
SUMMARY

dated 26 September 2023

This document is a Summary issued in accordance with the provisions of Chapter 4 of the Capital Markets Rules issued by the Malta Financial Services Authority and in accordance with the provisions of the Prospectus Regulation.

in respect of an issue of up to
€60,000,000 6% unsecured bonds 2033
of a nominal value of €100 per bond, issued and redeemable at par by



INTERNATIONAL HOTEL INVESTMENTS p.l.c.

A PUBLIC LIMITED LIABILITY COMPANY REGISTERED IN MALTA
WITH COMPANY REGISTRATION NUMBER C 26136

(ISIN MT0000111345)

THIS SUMMARY HAS BEEN APPROVED BY THE MALTA FINANCIAL SERVICES AUTHORITY, AS COMPETENT AUTHORITY UNDER THE PROSPECTUS REGULATION. THE MALTA FINANCIAL SERVICES AUTHORITY ONLY APPROVED THIS SUMMARY AS MEETING THE STANDARDS OF COMPLETENESS, COMPREHENSIBILITY AND CONSISTENCY IMPOSED BY THE PROSPECTUS REGULATION. SUCH APPROVAL SHOULD NOT BE CONSIDERED AS AN ENDORSEMENT OF THE ISSUER AND THE SECURITIES THAT ARE THE SUBJECT OF THIS SUMMARY.

THIS SUMMARY IS VALID FOR A PERIOD OF 12 MONTHS FROM THE DATE THEREOF. FOLLOWING THE LAPSE OF THIS VALIDITY PERIOD, THE ISSUER IS NOT OBLIGED TO SUPPLEMENT THIS SUMMARY IN THE EVENT OF SIGNIFICANT NEW FACTORS, MATERIAL MISTAKES OR MATERIAL INACCURACIES.

APPROVED BY THE BOARD OF DIRECTORS

Alfred Pisani

Alfred Camilleri

in their capacity as Directors and for and on behalf of

Frank Xerri de Caro, Hamad Mubarak Mohd Buamim, Douraid Zaghouni,
Joseph Pisani, Moussa Atiq Ali, Richard Cachia Caruana and Mohamed Mahmoud Alzarouq Shawsh

Manager and Registrar

BOV
Bank of Valletta

Sponsor

MZ INVESTMENTS

Legal Counsel

CAMILLERI PREZIOSI
ADVOCATES

This Summary is prepared in accordance with the requirements of the Prospectus Regulation and the delegated acts issued thereunder. This Summary contains key information which investors require in order to understand the nature and the risks of the Issuer and the Bonds. Except where the context otherwise requires, the capitalised words and expressions used in this Summary shall bear the meanings assigned to them in the Registration Document and the Securities Note, as the case may be.

1. INTRODUCTION AND WARNINGS

This Summary contains key information on the Issuer and the Bonds, summarised details of which are set out below:

Full legal and commercial name of the Issuer	International Hotel Investments p.l.c.
Registered address	22, Europa Centre, Floriana FRN 1400, Malta
Registration number	C 26136
Legal Entity Identification (LEI) Number	529900LVB0R279MUX376
Date of Registration	29 March 2000
Telephone number	+356 21 233 141
Email	ihi@corinthia.com
Website	www.corinthiagroup.com
Nature of the securities	Unsecured bonds of an aggregate principal amount of up to sixty million Euro (€60,000,000), of a nominal value of €100 per bond, issued at par and redeemable at their nominal value on 14 November 2033, and bearing interest at the rate of 6% per annum
ISIN number of the Bonds	MT0000111345
Competent authority approving the Prospectus	The Malta Financial Services Authority, established in terms of the Malta Financial Services Authority Act (Cap. 330 of the Laws of Malta)
Address of the MFSA	Malta Financial Services Authority, Triq l-Imdina, Zone 1, Central Business, District, Birkirkara, CBD 1010, Malta
Telephone number of the MFSA	+356 21 441 155
Official website of the MFSA	www.mfsa.mt
Prospectus approval date	26 September 2023

Prospective investors are hereby warned that:

- (i) this Summary should be read as an introduction to the Prospectus. It is being provided to convey the key characteristics and risks associated with the Issuer and the Bonds being offered pursuant to the Prospectus. It is not and does not purport to be exhaustive and investors are warned that they should not rely on the information contained in this Summary in making a decision as to whether to invest in the securities described in this document;
- (ii) any decision of the investor to invest in the Bonds should be based on consideration of the Prospectus as a whole by the investor;
- (iii) an investor may lose all or part of the capital invested in subscribing for Bonds;
- (iv) where a claim relating to the information contained in the Prospectus is brought before a court, the plaintiff investor might, under the national legislation of Malta, have to bear the costs of translating the Prospectus before the legal proceedings are initiated; and
- (v) civil liability attaches only to those persons who have tabled the Summary including any translation thereof but only if the Summary, when read together with the other parts of the Prospectus, is misleading, inaccurate or inconsistent or does not provide key information in order to aid investors when considering whether to invest in the Bonds.

2. KEY INFORMATION ON THE ISSUER

2.1 Who is the Issuer of the securities?

2.1.1 Domicile and legal form, its LEI and country of incorporation

The Issuer is International Hotel Investments p.l.c., a public limited liability company registered in Malta in terms of the Companies Act. The legal entity identifier (LEI) number of the Issuer is 529900LVB0R279MUX376.

2.1.2 Principal Activities of the Issuer

The Issuer is an investment company which carries on business relating to the ownership, development and operation of hotels, residential and commercial real estate. The Issuer holds investments in subsidiary and associate companies through which it furthers the business of the Group. To date, the Issuer has acquired and, or developed hotels in Prague (Czech Republic), Tripoli (Libya), Lisbon (Portugal), Budapest (Hungary), St Petersburg (Russian Federation), St Julian's (Malta), Attard (Malta), and Golden Bay (Malta). Through a joint venture with LAFICO, the Issuer also has a 50% holding in a luxury hotel in London and a hotel development in Brussels.

Revenue and earnings are derived primarily from the operation of owned hotels. A secondary source of income and earnings is rental income of residential and commercial premises, particularly in Tripoli and St Petersburg. Additional revenue streams include fees earned by CHL, through fees earned from hotels owned by the Issuer itself or managed pursuant to management contracts with CPHCL and other third parties, project managements services provided through QP and catering services provided through "Corinthia Caterers", "Catermax" and "Costa Coffee". CHL, CPHCL, QP, "Corinthia Caterers", "Catermax" and "Costa Coffee" are wholly-owned Subsidiaries of the Issuer.

As the holding company, the Issuer is ultimately dependent upon the operations and performance of its Subsidiaries and their respective operations.

2.1.3 Major Shareholders of the Issuer

As at the date of this Summary, CPHCL holds 355,988,463 shares equivalent to 57.81% of the Issuer's total issued share capital, Istithmar holds 133,561,548 shares equivalent to 21.69% of the Issuer's total issued share capital, and LAFICO holds 66,780,771 shares equivalent to 10.85% of the Issuer's total issued share capital (half of this 10.85% is subject to a call option in favour of CPHCL). The remaining shares in the Issuer are held by the general investing public. The entire issued share capital of the Issuer is admitted to the Official List.

2.1.4 Board of Directors of the Issuer

The Board of Directors of the Issuer is composed of the following persons: Alfred Pisani (Chairman and Executive Director), Richard Cachia Caruana (Senior Independent Non-Executive Director), Frank Xerri de Caro (Senior Non-Executive Director), Hamad Mubarak Mohd Buamim (Independent Executive Director), Mohamed Mahmoud Alzarouq Shawsh (Independent Non-Executive Director), Douraid Zaghouni (Non-Executive Director), Joseph Pisani (Non-Executive Director), Joseph Pisani (Non-Executive Director), Moussa Alhassan Atiq Ali (Non-Executive Director) and Alfred Camilleri (Independent Non-Executive Director).

2.1.5 Statutory Auditors

The auditors of the Issuer as of the date of this Summary and for the financial years ended 2020, 2021 and 2022 are PricewaterhouseCoopers of 78, Mill Street, Qormi CBD 5090, Malta. The Accountancy Board registration number of PricewaterhouseCoopers is AB/26/84/38.

