

**MHV MEDITERRANEAN HOSPITALITY
VENTURE PLC**

CONSOLIDATED FINANCIAL STATEMENTS
31 December 2025

MHV MEDITERRANEAN HOSPITALITY VENTURE PLC

CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2025

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MHV MEDITERRANEAN HOSPITALITY VENTURE PLC

BOARD OF DIRECTORS AND OTHER CORPORATE INFORMATION

Board of Directors

Alon Bar (resigned 11/12/2025)
Achilleas Dorotheou
Athanasios Karagiannis
Aristotelis Karytinis
Christophoros Papachristophorou
Marianna Papachristophorou (appointed 15/1/2026)
Alexios Pipilis

Company Secretary

Themis Secretarial Services Limited

Independent Auditors

Ernst & Young Cyprus Limited
Certified Public Accountants and Registered Auditors
27 Spyrou Kyprianou Ave.,
4003 Mesa Yitonia
Limassol
Cyprus

Registered office

Kyriakou Matsi 16,
Eagle House, 6th Floor, Agioi Omologites
1082 Nicosia
Cyprus

Registration number

HE389907

MHV MEDITERRANEAN HOSPITALITY VENTURE PLC

CONSOLIDATED MANAGEMENT REPORT

The Board of Directors of MHV Mediterranean Hospitality Venture Plc (the "Company") presents to the members its Management Report and audited consolidated financial statements of the Company and its subsidiaries (together with the Company, the "Group") for the year ended 31 December 2025.

Principal activities and nature of operations of the Group

The Group invests in, repositions, manages as well as develops prime real estate assets in exclusive locations across the hospitality, residential and commercial sectors in Cyprus, Greece and the Mediterranean.

Hospitality

As at the reporting date, the Group owns and/or manages and/or develops the following properties in the hospitality and tourism sector:

- Parklane, a Luxury Collection Resort & Spa, in Limassol, through its wholly-owned subsidiary, Parklane Hotels Limited,
- The Landmark hotel in Nicosia through its wholly-owned subsidiary, The Cyprus Tourism Development Company Limited ("The Landmark Nicosia, Autograph Collection"), which it recently re-opened after the completion of its extensive renovation.
- Nikki Beach Porto Heli hotel in Porto Heli in Argolida, Greece, through its wholly-owned subsidiary, Porto Heli Hotel & Marina S.A.,
- Porto Paros hotel in Paros, Greece, through its investment in subsidiary, MHV Bluekey One S.A.

Real Estate

The Group also owns and/or develops the following real estate properties:

- Park Tower which comprises of luxury flats in Limassol, through its wholly-owned subsidiary, Parklane Hotels Limited,
- A residential complex in Pyrgos, Limassol, used for the housing of staff of the Parklane hotel. The property is owned by the wholly-owned subsidiary, Stromay Holdings Limited,
- The Landmark Nicosia Towers, an office and a residential tower being developed at the land plot of the The Landmark Nicosia, Autograph Collection.

Listing on Cyprus Stock Exchange Emerging Companies Market

On 16 October 2023, the Cyprus Stock Exchange (CSE) announced listing of the Company on the CSE Emerging Companies Market (ISIN code CY0200721716). Total number of shares listed are 120.200.720 ordinary shares.

Changes in group structure

On 5 January 2024, the Company entered into an agreement for the sale of its 50% shareholding in Aphrodite Hills Resort Limited.

As described in Note 24, on 21 February 2025, the Group lost control of its subsidiary MHV Bluekey One S.A. following the sale of its 30% shareholding, and recognised an investment in a joint venture (Note 25). On 5 December 2025, the Group gained back the control of MHV Bluekey One S.A. as a result of a wider transaction of its parent Prodea Real Estate Investment Company S.A. as disclosed in Note 24 and the investment of 70% in MHV Bluekey One S.A. is re-classified as a subsidiary.

Review of current position, and performance of the Group's business

The net loss for the year attributable to the shareholders of the Group amounted to €15.824.286 (2024: net loss €58.029.613). On 31 December 2025 the total assets of the Group were €710.905.758 (2024: €584.156.939) and the net assets of the Group were €422.931.738 (2024: €376.981.636). The financial position, development and performance of the Group as presented in these consolidated financial statements are considered satisfactory, under the circumstances and aligned to the Group's current operating cycle.

MHV MEDITERRANEAN HOSPITALITY VENTURE PLC

CONSOLIDATED MANAGEMENT REPORT

Review of current position, and performance of the Group's business (continued)

During the year ended 31 December 2025 the revenue of the Group amounted to €75.075.044 compared to €69.175.943 for the year ended 31 December 2024. The variance is mainly due to higher revenue from real estate activities of €1.733.809 and higher revenue from hotel operations of €4.055.251.

The Group's operating loss for the year ended 31 December 2025 was €8.404.738, compared to operating loss of €52.238.833 for the year ended 31 December 2024, mainly due to the following:

- the impact of the deferred exit cost that incurred during the year ended 31 December 2024, paid to MHV IA Limited amounting to €40.000.000 (Note 26).
- a reversal of impairment charge amounting to €4.856.597 on property under construction during the year ended 31 December 2025, in comparison to an impairment charge amounting to €12.797.146 during 31 December 2024 (Notes 15 and 20).
- loss from sale of 30% of MHV Bluekey One S.A. to Papalon Investments Limited, amounting to €10.112.785 (Note 24).
- Fair value losses on financial liabilities at fair value through profit or loss amounting to €5.880.704 (Note 29).

Excluding the effect of the following items:

- Fair value losses on financial liabilities at fair value through profit and loss of €5.880.784 (2024: €nil) (Notes 15 and 29),
- Impairment loss on land and buildings under development of €1.547.152 (2024: €2.248.098) (Notes 15 and 27),
- Loss on partial sale of subsidiary of €10.112.785 (2024: €nil) (Note 24),
- Depreciation of property and equipment, depreciation of right of use asset and amortization of intangible assets and grants of €7.741.829 (2024: €7.336.246),
- Reversal of impairment on property under construction of €4.856.597 (2024: impairment charge €12.797.146) (Notes 15 and 20),
- Gain on remeasurement on investment in joint venture of €3.012.968 (2024: €nil) (Notes 15 and 25),
- Settlement of deferred exist costs (2024: €40.000.000) (Note 26) and
- Insurance compensation (2024: €1.475.080) (Note 13)

the Group's operating profit for the year ended 31 December 2025 amounted to €9.008.167 compared to €8.667.577 in the previous year representing an increase of €340.590.

Net finance costs decreased by €2.973.422, from €6.789.426 for the year ended 31 December 2024 to €3.816.004 for the year ended 31 December 2025, mainly due to the decrease in the interest rates on the Group's loan facilities and the capitalisation of borrowing costs of the subsidiary, The Cyprus Tourism Development Company Limited (Notes 17 and 33).

Other comprehensive income for the year ended 31 December 2025 decreased to €23.578.757 compared to other comprehensive income of €31.467.004 for the year ended 31 December 2024, mainly due to higher revaluation gain on land and buildings in the previous year.

Principal risks and uncertainties

The principal risks and uncertainties faced by the Group are disclosed in notes 7, 8 and 39 of the consolidated financial statements.

MHV MEDITERRANEAN HOSPITALITY VENTURE PLC

CONSOLIDATED MANAGEMENT REPORT

Future developments of the Group

The Landmark Nicosia, Autograph Collection in Nicosia, officially opened on 2 December 2025 under Marriott's Autograph Collection flag, following the hotel's extensive renovation. The opening of The Landmark Nicosia, Autograph Collection is expected to set a new standard in the hospitality landscape of Nicosia and boost the local economy, while at the same time enhancing the Group's revenue and income from hotel operations.

The Landmark Nicosia Towers are expected to be completed within 2026. Revenue from the towers will enhance the Group's revenue and income from real estate activities.

Following the acquisition of the hotel Porto Paros on the island of Paros - Greece, the Group plans to undertake significant renovation to transform the property into a premier hospitality destination, enhancing its value and appeal, at a time to be decided by the Company's Board of Directors.

At Parklane, a Luxury Collection Resort & Spa, in Limassol, after securing planning permits for the development of two residential towers, the Group is proceeding with planning for the commencement of construction works for the first tower, Parklane Residences, in the fourth quarter of 2026. The Parklane Residences will be under The Luxury Collection brand of Marriott.

Moreover, the Group will be further expanding its portfolio through a corporate restructuring and contribution of certain hospitality assets by its parent company Prodea Real Estate Investment Company S.A. within 2026 (see also Note 42).

Existence of branches

The Group does not maintain any branches.

Use of financial instruments by the Group

The Group is exposed to interest rate risk, credit risk, liquidity risk and tourism industry risk arising from the financial instruments it holds. Refer further to Note 7.

Interest rate risk

The Group is exposed to interest rate risk in relation to its current and non-current borrowings. Borrowings issued at variable rates expose the Group to cash flow interest rate risk. Borrowings issued at fixed rates expose the Group to fair value interest rate risk. The Company's Management monitors the interest rate fluctuations on a continuous basis and acts accordingly. Refer further to Note 7.

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to meet an obligation. Credit risk arises from cash and cash equivalents, trade receivables, receivables from related parties and deferred consideration receivable. Refer further to Note 7.

Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting its obligations associated with financial liabilities. The Group has established procedures with the objective of maintaining a balance between continuity of funding and flexibility through the use of shareholder funding, bank overdrafts and bank loans. Refer further to Note 7.

Dividends

The Board of Directors does not recommend the payment of a dividend.

Share capital

There were no changes in the share capital of the Company during the year under review.

Corporate Governance

The Group has not adopted the Corporate Governance Code of the Cyprus Stock Exchange ('CSE') which is not compulsory for companies listed on the Emerging Companies Markets of the CSE. Hence, the Company is not subject to any legal and/or other regulatory provisions requiring it to maintain independent directors on its Board and/or to implement any particular governance requirements (other than those set out in the Company's Articles of Association).

MHV MEDITERRANEAN HOSPITALITY VENTURE PLC

CONSOLIDATED MANAGEMENT REPORT

Board of Directors

The members of the Board of Directors as at 31 December 2025 and at the date of this report are presented on page 1. On 11 December 2025, Mr. Alon Bar resigned from the position of Director. On 15 January 2026, Mrs. Marianna Papachristophorou was appointed as a member of the Board of Directors.

In accordance with the Company's Articles of Association all Directors presently members of the Board continue in office.

There were no significant changes in the assignment of responsibilities and remuneration of the Board of Directors.

Participation of Directors in the Company's share capital

The percentage of share capital of the Company held directly or indirectly by each member of the Board of Directors (in accordance with Article (4) (b) of the Directive DI 190 2007 04), as at 31 December 2025 and 24 April 2026 (5 days before the date of approval of the financial statements by the Board of Directors) were as follows:

	31 December 2025	24 April 2026
	%	%
Achilleas Dorotheou	0,00025	0,00025
Athanasios Karagiannis	0,00000	0,00000
Aristotelis Karytinis	0,00000	0,00000
Christophoros Papachristophorou*	0,00000	0,00000
Alexios Pipilis	0,00000	0,00000
Marianna Papachristophorou	0,00000	0,00000

Main shareholders

The following shareholders held directly or indirectly over 5% of the share capital of the Company as at 31 December 2025 and 24 April 2026 (5 days before the approval of the financial statements by the Board of Directors):

	31 December 2025	24 April 2026
	%	%
Prodea Real Estate Investment Company S.A.*	99,997754	99,998491

*Prodea Real Estate Investment Company S.A. is a public company listed on the Main Market of the Athens Stock Exchange. Prodea Real Estate Investment Company S.A. is indirectly controlled by Christophoros Papachristophorou.

Operating Environment of the Group

The geopolitical situation in Middle East escalated on 28 February 2026 due to the armed conflict. As of the date of authorisation of the financial statements, the conflict continues to evolve in Middle East as military activity persists.

The financial effect of the current crisis on the global economy and overall business activities cannot be estimated with reasonable certainty at this stage, due to the pace at which the conflict is evolving and the high level of uncertainties arising from the inability to reliably predict the outcome.

The impact on the Group largely depends on the nature and duration of uncertain and unpredictable events, such as further military action and reactions to ongoing developments by global financial markets.

The Group has limited direct exposure to the Middle East, as such, does not expect any direct impact. Although the Group has limited direct exposure, the conflict may still create negative effects on the Cypriot economy and/or potential adverse effects on the tourism sector, which constitutes a key pillar of the Cypriot economy. The indirect implications will depend on the extent and duration of the crisis and remain uncertain.

Management has considered the unique circumstances and the risk exposures of the Company and has concluded that there is no significant impact in the Company's financial position, financial performance and cash flow position. The event is not expected to have an immediate material impact on the business operations. Management will continue to monitor the situation closely in case the effects become prolonged, continuously reassessing the Group's operating model and relevant cash flows using revised assumptions and incorporating downside scenarios in assessing actual and potential financing needs.

MHV MEDITERRANEAN HOSPITALITY VENTURE PLC

CONSOLIDATED MANAGEMENT REPORT

The Group's management has proactively taken the following measures:

- Reduction in operational costs and renegotiated payment terms with key suppliers and creditors
- Entrance into new contractual terms with new tour operators and agents with the aim to attract alternative markets
- Labour cost management
- Optimisation of F&B outlet schedules
- Focus on local market
- Actions to sell or occasionally lease stock of completed property and land and buildings under development

More information about the operating environment of the Group is provided in Note 39 of the consolidated financial statements.

Climate change

Climate change affects the hotel industry and could potentially cause significant financial challenges related to implementing eco-friendly strategies that mitigate climate change effects. In addition, extreme weather conditions can lead to a reduction of tourists' arrivals, leading to decreased revenue. Based on the current transposition of the Corporate Sustainability Reporting Directive (CSRD) into Cypriot law, the Company applies the available exemption and, accordingly, is not required to prepare standalone sustainability reporting in accordance with CSRD requirements. This exemption applies on the basis that sustainability reporting is prepared at Prodea group level. In addition, "green taxes", which may be coming into force to prevent further ecological destruction, are expected to increase the cost of sales and operating expenses of the hotels. However, effectively addressing these challenges can reduce "green taxes" and bring economic opportunities, such as long-term savings from energy-efficient practices and attraction of eco-conscious consumers and investors.

The Management has taken note of global awareness and concerns about the potential impact of climate change. Currently, this matter has had no significant impact on the consolidated financial statements, but Management continues to monitor developments in this area.

Events after the reporting period

Any significant events that occurred after the end of the reporting period are described in Note 42 of the consolidated financial statements.

Independent Auditors

The independent auditors, Ernst & Young Cyprus Limited, have expressed their willingness to continue in office and a resolution giving authority to the Board of Directors to fix their remuneration will be proposed at the Annual General Meeting.

By order of the Board of Directors,


THEMIS SECRETARIAL SERVICES LIMITED

Themis Secretarial Services Limited
Secretary

Limassol, 29 April 2026

MHV MEDITERRANEAN HOSPITALITY VENTURE PLC

DECLARATION OF THE MEMBERS OF THE BOARD OF DIRECTORS AND THE COMPANY OFFICIALS RESPONSIBLE FOR THE PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS

In accordance with Article 9 sections (3c) and (7) of the Transparency Requirements (Traded Securities in Regulated Markets) Law 2007 (N 190 (I)/2007) ("the Law") we, the members of the Board of Directors and the Company official responsible for the consolidated financial statements of MHV Mediterranean Hospitality Venture Plc (the "Group") for the year ended 31 December 2025, on the basis of our knowledge, declare that:

(a) The annual consolidated financial statements of the Group which are presented on pages 14 to 78:

(i) have been prepared in accordance with the applicable IFRS Accounting Standards as adopted by the European Union and the provisions of Article 9, section (4) of the law, and

(ii) provide a true and fair view of the particulars of assets and liabilities, the financial position and profit or loss of the Group and the entities included in the consolidated financial statements as a whole and

(b) The consolidated management report provides a fair view of the developments and the performance as well as the financial position of the Group and the entities included in the consolidated financial statements as a whole, together with a description of the main risks and uncertainties which they face.

Members of the Board of Directors:

Achilleas Dorotheou, CEO and Executive Director

Athanasios Karagiannis, Non - Executive Director

Aristotelis Karytinis, Non - Executive Director

Christophoros Papachristophorou, Non - Executive Director

Marianna Papachristophorou, Non - Executive Director

Alexios Pipilis, Non - Executive Director

Responsible person for preparation of these financial statements

Konstantinos Katechos, Chief Financial Officer

Limassol, 29 April 2026

Independent Auditor's Report

To the Members of MHV Mediterranean Hospitality Venture Plc

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of MHV Mediterranean Hospitality Venture Plc (the "Company") and its subsidiaries (the "Group"), which are presented in pages 14 to 78 and comprise the consolidated statement of financial position as at 31 December 2025, and the consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2025, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards as adopted by the European Union and the requirements of the Cyprus Companies Law, Cap. 113.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements" section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) as applicable to audits of consolidated financial statements of public interest entities together with the ethical requirements that are relevant to audits of the consolidated financial statements in Cyprus. We have also fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.



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Key audit matters (continued)

The key audit matter	How the matter was addressed in our audit
Fair Value of the Group's land and buildings (Notes 8 ,9 and 20) Based on IAS 16 'Property, Plant and Equipment' and the accounting policy as disclosed in Note 5, the Group presents its land and buildings at fair value, less subsequent depreciation and impairment. Revaluations are made at regular intervals so that the amounts presented in the consolidated statement of financial position do not differ materially from their fair value at the reporting date. The Group's land and buildings were revalued by Management at fair value on 31 December 2025 based on valuation assessments and reports made by independent real estate appraisers, with recognized professional qualifications and recent experience in the location and category of the properties being valued. Our audit has focused on assessing the fair value of the Group's land and buildings, due to the size of the specific assets on the consolidated statement of financial position, as well as the uncertainty and significant exercise of judgement required in this assessment. Relevant disclosures in respect of the fair value of the Group's land and buildings are presented in Note 8 'Critical accounting estimates and judgements', Note 9 'Fair value measurement' and Note 20 'Property, plant and equipment'.	Our audit procedures applied for the examination of this matter included, amongst others, the following: • We requested and received from Management the external valuation reports for the Group's main land and buildings, and we obtained an understanding of the valuation process and methods. • We compared the amounts presented in the consolidated financial statements with the respective valuation reports of the external valuation experts adopted by Management and we verified the correctness of the revaluation adjustments posted. • We assessed the competence, capabilities and objectivity of the external valuation experts who prepared the property valuations on behalf of Management. • For the land and buildings located in Cyprus, using the services of an external auditor expert, a real estate valuer with experience in the Cyprus real estate market, we: - performed an independent estimation of an acceptable fair value range for a sample of the Group's land and buildings as at 31 December 2025 and we compared this with the corresponding fair value estimates of Management. - assessed the appropriateness and reasonableness of the methodology and the significant parameters and assumptions used by Management's external valuation experts and concluded on the overall reasonability of the fair value estimates adopted by Management. • For the land and buildings located in Greece, with the support of internal valuation experts employed by the component auditors in Greece, we evaluated the judgements and estimates applied by Management and independent valuers to determine the appropriateness of the fair value estimates adopted by Management for the respective land and buildings. • We re-performed, on a sample basis, sensitivity analysis by stressing the key assumptions used in Management's valuation reports and we checked the mathematical accuracy of the relevant calculations. • We assessed the adequacy of the required disclosures in the consolidated financial statements.



