uncertainties surrounding the operations in these countries and, therefore, the related projected cash flows (including their timing) and the discount rate applied to these cashflows that captures these uncertainties.	• We considered different scenarios when sensitising the key inputs to the expected cash flows to determine a range of potential outcomes; and • We evaluated the adequacy of the disclosures made in the financial statements regarding the situation in Russia and Libya, including those regarding the key assumptions and sensitivities to changes in such assumptions. In particular, Note 5 to the financial statements highlights the significant political and economic uncertainties prevailing in Russia and Libya and their impact on the Group's results for 2023. The note also explains the significant uncertainties and judgements surrounding the valuation of the Group's assets in Russia and Libya that have also a bearing on the projected cash flows from the relative operations, which are in turn influenced by how soon the political situation in Russia and Libya will return to normality. In the case of certain underlying valuation assumptions, we formed a different view from that of management, but in our view the overall differences were within a reasonable range of outcomes.
Reference to related disclosures The disclosures pertaining to property valuations are included in Notes 5, 14 and 15 to the Group's financial statements.	*As it is uncertain as to when the geopolitical risks associated with Russia and Libya will subside, the estimation uncertainty related to the valuation of the Group's assets in these territories remains heightened. We believe that different plausible scenarios may impact the financial performance of both the Russia and Libya operations and the valuation of related assets in a significant manner. Developments and revisions to forecast economic and market conditions after the date of approval of the financial statements might give rise to potential changes in the outcome of management assessments carried out subsequent to that date. This matter is considered to be of fundamental importance to the users' understanding of the financial statements because of the potential impact that this uncertainty may have on the valuation of the Group's assets in Russia and Libya.*

The above matter also has an impact on the Company given the direct impact of the valuation of the properties on the fair value of the investment in subsidiaries. We have no other key audit matters to report with respect to our audit of the parent company financial statements.

How we tailored our group audit scope

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industry in which the Group operates.

The Group includes a number of subsidiaries, mainly operating in Malta, UK, Portugal, Hungary, Russia, Czech Republic and Libya. It also holds a number of investments in associates. The consolidated financial statements are a consolidation of all of these components.

We therefore assessed what audit work was necessary in each of these components, based on their financial significance to the financial statements and our assessment of risk and Group materiality. At the component level, we performed a combination of full scope audits and specified audit procedures on certain account balances in order to achieve the desired level of audit evidence.

In establishing the overall audit approach to the Group audit, we determined the type of work that needed to be performed by us, as the Group engagement team, or by component auditors. For the work performed by component auditors operating under our instructions, we determined the level of involvement we needed to have in the audit work at those locations to be satisfied that sufficient audit evidence had been obtained for the purposes of our opinion. We kept in regular communication with audit teams throughout the year with phone calls, discussions and written instructions and review of working papers where appropriate.

We ensured that our involvement in the work of our component auditors, together with the additional procedures performed at the Group level, were sufficient to allow us to conclude on our opinion on the Group financial statements as a whole.

The Group audit team performed all of this work by applying the overall Group materiality, together with additional procedures performed on the consolidation. This gave us sufficient appropriate audit evidence for our opinion on the Group financial statements as a whole.

OTHER INFORMATION

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

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

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

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

RESPONSIBILITIES OF THE DIRECTORS AND THOSE CHARGED WITH GOVERNANCE FOR THE FINANCIAL STATEMENTS

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

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

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

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Parent Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Parent Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group or the Parent Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance 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 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

REPORT ON COMPLIANCE WITH THE REQUIREMENTS OF THE EUROPEAN SINGLE ELECTRONIC FORMAT REGULATORY TECHNICAL STANDARD (THE "ESEF RTS"), BY REFERENCE TO CAPITAL MARKETS RULE 5.55.6

We have undertaken a reasonable assurance engagement in accordance with the requirements of Directive 6 issued by the Accountancy Board in terms of the Accountancy Profession Act (Cap. 281) - the Accountancy Profession (European Single Electronic Format) Assurance Directive (the "ESEF Directive 6") on the Annual Financial Report of International Hotel Investments p.l.c. for the year ended 31 December 2023, entirely prepared in a single electronic reporting format.

Responsibilities of the directors

The directors are responsible for the preparation of the Annual Financial Report, including the consolidated financial statements and the relevant mark-up requirements therein, by reference to Capital Markets Rule 5.56A, in accordance with the requirements of the ESEF RTS.

Our responsibilities

Our responsibility is to obtain reasonable assurance about whether the Annual Financial Report, including the consolidated financial statements and the relevant electronic tagging therein, complies in all material respects with the ESEF RTS based on the evidence we have obtained. We conducted our reasonable assurance engagement in accordance with the requirements of ESEF Directive 6.

Our procedures included:

- Obtaining an understanding of the entity's financial reporting process, including the preparation of the Annual Financial Report, in accordance with the requirements of the ESEF RTS.
- Obtaining the Annual Financial Report and performing validations to determine whether the Annual Financial Report has been prepared in accordance with the requirements of the technical specifications of the ESEF RTS.
- Examining the information in the Annual Financial Report to determine whether all the required taggings therein have been applied and whether, in all material respects, they are in accordance with the requirements of the ESEF RTS.

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

Opinion

In our opinion, the Annual Financial Report for the year ended 31 December 2023 has been prepared, in all material respects, in accordance with the requirements of the ESEF RTS.