2.2 What is the key financial information regarding the Issuer?

The key financial information regarding the Issuer is set out below:

	FY2022	FY2021	FY2020	6-mth period ended 30 Jun'23	6-mth period ended 30 Jun'22
Income Statement					
Operating profit (loss) (€'000)	14,311	(15,909)	(50,050)	3,716	4,568
Balance Sheet					
Net financial debt (€'000)	577,923	560,910	550,402	599,773	
Cash Flow Statement					
Cash flows from (used in) operating activities (€'000)	49,781	29,748	(2,965)	22,773	18,078
Cash flows from (used in) financing activities (€'000)	(46,789)	24,644	(14,860)	2,602	(42,196)
Cash flows from (used in) investing activities (€'000)	(38,672)	8,694	(11,709)	(23,335)	(7,926)

2.3 What are the key risks that are specific to the Issuer?

The most material risk factors specific to the Issuer, which may negatively impact the operations and financial position of the Issuer should the circumstances mentioned therein materialise, are as follows:

2.3.1 Risks relating to the political, economic and social environment of the emerging markets in which part of the Group's operations are based

The Group has part of its operations situated in emerging markets. Emerging markets present economic and political conditions which differ from those of more developed markets, thereby possibly resulting in less social, political and economic stability, which could render investments in such markets riskier than investments in more developed markets. The room rates and occupancy levels of hotels forming part of the Group could be adversely impacted by such events, all of which could have the effect of reducing domestic or international travel and consequently decreasing the demand for hotel rooms, which may have an adverse impact on the Group's operations and financial results. At present two jurisdictions in which the Group has substantial investments, Libya and the Russian Federation, are subject to an unstable political, economic and social environment. Furthermore, in the case of transactions not denominated in Euro, currency fluctuations resulting from regional economic developments to which the Group is exposed may also have a material adverse effect on its business, financial condition and results of operations.

2.3.2 Natural disasters, contagious disease, terrorist activity and war have in the past adversely affected the hotel industry and similar events could adversely affect the industry in the future

Natural disasters, the spread of contagious disease, industrial action, travel-related accidents, terrorist activity and war, and the targeting of hotels and popular tourist destinations in particular, have had a significant negative impact on the hotel industry globally and such events could have a similarly negative impact in the future. Events such as the aforementioned in locations where the Group owns or operates hotels could directly or indirectly affect travel patterns and reduce the number of business and leisure travellers in affected countries and reduce the demand for hotel accommodation at the Group's hotels. Furthermore, because hotels in major city centres tend to be more vulnerable to these types of events and concerns, and most of the hotels owned and operated by the Group are located in city centres, the occurrence of any of these events or increasing concerns about these events could have a material adverse impact on the business, financial condition, results of operations and prospects of the Group.

2.3.3 Risks common to the hospitality and tourism industry

The Group's hospitality operations and the results thereof are subject to a number of internal and external factors beyond the Group's control that could have a negative impact on the hospitality sector of the Issuer's and the Group's business, including, but not limited to: (a) changes in travel patterns or seasonal variations, as well as consumer preferences; (b) changes in laws and regulations affecting directly or indirectly the Group's property (re-) development business, the tourism industry, and the hospitality industry; (c) increases in operating costs due to general market conditions, inflation, employment costs, workers' compensation and healthcare related costs, utility costs, increased taxes and insurance costs; (d) socio-demographical changes and economic changes; and (f) changes in the sales terms and conditions of main sales channels. The impact of any of these factors (or a combination thereof) may adversely impact room rates and occupancy levels at the Group's hotels, or otherwise cause a reduction in its revenue or profitability, which could have a material adverse effect on the Issuer's and the Group's business, financial condition and results of operations.

2.3.4 The Group may not be able to realise the benefits it expects from acquisitions, joint ventures, investments and strategic alliances

The Group has been involved in a number of acquisitions, joint ventures and strategic alliances relevant to its business, and has pursued a number of investment opportunities including but not limitedly in respect of properties under development. Such transactions involve significant challenges and risks, such as: the transaction failing to achieve the Group's business strategy; the Group not realising a satisfactory return on the investment; the potential occurrence of difficulties in integrating new employees, business systems, and technology; or the transaction diverting management's attention from the Group's other businesses. The success of acquisitions, joint ventures and strategic alliances will depend in part on the Group's ability to provide efficient integration from an operational and financial point of view.

Specifically with respect to investments in properties under development, the Group is exposed to a number of specific risks, including the inability to identify appropriate opportunities or source adequate resources, cost overruns, insufficiency of resources to complete the projects, sales transactions not materialising at the prices and the tempo envisaged resulting in a liquidity strain, rental of commercial areas not being effected at the prices and within the timeframes envisaged, higher interest costs, and the erosion of revenue generation. If any of these risks were to materialise, they would have an adverse impact on the Issuer's revenue generation, cash flows and financial performance.

2.3.5 The Group may not be able to obtain the capital it requires for development or improvement of existing or new properties on commercially reasonable terms, or at all

No assurance can be given that sufficient financing for the Group's current and future investments will be available on commercially reasonable terms or within the timeframes required by the Group. Failure to obtain, or delays in obtaining, the capital required to complete current or future developments and refurbishment projects on commercially reasonable terms, including increases in borrowing costs or decreases in loan availability, may limit the Group's growth and materially and adversely affect its business, financial condition, results of operations and prospects. In addition, the Group may be exposed to a variety of financial risks associated with the unpredictability inherent in financial markets, including market risks, credit risk and interest rate risk, all of which could have adverse effects on the financial performance of the Group.

2.3.6 The Group's indebtedness could adversely affect its financial position

The Group has a material amount of debt and it expects to incur additional debt in connection with its future growth in terms of acquisitions and developments. The Group is also dependent on the Issuer's ability, where applicable, to successfully roll over its current bonds listed on the Official List. A substantial portion of the cash flow generated from the Subsidiaries' operations is utilised to repay their debt obligations pursuant to the terms of the facilities provided. The financial covenants

to which such facilities are subject give rise to a reduction in the amount of cash available for distribution to the Issuer which would otherwise be available for funding of the Issuer's working capital, capital expenditure, development costs and other general corporate costs, or for the distribution of dividends. The Issuer may in certain cases also be required to provide guarantees for debt contracted by its Subsidiaries. Defaults under financing agreements could lead to the enforcement of security over property, where applicable, and, or cross-defaults under other financing agreements.

2.3.7 *The Group's key senior personnel and management have been and remain material to its growth*

The Group believes that its growth is partially attributable to the efforts and abilities of the members of its executive management team and other key personnel. If one or more of the members of this team were unable or unwilling to continue in their present position, the Group might not be able to replace them within the short term, which could have a material adverse effect on the Group's business, financial condition and results of operations.

2.3.8 *Competition risk*

The business of the Group is susceptible to strong and increasing local and global competition, influenced by a variety of determining factors including price, variety and quality of services, availability, reliability, after-sales service and logistical arrangements, and the fluctuations in demand and supply in respect of both competing or substitute goods and services. A decline in the relative competitive strength of the Group could adversely affect the Group's results of its operations, financial condition, and its prospects.

2.3.9 *Liquidity risk*

The lack of liquidity and alternative uses of real estate investments could significantly limit the Issuer's ability to respond to adverse changes in the performance of its properties thereby potentially harming their respective financial condition. Furthermore, the Issuer's ability to sell, in a timely fashion, one or more of its properties in response to changing economic, financial and investment conditions, is limited.

2.3.10 *The Group's reliance on non-proprietary software systems and third-party information technology providers*

To varying degrees, the Group is reliant upon the efficient and uninterrupted operations of its computer systems, software and telecommunications networks, access to the internet, as well as the systems and services of other third parties for the running of its business and is exposed to the risk of failure of such systems. Disruption to those technologies or systems and, or lack of resilience in operational availability could adversely affect the efficiency of the Group's business, financial condition and, or operating results.

3. KEY INFORMATION ON THE SECURITIES

3.1 What are the main features of the securities?

The Bonds are being issued in an aggregate amount of up to €60,000,000 with a nominal value of €100 per Bond issued and redeemable at par and redeemable on 14 November 2033. The Bonds bear interest at the rate of 6% per annum on the nominal value of the Bonds.