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Key audit matters (continued)

The key audit matter	How the matter was addressed in our audit
Net realizable value of the Group's real estate inventories (Notes 8 and 27) Based on IAS 2 "Inventories" and the accounting policy as disclosed in Note 5, the Group presents its real estate inventories at cost or net realisable value, whichever is the lower. As at 31 December 2025 the Group's real estate inventories amounted to €187.295.592, and during the year then ended, based on Management's assessment, an amount of €1.547.152 was recognised in the consolidated statement of profit or loss and other comprehensive income as impairment charge in respect of the value of land and buildings under development for the Landmark Office Tower. The net realisable value is based on Management's estimates which were primarily made based on external valuation reports for the Group's main real estate inventories, obtained as at 31 December 2025, from independent real estate appraisers, with recognised professional qualifications and recent valuation experience in the location and category of the properties being valued. Due to the size of these assets on the consolidated statement of financial position and the judgment required in assessing the net realisable value of real estate inventories, we considered this matter as a key audit matter. Relevant disclosures in respect of real estate inventories are presented in Note 8 'Critical accounting estimates and judgements' and Note 27 'Inventories'.	Our audit procedures applied for the examination of this matter included, amongst others, the following: • We obtained an understanding of the process followed by Management to estimate the net realisable value of real estate inventories and its comparison with their respective costs. • We assessed whether the methodology used by Management is in line with the requirements of IFRS Accounting Standards. • We requested and received from Management the valuation reports for the Group's real estate inventories, and we obtained an understanding of the valuation process and methods. • Using the services of an external auditor expert, a real estate valuer with experience in the Cyprus real estate market, we: - performed on a sample basis an independent estimation of an acceptable value range for the Group's real estate inventories as at 31 December 2025 and we compared this with the corresponding estimates of Management. - assessed the appropriateness and reasonableness of the methodology and the significant parameters and assumptions used by Management's external valuation experts and concluded on the overall reasonability of their estimates. • We examined, on a sample basis, property sales contracts, title deeds and relevant development and building permits, to the extent relevant. • We assessed the adequacy of the relevant disclosures in the consolidated financial statements.

Other information

The Board of Directors is responsible for the other information. The other information comprises the information included in the Consolidated Management Report, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors and Those Charged with Governance for the Consolidated Financial Statements

The Board of Directors is responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with IFRS Accounting Standards as adopted by the European Union and the requirements of the Cyprus Companies Law, Cap. 113, and for such internal control as the Board of Directors determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Board of Directors is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements (continued)

- Conclude on the appropriateness of the Board of 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 ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves a true and fair view.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal Requirements

Pursuant to the additional requirements of the Auditors Law of 2017, we report the following:

- In our opinion, based on the work undertaken in the course of our audit, the Consolidated Management Report has been prepared in accordance with the requirements of the Cyprus Companies Law, Cap 113, and the information given is consistent with the consolidated financial statements.
- In light of the knowledge and understanding of the Group and its environment obtained in the course of the audit, we are required to report if we have identified material misstatements in the Consolidated Management Report. We have nothing to report in this respect.



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Other Matter

This report, including the opinion, has been prepared for and only for the Company's members as a body in accordance with Section 69 of the Auditors Law of 2017 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whose knowledge this report may come to.

The engagement partner on the audit resulting in this independent auditor's report is Andreas Avraam.



Andreas Avraam

Certified Public Accountant and Registered Auditor
for and on behalf of

Ernst & Young Cyprus Limited
Certified Public Accountants and Registered Auditors

Limassol, 29 April 2026

MHV MEDITERRANEAN HOSPITALITY VENTURE PLC

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Year ended 31 December 2025

	Note	2025 €	2024 €
Revenue	11	75.075.044	69.175.943
Cost of sales	12	(50.782.473)	(49.226.361)
Gross profit		24.292.571	19.949.582
Settlement of deferred exit costs	26	-	(40.000.000)
Other income	13	161.769	1.867.568
General and administration expenses	14	(23.188.002)	(18.429.071)
Loss from sale of subsidiary	24	(10.112.785)	-
Other gains/(losses) - net	15	441.709	(15.626.912)
Operating loss		(8.404.738)	(52.238.833)
Finance income		669.249	523.751
Finance costs		(4.485.253)	(7.313.177)
Net finance costs	17	(3.816.004)	(6.789.426)
Share of loss of joint venture	25	(895.788)	-
Loss before tax		(13.116.530)	(59.028.259)
Tax	18	(2.707.756)	998.646
Net loss for the year		(15.824.286)	(58.029.613)
Other comprehensive income			
<i>Items that will not be classified subsequently to profit or loss:</i>			
Revaluation gain on land and buildings	20	30.020.003	37.959.621
Deferred taxation on revaluation of land and buildings	35	(6.441.246)	(6.492.617)
		23.578.757	31.467.004
Total comprehensive income / (loss) for the year		7.754.471	(26.562.609)
Loss attributable to:			
Equity holders of the parent		(15.788.897)	(58.029.613)
Non-controlling interests		(35.389)	-
		(15.824.286)	(58.029.613)
Total comprehensive income/(loss) attributable to:			
Equity holders of the parent		7.789.813	(26.562.609)
Non-controlling interests		(35.342)	-
		7.754.471	(26.562.609)
Basic and Diluted Earnings per share attributable to equity holders of the parent (cent)	19	(13,14)	(48,28)

The notes on pages 21 to 78 form an integral part of these consolidated financial statements.

MHV MEDITERRANEAN HOSPITALITY VENTURE PLC

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 December 2025

	Note	2025 €	2024 €
ASSETS			
Non-current assets			
Property, plant and equipment	20	471.313.989	380.563.708
Right-of-use assets	21	1.454.298	1.561.903
Intangible assets	22	1.242.363	790.233
Trade and other receivables	28	2.772.941	5.056.893
Deferred tax assets	35	1.899.021	933.160
		<u>478.682.612</u>	<u>388.905.897</u>
Current assets			
Inventories	27	189.365.107	170.393.883
Trade and other receivables	28	14.243.989	19.490.667
Financial assets at fair value through profit or loss	29	1.001	1.001
Cash at bank and in hand	31	28.613.049	5.365.491
		<u>232.223.146</u>	<u>195.251.042</u>
Total assets		<u>710.905.758</u>	<u>584.156.939</u>
EQUITY AND LIABILITIES			
Equity			
Ordinary shares - share capital	32	120.200.720	120.200.720
Ordinary shares - share premium		103.684.313	103.684.313
Revaluation reserve		167.038.374	158.184.230
Other reserves	29	14.481.291	-
Accumulated losses		(6.281.158)	(5.087.627)
		<u>399.123.540</u>	<u>376.981.636</u>
Non-controlling interests		<u>23.808.198</u>	-
Total equity		<u>422.931.738</u>	<u>376.981.636</u>
Non-current liabilities			
Borrowings	33	161.083.884	103.183.294
Loans from shareholders	40.5	20.422.424	-
Loans from other related parties	40.5	3.832.692	-
Lease liabilities	34	1.571.405	1.628.321
Trade and other payables	36	5.010	35.144.291
Deferred tax liabilities	35	23.191.484	19.402.213
Government grants	37	2.603.810	2.740.440
		<u>212.710.709</u>	<u>162.098.559</u>

The notes on pages 21 to 78 form an integral part of these consolidated financial statements.

MHV MEDITERRANEAN HOSPITALITY VENTURE PLC

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 December 2025

	Note	2025 €	2024 €
Current liabilities			
Trade and other payables	36	66,496,879	37,625,084
Government grants	37	136,631	136,631
Bank overdrafts	31	2,745,105	4,974,669
Borrowings	33	4,968,302	1,720,029
Lease liabilities	34	108,251	131,370
Current tax liabilities	38	808,143	488,961
		<u>75,263,311</u>	<u>45,076,744</u>
Total liabilities		<u>287,974,020</u>	<u>207,175,303</u>
Total equity and liabilities		<u>710,905,758</u>	<u>584,156,939</u>

On 29 April 2026 the Board of Directors of MHV Mediterranean Hospitality Venture Plc authorised these consolidated financial statements for issue.


.....
Achilleas Dorotheou
Director


.....
Christophoros Papachristophorou
Director

The notes on pages 21 to 78 form an integral part of these consolidated financial statements.

MHV MEDITERRANEAN HOSPITALITY VENTURE PLC

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Year ended 31 December 2025

	Note	Ordinary share capital €	Ordinary share premium €	Revaluation reserve €	Other reserves €	Retained earnings / Accumulated (losses) €	Total €	Non-controlling interests €	Total €
Balance at 1 January 2024		120.200.720	103.684.313	126.717.226	-	52.922.436	403.524.695	-	403.524.695
Comprehensive income									
Net loss for the year		-	-	-	-	(58.029.613)	(58.029.613)	-	(58.029.613)
Other comprehensive income for the year		-	-	31.467.004	-	-	31.467.004	-	31.467.004
Total comprehensive loss for the year		-	-	31.467.004	-	(58.029.613)	(26.562.609)	-	(26.562.609)
Transactions with owners									
Cancelled dividends		-	-	-	-	19.550	19.550	-	19.550
Total transactions with owners		-	-	-	-	19.550	19.550	-	19.550
Balance at 31 December 2024/ 1 January 2025		120.200.720	103.684.313	158.184.230	-	(5.087.627)	376.981.636	-	376.981.636
Comprehensive income									
Net loss for the year		-	-	-	-	(15.788.897)	(15.788.897)	(35.389)	(15.824.286)
Other comprehensive income for the year		-	-	23.578.710	-	-	23.578.710	47	23.578.757
Total comprehensive income for the year		-	-	23.578.710	-	(15.788.897)	7.789.813	(35.342)	7.754.471
Transactions with owners									
Special defence and GHS contribution on deemed distribution		-	-	-	-	(142.621)	(142.621)	-	(142.621)
Cancellation of derivative instrument	29	-	-	-	14.481.291	-	14.481.291	-	14.481.291
Cancelled dividends		-	-	-	-	13.421	13.421	-	13.421
Total transactions with owners		-	-	-	14.481.291	(129.200)	14.352.091	-	14.352.091

The notes on pages 21 to 78 form an integral part of these consolidated financial statements.

MHV MEDITERRANEAN HOSPITALITY VENTURE PLC

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Year ended 31 December 2025

	Note	Ordinary share capital €	Ordinary share premium €	Revaluation reserve €	Other reserves €	Retained earnings / Accumulated (losses) €	Total €	Non-controlling interests €	Total €
Other movements									
Transfer between reserves upon derecognition of subsidiary	24	-	-	(14.724.566)	-	14.724.566	-	-	-
Non-controlling interests arising on acquisition of subsidiary	24	-	-	-	-	-	-	23.843.540	23.843.540
Total other movements		-	-	(14.724.566)	-	14.724.566	-	23.843.540	23.843.540
Balance at 31 December 2025		120.200.720	103.684.313	167.038.374	14.481.291	(6.281.158)	399.123.540	23.808.198	422.931.738

The fair value reserve for land and buildings arises from the revaluation of land and buildings and is not available for distribution in the form of dividends. When a revalued land or building is sold, the portion of the revaluation reserve associated with that asset is transferred directly to the accumulated profits.

Companies, which do not distribute 70% of their profits after tax, as defined by the Special Contribution for the Defence of the Republic Law, within two years after the end of the relevant tax year, will be deemed to have distributed this amount as dividend on the 31 of December of the second year (applicable for profits up until tax year 2025 inclusive). The amount of the deemed dividend distribution is reduced by any actual dividend already distributed by 31 December of the second year for the year the profits relate. The Company pays special defence contribution on behalf of the shareholders over the amount of the deemed dividend distribution at a rate of 17% (applicable since 2014) when the entitled shareholders are natural persons tax residents of Cyprus and have their domicile in Cyprus. In addition, the Company pays on behalf of the shareholders General Healthcare System (GHS) contribution at a rate of 2,65%, when the entitled shareholders are natural persons tax residents of Cyprus, regardless of their domicile.

The notes on pages 21 to 78 form an integral part of these consolidated financial statements.

MHV MEDITERRANEAN HOSPITALITY VENTURE PLC

CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended 31 December 2025

	Note	2025 €	2024 €
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before tax		(13.116.530)	(59.028.259)
Adjustments for:			
Depreciation of property, plant and equipment	20	7.611.941	7.060.442
Depreciation of right-of-use assets	21	146.677	277.427
Amortization of grants	37	(136.631)	(128.824)
Amortisation of intangible assets	22	119.842	127.201
Share of loss from joint venture	25	895.788	-
Reversal of impairment on property under construction	15	(4.856.597)	-
Loss from sale of subsidiary	24	10.112.785	-
Receivable from joint venture written off	15	-	569.839
Fair value losses on financial liabilities at fair value through profit or loss	29	5.880.704	-
Impairment loss on property under construction	15	-	12.797.146
Settlement of deferred exit costs	26	-	40.000.000
Gain on remeasurement of investment in joint venture	15	(3.012.968)	-
Impairment charge on land and buildings under development	15	1.547.152	2.248.098
Write off of property, plant and equipment	20	-	11.829
Interest income	17	(668.437)	(523.751)
Interest expense		3.548.888	6.346.234
Other finance income		(812)	-
Amortisation of arrangement fees	17	119.784	204.135
Expected credit losses of financial assets	14	356.620	-
		8.548.206	9.961.517
Changes in working capital:			
Increase in inventories		(20.518.376)	(15.723.018)
Decrease in trade and other receivables		1.680.640	22.487.528
(Decrease)/increase in trade and other payables		(4.936.481)	32.676.270
Cash (used in)/generated from operations		(15.226.011)	49.402.297
Tax paid		(1.818.042)	(705.433)
Net cash (used in)/generated from operating activities		(17.044.053)	48.696.864
CASH FLOWS FROM INVESTING ACTIVITIES			
Payment for purchase of intangible assets	22	(571.972)	(64.755)
Payment for additions of property, plant and equipment	20	(60.216.117)	(49.644.890)
Proceeds from sale of joint venture held for sale, cash inflow on disposal		-	30.000.000
Disposal of subsidiaries, cash inflow on disposal	24	24.124.795	-
Acquisition of subsidiary, net cash inflow on acquisition	24	870.055	-
(Decrease)/Increase in restricted cash balances	31	(2.400)	20.816
Interest received		4.920	263.768
Net cash used in investing activities		(35.790.719)	(19.425.061)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayments of borrowings - principal	33	(1.890.000)	(19.413.505)
Repayment of loans from shareholders		-	(16.218.880)
Payments of leases liabilities		(233.712)	(397.837)
Proceeds from borrowings	33	63.851.098	7.000.000
Proceeds from loans from shareholders	40.5	20.000.000	-

The notes on pages 21 to 78 form an integral part of these consolidated financial statements.

MHV MEDITERRANEAN HOSPITALITY VENTURE PLC

CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended 31 December 2025

	Note	2025 €	2024 €
Proceeds from loans from other related parties	40.5	3.615.000	-
Interest paid	33	(6.167.009)	(8.098.426)
Payment of loan arrangement fees	33	(555.483)	(56.097)
Bank overdraft interest paid		(167.780)	(142.943)
Defence and GHS contribution on deemed distribution paid		(142.621)	-
Net cash generated from/(used in) financing activities		<u>78.309.493</u>	<u>(37.327.688)</u>
Net increase/(decrease) in cash and cash equivalents		25.474.721	(8.055.885)
Cash and cash equivalents at beginning of the year		<u>346.990</u>	<u>37.363.461</u>
Cash and cash equivalents at end of the year	31	<u>25.821.711</u>	<u>346.990</u>

The notes on pages 21 to 78 form an integral part of these consolidated financial statements.

MHV MEDITERRANEAN HOSPITALITY VENTURE PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2025

1. Corporate information

Country of incorporation

The Company MHV Mediterranean Hospitality Venture Plc (the "Company") was incorporated in Cyprus on 16 October 2018 as a private limited liability company under the provisions of the Cyprus Companies Law, Cap. 113. In July 2023, the Company was converted to a public limited company. Its registered office is at Kyriakou Matsi 16, Eagle House, 6th Floor, Agioi Omologites, 1082 Nicosia, Cyprus.

Listing on Cyprus Stock Exchange Emerging Companies Market

On 16 October 2023, the Cyprus Stock Exchange (CSE) announced listing of the Company on the CSE Emerging Companies Market (ISIN code CY0200721716). Total number of shares listed are 120.200.720 ordinary shares.

Principal activities

The Group invests in, repositions, manages as well as develops prime real estate assets in exclusive locations across the hospitality, residential and commercial sectors in Cyprus, Greece and the Mediterranean.

Hospitality

As at the reporting date, the Group owns and/or manages and/or develops the following properties in the hospitality and tourism sector:

- Parklane, a Luxury Collection Resort & Spa, in Limassol, through its wholly-owned subsidiary Parklane Hotels Limited,
- The Landmark hotel in Nicosia through its wholly-owned subsidiary, The Cyprus Tourism Development Company Limited ("The Landmark Nicosia, Autograph Collection"), which it recently re-opened after the completion of its extensive renovation.
- Nikki Beach Porto Heli hotel in Porto Heli in Argolida, Greece, through its wholly-owned subsidiary, Porto Heli Hotel & Marina S.A.,
- Porto Paros hotel in Paros, Greece, through its investment in subsidiary, MHV Bluekey One S.A.

Real Estate

The Group also owns and/or develops the following real estate properties:

- Park Tower which comprises of luxury flats in Limassol, through its wholly-owned subsidiary, Parklane Hotels Limited,
- A residential complex in Pyrgos, Limassol, used for the housing of staff of the Parklane hotel. The property is owned by the wholly-owned subsidiary, Stromay Holdings Limited,
- The Landmark Nicosia Towers, an office and a residential tower being developed at the land plot of the The Landmark Nicosia, Autograph Collection.

MHV MEDITERRANEAN HOSPITALITY VENTURE PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2025

2. Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with IFRS Accounting Standards, as adopted by the European Union (EU), and the requirements of the Cyprus Companies Law, Cap. 113.

As of the date of the authorisation of the consolidated financial statements, all IFRS Accounting Standards issued by the International Accounting Standards Board (IASB) that are effective as of 1 January 2025 have been adopted by the EU through the endorsement procedure established by the European Commission.

These consolidated financial statements have been prepared under the historical cost convention as modified by the revaluation of land and buildings, and financial assets and financial liabilities at fair value through profit or loss.

The preparation of consolidated financial statements in conformity with IFRS Accounting Standards requires the use of certain critical accounting estimates and requires Management to exercise its judgment in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 8.