OTHER REPORTING REQUIREMENTS

The Annual Report and Financial Statements 2023 contains other areas required by legislation or regulation on which we are required to report. The Directors are responsible for these other areas.

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

AREA OF THE ANNUAL REPORT AND FINANCIAL STATEMENTS 2023 AND THE RELATED DIRECTORS' RESPONSIBILITIES	OUR RESPONSIBILITIES	OUR REPORTING
DIRECTORS' REPORT, STATEMENT BY THE DIRECTORS ON THE FINANCIAL STATEMENTS AND OTHER INFORMATION INCLUDED IN THE ANNUAL REPORT AND STATEMENT BY THE DIRECTORS ON NON-FINANCIAL INFORMATION The Maltese Companies Act (Cap. 386) requires the directors to prepare a Directors' report, which includes the contents required by Article 177 of the Act and the Sixth Schedule to the Act.	We are required to consider whether the information given in the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements. We are also required to express an opinion as to whether the Directors' report has been prepared in accordance with the applicable legal requirements. In addition, we are required to state whether, in the light of the knowledge and understanding of the Company and its environment obtained in the course of our audit, we have identified any material misstatements in the Directors' report, and if so to give an indication of the nature of any such misstatements. With respect to the information required by paragraphs 8 and 11 of the Sixth Schedule to the Act, our responsibility is limited to ensuring that such information has been provided.	In our opinion: • the information given in the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and • the Directors' report has been prepared in accordance with the Maltese Companies Act (Cap. 386). We have nothing to report to you in respect of the other responsibilities, as explicitly stated within the Other information section.

AREA OF THE ANNUAL REPORT AND FINANCIAL STATEMENTS 2023 AND THE RELATED DIRECTORS' RESPONSIBILITIES	OUR RESPONSIBILITIES	OUR REPORTING
STATEMENT BY THE DIRECTORS ON COMPLIANCE WITH THE CODE OF PRINCIPLES OF GOOD CORPORATE GOVERNANCE The Capital Markets Rules issued by the Malta Financial Services Authority require the directors to prepare and include in the Annual Financial Report a Statement of Compliance with the Code of Principles of Good Corporate Governance within Appendix 5.1 to Chapter 5 of the Capital Markets Rules. The Statement's required minimum contents are determined by reference to Capital Markets Rule 5.97. The Statement provides explanations as to how the Company has complied with the provisions of the Code, presenting the extent to which the Company has adopted the Code and the effective measures that the Board has taken to ensure compliance throughout the accounting period with those Principles.	We are required to report on the Statement of Compliance by expressing an opinion as to whether, in light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have identified any material misstatements with respect to the information referred to in Capital Markets Rules 5.97.4 and 5.97.5, giving an indication of the nature of any such misstatements. We are also required to assess whether the Statement of Compliance includes all the other information required to be presented as per Capital Markets Rule 5.97. We are not required to, and we do not, consider whether the Board's statements on internal control included in the Statement of Compliance cover all risks and controls, or form an opinion on the effectiveness of the Company's corporate governance procedures or its risk and control procedures.	In our opinion, the Statement of Compliance has been properly prepared in accordance with the requirements of the Capital Markets Rules issued by the Malta Financial Services Authority. We have nothing to report to you in respect of the other responsibilities, as explicitly stated within the Other information section.
Remuneration statement The Capital Markets Rules issued by the Malta Financial Services Authority require the directors to prepare a Remuneration report, including the contents listed in Appendix 12.1 to Chapter 12 of the Capital Markets Rules.	We are required to consider whether the information that should be provided within the Remuneration report, as required in terms of Appendix 12.1 to Chapter 12 of the Capital Markets Rules, has been included.	In our opinion, the Remuneration report has been properly prepared in accordance with the requirements of the Capital Markets Rules issued by the Malta Financial Services Authority.

AREA OF THE ANNUAL REPORT AND FINANCIAL STATEMENTS 2023 AND THE RELATED DIRECTORS' RESPONSIBILITIES	OUR RESPONSIBILITIES	OUR REPORTING
	Other matters on which we are required to report by exception We also have responsibilities under the Maltese Companies Act (Cap. 386) to report to you if, in our opinion: • adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us. • the financial statements are not in agreement with the accounting records and returns. • we have not received all the information and explanations which, to the best of our knowledge and belief, we require for our audit. We also have responsibilities under the Capital Markets Rules to review the statement made by the directors that the business is a going concern together with supporting assumptions or qualifications as necessary.	We have nothing to report to you in respect of these responsibilities.

OTHER MATTER – USE OF THIS REPORT

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

APPOINTMENT

We were first appointed as auditors of the Company on 11 June 2015. Our appointment has been renewed annually by shareholder resolution representing a total period of uninterrupted engagement appointment of 9 years.

Lucienne Pace Ross
Principal

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

30 April 2024

CORINTHIA

GROUP

INTERNATIONAL HOTEL INVESTMENTS P.L.C.
2023 ANNUAL REPORT & FINANCIAL STATEMENTS

CORINTHIA

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INTERNATIONAL HOTEL INVESTMENTS P.L.C.
22, EUROPA CENTRE FLORIANA FRN 1400, MALTA.
CO. REG. NO.: C26136

WWW.CORINTHIAGROUP.COM