The Bonds shall be issued in fully registered and dematerialised form and shall be represented in uncertificated form by the appropriate entry in the electronic register maintained on behalf of the Issuer at the CSD. On admission to trading the Bonds shall have the following ISIN: MT0000111345. The Bonds shall be freely transferable.

The Bonds constitute the general, direct, unconditional, and unsecured obligations of the Issuer and shall at all times rank *pari passu* without any priority or preference among themselves and with other unsecured debt of the Issuer, present and future, if any. The payment obligations of the Issuer under the Bonds shall, save for such obligations as may be mandatorily preferred by law, at all times rank at least equally with all the Issuer's present and future unsecured and unsubordinated obligations.

There are no special rights attached to the Bonds other than the right of the Bondholders to (i) attend, participate in and vote at Bondholders' Meetings in accordance with the Terms and Conditions; (ii) payment of capital and interest in accordance with the ranking of the Bonds; and (iii) such other rights attached to the Bonds emanating from the Prospectus.

3.2 Where will the securities be traded?

Application has been made to the Malta Stock Exchange for the Bonds to be listed and traded on its Official List.

3.3 What are the key risks that are specific to the securities?

3.3.1 *Subsequent changes in interest rates and potential impact of inflation*

The Bonds shall carry fixed interest rates. Consequently, investment in the Bonds involves the risk that subsequent changes in market interest rates may adversely affect the value of the Bonds. When prevailing market interest rates are rising, their prices decline and conversely, if market interest rates are declining, the prices of fixed rate bonds rise. The coupon payable on the Bonds is a nominal interest rate. The real interest rate is computed by subtracting inflation from the nominal interest rate, the result of which indicates the real return on the Bond coupons. In a period of high inflation, an investor's real return on the Bonds will be lower than the Bonds' nominal interest rate and thus undermine an investor's expected return. Furthermore, an increase in inflation may result in a decrease in the traded price of the Bonds on the secondary market.

3.3.2 Status of the Bonds

Any secured or privileged debts of the Issuer shall rank at all times ahead of the obligations of the Issuer under the Bonds, as a result of which the Bondholders may not be able to recover their investment in the Bonds in the case of insolvency or an equivalent situation, whether in full or in part. Furthermore, subject to the negative pledge covenant made by the Issuer towards Bondholders, third party security interests may be registered which will rank in priority to the Bonds against the assets of the Issuer, as the case may be, for so long as such security interests remain in effect, which registration may further impede the ability of the Bondholders to recover their investment upon enforcement of such security interests, whether in full or in part.

3.3.3 No prior market for the Bonds

Prior to the Bond Issue and admission of the Bonds to listing and trading, there has been no public market, nor trading record, for the Bonds within or outside Malta. Due to the absence of any prior market for the Bonds, there can be no assurance that the price of the Bonds will correspond to the price at which the Bonds will trade in the market subsequent to the Bond Issue.

3.3.4 Orderly and liquid secondary market

The existence of an orderly and liquid market for the Bonds depends on a number of factors, including but not limited to the presence of willing buyers and sellers of the Bonds at any given time and the general economic conditions in the market in which the Bonds are traded. Such factors are dependent upon the individual decisions of investors and the general economic conditions of the market, over which the Issuer has no control.

3.3.5 Amendments to the Terms and Conditions of the Bonds

In the event that the Issuer wishes to amend any of the Terms and Conditions, it may call a Bondholders' Meeting. Defined majorities of Bondholders may bind all Bondholders including Bondholders who did not attend and vote at the relevant Bondholders' Meeting and Bondholders who voted in a manner contrary to the majority.

4. KEY INFORMATION ON THE OFFER OF SECURITIES TO THE PUBLIC AND THE ADMISSION TO TRADING ON A REGULATED MARKET

4.1 Under which conditions and timetable can I invest in this security?

4.1.1 Application for the Bonds

The Bonds are open for subscription by (i) certain specified classes of Applicants holding listed securities in the Issuer and, or CPHCL Finance p.l.c. (Maturing Bondholders and Preferred Applicants, as applicable) and (ii) directors, executives and employees of the Corinthia Group as at 22 September 2023. Any remaining Bonds not subscribed to by the aforementioned Applicants shall be available for subscription by Authorised Financial Intermediaries, either for their own account or for the account of their underlying customers, in accordance with the allocation policy of the Issuer.

Maturing Bondholders applying for Bonds may elect to settle all or part of the amount due on the Bonds applied for by completing a pre-printed: (i) Application Form 'A' should they be 2023 Maturing Bondholders, and, or (ii) Application Form 'B' should they be 2024 Maturing Bondholders, indicating that the consideration for the Bonds applied for shall be settled by way of transfer to the Issuer of all or part of the Maturing Bonds held as at the Cut-Off Date in an amount equivalent to the par value of the Bonds applied for, subject to a minimum application of €2,000. Any Maturing Bondholders whose holding in Maturing Bonds is less than €2,000 shall be required to pay the Cash Top-Up together with the submission of their pre-printed Application Form 'A' and, or Application Form 'B', as applicable.

Preferred Applicants and Corinthia Group Personnel who do not also qualify as Maturing Bondholders shall be required to submit an Application Form 'C'. A pre-printed version of Application Form 'C' will be sent to Preferred Applicants by mail, whereas Corinthia Group Personnel may obtain an Application Form 'C' from the Issuer's offices as from 5 October 2023.

Where an individual holds, as at the Cut-Off Date, multiple securities issued by different issuers within the Corinthia Group, and provided that he does not hold any Maturing Bonds, he will be receiving one pre-printed Application Form depending on the highest level of priority as set out in the allocation policy of the Issuer.

All Applications for the Bonds must be submitted on the appropriate Application Form by not later than 14:00 hours on 26 October 2023. The Issuer reserves the right to close the Offer Period before 26 October 2023 with respect to any one or more classes of Applicants depending on the total level of subscription in the Bond Issue. All Application Forms are to be lodged with any of the Authorised Financial Intermediaries together with payment of the full price of the Bonds applied for, in Euro (€), with the exception of Application Forms 'A' and Application Forms 'B' submitted by Maturing Bondholders, where payment needs to correspond to the amount applied for less the aggregate value of the bonds forming the subject of the Maturing Bond Transfer.

Pursuant to the Intermediaries' Offer (if it were to take place), the Issuer shall enter into conditional subscription agreements with Authorised Financial Intermediaries for any resultant balance of Bonds remaining unallocated following closing of the Offer Period. Completed subscription agreements, together with evidence of payment, are to reach the Manager & Registrar by latest 12:00 hours on 2 November 2023.

4.1.2 Plan of Distribution, Allotment and Allocation Policy

The Bonds will be available for subscription by all categories of investors as detailed hereunder:

- (i) Maturing Bondholders up to the amount of Maturing Bonds held as at the Cut-off Date and subject to any Cash Top-Up as and if applicable;
- (ii) Maturing Bondholders in respect of any Excess, Preferred Applicants, and Corinthia Group Personnel, for an amount of up to €15 million of the Bond Issue, together with the balance of the Bonds not subscribed for by Maturing Bondholders limitedly by means of a Maturing Bond Transfer including any Cash Top-Up; and
- (iii) Authorised Financial Intermediaries through an Intermediaries' Offer in respect of any balance of the Bonds not subscribed to by Maturing Bondholders, Preferred Applicants, and Corinthia Group Personnel as aforesaid.

In determining its allocation policy, the Issuer will be applying a more favourable allocation according to the priority detailed in (i) to (iii) above. Within each of (i) and (ii) above, the respective classes of investors will share the same allocation policy without any priority or preference between themselves, should the need for scaling down arise in case of over-subscription.

The issue and allotment of the Bonds is conditional upon the Bonds being admitted to the Official List by no later than 13 November 2023. In the event that the Bonds are not admitted to the Official List by the date indicated, any Application monies will be returned without interest by direct credit into the Applicant's bank account.

By not later than 6 November 2023, the Issuer shall announce the result of the Bond Issue through a company announcement. Dealings in the Bonds shall not commence prior to the Bonds being admitted to the Official List.