Basis of consolidation

The Group consolidated financial statements comprise the financial statements of the parent company MHV Mediterranean Hospitality Venture Plc and the financial statements of its subsidiaries, as disclosed in the Note 23 of the consolidated financial statements.

Income and expenses of subsidiaries acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the effective date of acquisition and up to the effective date of disposal, as appropriate. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

The financial statements of all the Group companies are prepared using uniform accounting policies. All inter-company transactions and balances between Group companies have been eliminated during consolidation.

Changes in the Group's ownership interests in existing subsidiaries

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

When the Group loses control of a subsidiary, the profit or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. When assets of the subsidiary are carried at revalued amounts or fair values and the related cumulative gain or loss has been recognised in other comprehensive income and accumulated in equity, the amounts previously recognised in other comprehensive income and accumulated in equity are accounted for as if the Company had directly disposed of the relevant assets (i.e. reclassified to profit or loss or transferred directly to retained earnings as specified by applicable IFRSs). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under IFRS 9 "Financial Instruments" or, when applicable, the cost on initial recognition of an investment in an associate or a jointly controlled entity.

In case of a step acquisition where the Group acquires an additional percentage in investment in joint ventures, which leads to acquisition of control, the Group's accounting policy is to measure the existing participation at a fair value under IFRS 13. The result, profit or loss, from the remeasurement at fair value is recorded in the income statement for the current year.

MHV MEDITERRANEAN HOSPITALITY VENTURE PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2025

2. Basis of preparation (continued)

Non-controlling interests

Non-controlling interests may be initially measured either at fair value or at the non-controlling interests' proportionate share of the fair values of the recognized amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. The Group's accounting policy is to measure Non-controlling interests at its proportionate share of the fair values. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity. Total comprehensive income/ (expense) is attributed to non controlling interests even if this results in the non-controlling interests having a deficit balance.

Going concern basis

The financial statements of the Group have been prepared on a going concern basis. The Board of Directors considers that the Group has the ability to continue its operations as a going concern for a period of at least 12 months from the date of approval of these consolidated financial statements and that no significant uncertainty exists.

3. Functional and presentation currency

The consolidated financial statements are presented in Euro (€) which is the functional currency of the Group.

4. Adoption of new or revised standards and interpretations

During the current year the Group adopted all the new and revised IFRS Accounting Standards that are relevant to its operations and are effective for accounting periods beginning on 1 January 2025.

The adoption of the following standards did not have a material effect on the accounting policies of the Group:

- Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability

5. Material accounting policy information

The material accounting policies adopted in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all years presented in these consolidated financial statements unless otherwise stated.

Management seeks not to reduce the understandability of these consolidated financial statements by obscuring material information with immaterial information. Hence, only material accounting policy information is disclosed, where relevant, in the related disclosure notes.

Business combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are generally recognised in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value at the acquisition date, except that:

- deferred tax assets or liabilities and liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with IAS 12 Income Taxes and IAS 19 Employee Benefits respectively;

MHV MEDITERRANEAN HOSPITALITY VENTURE PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2025

5. Material accounting policy information (continued)

Business combinations (continued)

- liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with IFRS 2 Share-based Payment at the acquisition date; and
- assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that Standard.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at fair value or, when applicable, on the basis specified in another IFRS.

When the consideration transferred by the Group in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the 'measurement period' (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured at subsequent reporting dates in accordance with IFRS 9, or IAS 37 Provisions, Contingent Liabilities and Contingent Assets, as appropriate, with the corresponding gain or loss being recognised in profit or loss.

When a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date (i.e. the date when the Group obtains control) and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss where such treatment would be appropriate if that interest were disposed of.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see above), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognised at that date.

For the acquisition of a subsidiary, which do not fall under the definition of a business combination, the Group identifies and recognizes the individual identifiable assets and liabilities of the acquired company, based on the consideration paid for the acquisition, which is allocated to those assets and liabilities based on their relative fair values at the date of the acquisition. Such transactions do not give rise to goodwill. When assets acquisition recognized in this manner, deferred tax liabilities are not taken into account. In the case of a variable consideration, the Group recognizes the variable part as a liability or receivable when it becomes final.

Joint arrangements

Joint arrangements are arrangements of which the Group has joint control. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

MHV MEDITERRANEAN HOSPITALITY VENTURE PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2025

5. Material accounting policy information (continued)

Joint arrangements (continued)

The classification of a joint arrangement as a joint operation or a joint venture depends upon the rights and obligations of the parties to the arrangement. A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement.

The Group's investments in joint ventures are presented according to the equity method. Based on this method, the investments in joint ventures are presented in the statement of financial position at cost plus the percentage of the Group's participation in the changes of their net position after the initial acquisition date.

The profits or losses of the joint ventures after the acquisition date attributable to the Group are recognized in the consolidated income statement. Any change in the other total comprehensive income of these joint ventures is presented as part of the other total comprehensive income of the Group.

Segmental reporting

The Board of Directors is identified as the Chief Operating Decision Maker (CODM) and monitors the operating results of its business segments separately for the purpose of making decisions about resource allocation and performance assessment.

The Group is organised by business segments and this is the primary format for segmental reporting. Each business segment provides products or services which are subject to risks and returns that are different from those of other business segments. The business segments are presented according to the internal reports of the Board of Directors used for decision-making.

Revenue

Recognition and measurement

Revenue represents the amount of consideration to which the Group expects to be entitled in exchange for transferring the promised goods or services to the customer, excluding amounts collected on behalf of third parties (for example, value-added taxes); the transaction price. The Group includes in the transaction price an amount of variable consideration as a result of rebates/discounts only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is subsequently resolved. Estimations for rebates and discounts are based on the Group's experience with similar contracts and forecasted sales to the customer.

The Group recognises revenue when the parties have approved the contract (in writing, orally or in accordance with other customary business practices) and are committed to perform their respective obligations, the Group can identify each party's rights and the payment terms for the goods or services to be transferred, the contract has commercial substance (i.e. the risk, timing or amount of the Group's future cash flows is expected to change as a result of the contract), it is probable that the Group will collect the consideration to which it will be entitled in exchange for the goods or services that will be transferred to the customer and when specific criteria have been met for each of the Group's contracts with customers.

The Group bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement. In evaluating whether collectability of an amount of consideration is probable, the Group considers only the customer's ability and intention to pay that amount of consideration when it is due.

MHV MEDITERRANEAN HOSPITALITY VENTURE PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2025

5. Material accounting policy information (continued)

Revenue (continued)

Estimates of revenues, costs or extent of progress toward completion are revised if circumstances change. Any resulting increases or decreases in estimates are reflected in the consolidated statement of profit or loss and other comprehensive income in the period in which the circumstances that give rise to the revision become known by Management.

Identification of performance obligations

The Group assesses whether contracts that involve the provision of a range of goods and/or services contain one or more performance obligations (that is, distinct promises to provide a service) and allocates the transaction price to each performance obligation identified on the basis of its stand-alone selling price. A good or service that is promised to a customer is distinct if the customer can benefit from the good or service, either on its own or together with other resources that are readily available to the customer (that is the good or service is capable of being distinct) and the Group's promise to transfer the good or service to the customer is separately identifiable from other promises in the contract (that is, the good or service is distinct within the context of the contract).

Revenue is measured based on the consideration to which the Group expects to be entitled in a contract with a customer and excludes amounts collected on behalf of third parties. The Group recognises revenue when it transfers control of a product or service to a customer.

- **Sale of products**

Sales of products are recognised at the point in time when the Group satisfies its performance obligation by transferring control over the promised products to the customer, which is usually when the products are delivered to the customer, risk of obsolescence and loss have been transferred to the customer and the customer has accepted the products.

- **Rendering of services**

Rendering of services - over time:

Revenue from rendering of services is recognised over time while the Group satisfies its performance obligation by transferring control over the promised service to the customer in the accounting period in which the services are rendered.

For fixed price contracts, revenue is recognised based on the actual service provided to the end of the reporting period as a proportion of the total services to be provided because the customer receives and uses the benefits simultaneously.

The input method is used to measure progress toward completion of the performance obligation as it provides a faithful depiction of the transfer of the control of the services to the customer.

Rendering of services - at a point in time:

The Group concluded that it transfers control over its services at a point in time, upon receipt by the customer of the service, because this is when the customer benefits from the relevant service.

- **Land development and resale**

Revenue is recognised when control over the property has been transferred to the customer. The properties have generally no alternative use for the Group due to contractual restrictions. However, an enforceable right to payment does not arise until legal title has passed to the customer. Therefore, revenue is recognised at a point in time when the legal title has passed to the customer.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2025

5. Material accounting policy information (continued)

Revenue (continued)

The revenue is measured at the transaction price agreed under the contract. In most cases, the consideration is due when legal title has been transferred. While deferred payment terms may be agreed in rare circumstances, the deferral never exceeds twelve months. The transaction price is therefore not adjusted for the effects of a significant financing component.

- **Rental income**

Rental income is recognised on an accruals basis in accordance with the substance of the relevant agreements.

Employee benefits

The Group and its employees contribute to the Government Social Insurance Fund based on employees' salaries. In addition the Group operates a defined contribution scheme the assets of which are held in a separate trustee-administered fund. The scheme is funded by payments from employees and by the Group. The Group's contributions are expensed as incurred and are included in staff costs. The Group has no legal or constructive obligations to pay further contributions if the scheme does not hold sufficient assets to pay all employees benefits relating to employee service in the current and prior periods.

Finance income

Interest income is recognised on a time-proportion basis using the effective method.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

For qualifying assets that are measured at fair value, the Group opted to capitalise borrowing costs in accordance with IAS 23.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

Tax

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in profit or loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the consolidated statement of financial position liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2025

5. Material accounting policy information (continued)

Tax (continued)

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised. Deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited directly to other comprehensive income or equity, in which case the deferred tax is also dealt with in other comprehensive income or equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Property, plant and equipment

Land and buildings and Property under construction are carried at fair value, based on valuations by external independent valuers, less subsequent depreciation and impairment for buildings. Revaluations are carried out with sufficient regularity such that the carrying amount does not differ materially from that which would be determined using fair value at the reporting date. All other property, plant and equipment are stated at historical cost less depreciation and impairment.

Increases in the carrying amount arising on revaluation of property, plant and equipment are credited to other comprehensive income. Decreases that offset previous increases of the same asset are charged against that reserve; all other decreases are charged to profit or loss.

Property under construction includes professional fees, and for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Depreciation is calculated on the straight-line method so as to write off the cost or revalued amount of each asset to its residual value, over its estimated useful life. The annual depreciation rates used are as follows:

	%
Buildings	2-4
Plant and machinery	10-15
Motor vehicles	20
Furniture, fixtures and office equipment	8-10
Computer hardware	20

No depreciation is provided on land and property under construction.

The assets residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

Where the carrying amount of an asset is greater than its estimated recoverable amount, the asset is written down immediately to its recoverable amount.

Expenditure for repairs and maintenance of property, plant and equipment is charged to profit or loss of the year in which it is incurred. The cost of major renovations and other subsequent expenditure are included in the carrying amount of the asset when it is probable that future economic benefits in excess of the originally assessed standard of performance of the existing asset will flow to the Group. Major renovations are depreciated over the remaining useful life of the related asset.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2025

5. Material accounting policy information (continued)

Property, plant and equipment (continued)

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss. When revalued assets are sold, the amounts included in the fair value reserves are transferred to retained earnings.

Deferred income

Deferred income represents income receipts which relate to future periods.

Deferred income from government grants

Government grants on non-current assets acquisitions are credited to profit or loss in instalments over the estimated useful economic lives of the corresponding assets. This is achieved by deducting grants from the book value of these assets and the recognition of income through the reduced depreciation charge. Grants are recognised when there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received. Government grants that relate to expenses are recognised in profit or loss as revenue.

Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life is reviewed at least at each financial year end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in profit or loss in the expense category consistent with the function of the intangible asset.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss when the asset is derecognised.

Amortisations are calculated using the straight-line method to deduct the cost of each intangible asset over its expected useful life.

The annual amortisation rates used are as follows:

	%
Licence fee	10
Franchise fee	10

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2025

5. Material accounting policy information (continued)

Computer software

Costs that are directly associated with identifiable and unique computer software products controlled by the Group and that will probably generate economic benefits exceeding costs beyond one year are recognised as intangible assets. Subsequently computer software is carried at cost less any accumulated amortisation and any accumulated impairment losses. Expenditure which enhances or extends the performance of computer software programs beyond their original specifications is recognised as a capital improvement and added to the original cost of the computer software. Costs associated with maintenance of computer software programs are recognised as an expense when incurred. Computer software costs are amortised using the straight-line method over their useful lives, not exceeding a period of ten years. Amortisation commences when the computer software is available for use. The annual amortisation rate used is 10-20%.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

Leases

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether:

- the contract involves the use of an identified asset - this may be specified explicitly or implicitly, and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;
- the Group has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- the Group has the right to direct the use of the asset. The Group has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, the Group has the right to direct the use of the asset if either:
 - the Group has the right to operate the asset; or
 - the Group designed the asset in a way that predetermines how and for what purpose it will be used.

At inception or on reassessment of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices. However, for the leases of land and buildings in which it is a lessee, the Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Group as lessor

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

If an arrangement contains lease and non-lease components, the Group applies IFRS 15 to allocate the consideration in the contract.

The Group recognises lease payments received under operating leases as income on a straight-line basis over the lease term as part of 'other income'.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2025

5. Material accounting policy information (continued)

Leases (continued)

The Group as lessee

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of the right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the lease liability is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, if there is a modification, if there is a change in lease term or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Impairment of non-financial assets

Non-financial assets that are subject to depreciation or amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non financial assets, other than goodwill, that have suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

An impairment loss is recognized for the amount that the carrying amount of an asset (or Cash Generating Unit) exceeds its recoverable amount. Recoverable amount is the greater of the fair value less costs to sell and the present value (present value of estimated future cash flows) of the asset (or NPV). An impairment loss is recognized immediately in profit or loss unless the asset is presented at a revalued amount, in which case an impairment loss is recognized as a reduction in the revaluation reserve.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2025

5. Material accounting policy information (continued)

Financial assets - Classification

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

- those to be measured subsequently at fair value through profit or loss
- those to be measured at amortised cost.

The classification and subsequent measurement of debt financial assets depends on: (i) the Group's business model for managing the related assets portfolio and (ii) the cash flow characteristics of the asset. On initial recognition, the Group may irrevocably designate a debt financial asset that otherwise meets the requirements to be measured at amortized cost or at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

All other financial assets are classified as measured at FVTPL.

For assets measured at fair value, gains and losses will be recorded in profit or loss.

Financial assets - Recognition and derecognition

All purchases and sales of financial assets that require delivery within the time frame established by regulation or market convention ("regular way" purchases and sales) are recorded at trade date, which is the date when the Group commits to deliver a financial instrument. All other purchases and sales are recognised when the entity becomes a party to the contractual provisions of the instrument.

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.

Financial assets - Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in profit or loss. Fair value at initial recognition is best evidenced by the transaction price. A gain or loss on initial recognition is only recorded if there is a difference between fair value and transaction price which can be evidenced by other observable current market transactions in the same instrument or by a valuation technique whose inputs include only data from observable markets.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Financial assets - impairment - credit loss allowance for ECL

The Group assesses on a forward-looking basis the ECL for debt instruments measured at amortised cost and FVOCI and exposure arising from loan commitments and financial guarantee contracts. The Group measures ECL and recognises credit loss allowance at each reporting date. The measurement of ECL reflects: (i) an unbiased and probability weighted amount that is determined by evaluating a range of possible outcomes, (ii) time value of money and (iii) all reasonable and supportable information that is available without undue cost and effort at the end of each reporting period about past events, current conditions and forecasts of future conditions.

The carrying amount of the financial assets is reduced through the use of an allowance account, and the amount of the loss is recognised in the consolidated statement of profit or loss and other comprehensive income within "net impairment losses" on financial and contract assets. Subsequent recoveries of amounts for which loss allowance was previously recognised are credited against the same line item.

The financial instruments measured at amortized cost are presented in the consolidated statement of financial position net of the provision for expected credit losses.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2025

5. Material accounting policy information (continued)

Financial assets - impairment - credit loss allowance for ECL (continued)

The impairment methodology applied by the Group for calculating expected credit losses depends on the type of financial asset assessed for impairment. Specifically:

For trade receivables and contract assets, including trade receivables and contract assets with a significant financing component, the Group applies the simplified approach permitted by IFRS 9, which requires lifetime expected credit losses to be recognised from initial recognition of the financial assets.

For all other financial instruments that are subject to impairment under IFRS 9, the Group applies general approach - three stage model for impairment. The Group applies a three stage model for impairment, based on changes in credit quality since initial recognition. A financial instrument that is not credit-impaired on initial recognition is classified in Stage 1.

Financial assets in Stage 1 have their ECL measured at an amount equal to the portion of lifetime ECL that results from default events possible within the next 12 months or until contractual maturity, if shorter ("12 Months ECL"). If the Group identifies a significant increase in credit risk ("SICR") since initial recognition, the asset is transferred to Stage 2 and its ECL is measured based on ECL on a lifetime basis, that is, up until contractual maturity but considering expected prepayments, if any ("Lifetime ECL"). Refer to note 7, Credit risk section, for a description of how the Group determines when a SICR has occurred. If the Group determines that a financial asset is credit-impaired, the asset is transferred to Stage 3 and its ECL is measured as a Lifetime ECL. The Group's definition of credit impaired assets and definition of default is explained in note 7, Credit risk section.

Cash and cash equivalents

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise cash on hand, deposits held at call with banks and bank overdrafts. In the consolidated statement of financial position, bank overdrafts are included in current liabilities. Cash and cash equivalents are carried at amortised cost because: (i) they are held for collection of contractual cash flows and those cash flows represent SPPI, and (ii) they are not designated at FVTPL.

Classification as financial assets at amortised cost

These amounts generally arise from transactions outside the usual operating activities of the Group. They are held with the objective to collect their contractual cash flows and their cash flows represent solely payments of principal and interest. Accordingly, these are measured at amortised cost using the effective interest method, less provision for impairment. Financial assets at amortised cost are classified as current assets if they are due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current assets.

Classification as trade receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets. Trade receivables are recognised initially at transaction price, less loss allowance.

Trade receivables are recognised initially at the amount of transaction price that is unconditional unless they contain significant financing components, in which case they are recognised at fair value. The Group holds the trade receivables with the objective to collect the contractual cash flows.

Trade receivables are also subject to the impairment requirements of IFRS 9. The Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. See note 7, Credit risk section.

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Year ended 31 December 2025

5. Material accounting policy information (continued)

Classification as trade receivables (continued)

Trade receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Group, and a failure to make contractual payments for a period of greater than 180 days past due.

Financial liabilities - measurement categories

Financial liabilities are initially recognised at fair value and classified as subsequently measured at amortised cost, except for (i) financial liabilities at FVTPL: this classification is applied to derivatives, financial liabilities held for trading (e.g. short positions in securities), contingent consideration recognised by an acquirer in a business combination and other financial liabilities designated as such at initial recognition and (ii) financial guarantee contracts and loan commitments.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by IFRS 9.

Gains or losses on liabilities held for trading are recognised in the statement of profit or loss.

Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings, using the effective interest method, unless they are directly attributable to the acquisition, construction or production of a qualifying asset, in which case they are capitalised as part of the cost of that asset. Borrowings are classified as current liabilities, unless the Group has an unconditional right to defer settlement of the liability for at least twelve months after the consolidated statement of financial position date.

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 consolidated statement of financial position when the obligation specified in the contract is extinguished (i.e. when the obligation specified in the contract is discharged, cancelled or expires). 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 assets transferred or liabilities assumed, is recognised in profit or loss as other income or finance costs.

Trade payables

Trade payables are initially measured at transaction price and are subsequently measured at amortised cost.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2025

5. Material accounting policy information (continued)

Inventories

Inventories are stated at the lower of cost and net realisable value. The cost is determined using the weighted average method. Net realisable value is the estimated selling price in the ordinary course of business, less the costs to completion and selling expenses.

Prepayments

Prepayments are carried at cost. A prepayment is classified as non-current when the goods or services relating to the prepayment are expected to be obtained after one year, or when the prepayment relates to an asset which will itself be classified as non-current upon initial recognition. Prepayments to acquire assets are transferred to the carrying amount of the asset once the Group has obtained control of the asset and it is probable that future economic benefits associated with the asset will flow to the Group. Other prepayments are written off to profit or loss when the goods or services relating to the prepayments are received. If there is an indication that the assets, goods or services relating to a prepayment will not be received, the carrying value of the prepayment is written down accordingly and a corresponding impairment loss is recognised in profit or loss.

Land and buildings under development

The cost of land and buildings under development and completed buildings for sale comprise the cost of acquiring the land and the development costs of the buildings. The development cost of the buildings includes raw materials, direct labour cost, depreciation of plant and equipment and other indirect costs of construction.

The land for development is carried at cost and included in land and buildings under development within inventories at the reporting date.

Share capital

Ordinary shares are classified as equity. The difference between the fair value of the consideration received by the Company and the nominal value of the share capital being issued is taken to the share premium account.

Transactions with equity owners and entities under common control

The Group enters into transactions with shareholders. When consistent with the nature of the transaction, the Group's accounting policy is to recognise any gains and losses with equity holders and other entities which are under the control of the ultimate shareholder, directly through equity and consider these transactions as the receipt of additional capital contributions or the payment of dividends.

Non-current liabilities

Non-current liabilities represent amounts that are due more than twelve months from the reporting date.

Climate - related matters

The Group considers climate-related matters in estimates and assumptions, where appropriate. This assessment includes a wide range of possible impacts on the group due to both physical and transition risks. Even though the Group believes its business model and products will still be viable after the transition to a low-carbon economy, climate-related matters increase the uncertainty in estimates and assumptions underpinning several items in the financial statements. Even though climate-related risks might not currently have a significant impact on measurement, the Group is closely monitoring relevant changes and developments, such as new climate-related legislation.

The items and considerations that are most directly impacted by climate-related matters are:

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2025

5. Material accounting policy information (continued)

Fair value measurement of land and buildings: The fair value measurement of land and buildings may be impacted in several ways by transition risk, such as climate-related legislation and regulations and by changes in demand for the services provided due to the transition of consumers to more sustainable options. The Group believes that no single climate-related assumption was concluded to be a key assumption for the fair value measurement of land and buildings as at 31 December 2025.

Comparatives

Where necessary, comparative figures have been adjusted to conform to changes in presentation in the current year.

6. New accounting pronouncements

Standards issued but not yet effective

Up to the date of approval of the consolidated financial statements, certain new standards, interpretations and amendments to existing standards have been published that are not yet effective for the current reporting period and which the Group has not early adopted, as follows:

(i) Issued by the IASB and adopted by the European Union

- *Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures - Classification and Measurement of Financial Instruments (issued on 30 May 2024) (effective for annual periods beginning on or after 1 January 2026)*
- *Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures - Contracts Referencing Nature-dependent Electricity (issued on 18 December 2024) (effective for annual periods beginning on or after 1 January 2026)*
- *Annual Improvements to IFRS Accounting Standards – Volume 11 (issued on 18 July 2024) (effective for annual periods beginning on or after 1 January 2026)*
- *IFRS 18 – Presentation and Disclosure in Financial Statements: On 9 April 2024, the IASB issued the IFRS 18– Presentation and Disclosure in Financial Statements which replaces IAS 1 – Presentation of Financial Statements. IFRS 18 is the result of the IASB’s Primary Financial Statements project and it becomes effective for annual reporting periods beginning on or after January 1, 2027. Management will analyse the requirements of the new standard and assess its impact upon becoming effective.*

(ii) Issued by the IASB but not yet adopted by the European Union

- *Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates: Translation to a Hyperinflationary Presentation Currency (issued on 13 November 2025) (effective for annual period beginning on or after 1 January 2027)*
- *Amendments to IFRS 19 Subsidiaries without Public Accountability: Disclosures (issued on 9 May 2024 and then on 21 August 2025 was amended) (effective for annual period beginning on or after 1 January 2027)*
- *Amendments to IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture. In December 2015, the IASB postponed the effective date of this amendment indefinitely pending the outcome of its research project on the equity method of accounting.*

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2025

6. New accounting pronouncements (continued)

The Board of Directors expects that the adoption of these IFRS Accounting Standards in future periods will not have a significant impact on the Company's consolidated financial statements, except for IFRS 18 Presentation and Disclosures in Financial Statements, where the impact on the presentation of the consolidated financial statements is being reviewed by the Group with a view to determining the necessary changes by the end of 2026.

7. Financial risk management objectives and policies

Financial risk factors

The Group is exposed to interest rate risk, credit risk, liquidity risk, tourist industry risk and capital risk management arising from the financial instruments it holds. The risk management policies employed by the Group to manage these risks are discussed below:

7.1 Interest rate risk

The Group is exposed to interest rate risk in relation to its current and non-current borrowings. Borrowings issued at variable rates expose the Group to cash flow interest rate risk. Borrowings issued at fixed rates expose the Group to fair value interest rate risk. The Group's Management monitors the interest rate fluctuations on a continuous basis and acts accordingly.

At the reporting date the interest rate profile of interest-bearing financial instruments was:

	2025 €	2024 €
Fixed rate instruments		
Financial liabilities (Note 40.5)	3.832.692	-
Variable rate instruments		
Financial liabilities (Notes 31, 33 and 40.5)	189.219.715	109.877.992
	193.052.407	109.877.992

Sensitivity analysis

A decrease of 100 basis points in interest rates at 31 December 2025 would have increased equity and profit or loss by the amounts shown below. An increase of 100 basis points in interest rates at 31 December 2025 would have decreased equity and profit or loss by symmetrical amount. This analysis assumes that all other variables remain constant.

	2025 €	Equity 2024 €	2025 €	Profit or loss 2024 €
Variable rate instruments	1.434.138	1.215.815	1.434.138	1.215.815
	1.434.138	1.215.815	1.434.138	1.215.815

7.2 Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to meet an obligation. Credit risk arises from cash and cash equivalents, as well as trade and other receivables, receivables from related parties and deferred consideration receivable.

(i) Risk management

Credit risk is managed on a group basis. For banks and financial institutions, the Group has established policies whereby the majority of bank balances are held with independently rated parties.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2025

7. Financial risk management objectives and policies (continued)

7.2 Credit risk (continued)

(i) Risk management (continued)

If customers are independently rated, these ratings are used. Otherwise, if there is no independent rating, Management assesses the credit quality of the customer, taking into account its financial position, past experience and other factors.

(ii) Impairment of financial assets

The Group has the following types of financial assets that are subject to the expected credit loss model:

- Trade receivables
- Receivables from related parties
- Cash and cash equivalents
- Deferred consideration receivable

The impairment methodology applied by the Group for calculating expected credit losses depends on the type of financial asset assessed for impairment. Specifically:

- For trade receivables the Group applies the simplified approach permitted by IFRS 9, which requires lifetime expected losses to be recognised from initial recognition of the financial assets.
- For all other financial assets that are subject to impairment under IFRS 9, the Group applies general approach - three stage model for impairment. The Group applies a three-stage model for impairment, based on changes in credit quality since initial recognition. A financial asset that is not credit-impaired on initial recognition is classified in Stage 1. Financial assets in Stage 1 have their ECL measured at an amount equal to the portion of lifetime ECL that results from default events possible within the next 12 months or until contractual maturity, if shorter ("12 Months ECL"). If the Group identifies a significant increase in credit risk ("SICR") since initial recognition, the asset is transferred to Stage 2 and its ECL is measured based on ECL on a lifetime basis, that is, up until contractual maturity but considering expected prepayments, if any ("Lifetime ECL"). If the Group determines that a financial asset is credit-impaired, the asset is transferred to Stage 3 and its ECL is measured as a Lifetime ECL.

Impairment losses are presented as net impairment losses on financial and contract assets within administration expenses. Subsequent recoveries of amounts previously written off are credited against the same line item.

Significant increase in credit risk

The Group considers the probability of default upon initial recognition of the asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk the Group compares the risk of a default occurring on the financial asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forwarding-looking information. Especially the following indicators are incorporated:

- internal credit rating
- external credit rating (as far as available)
- actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the borrower's/counterparty's ability to meet its obligations
- actual or expected significant changes in the operating results of the borrower/counterparty
- significant increases in credit risk on other financial instruments of the same borrower/counterparty
- significant changes in the expected performance and behavior of the borrower/counterparty, including changes in the payment status of counterparty in the Group and changes in the operating results of the borrower/counterparty.

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. No significant changes to estimation techniques or assumptions were made during the reporting period.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2025

7. Financial risk management objectives and policies (continued)

7.2 Credit risk (continued)

(ii) Impairment of financial assets (continued)

Regardless of the analysis above, a significant increase in credit risk is presumed if a debtor is more than 30 days past due in making a contractual payment.

Default

A default on a financial asset is when the counterparty fails to make contractual payments within 90 days of when they fall due.

Write-off

Financial assets are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Group. The Group categorises a debt financial asset for write-off when a debtor fails to make contractual payments greater than 180 days past due. Where debt financial assets have been written off, the Group continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised in the same line with the impairment losses.

The Group's exposure to credit risk for each class of asset/instrument subject to the expected credit loss model is set out below:

Trade receivables, including trade receivables from related parties

The Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables (including those with a significant financing component, 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 expected loss rates are based on the payment profiles of sales over a period of 12 months before 31 December 2025 or 1 January 2025 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.

The following gross accounting amounts represent the Group's maximum exposure to credit risk for these assets at 31 December 2025 and 31 December 2024:

	2025	2024
	€	€
Gross carrying amount - trade receivables (Note 28)	5.575.513	4.675.573

Following the Group's exercise, expected credit losses in the amount of €427.121 were recognised during the year ended 31 December 2025 on trade receivables (2024: €9.077).

There were no significant trade receivables and contract asset balances written off during the years ended 31 December 2025 and 31 December 2024 that are subject to enforcement activity.

Receivables from related parties

For receivables from related parties, other than trade receivables, the Group applies general approach - three stage model for impairment.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2025

7. Financial risk management objectives and policies (continued)

7.2 Credit risk (continued)

(ii) Impairment of financial assets (continued)

Receivables from related parties (continued)

The gross carrying amounts below represent the Group's maximum exposure to credit risk on these assets as at 31 December 2025 and 31 December 2024:

Group internal credit rating	2025	2024
	€	€
Performing (Note 28) - Stage 1	<u>85.560</u>	<u>84.753</u>
Total	<u>85.560</u>	<u>84.753</u>

The Group does not hold any collateral as security for any receivables from related parties.

Expected credit losses on receivables from related parties were insignificant.

There were no receivables from related parties written off during the years ended 31 December 2025 and 31 December 2024 that are subject to enforcement activity.

Deferred consideration receivable

The gross carrying amounts below represent the Group's maximum exposure to credit risk on these assets as at 31 December 2025 and 31 December 2024:

Group internal credit rating	2025	2024
	€	€
Performing (Note 28) - Stage 1	<u>5.270.741</u>	<u>7.551.693</u>
Total	<u>5.270.741</u>	<u>7.551.693</u>

The Company does not hold any collateral as security for deferred consideration receivable.

Expected credit losses on deferred consideration receivable were insignificant. The repayments are being received timely as per the agreement up to the current date.

There were no amounts of deferred consideration receivable written-off during the years ended 31 December 2025 and 31 December 2024 that are subject to enforcement activity.

Cash and cash equivalents

The Group assesses, on a group basis, its exposure to credit risk arising from cash at bank. This assessment takes into account, ratings from external credit rating institutions and internal ratings, if external are not available.

Bank balances held with banks with investment grade rating are considered as low credit risk.

MHV MEDITERRANEAN HOSPITALITY VENTURE PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2025

7. Financial risk management objectives and policies (continued)

7.2 Credit risk (continued)

(ii) Impairment of financial assets (continued)

Cash and cash equivalents (continued)

The gross carrying amounts below represent the Group's maximum exposure to credit risk on these assets as at 31 December 2025 and 31 December 2024:

External credit rating	Internal credit rating	2025 €	2024 €
Aa3	Performing	-	21.788
Baa1	Performing	97.949	5.100.775
Baa3	Performing	28.245.902	-
Non-rated	Performing	100.000	100.000
Total		28.443.851	5.222.563

The ECL on current accounts is considered to be approximate to zero, unless the bank is subject to capital controls. The ECL on deposits accounts is calculated by considering published PDs for the rating as per Moody's and an LGD of 40-60% as published by ECB.

The Group does not hold any collateral as security for any cash at bank balances.

There were no cash at bank balances written off during the years ended 31 December 2025 and 31 December 2024 that are subject to enforcement activity.

7.3 Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting its obligations associated with financial liabilities. The Group has established procedures with the objective of maintaining a balance between continuity of funding and flexibility through the use of bank overdrafts and bank loans, leases and loans and funding from its shareholders.

The table below summarises the maturity profile of the Group's financial liabilities at the reporting date based on contractual undiscounted payments:

31 December 2025		Contractual cash flows	Up to 12months	1-2 years	2-5 years	More than 5 years
Carrying amounts	€	€	€	€	€	€
Bank loans	166.052.186	215.232.762	8.153.407	12.086.543	37.050.873	157.941.939
Lease liabilities	1.679.656	3.560.328	220.222	143.106	417.000	2.780.000
Bank overdrafts	2.745.105	2.745.105	2.745.105	-	-	-
Trade and other payables	11.939.892	11.939.892	11.939.892	-	-	-
Loans from shareholders	20.422.424	25.636.279	-	-	25.636.279	-
Loans from other related parties	3.832.692	4.592.536	-	-	4.592.536	-
	206.671.955	263.706.902	23.058.626	12.229.649	67.696.688	160.721.939
31 December 2024		Contractual cash flows	Up to 12months	1-2 years	2-5 years	More than 5 years
Carrying amounts	€	€	€	€	€	€
Bank loans	104.903.323	138.673.850	6.913.638	9.184.434	26.334.929	96.240.849
Lease liabilities	1.759.691	3.724.999	246.028	171.400	417.000	2.890.571
Bank overdrafts	4.974.669	4.974.669	4.974.669	-	-	-
Trade and other payables	23.721.619	23.721.619	23.721.619	-	-	-
	135.359.302	171.095.137	35.855.954	9.355.834	26.751.929	99.131.420

MHV MEDITERRANEAN HOSPITALITY VENTURE PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2025

7. Financial risk management objectives and policies (continued)

7.4 Tourist industry risk

- The political situation in Cyprus, Greek-Turkish relations and the political situation in the South-eastern Mediterranean area may seriously impact the tourism industry.
- The operations of the Group are characterised by a high degree of seasonality, between the summer and winter months. Specifically, the Group's high season is in the summer, between April and October, and its low season between the months of November and March.
- The competitiveness of Cyprus and Greece in the international tourism market and the increasing competition within the Cypriot and Greek markets may affect the results of the Group, due to the fact that the major part of operations is carried out during the summer period.
- The economic situation in Europe and the United States may adversely affect the tourism industry due to the fact that a significant number of tourists comes from Europe and the United States.
- Military action with the Russian invasion of Ukraine and conflicts in Middle East region could negatively affect the tourism of Cyprus as it distorts some of the traditional markets for Cyprus tourism.

7.5 Capital risk management

Capital includes equity shares and share premium as well as shareholder loans and bank borrowings.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions, in order to ensure that it will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

The Company's overall objectives, policies and processes remain unchanged from last year.

8. Critical accounting estimates and judgments

The preparation of the Company's consolidated financial statements requires Management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future.

Estimates and judgments are continuously evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

• Calculation of loss allowance

When measuring expected credit losses the Group uses reasonable and supportable forward looking information, which is based on assumptions for the future movement of different economic drivers and how these drivers will affect each other.

Loss given default is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, taking into account cash flows from collateral and integral credit enhancements.

Probability of default constitutes a key input in measuring ECL. Probability of default is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future conditions. Disclosures regarding the method used, significant assumptions and sensitivity on such assumptions are presented in note 7.

• Classification of Investment in MHV Bluekey One S.A. ("MHV Bluekey")

As disclosed in Note 24, on 21 February 2025 the sale of 30% of the shares of MHV Bluekey by the Company to Papalon Investments Limited ("Papalon") was completed.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2025

8. Critical accounting estimates and judgments (continued)

The Group has exercised significant judgement in assessing whether it continues to exercise control over MHV Bluekey following the disposal of a 30% interest, and by extension, whether the investment should continue to be recognised as a subsidiary or be reclassified as a joint venture.

This assessment was based on an evaluation of the relevant facts and circumstances, including:

- Voting rights and decision-making powers;
- Board composition and appointment rights;
- Whether decisions about the relevant activities require unanimous consent;
- The ability to direct relevant activities that significantly affect the investee's returns;

As described in Note 24, the shareholders' agreement between the Company and Papalon required unanimous consent of both parties for key decisions.

Management assessed that these rights are substantive and therefore joint control existed as defined by IFRS 11.

Therefore, the investee has been classified as a joint venture for the period from 21 February 2025 to 5 December 2025 (see below), and the Group's interest was accounted for using the equity method in accordance with Group's accounting policies.

On 5 December 2025, as part of a wider transaction, the Company's parent Prodea Real Estate Investment Company S.A ("Prodea") acquired 100% of Papalon, which in turn owns the remaining 30% of MHV Bluekey. As a result, Prodea, through its wider group, owns 100% of MHV Bluekey.

Following the above transaction, the Company, Papalon and MHV Bluekey entered into a termination agreement with effective date 5 December 2025. In the termination agreement, it was mutually agreed by the parties that the Company and Papalon terminate the shareholders' agreement.

The Company's management concluded that as of 31 December 2025 and since 5 December 2025, the Company has the control of MHV Bluekey and the investment of 70% in MHV Bluekey is classified as a subsidiary, with a non-controlling interest of 30%.

• Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the statement of financial position cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Refer also to Notes 24 and 29.