4.1.3 Total Estimated Expenses

Professional fees, and costs related to publicity, advertising, printing, listing, registration, Sponsor, Manager & Registrar fees, selling commission, and other miscellaneous expenses in connection with this Bond Issue are estimated not to exceed €780,000 in the aggregate. There is no particular order of priority with respect to such expenses.

4.1.4 Expected Timetable

1.	Application Forms mailed to Maturing Bondholders and Preferred Applicants	3 October 2023
2.	Application Forms available to Corinthia Group Personnel	5 October 2023
3.	Offer Period for Maturing Bondholders, Preferred Applicants, and Corinthia Group Personnel	5 October 2023 to 26 October 2023 both days included
4.	Intermediaries' Offer Date	2 November 2023
5.	Announcement of basis of acceptance	6 November 2023
6.	Refunds of unallocated monies (if any) and dispatch of allotment letters	13 November 2023
7.	Expected date of admission of the securities to listing	13 November 2023
8.	Expected date of commencement of trading in the securities	14 November 2023
9.	Commencement of interest on the Bonds	14 November 2023

The Issuer reserves the right to close the Offer Period before 26 October 2023 with respect to any one or more classes of Applicants depending on the total level of subscription in the Bond Issue, in which case the Intermediaries' Offer will not take place.

4.2 Why is this prospectus being produced?

4.2.1 The use and estimated net amount of the proceeds

The aggregate proceeds from the Bond Issue, which net of Bond Issue expenses are expected to amount to approximately €59,220,000, shall be used by the Issuer for the following purposes:

- (i) acquiring for redemption and cancellation a maximum amount of €10,000,000 in 2023 Maturing Bonds from 2023 Maturing Bondholders subscribing for Bonds by way of Maturing Bond Transfer, and to redeem any 2023 Maturing Bonds remaining in issue as at the 2023 Maturing Bonds Redemption Date;
- (ii) acquiring for redemption and cancellation a maximum amount of €35,000,000 in 2024 Maturing Bonds from 2024 Maturing Bondholders subscribing for Bonds by way of Maturing Bond Transfer, and to redeem any 2024 Maturing Bonds remaining in issue as at the 2024 Maturing Bonds Redemption Date; and
- (iii) the remaining amount of *circa* €14,220,000 will be used by the Issuer for general corporate funding purposes of the Group.

In the event that the Bond Issue is not fully subscribed, the Issuer shall proceed with the listing of the Bonds so subscribed for and shall apply the net proceeds received in the manner and order of priority set out above. Any residual amounts required by the Issuer for the purposes of the use specified above, which shall not have been raised through the Bond Issue, shall be financed from the Group's general cash flow and, or banking facilities.

4.2.2 Underwriting agreement

The Bond Issue is not subject to any underwriting agreement on a firm commitment basis.

4.2.3 Conflicts of Interest

Save for the subscription for Bonds by Authorised Financial Intermediaries (which includes M.Z. Investment Services Limited as Sponsor and Bank of Valletta p.l.c. as Manager & Registrar), and any fees payable in connection with the Bond Issue to M.Z. Investment Services Limited as Sponsor and Bank of Valetta p.l.c. as Manager & Registrar, in so far as the Issuer is aware, no person involved in the Bond Issue has an interest, conflicting or otherwise, material to the Bond Issue.

REGISTRATION DOCUMENT

dated 26 September 2023

This Registration Document is issued in accordance with the provisions of Chapter 4 of the Capital Markets Rules issued by the MFSA and in accordance with the provisions of the Prospectus Regulation.

by



INTERNATIONAL HOTEL INVESTMENTS p.l.c.

A PUBLIC LIMITED LIABILITY COMPANY REGISTERED IN MALTA
WITH COMPANY REGISTRATION NUMBER C 26136

THIS REGISTRATION DOCUMENT HAS BEEN APPROVED BY THE MALTA FINANCIAL SERVICES AUTHORITY AS THE COMPETENT AUTHORITY UNDER THE PROSPECTUS REGULATION. THIS MEANS THAT THE MALTA FINANCIAL SERVICES AUTHORITY HAS APPROVED THIS REGISTRATION DOCUMENT AS MEETING THE STANDARDS OF COMPLETENESS, COMPREHENSIBILITY AND CONSISTENCY AS PRESCRIBED BY THE PROSPECTUS REGULATION. SUCH APPROVAL SHOULD NOT HOWEVER BE CONSIDERED AS AN ENDORSEMENT OF THE ISSUER THAT IS THE SUBJECT OF THIS REGISTRATION DOCUMENT. IN PROVIDING THIS AUTHORISATION, THE MALTA FINANCIAL SERVICES AUTHORITY DOES NOT GIVE ANY CERTIFICATION REGARDING THE POTENTIAL RISKS IN INVESTING IN ANY INSTRUMENT ISSUED BY THE ISSUER AND SUCH AUTHORISATION SHOULD NOT BE DEEMED OR BE CONSTRUED AS A REPRESENTATION OR WARRANTY AS TO THE SAFETY OF INVESTING IN SUCH INSTRUMENT.

THE MALTA FINANCIAL SERVICES AUTHORITY ACCEPTS NO RESPONSIBILITY FOR THE CONTENTS OF THE PROSPECTUS, MAKES NO REPRESENTATIONS AS TO ITS ACCURACY OR COMPLETENESS AND EXPRESSLY DISCLAIMS ANY LIABILITY WHATSOEVER, FOR ANY LOSS HOWSOEVER ARISING FROM, OR IN RELIANCE UPON, THE WHOLE OR ANY PART OF THE CONTENTS OF THE PROSPECTUS INCLUDING ANY LOSSES INCURRED BY INVESTING IN THE BONDS.

A PROSPECTIVE INVESTOR SHOULD ALWAYS SEEK FINANCIAL ADVICE BEFORE DECIDING TO INVEST IN ANY LISTED FINANCIAL INSTRUMENT. A PROSPECTIVE INVESTOR SHOULD BE AWARE OF THE POTENTIAL RISKS IN INVESTING IN THE BONDS AND SHOULD MAKE THE DECISION TO INVEST ONLY AFTER CAREFUL CONSIDERATION AND CONSULTATION WITH HIS OR HER OWN FINANCIAL ADVISOR.

APPROVED BY THE BOARD OF DIRECTORS

Alfred Pisani

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in their capacity as Directors and for and on behalf of

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IMPORTANT INFORMATION

THIS REGISTRATION DOCUMENT CONTAINS INFORMATION ON INTERNATIONAL HOTEL INVESTMENTS P.L.C. AS ISSUER IN ACCORDANCE WITH THE REQUIREMENTS OF THE CAPITAL MARKETS RULES ISSUED BY THE MALTA FINANCIAL SERVICES AUTHORITY, THE ACT AND THE PROSPECTUS REGULATION.

A COPY OF THIS DOCUMENT HAS BEEN SUBMITTED TO THE MALTA FINANCIAL SERVICES AUTHORITY IN SATISFACTION OF THE CAPITAL MARKETS RULES, THE MALTA STOCK EXCHANGE IN SATISFACTION OF THE MALTA STOCK EXCHANGE BYE-LAWS AND HAS BEEN DULY FILED WITH THE MALTA BUSINESS REGISTRY IN ACCORDANCE WITH THE ACT.

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THE PROSPECTUS DOES NOT CONSTITUTE, AND MAY NOT BE USED FOR PURPOSES OF, AN OFFER OR INVITATION TO SUBSCRIBE FOR BONDS: (I) BY ANY PERSON IN ANY JURISDICTION IN WHICH SUCH OFFER OR INVITATION IS NOT AUTHORISED OR IN WHICH THE PERSON MAKING SUCH OFFER OR INVITATION IS NOT QUALIFIED TO DO SO; OR (II) TO ANY PERSON TO WHOM IT IS UNLAWFUL TO MAKE SUCH OFFER OR INVITATION. THE DISTRIBUTION OF THE PROSPECTUS IN CERTAIN JURISDICTIONS MAY BE RESTRICTED AND, ACCORDINGLY, PERSONS INTO WHOSE POSSESSION IT IS RECEIVED ARE REQUIRED TO INFORM THEMSELVES ABOUT, AND TO OBSERVE, SUCH RESTRICTIONS.