• Fair value of land and buildings

The fair value of real estate is determined on the basis of market value based on estimates by Management and independent appraisers. The Management exercises a judgment to determine the market value and makes assumptions, which are based mainly on the real estate market situation at each reporting date.

Land and buildings were revalued at fair value on 31 December 2025 and on 31 December 2024 based on an assessment made by independent real estate appraisers, with appropriate recognized professional qualifications and recent experience in the location and category of the property being valued.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2025

8. Critical accounting estimates and judgments (continued)

The fair value of land and buildings in relation to Group's hotels was determined based on the income capitalization approach. The income capitalization approach uses the forecast net operating income of the property and allocates these future benefits to the mortgage and equity components, based on market rates of return and loan-to-value ratios. The value of each item is calculated through a discounted cash flow and income capitalization approach. The total of the mortgage component and the equity component is equal to the value of the property. This approach is often selected as the preferred valuation method for income-generating properties because it better reflects the investment thinking of knowledgeable buyers.

For land, the fair value was determined based on sales comparison approach. The Sales Comparison Approach estimates the value of a property by comparing it to similar properties recently sold on the open market. To obtain a supportable estimate of value, the sales price of a comparable property should be adjusted to reflect any dissimilarity between the comparable property and the subject one.

For residential complex, the fair value was determined using the depreciated replacement cost (DRC) and the discounted cash flow (DCF) methods. DRC method takes into account the quality of construction of the property and its location. The valuers weigh the results of the two methods with a factor number 80% for the DCF method and 20% for the DRC method, as they consider that the DCF method is the most appropriate.

Disclosures regarding the method used, significant assumptions and sensitivity on such assumptions are presented in Note 9.

As a result of the 31 December 2025 revaluation exercise performed, a reversal of impairment charge of €4.856.597 relating to Landmark hotel property under construction was recognised in the consolidated statement of profit or loss (Note 15) and revaluation gains of €28.915.857 relating to Parklane hotel, €583.991 relating to Nikki Beach Porto Heli hotel and €520.000 relating to a residential complex, totalling to €30.020.003 were recognised directly in other comprehensive income.

• Net Realisable Value of Real Estate Inventory (Note 27)

Based on IAS 2 "Inventories" and the accounting policy as presented in Note 5, the Group presents inventories of real estate and land and buildings under development at the lower of cost and net realizable value. Net realisable value is the estimated selling price in the ordinary course of business, less the costs to completion and selling expenses.

The net realisable value is based on estimates made by Management based on valuation assessments made on 31 December 2025 by independent real estate appraisers, with appropriate recognized professional qualifications and recent experience in the location and category of the property being valued.

This exercise requires the use of considerable judgment and estimates as to the measurement of the net realizable value and specifically in estimating the calculated construction costs, the estimated real estate sales prices as well as the timing and velocity of future sales.

On the basis of Management's assessment, an impairment charge during the year ended 31 December 2025 amounting to €1.547.152 was recognised in the consolidated statement of profit or loss in respect of Landmark Office Tower. No impairment was recognised for any other real estate properties as their estimated net realisable value exceeded their respective costs.

If the estimated net realisable value of each and all the real estate inventory of the Group was 10% lower than Management's estimates on 31 December 2025, an additional write down of €10.803.080 on the carrying amount of real estate inventory with a corresponding loss in consolidated statement of profit or loss and other comprehensive income would be required.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2025

9. Fair value measurement

All assets, liabilities and equity items for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole.

- Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 - inputs 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).
- Level 3 - inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The fair value of property, plant and equipment has been determined by external independent property appraisers who have the appropriate recognised professional qualifications and recent experience in the location and category of property being valued. The most recent external valuations were performed on 31 December 2025.

The calculation of fair value for all properties has been categorized in Level 3 of fair value based on the data used in the appraisal technique.

Transfers between levels

There have been no transfers between different levels during the year.

Information about fair value measurements using significant unobservable inputs (Level 3)

<u>Description</u>	<u>Fair value at 31 December 2025</u> <u>€</u>	<u>Valuation technique</u>	<u>Unobservable input</u>	<u>Range (weighted average)</u>	<u>Relationship of unobservable inputs to fair values</u>
Property, Plant and Equipment					
Hotels:	459.368.971	Income capitalization method/ Discounted Cash Flow Analysis	Occupancy rate	29%-72%	The higher, the higher the fair value
The Landmark Nicosia, Autograph Collection			Average room rate	€235 - €1.220	The higher, the higher the fair value
Parklane, a Luxury Collection Resort & Spa			Discount rate	8,9% - 10,8%	The higher, the lower the fair value
Nikki Beach Porto Heli hotel					
Porto Paros hotel					
Land Nikki Beach	3.180.000	Sales comparison approach	Average selling price - residential plot	€2.486 per sq.m.	The higher, the higher the fair value
			Average selling price - commercial plot	€275 per sq.m.	The higher, the higher the fair value

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Year ended 31 December 2025

9. Fair value measurement (continued)

<u>Description</u>	<u>Fair value at 31 December 2025</u> €	<u>Valuation technique</u>	<u>Unobservable input</u>	<u>Range (weighted average)</u>	<u>Relationship of unobservable inputs to fair values</u>
			Average selling price - empty plot	€69 - €136 per sq.m.	The higher, the higher the fair value
Residential complex in Pyrgos	8.668.000	20% weight on Depreciated Replacement Cost and 80% weight on Discounted Cash Flow Analysis	Average purchase price of plot	€180 per sq.m.	The higher, the lower the fair value
			Average cost of construction per sq.m. - walled areas/covered areas	€1.500/€750 per sq.m.	The higher, the lower the fair value
			Average selling price per sq.m.	1st Floor: €3.620 - €3.720 2nd Floor: €3.720 - €3.820 Corner flats: 2% higher Common areas (kitchen) €3.000	The higher, the higher the fair value
			Discount rate	6,75%	The higher, the lower the fair value

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2025

9. Fair value measurement (continued)

<u>Description</u>	<u>Fair value at 31 December 2024</u> €	<u>Valuation technique</u>	<u>Unobservable input</u>	<u>Range (weighted average)</u>	<u>Relationship of unobservable inputs to fair values</u>
Property, Plant and Equipment					
Hotels:	369.009.767	Income capitalization method/ Discounted Cash Flow Analysis	Occupancy rate 28%-69%		The higher, the higher the fair value
The Landmark Nicosia, Autograph Collection			Cash Average rate room €233 - €812		The higher, the higher the fair value
Parklane, a Luxury Collection Resort & Spa			Discount rate	9,6% - 11,4%	The higher, the lower the fair value
Nikki Beach Porto Heli hotel					
Porto Paros hotel					
Land Nikki Beach	3.060.000	Sales comparison approach	Average selling price - residential plot	€2.466 per sq.m.	The higher, the higher the fair value
			Average selling price - commercial plot	€261 per sq.m.	The higher, the higher the fair value
			Average selling price - empty plot	€66 - €137 per sq.m.	The higher, the higher the fair value
Residential complex in Pyrgos	8.400.000	20% weight on Depreciated Replacement Cost and 80% weight on Discounted Cash Flow Analysis	Average purchase price of plot	€180 per sq.m.	The higher, the lower the fair value
			Average cost of construction per sq.m. - walled areas/covered areas	€1.500/€750 per sq.m.	The higher, the lower the fair value

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Year ended 31 December 2025

9. Fair value measurement (continued)

<u>Description</u>	<u>Fair value at 31</u> <u>December</u> <u>2024</u> <u>€</u>	<u>Valuation</u> <u>technique</u>	<u>Unobservable</u> <u>input</u>	<u>Range (weighted</u> <u>average)</u>	<u>Relationship of</u> <u>unobservable inputs to</u> <u>fair values</u>
			Average selling price per sq.m.	1st Floor: €3.540 - €3.640 2nd Floor: €3.640 -€3.740 Corner flats: 2% higher Common areas (kitchen) €3.000	The higher, the higher the fair value
			Discount rate	6,78%	The higher, the lower the fair value

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Year ended 31 December 2025

Sensitivity of Management's estimates 31 December 2025

<u>Description</u>	<u>Change</u>
Property, plant and equipment	
Hotels	
Change in occupancy rate/ average room rate	+/- 10%
Discount rate change	+/- 10%
Fair value range based on changes in key estimates	€374.260.000 - €568.710.000
Land, Nikki Beach	
Change in selling price	+/- 10%
Fair value range based on changes in key estimates	€2.860.000 - €3.500.000
Residential complex in Pyrgos	
Discount rate change	+/- 10%
Change in selling price	+/- 10%
Fair value range based on changes in key estimates	€8.615.000- €8.723.000

Sensitivity of Management's estimates 31 December 2024

<u>Description</u>	<u>Change</u>
Property, plant and equipment	
Hotels	
Change in occupancy rate/ average room rate	+/- 10%
Discount rate change	+/- 10%
Fair value range based on changes in key estimates	€291.840.000 - €456.640.000
Land, Nikki Beach	
Change in selling price	+/- 10%
Fair value range based on changes in key estimates	€2.750.000 - €3.370.000
Residential complex in Pyrgos	
Discount rate change	+/- 10%
Change in selling price	+/- 10%
Fair value range based on changes in key estimates	€7.675.000- €9.139.000

10. Segmental reporting

The Company's Board of Directors has not applied significant estimates and calculations regarding the definition of the Group's operating segments. The Group's hotels operations have been grouped as one operating segment in accordance with the basic principle of IFRS 8, as they have similar financial characteristics as described in paragraph 12 of IFRS 8. The same applies for the real estate property development business of the Group which has also been grouped as an operating segment.

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Year ended 31 December 2025

10. Segmental reporting (continued)

The Board of Directors monitors internal reports to assess the Group's performance and allocate its resources. The Board of Directors relies on these internal reports to determine the segmental areas. The main segment areas of activity of the Group for which an analysis is given by area are the following:

- Hotel operations and Other

- Real Estate

All the Group's segmental areas of activity are located in Cyprus and Greece. There were no changes in the Group's areas of activity during 2025 and 2024.

The Board of Directors evaluates the performance of the operating segments based on earnings/(loss) before interest, tax, depreciation, amortisation and impairment (EBITDA). The other information provided is calculated according to the consolidated financial statements.

Results per segment

The segment results for the year ended 31 December 2025 and 31 December 2024 are as follows:

2025

	Hotel operations and Other - Cyprus	Hotel operations - Greece	Total Hotel operations and Other	Real Estate - Cyprus	Total
	€	€	€	€	€
Revenue	58.751.221	3.452.998	62.204.220	12.870.824	75.075.044
Cost of sales	(37.766.326)	(2.778.586)	(40.544.912)	(10.237.561)	(50.782.473)
Gross profit	20.984.895	674.412	21.659.307	2.633.264	24.292.571
General and administration expenses excluding depreciation	(14.818.945)	(610.439)	(15.429.384)	-	(15.429.384)
Other losses	4.856.597	-	4.856.597	(1.547.152)	3.309.445
(Loss)/ profit before interest, tax, depreciation, amortisation and impairment (EBITDA)	4.959.427	(465.132)	4.494.295	4.650.504	9.144.798
Depreciation	(7.245.331)	(513.287)	(7.758.618)	-	(7.758.618)

2024

	Hotel operations and Other - Cyprus	Hotel operations - Greece	Total Hotel operations and Other	Real Estate - Cyprus	Total
	€	€	€	€	€
Revenue	54.568.861	3.469.967	58.038.928	11.137.015	69.175.943
Cost of sales	(36.653.580)	(3.212.492)	(39.866.072)	(9.360.289)	(49.226.361)
Gross profit	17.915.381	257.475	18.172.856	1.176.726	19.949.582
General and administration expenses excluding depreciation	(8.150.842)	(1.154.728)	(9.305.570)	(1.785.634)	(11.091.204)
Other losses	(13.788.814)	-	(13.788.814)	(2.248.098)	(15.626.912)
(Loss)/ profit before interest, tax, depreciation, amortisation and impairment (EBITDA)	5.880.153	948.170	6.828.323	4.024.824	10.853.147
Depreciation	(6.749.025)	(588.842)	(7.337.867)	-	(7.337.867)

MHV MEDITERRANEAN HOSPITALITY VENTURE PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2025

10. Segmental reporting (continued)

The reconciliation between EBITDA and net loss for the year are as follows:

	2025	2024
	€	€
Profit before interest, tax, depreciation, amortisation and impairment (EBITDA)	9.144.798	10.853.147
Depreciation	(7.758.618)	(7.337.867)
Amortisation	(119.842)	(127.201)
Settlement of deferred exit costs	-	(40.000.000)
Loss from sale of investment in subsidiary	(10.112.785)	-
Other losses	441.709	(15.626.912)
Operating loss	(8.404.738)	(52.238.833)
Net finance costs	(3.816.004)	(6.789.426)
Share of results of joint venture	(895.788)	-
Loss before tax	(13.116.530)	(59.028.259)
Tax	(2.707.756)	998.646
Net loss for the year	(15.824.286)	(58.029.613)

Revenue from major customers

The Group has no major customer that exceeds 10% of total revenue during 2025 and 2024.

Assets and liabilities per segment for the year ended 31 December 2025 and 31 December 2024 are as follows:

2025

	Hotel operations and Other - Cyprus	Hotel operations - Greece	Total Hotel operations and Other	Real Estate - Cyprus	Total
	€	€	€	€	€
Assets	408.495.230	112.822.272	521.317.499	187.688.234	709.005.736
Liabilities	189.243.767	10.233.370	199.477.137	64.497.257	263.974.394

2024

	€	€	€	€	€
Assets	297.971.288	115.058.891	413.030.179	170.192.599	583.222.778
Liabilities	121.817.260	9.530.198	131.347.458	55.936.671	187.284.129

Assets per segment differ from total assets as per the consolidated statement of financial position as follows:

	2025	2024
	€	€
Total assets from reportable operating segments	709.005.736	583.222.778
Deferred tax assets	1.899.021	933.160
Financial assets at fair value through profit or loss	1.001	1.001
Total assets as per consolidated statement of financial position	710.905.758	584.156.939

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2025

10. Segmental reporting (continued)

Liabilities per segment differ from total liabilities as per the consolidated statement of financial position as follows:

	2025	2024
	€	€
Total liabilities from reportable operating segments	263.974.394	187.284.129
Deferred tax liabilities	23.191.484	19.402.213
Current tax liabilities	808.143	488.961
Total liabilities as per consolidated statement of financial position	<u>287.974.020</u>	<u>207.175.303</u>

11. Revenue

The Group derives its revenue from contracts with customers for the transfer of goods and services over time and at a point in time in the following major product lines.

Disaggregation of revenue	2025	2024
	€	€
Hotel Operations	60.168.918	56.113.667
Real estate development	12.870.824	11.137.015
Advertising income	-	18.750
Other operations	2.035.302	1.906.511
	<u>75.075.044</u>	<u>69.175.943</u>

12. Cost of sales

	2025	2024
	€	€
Changes in inventories (Note 27)	9.767.472	9.360.289
Salaries (Note 16)	20.321.628	18.838.555
Purchases	7.392.247	7.094.594
Direct costs - goods, materials and services	339.418	250.826
Other direct costs	2.644.629	3.381.331
Departmental expenses	5.474.753	5.484.028
Commissions payable	2.705.656	2.762.724
Entertainment	654.507	802.307
Gardening expenses	315.064	274.206
Uniforms	2.603	6.315
Repairs and maintenance	1.164.496	971.186
	<u>50.782.473</u>	<u>49.226.361</u>

13. Other income

	2025	2024
	€	€
Other income	161.769	1.867.568
	<u>161.769</u>	<u>1.867.568</u>

During 2024, the Group received €1,5 million insurance compensation relating to damages caused and repairs performed for Nikki Beach Porto Heli hotel as a result of storm Daniel in September 2023.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2025

14. General and administration expenses

	2025	2024
	€	€
Salaries (Note 16)	4.511.282	3.319.836
Security expenses	292.487	37.763
Licenses and taxes	137.744	111.556
Electricity, fuel, water, sewerage and cleaning	4.124.011	4.065.806
Insurance	404.202	500.932
Repairs and maintenance	31.265	37.254
Sundry expenses	709.192	230.207
Telephone and postage	10.696	22.603
Stationery and printing	10.101	23.307
Subscriptions and contributions	41.137	44.637
Rent and operating lease rentals	57.630	43.443
Sundry staff costs	79.888	41.957
Auditor's remuneration - current year	157.848	153.250
Auditor's remuneration - prior year	-	18.045
Tax compliance services charged by statutory audit firm	7.519	7.300
Other non-audit services charged by statutory audit firm	56.230	102.365
Other assurance services charged by statutory audit firm	39.913	38.750
Legal and professional	795.914	1.568.997
Fines	10.904	379
Travelling	152.883	131.318
Irrecoverable VAT	22.541	18.549
Expected credit losses of financial assets	356.620	-
Entertaining	165.807	233.235
Hotel advisory and management expense (Note 40.3)	2.857.653	-
Advertising and promotion costs	276.075	212.514
Amortisation of intangible assets (Note 22)	119.842	127.201
Depreciation (Notes 20 and 21)	7.758.618	7.337.867
	23.188.002	18.429.071

The total fees charged by the statutory audit firm for the statutory audit of the Group's annual financial statements for the year ended 31 December 2025 amounted to €125.094 (2024: €121.450). The total fees charged by the statutory audit firm for the year ended 31 December 2025 for tax compliance services amounted to €7.519 (2024: €7.300), for other non-audit services amounted to €56.230 (2024: €102.365) and for other assurance services amounted to €39.913 (2024: €38.750). The statutory audit firm fees disclosed exclude VAT and out of pocket expenses.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2025

15. Other (gains) / losses - net

	2025	2024
	€	€
Impairment loss on property under construction (Note 20)	-	12.797.146
Reversal of impairment on property under construction (Note 20)	(4.856.597)	-
Receivable from joint venture written off	-	569.839
Fair value losses on financial liabilities at fair value through profit or loss (Note 29)	5.880.704	-
Gain on remeasurement of investment in joint venture (Note 25)	(3.012.968)	-
Write off of property, plant and equipment (Note 20)	-	11.829
Impairment loss - land and buildings under development (Note 27)	1.547.152	2.248.098
	<u>(441.709)</u>	<u>15.626.912</u>

16. Salaries

	2025	2024
	€	€
Salaries including discretionary bonuses (inclusive of Directors and key management remuneration)	21.252.070	19.254.359
Social security, provident fund and other contributions	3.334.411	2.706.749
Other - Business meals, travel and accommodation	246.429	197.283
	<u>24.832.910</u>	<u>22.158.391</u>

Average number of employees:

Full time	721	672
Part time	4	9
	<u>725</u>	<u>681</u>

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2025

17. Finance income/(costs)

	2025 €	2024 €
Finance income		
Bank interest	4.529	263.768
Effective interest income on deferred consideration receivable (Note 28)	219.048	259.983
Interest income on loan receivable (Note 30)	444.860	-
Other finance income	812	-
	669.249	523.751
Finance costs		
Interest expense		
Interest expense	(3.433.472)	(6.289.528)
Interest expense on lease liabilities (Note 34)	(115.416)	(124.700)
Sundry finance expenses		
Bank charges	(818.700)	(698.184)
Amortisation of loan arrangement fees	(119.784)	(204.135)
Net foreign exchange losses		
Unrealised foreign exchange profit	2.217	3.989
Unrealised foreign exchange loss	(98)	(619)
	(4.485.253)	(7.313.177)
Net finance costs	(3.816.004)	(6.789.426)

18. Tax

	2025 €	2024 €
Corporation tax - current year	2.137.224	1.193.111
Defence contribution - current year	-	405
Defence contribution - prior years	-	878
Deferred tax - charge/(credit) (Note 35)	570.532	(2.193.040)
Charge/(credit) for the year	2.707.756	(998.646)

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Year ended 31 December 2025

18. Tax (continued)

The tax on the Group's results before tax differs from theoretical amount that would arise using the applicable tax rates as follows:

	2025 €	2024 €
Loss before tax	<u>(13.116.530)</u>	<u>(59.028.259)</u>
Tax calculated at the applicable tax rates	(1.639.566)	(7.378.532)
Tax effect of expenses not deductible for tax purposes	4.770.550	9.718.262
Tax effect of allowances and income not subject to tax	(993.759)	(1.146.619)
Defence contribution current year	-	405
Deferred tax	570.531	(2.193.040)
Prior year taxes	-	878
Tax charge/(credit)	<u>2.707.756</u>	<u>(998.646)</u>

On 31 December 2025, Cyprus enacted significant tax reform measures aimed at stimulating economic growth and enhancing tax compliance, with most changes effective from 1 January 2026. The tax reform includes amendments to six tax laws, namely the Income Tax law, the Special Contribution for Defence law, the Capital Gains Tax law, the Assessment and Collection of Taxes law, the Collection of Taxes law and the Stamp Duty law. Amongst the changes is the increase in the corporate income tax rate from 12,5% to 15% from 1 January 2026 onwards.

The corporation tax rate until 31 December 2025 is 12,5%. In addition, 75% of the gross rents receivable are subject to defence contribution at the rate of 3%.

Under certain conditions interest income may be subject to defence contribution at the rate of 17%. In such cases this interest will be exempt from corporation tax. In certain cases, dividends received from abroad may be subject to defence contribution at the rate of 17%.

The corporation tax rate in Greece is 22%. Under certain conditions interest income may be subject to tax at the rate of 15%. In such cases this interest will be exempt from corporation tax.

19. Basic and Diluted Earnings per share attributable to equity holders of the parent

	2025	2024
Loss attributable to equity holders of the parent (€)	<u>(15.788.897)</u>	<u>(58.029.613)</u>
Weighted average number of ordinary shares in issue during the year	<u>120.200.720</u>	<u>120.200.720</u>
Basic and Diluted Earnings per share attributable to equity holders of the parent (cent)	<u>(13,14)</u>	<u>(48,28)</u>

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2025

20. Property, plant and equipment

	Land and buildings	Property under construction	Cutlery, linen & uniforms	Motor vehicles	Furniture, fixtures and office equipment	Computer hardware	Total
	€	€	€	€	€	€	€
Cost or valuation							
Balance at 1 January 2024	269.041.147	34.053.356	2.641.562	229.012	19.110.483	1.087.678	326.163.238
Additions	36.660.793	11.698.640	3.800	21.533	1.201.289	58.835	49.644.890
Capitalisation of borrowing costs	-	986.521	-	-	-	-	986.521
Write off of property, plant and equipment (Note 15)	-	-	-	-	(11.829)	-	(11.829)
Impairment charge (Notes 8 and 15)	-	(12.797.146)	-	-	-	-	(12.797.146)
Revaluation adjustment (Note 8)	26.490.211	-	-	-	-	-	26.490.211
Balance at 31 December 2024/ 1 January 2025	332.192.151	33.941.371	2.645.362	250.545	20.299.943	1.146.513	390.475.885
Additions	1.178.222	57.830.122	363.857	16.750	591.600	235.566	60.216.117
Transfer upon completion	89.507.230	(97.797.094)	974.513	-	4.911.363	2.403.988	-
Capitalisation of borrowing costs	-	2.469.589	-	-	-	-	2.469.589
Disposal of subsidiary (Note 24)	(88.783.659)	-	-	-	(18.499)	-	(88.802.158)
Acquisition of subsidiary (Note 24)	89.600.000	-	-	-	-	-	89.600.000
Reversal of impairment charge (Notes 8 and 15)	-	4.856.597	-	-	-	-	4.856.597
Revaluation adjustment (Note 8)	23.696.440	-	-	-	-	-	23.696.440
Balance at 31 December 2025	447.390.384	1.300.585	3.983.732	267.295	25.784.407	3.786.067	482.512.470
Depreciation							
Balance at 1 January 2024	6.282.529	-	-	146.451	6.899.234	992.930	14.321.144
Charge for the year	5.393.153	-	-	4.618	1.602.584	60.087	7.060.442
Revaluation adjustment (Note 8)	(11.469.410)	-	-	-	-	-	(11.469.410)
Balance at 31 December 2024/ 1 January 2025	206.273	-	-	151.069	8.501.818	1.053.017	9.912.177
Charge for the year	5.906.727	-	-	21.091	1.626.449	57.674	7.611.941
Disposal of subsidiary (Note 24)	-	-	-	-	(2.158)	-	(2.158)
Revaluation adjustment (Note 8)	(6.323.563)	-	-	-	-	-	(6.323.563)
Balance at 31 December 2025	(210.479)	-	-	172.160	9.695.186	1.541.614	11.198.481
Net book amount							
Balance at 31 December 2025	447.600.863	1.300.585	3.983.732	95.135	16.089.221	2.244.453	471.313.989
Balance at 31 December 2024	331.985.878	33.941.371	2.645.362	99.476	11.798.125	93.496	380.563.708

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20. Property, plant and equipment (continued)

Property under construction of €97.797.094 relating to the Landmark Nicosia hotel was reclassified to the appropriate category of property, plant and equipment as it was ready for use. The Landmark Nicosia, Autograph Collection hotel opened on 2 December 2025. As of 31 December 2025, the amount of €1.300.585 included in property under construction mainly relates to some of the new restaurants of the Landmark Nicosia hotel which were ready for use after the reporting date, in February 2026.

An amount of €89.600.000 (2024: €88.783.659) which is included in the Land and Buildings as of 31 December 2025, relates to Porto Paros hotel. As at 31 December 2025, Porto Paros hotel is still not in use as Management plans to proceed with renovation and then open the hotel. As a result, no depreciation is provided for this property for the years ended 31 December 2025 and 31 December 2024.

During the year 2025, €2.336.684 (2024: €947.873) and €132.905 (2024: €38.647) of interest and amortised loan arrangement fees respectively were capitalised in property under construction of the subsidiary, The Cyprus Tourism Development Company Limited (Note 33). With the exception of project specific borrowings which are capitalised as incurred, the rate used to determine the amount of borrowing costs eligible for capitalisation was 5,61% (2024: 7,05%).

The land and buildings have been used as collateral in the Group's loan agreements, as noted in Notes 31 and 33.

If the land and buildings were stated on the historical cost basis, the amounts would be as follows:

	2025	2024
	€	€
Cost	267.118.134	213.113.724
Accumulated depreciation	(31.632.040)	(25.725.313)
Net book amount	<u>235.486.094</u>	<u>187.388.411</u>

Revaluation of land and buildings

Land and buildings were revalued at fair value on 31 December 2025 and on 31 December 2024 based on an assessment made by independent real estate appraisers, with appropriate recognized professional qualifications and recent experience in the location and category of the property being valued.

As a result of the 31 December 2025 revaluation exercise performed, a reversal of impairment of €4.856.597 relating to Landmark hotel property under construction was recognised in the consolidated statement of profit or loss (Note 15), and revaluation gains of €28.915.857 relating to Parklane hotel, €583.991 relating to Nikki Beach Porto Heli hotel and €520.000 relating to a residential complex, totalling to €30.020.003 were recognised directly in other comprehensive income.

Fair value hierarchy

The methodology and information used to estimate fair values at the reporting date are given in Note 9.

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21. Right-of-use assets

	Beach Leases €	Properties €	Total €
Cost			
Balance at 1 January 2024	1.821.591	902.902	2.724.493
Termination	-	(40.928)	(40.928)
Balance at 31 December 2024/ 1 January 2025	1.821.591	861.974	2.683.565
Additions	-	58.788	58.788
Termination	-	(157.726)	(157.726)
Balance at 31 December 2025	1.821.591	763.036	2.584.627
Depreciation			
Balance at 1 January 2024	333.927	523.951	857.878
Charge for the year	55.098	222.329	277.427
Termination	-	(13.643)	(13.643)
Balance at 31 December 2024/ 1 January 2025	389.025	732.637	1.121.662
Charge for the year	55.099	91.578	146.677
Termination	-	(138.010)	(138.010)
Balance at 31 December 2025	444.124	686.205	1.130.329
Net book amount			
Balance at 31 December 2025	1.377.467	76.831	1.454.298
Balance at 31 December 2024	1.432.566	129.337	1.561.903

22. Intangible assets

	Licence fee €	Franchising €	Computer software €	Total €
Cost				
Balance at 1 January 2024	1.000.000	-	451.301	1.451.301
Additions	-	-	64.755	64.755
Balance at 31 December 2024/ 1 January 2025	1.000.000	-	516.056	1.516.056
Additions	-	520.000	51.972	571.972
Balance at 31 December 2025	1.000.000	520.000	568.028	2.088.028
Amortisation				
Balance at 1 January 2024	200.000	-	398.622	598.622
Amortisation for the year (Note 14)	100.000	-	27.201	127.201
Balance at 31 December 2024/ 1 January 2025	300.000	-	425.823	725.823
Amortisation for the year (Note 14)	100.000	8.666	11.176	119.842
Balance at 31 December 2025	400.000	8.666	436.999	845.665
Net book amount				
Balance at 31 December 2025	600.000	511.334	131.029	1.242.363
Balance at 31 December 2024	700.000	-	90.233	790.233

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22. Intangible assets (continued)

The intangible assets as of 31 December 2025 and 31 December 2024 comprise primarily of licence fee, franchise fee and computer software.

Licence fee of cost €1.000.000 acquired in 2022, relate to a licence fee payable by the subsidiary Parklane Hotels Limited to a non-related party, who acts as the operator under the agreement dated 24 May 2022. According to the agreement, the operator provides restaurant consultancy services in relation to the fit-out of a new restaurant at the Hotel and operates and manages the restaurant under a brand name for a duration of 10 years. The carrying amount of this intangible as at 31 December 2025 was €600.000 (2024: €700.000).

Franchising of cost €520.000 acquired in 2025, relate to franchise fee payable by the subsidiary Parklane Hotels Limited and the subsidiary The Cyprus Tourism Development Company to a non-related party, who acts as the franchisor of the agreement dated 11 November 2025 for the licence of a Lebanese restaurant that will open in both hotels. The franchise has a duration of 10 years. The carrying amount of this intangible as at 31 December 2025 was €511.334 (2024: €nil).

Impairment assessment

No impairment indications were identified for intangible assets.

23. Details of subsidiaries

The details of the subsidiaries are as follows:

<u>Name</u>	<u>Country of incorporation</u>	<u>Principal activities</u>	2025 Holding %	2024 Holding %
The Cyprus Tourism Development Company Limited	Cyprus	Hotels, tourism and real estate	100	100
Parklane Hotels Limited	Cyprus	Hotels, tourism and real estate	100	100
Porto Heli Hotel & Marina S.A.	Greece	Hotels, tourism and real estate	100	100
MHV Bluekey One S.A. (1)	Greece	Hotels, tourism and real estate	70	100
Stromay Holdings Limited	Cyprus	Holding of real estate property	100	100

(1) As described in Note 24, on 21 February 2025 the sale of 30% of the shares of MHV Bluekey by the Company to Papalon Investments Limited was completed. The Company had concluded at that time that MHV Bluekey qualified as a joint venture and the remaining 70% investment was then classified as investment in joint ventures based on its fair value at the date of sale.

On 5 December 2025, the Group gained back the control of MHV Bluekey as a result of a wider transaction of its parent Prodea Real Estate Investment Company S.A as disclosed in Note 24 and the investment of 70% in MHV Bluekey is re-classified as a subsidiary.

All subsidiaries are included in the consolidation.

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Year ended 31 December 2025

24. Disposal and acquisition of subsidiary

Disposal of 30% of MHV Bluekey One S.A. ("MHV Bluekey"), loss of control and classification as Joint Venture

On 8 December 2023, concurrently with the acquisition agreement for 55% of the Company by Prodea (Note 26), the Company entered into an agreement for the future sale of 30% of the shares of its subsidiary MHV Bluekey to Papalon Investments Limited ("Papalon"). The agreement also included put and call options over those shares in favour of Papalon and the Company, respectively, as well as a contingent payment (earn-out), all of which may be exercised in the future and depend on the future performance of MHV Bluekey.

On 21 February 2025, the sale of 30% of the shares of MHV Bluekey by the Company to Papalon was completed. Under the shareholders' agreement, a number of matters require unanimous joint approval, including, by way of example, appointment of senior management, approval of business plans, distribution of profits and decisions on the company's operations. After evaluating the terms of the agreement and considering that the put and call options cannot be exercised before a specific period, the Company concluded that as of 21 February 2025, MHV Bluekey qualified as a joint venture. The fair value of 70% MHV Bluekey at the time of its recognition as a joint venture was estimated at €53,517,747 (Note 25).

In addition, from the valuation of the put and call options over those shares and the contingent earn-out payment, the Group recognised a liability of €8,600,587 within "Non-Current Liabilities" (Note 29) and a loss of €10,112,785 in the consolidated statement of profit or loss and other comprehensive income at the time of completion of the sale of the 30% interest in MHV Bluekey.

The assets and liabilities disposed were as follows:

	21/02/2025
	€
Property, plant and equipment (Note 20)	88.800.001
Trade and other receivables	4.725.796
Cash at bank and in hand	290.205
Trade and other payables	(1.331.005)
Borrowings	(12.466.634)
Deferred tax liabilities (Note 35)	(4.188.367)
Net assets disposed	<u>75.829.996</u>
Fair value of consideration received	24.415.000
Cash and cash equivalents disposed	(290.205)
Cash inflow on disposal	<u>24.124.795</u>

During the year MHV Bluekey contributed €nil of revenues and €212,117 of loss before tax for the period between 1 January 2025 to 21 February 2025. As a result of the loss of control, all assets and liabilities of MHV Bluekey were derecognised from the consolidation.

Acquisition of control over MHV Bluekey and classification as subsidiary

On 5 December 2025, as part of a wider transaction, the Company's parent Prodea Real Estate Investment Company S.A. ("Prodea") acquired 100% of Papalon, which in turn owns the remaining 30% of MHV Bluekey. As a result, Prodea, through its wider group, owns 100% of MHV Bluekey.

Following the above transaction, the Company, Papalon and MHV Bluekey entered into a termination agreement with effective date 5 December 2025. In the termination agreement, it was mutually agreed by the parties that the Company and Papalon terminate the shareholders' agreement.

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Year ended 31 December 2025

24. Disposal and acquisition of subsidiary (continued)

The Company's management concluded that as of 31 December 2025 and since 5 December 2025, the Company has obtained the control of MHV Bluekey and the investment of 70% in MHV Bluekey is reclassified as a subsidiary, with a non-controlling interest of 30%. The Group assessed that this acquisition did not meet the definition of a business combination and was treated as an acquisition of assets in line of the Group's accounting policy.

The amounts recognised initially as assets and liabilities acquired were as follows:

	05/12/2025 €
Property, plant and equipment (Note 20)	89.600.000
Trade and other receivables	3.431.130
Cash at bank and in hand	870.055
Trade and other payables	(1.320.570)
Non-current borrowings	<u>(13.102.148)</u>
Net assets of subsidiary	79.478.467
Non-controlling interests (30%)	<u>(23.843.540)</u>
Net assets acquired (70%)	<u>55.634.927</u>

The non-controlling interest (30% ownership interest in MHV Bluekey) recognised at the acquisition date was measured by reference to the fair value of the non-controlling interest as per the Group's accounting policy and amounted to €23.843.540.

On the same date, management assessed that the fair value of the put option increased as of 5 December 2025 by €5.880.704, from €8.600.587 to €14.481.291, as a result fair value losses of €5.880.704 on financial liabilities at fair value through profit or loss were recognised in statement of profit or loss and other comprehensive income for the year ended 31 December 2025 (Notes 15 and 29).

Following the signing of the above termination agreement, the derivative instrument (put option) of €14.481.291 was extinguished and cancelled by Papalon, being a fellow subsidiary of Prodea. Upon derecognition/forgiveness of the derivative, the credit was posted in equity as other reserves in line to the Group's accounting policy in respect of gains with transactions with equity owners (Note 29).

25. Investments in joint ventures

	2025 €	2024 €
Balance at 1 January	-	-
Additions as a result of partial disposal of subsidiary (Note 24)	53.517.747	-
Share of joint venture loss	(895.788)	-
Remeasurement of joint venture upon acquisition of control (see note 1 below)	3.012.968	-
Derecognition following acquisition of control (Note 24)	<u>(55.634.927)</u>	-
Balance at 31 December	<u>-</u>	<u>-</u>

The details of the joint ventures were as follows:

<u>Name</u>	<u>Country of incorporation</u>	<u>Principal activities</u>	Holding %	2025 €	2024 €
MHV Bluekey One S.A.	Greece	Hotel, tourism and real estate	70	<u>-</u>	<u>-</u>

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25. Investments in joint ventures (continued)

Note 1: As discussed in Note 24, on 5 December 2025, the Company gained back the control and its 70% investment in MHV Bluekey was classified as a subsidiary. Before its derecognition, the investment in joint venture was remeasured at fair value as per the Group's accounting policy. The profit from the remeasurement at fair value of €3,012,968 is recorded "Other gains/losses" in the consolidated statement of profit or loss and other comprehensive income for the current year (Note 15).

	Period from 21/02/2025 to 05/12/2025 €
Significant aggregate amounts in respect of joint venture:	
Net finance costs	(635.539)
Administration and other expenses	(644.160)
Loss for the period (100%)	<u>(1.279.698)</u>
Group's share of loss for the period (70%)	<u>(895.788)</u>

26. Deferred exit costs

On 24 January 2024, Prodea Real Estate Investment Company S.A. (buyer) concluded the acquisition of the additional 55% stake in the Company from Ascetico Limited, hence the Deferred exit costs of €40,000,000 paid by the Company in 2023 and reported within Current Assets on the statement of financial position as at 31 December 2023, were expensed in the statement of profit or loss and other comprehensive income on the same date (i.e. 24 January 2024). The Deferred exit costs were related to payments which became unconditionally due by the Company upon the successful closing of the Group's sale.