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STATEMENTS MADE IN THIS REGISTRATION DOCUMENT ARE, EXCEPT WHERE OTHERWISE STATED, BASED ON THE LAW AND PRACTICE CURRENTLY IN FORCE IN MALTA AND ARE SUBJECT TO CHANGES THEREIN.



ALL THE ADVISORS TO THE ISSUER NAMED IN THIS REGISTRATION DOCUMENT UNDER THE HEADING “ADVISORS” IN SECTION 3.5 HAVE ACTED AND ARE ACTING EXCLUSIVELY FOR THE ISSUER IN RELATION TO THE PROSPECTUS AND HAVE NO CONTRACTUAL, FIDUCIARY OR OTHER OBLIGATION OR RESPONSIBILITY TOWARDS ANY OTHER PERSON AND WILL ACCORDINGLY NOT BE RESPONSIBLE TO ANY INVESTOR OR ANY OTHER PERSON WHOMSOEVER IN RELATION TO THE TRANSACTIONS PROPOSED IN THE PROSPECTUS.

THE CONTENTS OF THE ISSUER’S WEBSITE OR ANY WEBSITE DIRECTLY OR INDIRECTLY LINKED TO THE ISSUER’S WEBSITE DO NOT FORM PART OF THE PROSPECTUS UNLESS SUCH CONTENTS ARE INCORPORATED BY REFERENCE INTO THE PROSPECTUS. ACCORDINGLY, NO RELIANCE OUGHT TO BE MADE BY ANY INVESTOR ON ANY INFORMATION OR OTHER DATA CONTAINED IN SUCH WEBSITES AS THE BASIS FOR A DECISION TO INVEST IN THE BONDS.

THE VALUE OF INVESTMENTS CAN GO UP OR DOWN AND PAST PERFORMANCE IS NOT NECESSARILY INDICATIVE OF FUTURE PERFORMANCE. PROSPECTIVE INVESTORS SHOULD CAREFULLY CONSIDER ALL THE INFORMATION CONTAINED IN THE PROSPECTUS AS A WHOLE AND SHOULD CONSULT THEIR OWN FINANCIAL AND OTHER PROFESSIONAL ADVISORS BEFORE DECIDING TO MAKE AN INVESTMENT IN THE BONDS.

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1. DEFINITIONS

In this Registration Document the following words and expressions shall bear the following meanings except where the context otherwise requires:

Act or Companies Act	the Companies Act (Cap. 386 of the laws of Malta);
AHCT	Alinmaa Holding Company for Tourism & Real Estate Investments, a company registered under the laws of Libya and having its registered office at Al-Hamamat St., Al Madina Alsiahya, Tripoli, Libya;
AUCC	Arab Union Contracting Company, a company registered under the laws of Libya and having its registered office at Level 21, General Department, Tripoli Tower, Tower 1, Tripoli, Libya;
Bondholders	a holder of Bonds to be issued by the Issuer in terms of the Prospectus;
Bonds	the €60,000,000 unsecured bonds of a nominal value of €100 per bond payable in full upon subscription, redeemable at their nominal value on the Redemption Date and bearing interest at a rate of 6% per annum, as described in further detail in the Securities Note;
Capital Markets Rules	the capital markets rules issued by the Malta Financial Services Authority in terms of the Financial Markets Act;
CDI	Corinthia Developments International Limited, a company registered under the laws of Malta with company registration number C 70440 and having its registered office at 22, Europa Centre, Floriana FRN 1400, Malta;
CHL	Corinthia Hotels Limited, a company registered under the laws of Malta with company registration number C 26086 and having its registered office at 1, Europa Centre, Floriana FRN 1400, Malta;
Company, IHI or Issuer	International Hotel Investments p.l.c., a company registered under the laws of Malta with company registration number C 26136 and having its registered office at 22, Europa Centre, Floriana FRN 1400, Malta;
Corinthia Brand	any and all intellectual property associated with the Corinthia brand for hotel and property operations, the legal and beneficial ownership of which is held by CHL;
Corinthia Group	CPHCL and the companies in which CPHCL has a controlling interest;
Corinthia Oasis	Corinthia Oasis Company Limited, a company registered under the laws of Malta with company registration number C 48380 and having its registered office at 22, Europa Centre, John Lopez Street, Floriana, FRN 1400, Malta;
CPHCL	CPHCL Company Limited, a company registered under the laws of Malta with company registration number C 257 and having its registered office at 22, Europa Centre, Floriana FRN 1400, Malta;
Directors or Board	the directors of the Issuer whose names are set out in section 3.1 of this Registration Document under the heading “Directors of the Issuer”;
Euro or €	the lawful currency of the Republic of Malta;
Financial Markets Act	the Financial Markets Act (Cap. 345 of the laws of Malta);
GHA	means GHA Holdings Limited, an exempted company incorporated under the laws of the Cayman Islands with company registration number 338838 and having its registered office at the offices of Walkers Corporate Limited, Cayman Corporate Centre, 27 Hospital Road, George Town, Grand Cayman KY1-9008, Cayman Islands;
Group	the Issuer (as parent company) and its Subsidiaries;
GSR	Golden Sands Resort Limited, a company registered under the laws of Malta with company registration number C 30569 and having its registered office at The Radisson SAS Golden Sands Resort & Spa, Golden Bay, Limits of Mellieħa, MLH 5510, Malta;

IHGH	Island Hotels Group Holdings p.l.c., a company registered under the laws of Malta with company registration number C 44855 and having its registered office at 22, Europa Centre, John Lopez Street, Floriana FRN 1400, Malta, which company has been struck off the Registry of Companies following a merger by amalgamation with the Issuer;
IHGH Group	IHGH (as parent company) and its subsidiaries prior to 29 December 2017, on which date IHGH was struck off the Registry of Companies following a merger by amalgamation with the Issuer;
Istithmar	Istithmar Hotels FZE, a company registered under the laws of Dubai with company registration number 01256L and having its registered office at PO Box 262080, Level 38, Al Shatha Tower, Media City, Dubai, United Arab Emirates;
Jeddah Central Development Company	Jeddah Central Development Company, a single shareholder joint stock company registered under the laws of the Kingdom of Saudi Arabia with company registration number 4030360093 and having its registered office at 7051, Prince Sultan – As Salamah District, Unit No 9959, Jeddah 23525 – 2661, Kingdom of Saudi Arabia;
LAFICO	Libyan Foreign Investment Company, a company registered under the laws of Libya with company registration number 9481 and having its registered office at Baghdad Street, Al Dahra Area, Tripoli City, Libya;
LAMHCO	The Libyan Arab Maltese Holding Company Limited, a company registered under the laws of Malta with company registration number C 3215 and having its registered office at ‘St Mark HSE’, F.X. Fenech Str, Floriana, Malta;
Malta Stock Exchange or MSE	Malta Stock Exchange p.l.c., as originally constituted in terms of the Financial Markets Act with company registration number C 42525 and having its registered office at Garrison Chapel, Castille Place, Valletta VLT 1063, Malta;
Manager & Registrar	Bank of Valletta p.l.c., a company registered under the laws of Malta with company registration number C 2833 and having its registered office at 58, Zachary Street, Valletta, VLT 1130, Malta;
Medina Tower JSC (Libya) or MTJSC	Medina Tower Joint Stock Company for Real Estate and Development, a joint stock investment company registered under the commercial laws of Libya (in accordance with Law No. 5 (1997) as amended by Law No. 7 (2004) and Law No. 9 (2010)) with privatization and investment board number 343 and having its registered office at Tripoli Tower, Suite 107, Tower 2, Level 10, Tripoli, Libya;
Memorandum and Articles of Association	the memorandum and articles of association of the Issuer in force at the time of publication of the Prospectus. The terms “ Memorandum ”, “ Articles ” and “ Articles of Association ” shall be construed accordingly;
MFSA or Malta Financial Services Authority	the Malta Financial Services Authority, established in terms of the Financial Markets Act as the competent authority to approve prospectuses for the purposes of any offer of securities to the public in Malta;
MIH	Mediterranean Investments Holding p.l.c., a company registered under the laws of Malta with company registration number C 37513 and having its registered office at 22, Europa Centre, Floriana FRN 1400, Malta;
NLI	NLI Holdings Limited, a company registered and existing under the laws of Jersey with company registration number 100582 and having its registered office at First Floor, Durell House, 28 New Street, St. Helier, Jersey, JE 2 3RA, United Kingdom;
Official List	the list prepared and published by the MSE as its official list in accordance with the MSE Bye-Laws;
Prospectus	collectively, this Registration Document, the Securities Note and the Summary;
Prospectus Regulation	Regulation (EU) No. 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, as amended, and in accordance with the provisions of Commission Delegated Regulation No. 2019/979 and Commission Delegated Regulation No. 2019/980 issued thereunder;
QP	QPM Limited, a company registered under the laws of Malta with company registration number C 26148 and having its registered office at 22, Europa Centre, Floriana FRN 1400, Malta;



Redemption Date	the redemption date of the Bonds as specified in the Securities Note;
Registration Document	this document in its entirety;
Securities Note	the securities note issued by the Issuer dated 26 September 2023, forming part of the Prospectus;
Sponsor	M.Z. Investment Services Limited, a company registered under the laws of Malta with company registration number C 23936 and having its registered office at 63, M.Z. House, St Rita Street, Rabat RBT 1523, licensed by the MFSA and a member of the MSE;
Subsidiary	an entity over which the parent has control. In terms of the International Financial Reporting Standards (IFRS) as adopted by the European Union, a group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. The term “ Subsidiaries ” shall collectively refer to the said entities; and
Summary	the summary issued by the Issuer dated 26 September 2023, forming part of the Prospectus.

Unless it appears otherwise from the context:

- (a) words importing the singular shall include the plural and *vice versa*;
- (b) words importing the masculine gender shall include the feminine gender and *vice versa*;
- (c) the word “*may*” shall be construed as permissive and the word “*shall*” shall be construed as imperative.
- (d) all references in this Registration Document to “*Malta*” shall be construed as defined in Article 124 (1) of the Constitution of Malta;
- (e) any phrase introduced by the terms “*including*”, “*include*”, “*in particular*” or any similar expression is illustrative only and does not limit the sense of the words preceding those terms; and
- (f) any reference to a law, legislative act, and, or other legislation shall mean that particular law, legislative act and, or legislation as in force at the time of issue of this Registration Document.

2. RISK FACTORS

PROSPECTIVE INVESTORS SHOULD CAREFULLY CONSIDER WITH THEIR OWN FINANCIAL AND OTHER PROFESSIONAL ADVISORS THE FOLLOWING RISK FACTORS AND OTHER INVESTMENT CONSIDERATIONS AS WELL AS ALL THE OTHER INFORMATION CONTAINED IN THE PROSPECTUS, BEFORE MAKING ANY INVESTMENT DECISION WITH RESPECT TO THE ISSUER. SOME OF THESE RISKS ARE SUBJECT TO CONTINGENCIES WHICH MAY OR MAY NOT OCCUR, AND THE ISSUER IS NOT IN A POSITION TO EXPRESS ANY VIEWS ON THE LIKELIHOOD OF ANY SUCH CONTINGENCIES OCCURRING.

THE RISK FACTORS BELOW HAVE BEEN CATEGORISED UNDER FOUR MAIN CATEGORIES, ACCORDING TO WHETHER THE RISK FACTORS RELATE TO: (I) ECONOMIC RISKS; (II) RISKS RELATING TO THE GROUP’S FINANCING AND INVESTMENT STRATEGIES; (III) BUSINESS AND OPERATIONAL RISKS; AND (IV) LEGAL, REGULATORY AND COMPLIANCE RISKS. THE RISK FACTOR FIRST APPEARING UNDER EACH CATEGORY CONSTITUTES THAT RISK FACTOR WHICH THE DIRECTORS HAVE ASSESSED TO BE THE MOST MATERIAL RISK FACTOR UNDER SUCH CATEGORY AS AT THE DATE OF THIS REGISTRATION DOCUMENT. IN MAKING THIS ASSESSMENT OF MATERIALITY, THE DIRECTORS HAVE EVALUATED THE COMBINATION OF: (I) THE PROBABILITY THAT THE RISK FACTOR OCCURS; AND (II) THE EXPECTED MAGNITUDE OF THE ADVERSE EFFECT ON THE FINANCIAL CONDITION AND PERFORMANCE OF THE ISSUER IF THE RISK FACTOR WERE TO MATERIALISE.

IF ANY OF THE RISKS DESCRIBED BELOW WERE TO MATERIALISE, THEY COULD HAVE A SERIOUS EFFECT ON THE ISSUER’S FINANCIAL RESULTS AND TRADING PROSPECTS AND ON THE ABILITY OF THE ISSUER TO FULFIL ITS OBLIGATIONS UNDER THE BONDS TO BE ISSUED IN TERMS OF THE PROSPECTUS. THE RISKS AND UNCERTAINTIES DISCUSSED BELOW ARE THOSE IDENTIFIED AS SUCH BY THE DIRECTORS OF THE ISSUER AS AT THE DATE OF THIS REGISTRATION DOCUMENT, BUT THESE RISKS AND UNCERTAINTIES MAY NOT BE THE ONLY ONES THAT THE ISSUER FACES OR COULD FACE. ADDITIONAL RISKS AND UNCERTAINTIES, INCLUDING THOSE WHICH THE ISSUER’S DIRECTORS ARE NOT CURRENTLY AWARE OF, MAY WELL RESULT IN A MATERIAL IMPACT ON THE FINANCIAL RESULTS, FINANCIAL CONDITION, OPERATIONAL PERFORMANCE AND, OR TRADING PROSPECTS OF THE ISSUER.

THE PROSPECTUS, THE DOCUMENTATION INCORPORATED BY REFERENCE HEREIN, AND, OR ANY OTHER INFORMATION SUPPLIED IN CONNECTION WITH BONDS ISSUED BY THE ISSUER: (I) IS NOT INTENDED TO PROVIDE THE BASIS FOR ANY CREDIT OR OTHER EVALUATION (II) IS NOT AND SHOULD NOT BE CONSIDERED AS A RECOMMENDATION BY THE ISSUER, THE DIRECTORS, ANY OF THE ADVISORS LISTED IN SECTION 3 BELOW, THE SPONSOR, MANAGER AND REGISTRAR, OR ANY OF THE AUTHORISED FINANCIAL INTERMEDIARIES THAT ANY RECIPIENT OF THE PROSPECTUS, THE DOCUMENTATION INCORPORATED BY REFERENCE HEREIN, OR ANY OTHER INFORMATION SUPPLIED IN CONNECTION THEREWITH, SHOULD PURCHASE ANY SECURITIES ISSUED BY THE ISSUER, INCLUDING THE BONDS. PROSPECTIVE INVESTORS SHOULD MAKE THEIR OWN EVALUATION OF ALL RISK FACTORS, AND SHOULD CONSIDER ALL OTHER SECTIONS IN THE PROSPECTUS; AND (III) CONTAIN STATEMENTS THAT ARE, OR MAY BE DEEMED TO BE, “*FORWARD LOOKING STATEMENTS*”.

2.1 Forward-looking Statements

Forward-looking statements can be identified by the use of forward-looking terminology, including the terms “*believes*”, “*estimates*”, “*forecasts*”, “*projects*”, “*anticipates*”, “*expects*”, “*envisages*”, “*intends*”, “*may*”, “*will*”, or “*should*” or, in each case, their negative or other variations or comparable terminology. These forward-looking statements relate to matters that are not historical facts. They appear in a number of places within the Prospectus and include statements regarding the intentions, beliefs or current expectations of the Issuer and, or the Directors concerning, amongst other things, the Issuer’s strategy and business plans, financial condition and performance, results of operations, liquidity, prospects, investments, and the markets in which it operates.