27. Inventories

	2025 €	2024 €
Hotels inventories	2.069.515	1.403.502
Real estate inventory:		
Stock of completed property - Parklane Park Tower I	7.922.512	17.596.102
Land under development - Parklane East and West Towers	79.016.231	78.380.673
Land and buildings under development - Landmark Office Tower	65.500.000	49.500.000
Land and buildings under development - Landmark Residential Tower	34.856.849	23.513.606
	<u>189.365.107</u>	<u>170.393.883</u>

The cost of inventories recognised as expense and included in "cost of sales" amounted to €9,767,472 (2024: €9,360,289).

Inventories are stated at the lower of cost and net realisable value.

An amount of €1,547,152 was recognised in the statement of profit or loss and other comprehensive income as impairment charge (2024: €2,248,098) in the value of land and buildings under development of Landmark Office Tower (Note 15). Refer further to Note 8.

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27. Inventories (continued)

During the year 2025, €714.315 (2024: €984.840) and €40.571 (2024: €25.207) of interest and amortised loan arrangement fees respectively were capitalised in land and buildings under development of Landmark Office Tower and an amount of €292.940 (2024: €226.993) and €16.191 (2024: €nil) of interest and amortised loan arrangement fees was capitalised in land and buildings under development of Landmark Residential Tower (Note 33). With the exception of project specific borrowings which are capitalised as incurred, the rate used to determine the amount of borrowing costs eligible for capitalisation was 5,61% (2024: 7,05%).

The Group's inventories have been used as collateral in the loan agreements, as mentioned in Note 33.

28. Trade and other receivables

	2025 €	2024 €
Trade receivables	5.575.513	4.419.926
Trade receivables from related parties (Note 40.4)	-	255.647
Less: loss allowance on trade receivables	(474.484)	(47.363)
Trade receivables - net	5.101.029	4.628.210
Receivables from related parties (Note 40.4)	77.597	60.196
Shareholders' current accounts - debit balances (Note 40.6)	7.963	24.557
Deposits and prepayments	772.940	1.253.753
Advances to subcontractors	1.284.327	4.045.741
VAT receivable	3.007.243	2.211.840
Tax refundable	-	10.566
Deferred consideration receivable (see note 1 below)	5.270.741	7.551.693
Prepaid loan arrangement fee for unutilised loan	-	553.923
Other receivables	1.495.090	4.207.081
	17.016.930	24.547.560
Less non-current receivables	(2.772.941)	(5.056.893)
Current portion	14.243.989	19.490.667

Note 1: The amount of €5.270.741 (2024: €7.551.693) relates to the deferred consideration receivable in respect of the sale of the investment in Aphrodite Hills Resort Limited sub-group. Under the sale agreement an amount of €10.500.000 is receivable on five installments. The last installment is receivable on 24 November 2027. On 24 November 2023, 24 November 2024, 24 November 2025, the Company received the first installment of €1.000.000, the second instalment of €1.500.000, the third installment of €2.500.000 respectively. The fourth installment of €2.500.000 is due on 24 November 2026 and is classified as current. The remaining amount of €2.770.741 is classified as non-current. The amount of €10.500.000 was discounted using a discount rate of 3% as at 24 November 2022, resulting to €9.480.977. The effective interest income for the year 2025 amounted to €219.048 (2024: €259.983) (Note 17).

Ageing of trade receivables - net:

	2025 €	2024 €
Up to 30 days	2.344.913	3.540.635
31-90 days	1.376.454	246.085
More than 90 days	1.379.662	841.491
	5.101.029	4.628.211

The Group has recognised a loss of €427.121 for the impairment of its trade receivables during the year ended 31 December 2025 (2024: €9.077).

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Year ended 31 December 2025

28. Trade and other receivables (continued)

The fair values of trade and other receivables due within one year approximate to their carrying amounts as presented above.

The exposure of the Group to credit risk and impairment losses in relation to trade and other receivables is reported in note 7 of the consolidated financial statements.

29. Financial assets and liabilities at fair value through profit or loss

Financial assets	2025 €	2024 €
Balance at 1 January	<u>1.001</u>	<u>1.001</u>
Balance at 31 December	<u>1.001</u>	<u>1.001</u>
Financial liabilities	2025 €	2024 €
Additions (Note 24)	8.600.587	-
Change in fair value	5.880.704	-
Cancellation of financial instrument	(14.481.291)	-
Balance at 31 December	<u>-</u>	<u>-</u>

Financial assets designated as at fair value through profit or loss are analysed as follows:

Investment in MHV IA Limited

The Company owns 9,10% of MHV IA Limited shares. MHV IA Limited is currently dormant.

Financial liabilities at fair value through profit or loss are analysed as follows:

Derivative instrument - put option

The fair value measurement from derivative instruments has been categorised as Level 3 fair value based on the inputs of the valuation technique used.

As described in Note 24, as part of the consideration of the completion of MHV Bluekey partial disposal, the Company initially recognised in February 2025 derivative instruments of €8.600.587.

As also described in Note 24, on 5 December 2025, as part of a wider transaction, the Company's parent Prodea Real Estate Investment Company S.A acquired 100% of Papalon, which in turn owns the remaining 30% of MHV Bluekey. As a result, Prodea, through its wider group, owns 100% of MHV Bluekey.

Following the above transaction, the Company, Papalon and MHV Bluekey entered into a termination agreement with effective date 5 December 2025. In the termination agreement, it was mutually agreed by the parties that the Company and Papalon terminate the shareholders' agreement.

On the same date, management assessed that the fair value of the put option increased as of 5 December 2025 by €5.880.704, from €8.600.587 to €14.481.291, as a result fair value losses of €5.880.704 on financial liabilities at fair value through profit or loss were recognised in statement of profit or loss and other comprehensive income for the year ended 31 December 2025.

Following the signing of the above termination agreement, the derivative instrument (put option) of €14.481.291 was extinguished and cancelled by Papalon, being a fellow subsidiary of Prodea. Upon derecognition/forgiveness of the derivative, the credit was posted in equity as other reserves in line to the Group's accounting policy in respect of gains with transactions with equity owners.

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30. Loans to joint venture

	2025 €	2024 €
Balance at 1 January	-	-
Additions as a result of partial disposal of subsidiary (Note 24)	8.846.088	-
Interest charged (Note 17)	444.860	-
Derecognition following acquisition of control (Note 24)	(9.290.948)	-
Balance at 31 December	-	-

The bond loan to MHV Bluekey bears interest at the rate of 7% per annum and is repayable on 21 December 2028. Total interest income for the period 21 February 2025 to 5 December 2025 amounts to €444.860 (2024: €nil) (Note 17). Following acquisition of control on 5 December 2025 and its classification as a subsidiary as disclosed in Note 24, the bond loan is eliminated at consolidation.

31. Cash at bank and in hand

	2025 €	2024 €
Cash in hand	169.198	142.928
Cash at bank	28.397.619	5.178.731
Restricted bank accounts	46.232	43.832
	28.613.049	5.365.491

The restricted bank balances of €46.232 (2024: €43.832) represent balances of Parklane Hotels Limited that have a limited use for guarantees issued by banks.

For the purposes of the consolidated statement of cash flows, the cash and cash equivalents include the following:

	2025 €	2024 €
Cash at bank and in hand excluding restricted bank accounts	28.566.816	5.321.659
Bank overdrafts	(2.745.105)	(4.974.669)
	25.821.711	346.990

The Company has signed an overdraft facility agreement with Eurobank Limited for an amount up to €5 million on 16 October 2023. The overdraft is secured by way of a fourth ranking mortgage over Parklane's property and a corporate guarantee granted by Parklane Hotels Limited to the lender.

Principal Non-cash transactions

There were no principal non-cash transactions during the year ended 31 December 2025 and 31 December 2024.

The exposure of the Group to credit risk and impairment losses in relation to cash and cash equivalents is reported in note 7 of the consolidated financial statements.

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32. Share capital

	2025 Number of shares	2025 €	2024 Number of shares	2024 €
Authorised				
Ordinary shares of €1 each	120.397.790	120.397.790	120.397.790	120.397.790
Issued and fully paid				
Balance at 1 January	120.200.720	120.200.720	120.200.720	120.200.720
Balance at 31 December	120.200.720	120.200.720	120.200.720	120.200.720

Authorised capital

No changes occurred during the year ended 31 December 2025 and 31 December 2024.

Issued capital

As of 31 December 2024 and 31 December 2025, the issued share capital of the Company remained €120.200.720 divided into 120.200.720 ordinary shares of nominal value of €1 each.

No changes occurred during the year ended 31 December 2025 and 31 December 2024.

33. Borrowings

	2025 €	2024 €
Balance at 1 January	104.903.323	117.283.595
Cash transactions:		
Additions	63.851.098	7.000.000
Repayment of principal	(1.890.000)	(19.413.505)
Repayment of interest	(6.167.009)	(8.098.426)
Arrangement fees paid	(555.483)	(56.097)
Non-cash transactions:		
Loan arrangement fees capitalisation	(553.923)	(163.489)
Interest of the year	2.814.268	5.923.551
Amortisation of arrangement fees	116.304	204.135
Amortisation of arrangement fees capitalised in the year (Note 20, 27)	189.666	63.854
Interest capitalised in the year (Note 20, 27)	3.343.941	2.159.705
Balance at 31 December	166.052.186	104.903.323
	2025 €	2024 €
Current borrowings		
Bank loans	4.968.302	1.720.029
Non-current borrowings		
Bank loans	161.083.884	103.183.294
Total	166.052.186	104.903.323

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33. Borrowings (continued)

Maturity of non-current borrowings:

	2025	2024
	€	€
Within one year	4.968.302	1.720.029
Between one and five years	20.066.630	17.826.256
After five years	141.017.254	85.357.038
	166.052.186	104.903.323

Loan amounting to: €2.663.554 (2024: €3.004.988) (Porto Heli Hotel & Marina S.A.)

In March 2020, the subsidiary issued a Bond Loan Program, with Piraeus Bank as paying agent and representative of the Bondholders. The purpose of the Loan was on the one hand the partial refinancing of equity with the return of the relevant amount to the previous parent company, on the other hand the financing of renovation investment of the hotel complex within 2020.

The loan is subject to a floating interest rate equal to 12 months Euribor plus a margin of 3,30% per annum. The loan is repayable on 30 November 2026.

To secure the bank loan, a mortgage has been registered on the subsidiary's property. There is also a pledge on the insurance policy and deposit accounts (Note 30) and on the shares of the subsidiary. Some of the financial indicators of the loan agreement which are assessed on an annual basis, were not observed on 31 December 2025. However, the Company requested and obtained from Piraeus Bank on 7 April 2026, a waiver from the obligation to observe the non-observed financial indicators for the year 2025. The loan was classified as current. As of today, there has been no repayment of the loan.

Loan amounting to: €82.220.660 (2024: €49.318.783) (Parklane Hotels Limited ("Parklane"))

On 8 July 2021 (the loan agreement date), Parklane Hotels Limited obtained loan facilities of €70.000.000 from Eurobank, split as follows:

- Facility A: a total of €50.000.000 which is repayable with 6-month loan repayments on the 12 years anniversary of the loan agreement date, and
- Facility B: a total of €20.000.000 which is repayable with 6-month loan repayments on the 5 1/2 year anniversary of the loan agreement date. Facility B was fully repaid during the year ended 31 December 2022.

On 30 November 2023 (the loan agreement date), Parklane Hotels Limited obtained €24.000.000 loan facilities from Eurobank under:

- Facility C: a total of €24.000.000 which is repayable in full on the 5 year anniversary of the loan agreement date.

On 30 April 2025 (the loan agreement date), Parklane Hotels Limited obtained €34.846.098 loan facilities from Eurobank under:

- Facility D: a total of €19.846.098 which is repayable in full on 31st December 2033. The amount of Facility D has been utilized and the funds were received on 2 May 2025.
- Facility E: a total of €15.000.000 which is repayable in full on 31st December 2033. The amount of Facility E has been utilized and the funds were received on 18 November 2025.

The bank loan is secured as follows:

- By first rank mortgage of €85.000.000 over Parklane's properties.
- By first rank pledge of €85.000.000 over Parklane's shares.
- By first rank floating charge of €85.000.000 over Parklane's assets.

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33. Borrowings (continued)

- By assignment of Parklane's receivables and insurance policies of €85.000.000.
- By subordination and pledge of shareholder loans as applicable.
- By assignment of Parklane's bank accounts.
- By first rank mortgage of €8.400.000 on four blocks of flats in Limassol of subsidiary Stromay Holdings Limited.
- By corporate guarantee of €8.400.000 related to subsidiary Stromay Holdings Limited.
- By floating charge of €8.400.000 on the assets of subsidiary Stromay Holdings Limited.

The loan is subject to a floating interest rate equal to 6 months Euribor plus a margin of 2,75% per annum. The margin was reduced to 1,90% per annum effective from October 2024, and to 1,50% per annum effective from 1 July 2025.

Loan amounting to: €81.167.972 (2024: €52.579.552) (The Cyprus Tourism Development Company Limited ("CTDC"))

On 28 January 2022, The Cyprus Tourism Development Company Limited signed a term loan facility agreement of up to € 82.000.000 with Alpha Bank S.A. with an interest of 3 month Euribor (or zero if negative) plus margin (margin 2,95% for development facility and 2,75% for investment facility).

On 13 March 2025, the Company proceeded to the signing of a Supplemental and Amendment Agreement with Alpha Bank S.A., relating to the Term Loan Facility Agreement originally dated 28 January 2022. On the same date, CTDC and MHV signed an amendment to the Equity and Guarantee Agreement with Alpha Bank S.A. originally dated 28 January 2022. The loan consists of two tranches (tranche A and tranche B).

Tranche A is up to €30.500.000 and is for the purpose of partial repayment of the existing debt, partial funding of the working capital and partial financing of fees. As at 31 December 2025, the Company utilised in full the tranche A.

Tranche B of the development facility is up to €51.500.000 and is mainly for the purpose of partial financing of the hotel renovation, partial financing of the office tower development costs and partial financing of interest during construction. As at 31 December 2025, the Company had utilised in full tranche B.

The bank loan is secured as follows:

- First rank mortgage on the land and development (including hotel and office tower) securing 130% the facility.
- Guarantee provided by the shareholder for the full payment of all amounts payable under or in respect of CTDC's loan.
- Guarantee to be provided by the shareholder in relation to the obligation to cover
 - a) any construction time and cost overruns of the project,
 - b) any obligations for return to buyers of advance payments /installments received from residential tower sale/pre-sale agreements, in case of cancellation of the respective sales/pre-sales,
 - c) any shortfall in case of not realisation of the office tower sale to Prodea (i.e. reduction of the development facility balance to €46.500.000 upon project completion) or the actual acquisition price achieved for the office tower being lower than €70.000.000 (i.e. completion of the project development),
 - d) any other material economic/financial obligations of CTDC potentially identified during the due diligence phase, to be released on the Ramp Up Trigger Date.
- Pledge over CTDC's shares.
- Assignment/pledge of CTDC's receivables. Pledge over future receivables deriving from the office tower, to be released upon acquisition of the office tower by Prodea, as per Prodea Sale and Purchase Agreement.
- Assignment/pledge of the key project documents.
- Assignment of the Sale and Purchase Agreement with Prodea in respect of Landmark office tower (Note 36).
- Assignment / pledge on movable assets.
- Floating charge on CTDC's assets.
- Pledge of insurances, the facility agent to be named first loss payee.
- Direct agreements with the project manager and the contractor, in form and in substance satisfactory to the lenders, ensuring inter alias lenders step-in rights.
- Acknowledgment letter by the hotel franchisor, in form and in substance satisfactory to the lenders, ensuring inter alias lenders step-in rights.
- Assignment/pledge/subordination of shareholder loans as applicable.

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33. Borrowings (continued)

- Subordination of the Prodea Sale and Purchase Agreement initial installments in respect of Landmark office tower (Note 36).
- Assignment/pledge of VAT receivables.

34. Lease liabilities

	2025	2024
	€	€
Balance at 1 January	1.759.691	2.060.115
Additions	58.789	-
Repayments	(233.712)	(396.997)
Interest on lease liabilities (Note 17)	115.416	124.700
Termination	(20.528)	(28.127)
Balance at 31 December	1.679.656	1.759.691

	Minimum lease payments		The present value of minimum lease payments	
	2025	2024	2025	2024
	€	€	€	€
Not later than 1 year	220.222	246.028	108.251	131.370
Later than 1 year and not later than 5 years	560.106	588.400	137.203	157.432
Later than 5 years	2.780.000	2.890.571	1.434.202	1.470.889
	3.560.328	3.724.999	1.679.656	1.759.691
Future finance charges	(1.880.672)	(1.965.308)	-	-
Present value of lease liabilities	1.679.656	1.759.691	1.679.656	1.759.691

The lease liabilities for the year ended 31 December 2025 relate to Parklane Hotels Limited (2024: Parklane Hotels Limited).

The lease obligation relates to a state-owned plot of land on which the Company's beach is located and to the properties rented by the Company for the purpose of housing the Company's employees.

An agreement for the lease of flats used for staff accommodation has been terminated during 2025.

The interest rate used for discounting the beach lease liability is 4% and the properties is 2,75% which is based on the prevailing market rate for similar lease arrangements.

All lease obligations are denominated in Euro.

The fair values of lease obligations approximate to their carrying amounts as presented above.

35. Deferred tax

Deferred tax is calculated in full on all temporary differences under the liability method using the applicable tax rates (Note 18). The applicable corporation tax rate in Cyprus and in Greece for deferred tax purposes is 15% (2024: 12,5%) and 22% (2024: 22%) respectively.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

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35. Deferred tax (continued)

The movement on the deferred taxation account is as follows:

Deferred tax liability

	Temporary tax differences €
Balance at 1 January 2024	14.840.606
Charged/(credited) to:	
Statement of profit or loss and other comprehensive income (Note 18)	(1.931.010)
Deferred tax in revaluation of land and buildings*	<u>6.492.617</u>
Balance at 31 December 2024/ 1 January 2025	19.402.213
Charged/(credited) to:	
Statement of profit or loss and other comprehensive income (Note 18)	1.536.392
Deferred tax in revaluation of land and buildings*	6.441.246
Disposal of subsidiary (Note 24)	<u>(4.188.367)</u>
Balance at 31 December 2025	<u>23.191.484</u>

*During 2025, the movement of deferred tax primarily relates to the revaluation gains for the year and the derecognition of deferred tax liability of the disposed subsidiary (Note 24). During 2024, it primarily relates to the revaluation gains for the year.