By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur, in the future. Forward-looking statements are not a guarantee of future performance and should therefore not be construed as such. The Issuer’s actual operational results, financial condition and performance, and trading prospects may differ materially from the impression created by the forward-looking statements contained in the Prospectus. In addition, even if the operational results, financial condition and performance, and trading prospects of the Issuer are consistent with the forward-looking statements contained in the Prospectus, those results or developments may not be indicative of results or developments in subsequent periods. Important factors that may cause these differences include, but are not limited to, those factors identified under this section and elsewhere in the Prospectus.

All forward-looking statements contained in the Prospectus are made only as at the date hereof. Subject to applicable legal and regulatory obligations, the Issuer and the Directors expressly disclaim any obligations to update or revise any forward-looking statement contained herein to reflect any change in expectations with regard thereto or any change in events, conditions, or circumstances on which any such statement is based.

2.2 Economic Risks

2.2.1 *Risks relating to the political, economic and social environment of the emerging markets in which part of the Group’s operations are based*

The Group has part of its operations situated in emerging markets. Emerging markets present economic and political conditions which differ from those of more developed markets, thereby possibly resulting in less social, political and economic stability, which could render investments in such markets riskier than investments in more developed markets. Businesses in emerging markets may not be operating in a market-oriented economy as is generally associated with developed markets. The emerging markets in which part of the Group’s operations are situated are undergoing and may continue to undergo substantial political, economic and social reform, and the implications and consequences of reform may not be entirely clear at the outset. As the political, economic and social environments in certain countries in which the Group operates remain subject to continuing development, investments in these countries are characterised by a degree of uncertainty. Any unexpected changes in the political, social, economic or other conditions in these countries may have an adverse effect on any investments made. The consequences may be profound and accordingly prospective investors should take into account the unpredictability associated therewith.

Specific country risks more often associated with emerging markets that may have a material impact on the Group’s business, operating results, cash flows and financial condition include: acts of warfare and civil clashes; political, social and economic instability; government intervention in the market including tariffs, protectionism and subsidies; changes in regulatory, taxation and legal structures; difficulties and delays in obtaining permits and consents for operations and developments; inconsistent governmental action and, or lack or poor condition of infrastructure. Furthermore, the legal and judicial systems of certain countries in which the Group operates may be different from those which some investors may be more familiar with in certain civil and common law jurisdictions, and investors in Malta may consider such systems as not providing, in various aspects, the level of comfort for investment which they are used to under the Maltese legal system or other civil and common law jurisdictions. Accordingly, they may consider that the Issuer may face difficulties in enforcing its legal rights relating to the properties owned in such countries.



The room rates and occupancy levels of hotels forming part of the Group could be adversely impacted by the events set out in this risk factor, all of which could have the effect of reducing domestic or international travel and consequently decreasing the demand for hotel rooms, which may have an adverse impact on the Group's operations and financial results. At present two jurisdictions in which the Group has substantial investments, Libya and the Russian Federation, are subject to an unstable political, economic and social environment.

2.2.2 Risks relating to the political, economic, and social environment in Libya

The continued instability and state of uncertainty prevailing since the 2011 uprising continues to have a negative effect on travel to Libya and consequently on the performance and operation of the Group's hotel in Tripoli.

Whilst the Issuer is registered in Malta, it is: (i) the sole shareholder of the company owning the Corinthia Hotel Tripoli; (ii) a 25% investee in a joint stock company, MTJSC, in respect of the proposed 'Medina Tower' project; and (iii) is a 55% investee in a Libyan joint stock company set up in Libya to develop a site in Benghazi, Libya. While the commercial centre adjoining the Corinthia Hotel Tripoli is fully tenanted and the Issuer is expected to increase its focus on preparatory works for the development of the 'Medina Tower' project, occupancy at the Corinthia Hotel Libya remains weak and works on the Benghazi project remain on hold. Accordingly, the Issuer is susceptible to the political and economic risks that may, from time to time, influence Libya's prospects. Negative political or economic factors and trends in or affecting Libya could have a material impact on the business and financial position of the Issuer and other interests of the Corinthia Group in the territory.

Security concerns resulting from the above, as well as social unrest and lack of clarity on the political situation have also brought about a decline in investor confidence, investment (including foreign direct investment) and capital spending. Such factors could have an adverse effect on the operations of the Corinthia Group as well as on its business, financial condition and results of operations.

2.2.3 Risks relating to the political, economic, and social environment in the Russian Federation

As a result of Russia's invasion of Ukraine, and the resulting economic sanctions imposed on Russia, as well as those imposed by Russia, the general economic conditions in Russia where the Corinthia Group carries out part of its business could be adversely impacted. These sanctions include: a Russian measure prohibiting any measures to cease business operations in Russia; an EU ban on business transactions with certain specified natural and legal persons; a ban on any importation of Russian energy and defence industries; and EU measures resulting in the freezing of funds and economic resources of certain specified natural and legal persons. The measures also prohibit the direct or indirect import, export or transfer of all defence-related material and establish a ban for dual-use goods and technology for military use or military-end users in Russia. The EU sanctions further curtail Russian access to certain sensitive technologies that can be used in the Russian energy sector, for instance in oil production and exploration.

Accordingly, the Corinthia Group is susceptible to the political and economic risks that may, from time to time, influence Russia's prospects. Any unexpected changes in the political, social, economic, or other conditions in Russia may have an adverse effect on the operations and financial results of the Corinthia Group and on any investments made by the Corinthia Group in the region.

2.2.4 Natural disasters, contagious disease, terrorist activity and war have in the past adversely affected the hotel industry and similar events could adversely affect the industry in the future

Natural disasters, the spread of contagious disease, industrial action, travel-related accidents, terrorist activity and war, and the targeting of hotels and popular tourist destinations in particular, have had a significant negative impact on the hotel industry globally and such events could have a similarly negative impact in the future.

Events such as the aforementioned in locations where the Group owns or operates hotels could directly or indirectly affect travel patterns and reduce the number of business and leisure travellers in affected countries and reduce the demand for hotel accommodation at the Group's hotels. In addition, concerns about air travel safety could substantially decrease the overall amount of air travel, including premium business travel, which is generally associated with the highest average daily rates at hotels. Such a decrease could have an adverse impact on occupancy levels in hotels owned or operated by the Group.

The invasion of Ukraine by Russia in February 2022 has caused an ongoing humanitarian crisis in Europe. It has also significantly impacted global commodity and financial markets, leading to supply chain disruptions and increases in the price of energy, oil, gas, and raw materials. The effect of Russia's military action against Ukraine on financial markets and general macroeconomic conditions remains uncertain, and there is a risk that the economic effects of Russia's military action against Ukraine could precipitate a recession in parts of the global economy, which would adversely affect the Corinthia Group's businesses, results of operations and financial position. The continuation or escalation of the conflict between Russia and Ukraine, including the extension of the conflict to other countries in the region, could lead to further increases in energy prices (particularly gas prices, if supplies to Europe remain interrupted) and heightened inflationary pressures. This could lead to further increases in interest rates, impact financial market stability in the Eurozone and worsen the current cost of living crisis of potential guests of the hotels which it owns and, or manages.

The exact duration and effects of the war in Ukraine and the financial and economic effects it will have on international travel and the local hospitality and tourism industry are inherently difficult to predict with any degree of accuracy. Consequently, the Corinthia Group's business, operations, and financial performance remain susceptible to the risk of an increased aversion or appetite to travel directly or indirectly related to the effects of the war in Ukraine.

Moreover, actual or threatened war, terrorist activity, political unrest, civil strife, and other geopolitical uncertainty may also reduce overall demand for business and leisure travel. Furthermore, because hotels in major city centres tend to be more vulnerable to these types of events and concerns, and most of the hotels owned and operated by the Group are located in city centres, the occurrence of any of these events or increasing concerns about these events, could have a material adverse impact on the business, financial condition, results of operations and prospects of the Group.

2.2.5 Currency fluctuations and other regional economic developments may have a material adverse effect on the Issuer's business, financial condition, and results of operations

The Issuer's operations are exposed, in the case of transactions not denominated in Euro, to foreign currency risk on transactions, receivables and borrowings that are denominated in a currency other than the Euro. As a result, exchange gains or losses may arise on the realisation of amounts receivable and the settlement of amounts payable in currencies which are not Euro-denominated.