Deferred tax assets

	Tax losses €
Balance at 1 January 2024	671.130
Credited to:	
Statement of profit or loss and other comprehensive income (Note 18)	<u>262.030</u>
Balance at 31 December 2024/ 1 January 2025	933.160
Credited to:	
Statement of profit or loss and other comprehensive income (Note 18)	<u>965.861</u>
Balance at 31 December 2025	<u>1.899.021</u>

36. Trade and other payables

	2025 €	2024 €
Trade payables	9.142.011	5.483.835
Advances for sale of 30% stake in a subsidiary (see Note 1 below)	-	10.400.000
Advances from customers	1.797.372	2.379.358
Provision for bonuses	600.000	500.000
Social insurance and other taxes	869.123	691.095
VAT	571.574	2.887.599
Employee leave liability	1.066.137	994.087
Accruals	5.101.978	1.971.798
Other payables	1.131.744	3.964.339
Deferred income from sale of properties (see Note 2 below)	<u>46.221.950</u>	<u>43.497.264</u>
	66.501.889	72.769.375
Less non-current payables	<u>(5.010)</u>	<u>(35.144.291)</u>
Current portion	<u>66.496.879</u>	<u>37.625.084</u>

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36. Trade and other payables (continued)

Note 1: As disclosed in Note 24, on 8 December 2023 the Company entered into a share purchase agreement with a buyer in respect of the forward sale of 30% ownership in one of its subsidiaries in Greece, subject to varying terms and conditions for its completion. The advances for partial sale of subsidiary relate to the 1st consideration payment received as per the sale agreement totalling €10,4 million. The 2nd consideration payment was due upon completion of the transaction at which point the transfer of the legal ownership of the shares to the buyer occurred. The sale occurred on 21 February 2025 (Note 24).

Note 2: The deferred income mainly reflects deposits received from the sale of residential flats in the Landmark Residential Tower and the sale of Landmark Office Tower of the subsidiary, The Cyprus Tourism Development Company Limited ("CTDC"), amounting to €46.221.950 (2024: €35.139.281). Since the beginning of 2023, CTDC has entered into multiple sale agreements for the sale of flats in Residential tower, wherein a specified deposit amount is required at various stages of completion. Additionally, on 14 March 2023, an amendment was made to the Share Purchase Agreement (SPA) executed on 28 December 2021, concerning the sale of the Office Tower to Panphila Investments Limited, a subsidiary of Prodea Investments. This amendment modified certain lease requirements that were prerequisites for the deposit payment. Following the fulfilment of these lease conditions, the buyer remitted the corresponding deposit amount. During 2025, the Company received one instalment from Panphila Investments, the 6th instalment. The deposits are anticipated to be recognised as revenue upon the delivery of the flats and the Office Tower to the respective buyers.

An amount of €nil (2024: €8.357.983) is also included in the deferred income and relates to deposits received for the sale of a residential flat in Parklane Park Tower I of the subsidiary, Parklane Hotels Limited. The residential flat was delivered in 2025.

As of the reporting date, both Landmark towers are classified as inventories under Land and buildings under development and Parklane Park Tower I as inventories under Stock of completed property (Note 27).

The fair values of trade and other payables due within one year approximate to their carrying amounts as presented above.

37. Government grants

	2025	2024
	€	€
Government grants	<u>2.740.441</u>	<u>2.877.071</u>
	2.740.441	2.877.071
Government grants after more than one year	<u>(2.603.810)</u>	<u>(2.740.440)</u>
Government grants within one year	<u>136.631</u>	<u>136.631</u>

The amount of €2.705.310 (2024: €2.834.134) relates to received government grants in the subsidiary of Porto Heli Hotel & Marina S.A.

Pursuant to decision 59672/ΥΠΕ/5/03245/Ε/Λaw N.3299/2004, the Deputy Minister of Economy, Competitiveness and Shipping of Greece approved the inclusion of Porto Heli Hotel & Marina S.A. to the provisions of Law N.3299/2004, in regard to the latter's investment plan of a total amount of €10.628.000. According to the decision, the percentage of the subsidy amounts to 40% of the cost of the investment, equivalent to the amount of €4.251.200. The grant was received by the Company on 31 December 2013. The amortization of this amount began in the year 2014 with the opening of the Hotel. Until today the Company is still subject to the provisions of Law 3299/2004 for receiving a grant, as it has not violated the relevant obligations of the affiliation. The amortisation for the year recognised in consolidated statement of profit or loss and other comprehensive income was €136.631 (2024: €128.824).

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38. Current tax liabilities

	2025	2024
	€	€
Corporation tax	808.143	488.961
	808.143	488.961

39. Operating Environment of the Group

Geopolitical situation in the Eastern Europe

The geopolitical situation in Eastern Europe intensified on 24 February 2022 with the commencement of the conflict between Russia and Ukraine. As at the date of authorising these consolidated financial statements for issue, the conflict continues to evolve as military activity proceeds. In addition to the impact of the events on entities that have operations in Russia, Ukraine, or Belarus or that conduct business with their counterparties, the conflict is increasingly affecting economies and financial markets globally and exacerbating ongoing economic challenges.

Geopolitical situation in the Middle East

The geopolitical situation in Middle East escalated on 28 February 2026 due to the armed conflict. As of the date of authorisation of the financial statements, the conflict continues to evolve in Middle East as military activity persists.

The financial effect of the current crisis on the global economy and overall business activities cannot be estimated with reasonable certainty at this stage, due to the pace at which the conflict is evolving and the high level of uncertainties arising from the inability to reliably predict the outcome.

The impact on the Group largely depends on the nature and duration of uncertain and unpredictable events, such as further military action and reactions to ongoing developments by global financial markets.

The Group has limited direct exposure to the Middle East, as such, does not expect any direct impact. Although the Group has limited direct exposure, the conflict may still create negative effects on the Cypriot economy and/or potential adverse effects on the tourism sector, which constitutes a key pillar of the Cypriot economy. The indirect implications will depend on the extent and duration of the crisis and remain uncertain.

Management has considered the unique circumstances and the risk exposures of the Company and has concluded that there is no significant impact in the Company's financial position, financial performance and cash flow position. The event is not expected to have an immediate material impact on the business operations. Management will continue to monitor the situation closely in case the effects become prolonged, continuously reassessing the Group's operating model and relevant cash flows using revised assumptions and incorporating downside scenarios in assessing actual and potential financing needs.

The Group's management has proactively taken the following measures:

- Reduction in operational costs and renegotiated payment terms with key suppliers and creditors
- Entrance into new contractual terms with new tour operators and agents with the aim to attract alternative markets from UK and Central Europe
- Labour cost management
- Optimising F&B outlet schedules
- Focus on local market
- Actions to sell or occasionally lease of stock of completed property and land and buildings under development

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39. Operating Environment of the Group (continued)

Climate change

Climate change affects the hotel industry and could potentially cause significant financial challenges related to implementing eco-friendly strategies that mitigate climate change effects. In addition, extreme weather conditions can lead to a reduction of tourists' arrivals, leading to decreased revenue. Based on the current transposition of the Corporate Sustainability Reporting Directive (CSRD) into Cypriot law, the Company applies the available exemption and, accordingly, is not required to prepare standalone sustainability reporting in accordance with CSRD requirements. This exemption applies on the basis that sustainability reporting is prepared at Prodea group level. In addition, "green taxes", which may be coming into force to prevent further ecological destruction, are expected to increase the cost of sales and operating expenses of the hotels. However, effectively addressing these challenges can reduce "green taxes" and bring economic opportunities, such as long-term savings from energy-efficient practices and attraction of eco-conscious consumers and investors.

Management believes that it is taking all the necessary measures to maintain its viability and development of its activities in the current economic environment.

40. Related party transactions

As of 31 December 2024, the shareholders of the Company were: Prodea Real Estate Investment Company S.A with 79,999%, Flowpulse Limited with 19,999% and other shareholders with 0,002%.

On 29 April 2025, Prodea Real Estate Investment Company S.A announced that it concluded the acquisition of an additional 19,999% stake in MHV from Flowpulse Limited. As a result as of that date Prodea Real Estate Investment Company S.A holds a 99,998% stake in MHV.

As of 31 December 2025, the shareholders of the Company were: Prodea Real Estate Investment Company S.A with 99,998% and other shareholders with 0,002%.

The following transactions were carried out with related parties:

40.1 Remuneration of key management personnel

The remuneration of Directors and other members of key management was as follows:

	2025	2024
	€	€
Salaries including discretionary bonuses	1.623.465	1.826.245

The remuneration of the Directors of the parent company (included in the key management compensation above) includes salaries and discretionary bonuses in the amount of €565.500 (2024: €605.833).

40.2 Sales of goods and services

	2025	2024
	€	€
Prodea Real Estate Investment Company S.A.	2.960	46.426
Invel Real Estate Management (Cyprus) Ltd	54.842	106.798
Yoda group	-	6.184
Shareholders	9.192	27.933
	66.994	187.341

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40. Related party transactions (continued)

40.3 Purchases of goods and services

		2025	2024
	<u>Nature of transactions</u>	€	€
Invel Real Estate Management (Cyprus) Ltd	Hotel advisory and asset management services	2.857.623	-
		2.857.623	-

40.4 Receivables from related parties (Note 28)

		2025	2024
<u>Name</u>	<u>Nature of transactions</u>	€	€
Invel Real Estate Management (Cyprus) Ltd	Trade	11.423	1.824
Panphila Investments Limited	Trade	-	255.647
MHV IA Limited	Finance	66.174	56.216
Prodea Real Estate Investment Company SA	Trade	-	2.156
		77.597	315.843

The receivables from related parties were provided interest free and there was no specified repayment date.

40.5 Loans from related parties

		2025	2024
	<u>Terms</u>	€	€
Prodea Real Estate Investment Company SA (1)	Finance	20.422.424	-
Papalon Investments Ltd (2)	Finance	3.832.692	-
		24.255.116	-

(1) On 25 July 2025 the Company entered into a loan agreement with Prodea Real Estate Investment Company S.A. (parent company), for the principal amount of €20.000.000. The loan bears interest 3% plus the Euribor rate (3 months) and is repayable on 29 July 2030. The interest expense for the year is €422.424 (Note 17). As at the year end, the outstanding principal amounted to €20.000.000 and the interest accrued to €422.424.

(2) The bond loan to related company Papalon Investments Ltd bears an interest of 7% and is repayable on 31 December 2028. The interest expense for the year which was consolidated in these financial statements, is €27.038. As at the year end, the outstanding principal amounted to €3.615.000 and the interest accrued to €217.692.

40.6 Shareholders' current accounts - debit balances (Note 28)

	2025	2024
	€	€
Shareholders	7.963	24.557

The shareholders' current accounts are interest free and have no specified repayment date.

41. Contingent liabilities and commitments

MHV MEDITERRANEAN HOSPITALITY VENTURE PLC

The Company's subsidiary Parklane Hotels Limited entered into a facility agreement with Eurobank Limited on 8 July 2021 for an amount up to €70.000.000, consisting of Facility A €50.000.000 and Facility B €20.000.000. Facility B was fully repaid by 31.12.2023. The facility agreement was amended and restated on 30 November 2023 such that Eurobank Limited made available to Parklane Hotels Limited an additional amount of €24.000.000 (Facility C). On 30 April 2025, Parklane Hotels Ltd entered into a loan agreement with Eurobank for two new facilities: Facility D €19.846.098 and Facility E €15.000.000.

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41. Contingent liabilities and commitments (continued)

As a condition to the facility agreement, MHV Mediterranean Hospitality Venture PLC has granted to Eurobank Limited a share pledge and first rank security under a share security agreement dated 8 July 2021 and restated on 30 November 2023 and further amended and restated on 30 April 2025. Pursuant to the said share security agreement (as amended), MHV Mediterranean Hospitality Venture PLC guarantees, covenants and agrees with the security agent (Eurobank Limited) that it will pay the Secured Obligations on demand when they become due and agrees to indemnify the security agent for any losses, costs, charges, expenses and liabilities incurred from any breach or inability to pay. The guarantee has been given with limited recourse to the value of the monetary proceeds of the shares in the subsidiary.

The Company's subsidiary The Cyprus Tourism Development Company Limited ("CTDC") has entered into a facility agreement with Alpha Bank Cyprus Limited on 28 January 2022 for an amount of up to €82.000.000, as supplemented and amended on 13 March 2025. Pursuant to the terms of the facility agreement, MHV Mediterranean Hospitality Venture PLC has agreed to grant a share pledge and assign all of its rights, title and interest in CTDC's shares in favour of Alpha Bank Cyprus Limited, under a first ranking equitable mortgage and deed of pledge of share certificate and charge of shares dated 11 February 2022. Pursuant to the said deed of pledge, MHV Mediterranean Hospitality Venture PLC covenants that it shall on demand pay, perform and discharge the Secured Obligations to Alpha Bank Cyprus Limited which are due and payable but unpaid. The guarantee has been given with limited recourse to the value of the monetary proceeds of the shares in the subsidiary. Moreover, pursuant to the Equity & Guarantee Agreement dated 28 January 2022 as amended and restated on 13 March 2025, MHV Mediterranean Hospitality Venture PLC has guaranteed to the Lenders the full payment of all amounts payable under or in respect of CTDC's loan and more generally, being liable jointly and severally with the Borrower (CTDC), the performance of all payment obligations assumed by the Borrower pursuant to the provisions of the aforementioned facility agreement.

The Company's 100% subsidiary Porto Heli Marina S.A. (the "Issuer") issued bonds in an aggregate principal amount of €4.250.000 all of which have been purchased by Piraeus Bank SA. under terms of the Greek law governed bond loan programme dated 20 March 2020. As a security for the obligations of the Issuer under the Bond Loan the previous shareholder of the Issuer under the corporate name EIDIKOU SKOPOU DEKA EPTA S.A. (the "Initial Pledgor") granted a first ranking share pledge in favour of the bank over all of its shares in the Issuer. Pursuant to share purchase agreement dated 8 April 2021 between the Initial Pledgor and the Company the former sold and transferred to the latter 1.405 common nominal shares of €33,00 each which constituted the total 100% issued shares of the Issuer at the time and as a result the Company became the sole shareholder of the Issuer. The Company has entered into the transactions contemplated by the share pledge agreement and meets all of its obligations thereunder.

THE CYPRUS TOURISM DEVELOPMENT COMPANY LIMITED

The Company's subsidiary The Cyprus Tourism Development Company Limited ("CTDC") is proceeding with the development of two towers (a residential and an office tower) while it recently completed the renovation of the Landmark Nicosia, Autograph Collection in Nicosia, Cyprus. As at the date of these consolidated financial statements, the following commitments had been undertaken with respect to this development:

- A revised contract with K. Athienitis Contractors Limited for the construction of the two towers and the underground hotel parking at The Landmark Nicosia, Autograph Collection Hotel in Nicosia was signed on 6 September 2024 for an amount of €85 million. As of 31 December 2025, the outstanding commitment is €36.1 million.
- On 12 November 2024, a contract was signed with Stilles d.o.o. for the hotel public area for an amount of €3 million. As of 31 December 2025, the total outstanding commitment for the contract is €213.000.
- On 4 July 2025, another contract was signed with Stilles d.o.o for the Signature Restaurants for an amount of €1.3 million. The contract was amended on 17 February 2026 to €1.2 million. As of 31 December 2025, the total outstanding commitment for the contract was €363.000.
- A contract with Depcon Construction Limited for the external works in courtyard areas, guest rooms and common corridors was signed on 14 January 2025 for a total amount of €19.5 million. As of 31 December 2025, the outstanding commitment was €1.2 million.

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41. Contingent liabilities and commitments (continued)

- On 7 October 2024, a contract with Atlas Pantou Co Ltd was signed for the common areas and external works of the Landmark hotel, for a total amount of €30.6 million. As of 31 December 2025, the outstanding commitment was €4.6 million.
- In addition, as of the date of these financial statements, CTDC has signed various letters of awards with a number of suppliers and contractors for the provision of furniture, fixtures and other equipment in the context of the hotel renovation for an aggregate amount of €9.5 million. As of 31 December 2025, the outstanding commitment was €1.4 million.

STROMAY HOLDINGS LIMITED

Stromay Holdings Limited provides guarantees for the subsidiary's Parklane Hotels Limited borrowings, amounting to €8.400.000 (Note 33).

The Group had no other contingent liabilities and commitments as at 31 December 2025.

42. Events after the reporting period

Geopolitical situation in Middle East

The geopolitical situation in Middle East escalated on 28 February 2026 due to the armed conflict. As of the date of authorisation of the financial statements, the conflict continues to evolve in Middle East as military activity persists.

The financial effect of the current crisis on the global economy and overall business activities cannot be estimated with reasonable certainty at this stage, due to the pace at which the conflict is evolving and the high level of uncertainties arising from the inability to reliably predict the outcome.

The impact on the Group largely depends on the nature and duration of uncertain and unpredictable events, such as further military action and reactions to ongoing developments by global financial markets.

These are events that are indicative of conditions that arose after the reporting period. Therefore, these are considered as a non-adjusting event and thus, are not reflected in the recognition and measurement of the assets and liabilities in the financial statements as at 31 December 2025.

The Group has limited direct exposure to the Middle East, as such, does not expect any direct impact. Although the Group has limited direct exposure, the conflict may still create negative effects on the Cypriot economy and/or potential adverse effects on the tourism sector, which constitutes a key pillar of the Cypriot economy. The indirect implications will depend on the extent and duration of the crisis and remain uncertain.

Management has considered the unique circumstances and the risk exposures of the Company and has concluded that there is no significant impact in the Company's financial position, financial performance and cash flow position. The event is not expected to have an immediate material impact on the business operations. Management will continue to monitor the situation closely in case the effects become prolonged, continuously reassessing the Group's operating model and relevant cash flows using revised assumptions and incorporating downside scenarios in assessing actual and potential financing needs.

Acquisition of 75% of the units in Fond Five Lakes-Real estate reserved closed-end Fund and 100% of the shares in Rinascita S.A.

On 19 March 2026, the Company's Board of Directors and shareholders, unanimously approved the entry of the Company into a Framework Subscription and Contribution Agreement with Prodea Real Estate Investment Company S.A. ("Prodea"), relating to the issue and allotment of additional 58.743.000 ordinary shares of nominal value EUR 1,00 each (the "New Shares") (the "Issue and Allotment"), in consideration for a contribution in-kind to the share capital of the Company, in the form of a contribution and transfer by Prodea to the Company of:

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42. Events after the reporting period (continued)

- 75% of units in Fond Five Lakes – Real estate reserved closed-end Fund, owner of the asset "The Bellevue HotelCortina" in Italy, and
- 100% of shares in Rinascita S.A., owner of the asset "Moxy Athens City"

together (the "Consideration Shares" or the "SPVs")

The total value of the New Shares (i.e. EUR 58.743.000) corresponds to the median net value of the Consideration Shares as reflected in the valuations which have been obtained from independent experts.

The acquisition of the SPVs constitutes a transaction at arm's length and is part of the Company's business plan to further invest and expand its activities in the real estate and hospitality sector in Cyprus, Greece and the broader Mediterranean and it is expected to assist the Company in achieving its goals and long-term investment plans.

The New Shares, following the Issue and Allotment, will be admitted to trading on the Emerging Companies Market of the Cyprus Stock Exchange following the submission and approval of the relevant application by the Cyprus Stock Exchange in accordance with the provisions of the Regulatory Decision of the Council of the Cyprus Stock Exchange on the Stock Exchange Markets (RAA 379/2014), as amended.

Except for the matters mentioned above, there were no other material events after the reporting period, which have a bearing on the understanding of the financial statements.

Independent Auditor's Report on pages 8 to 13