The Issuer's financial statements, which are presented in Euro, can be affected by foreign exchange fluctuations through both: translation risk, which is the risk that the financial statements for a particular period or as of a certain date depend on the prevailing exchange rates of the various currencies against the Euro; and transaction risk, which is the risk that the currency of the costs and liabilities fluctuates in relation to the currency of its revenue and assets, which fluctuation may adversely affect its operating performance.

The occurrence of any of the risks specified herein, or an increased level of concern in relation thereto, could have a material adverse effect on the business, financial condition, results of operations and prospects of the Group.

2.3 Risks relating to the Group's Financing and Investment Strategies

2.3.1 The Group may not be able to realise the benefits it expects from investments made in its properties under development

The Issuer's business, either directly or through Subsidiaries or associated entities, consists of the acquisition, development, and operation of mixed-use real estate projects, comprising hotels, residences, offices and retail spaces. Property acquisition and development projects are subject to a number of specific risks, including the inability to identify appropriate opportunities or source adequate resources, cost overruns, insufficiency of resources to complete the projects, sales transactions not materialising at the prices and tempo envisaged resulting in a liquidity strain, rental of commercial areas not being effected at the prices and within the timeframes envisaged, higher interest costs, and the erosion of revenue generation. If these risks were to materialise, they would have an adverse impact on the Issuer's revenue generation, cash flows and financial performance.

Renovating, refurbishing or otherwise improving existing properties to maintain the standards of the Corinthia Brand, and acquiring and developing new and commercially viable properties, is key to the Group's business and growth strategy. The development and, or improvement of the Group's properties in the future presents a number of risks, including: market disruption or oversupply, which may result in the Group being unable to achieve appropriate room rates or sell residential units at the prices it anticipates, potentially requiring changes in the Group's pricing strategy that could result in significant losses or charges; and construction delays, cost overruns, lender financial defaults or "acts of God" such as earthquakes, hurricanes, floods or fires, which could increase overall project costs or result in project cancellations.

Furthermore, the Group is subject to various counter-party risks, including the risk of counter-parties, such as contractors and subcontractors engaged in the demolition, excavation, construction and finishing of developments in which the Group may be involved, and prospective lessors and, or purchasers defaulting on their obligations with the Group. Such parties (which may include both third parties as well as related parties) may default or fail to perform on their obligations to the Group due to insolvency, lack of liquidity, market or economic downturns, operational failure or other reasons which are beyond the Group's control. If such risks, many of which are common to the real estate industry, were to materialise, they could have an adverse impact on the Group's revenue generation, cash flows and financial performance.

The Group's ability to realise the full benefits that it expects from investments made in properties will depend in turn on its ability to assess and minimise these risks in an efficient and cost-effective manner. No assurance can be given that the Group will be able to deal with these risks in an efficient and cost-effective manner.



2.3.2 The Group may not be able to obtain the capital it requires for development or improvement of existing or new properties on commercially reasonable terms, or at all

The Group may not be able to secure sufficient financing for its current and future investments. No assurance can be given that sufficient financing will be available on commercially reasonable terms or within the timeframes required by the Group, also taking into account the need, from time to time, for the Group's hotel properties to undergo renovation, refurbishment or other improvements in the future. Any weakness in the capital markets may limit the Group's ability to raise capital for the completion of projects that have commenced or for the development of future properties. Failure to obtain, or delays in obtaining, the capital required to complete current or future developments and refurbishment projects on commercially reasonable terms, including increases in borrowing costs or decreases in loan availability, may limit the Group's growth and materially and adversely affect its business, financial condition, results of operations and prospects.

In addition, the Group may be exposed to a variety of financial risks associated with the unpredictability inherent in financial markets, including market risks, credit risk and interest rate risk, all of which could have adverse effects on the financial performance of the Group. Specifically, interest rate risk refers to the potential changes in the value of financial assets and liabilities in response to changes in the level of interest rates and their impact on cash flows. The Group may be exposed to risks associated with the effects of fluctuations in the prevailing levels of market interest rates on its financial position and cash flows if any future borrowings are made under bank credit facilities set at variable interest rates. Although in such a case the Group seeks to hedge against interest rate fluctuations, this may not always be economically practicable.

Furthermore, the possibility of hedging may become more difficult in the future due to the unavailability or limited availability of hedging counter-parties. An increase in interest rates which is not hedged may have a material adverse effect on the Group's business, financial condition and results of operations.

2.3.3 The Group may not be able to realise the benefits it expects from acquisitions, joint ventures, investments and strategic alliances

The Group has been involved in a number of acquisitions, joint ventures, investments and strategic alliances, the most recent transactions being: the signing of a memorandum of understanding with Jeddah Central Development Company in March 2023 to explore cooperation in developing and operating assets within the Jeddah Marina district and the signing of a hotel management agreement in May 2023 to operate a luxury resort in the Maldives (see sections 5.2 and 5.3 of this Registration Document for further detail on the key investments made by the Group). In addition to the foregoing, the Corinthia Group has made several investments, including: (i) in April 2021 CHL signed an agreement for the management and operation of a luxury Corinthia hotel to be redeveloped in New York, and (ii) in December 2022, CHL signed an agreement for the management and operation of a luxury Corinthia hotel to be built in Diriyah. The Group expects to continue to enter into similar transactions as part of its long-term business strategy. Such transactions involve significant challenges and risks, including, the transaction failing to achieve the Group's business strategy; the Group not realising a satisfactory return on the investment; the potential occurrence of difficulties in integrating new employees, business systems, and technology; or the transaction diverting management's attention from the Group's other businesses.

The success of acquisitions, joint ventures and strategic alliances will depend in part on the Group's ability to provide efficient integration from an operational and financial point of view. It may take longer than expected to realise the full benefits from transactions, such as increased revenue, enhanced efficiencies, increased market share, and improved market capitalisation, or the benefits may ultimately be smaller than anticipated or not realised at all. In addition, making such acquisitions requires significant costs for legal and financial advice and can take management's focus away from achieving other strategic objectives.

There is no assurance that these risks or other unforeseen factors will not offset the intended benefits of any transaction, in whole or in part.

2.3.4 The Group's indebtedness could adversely affect its financial position

The Group has a material amount of debt, amounting to *circa* €644 million, and it expects to incur additional debt in connection with its future growth in terms of acquisitions and developments. The Group is also dependent on the Issuer's ability, where applicable, to successfully roll over its current bonds listed on the Official List of the MSE. A substantial portion of the Group's generated cash flows will be required to make principal and interest payments on the Group's debt. Substantial borrowings under bank credit facilities are expected to be at variable interest rates, which could cause the Group to be vulnerable to increases in interest rates.

The agreements regulating the Issuer's bank debt may impose significant financial covenants on the Issuer. These covenants could limit the Issuer's ability to obtain future financing, make capital expenditure, withstand a future downturn in business or economic conditions generally or otherwise inhibit the ability to conduct necessary corporate activities.

A substantial portion of the cash flow generated from the Subsidiaries' operations is utilised to repay their debt obligations pursuant to the terms of the facilities provided. The financial covenants to which such facilities are subject give rise to a reduction in the amount of cash available for distribution to the Issuer which would otherwise be available for funding of the Issuer's working capital, capital expenditure, development costs and other general corporate costs, or for the distribution of dividends. The Issuer may in certain cases also be required to provide guarantees for debt contracted by its Subsidiaries. Defaults under financing agreements could lead to the enforcement of security over property, where applicable, and, or cross-defaults under other financing agreements.

2.4 Business and Operational Risks

2.4.1 *Risks common to the hospitality and tourism industry*

The Group's operations in the hospitality and tourism industry and the results thereof are subject to a number of internal and external factors that could adversely affect its business, many of which are common to the hospitality and tourism industry and beyond the Group's control.

The following factors may have a negative impact on the Issuer's and the Group's business in the hospitality and tourism industry:

- a) changes in travel patterns or seasonal variations, as well as consumer preferences concerning price, quality, location, and type of hospitality packages, any increase in or the imposition of new taxes or surcharges or other expenses relating to air travel and fuel, and cutbacks and stoppages on airlines or sea travel routes bound for countries in which the Group operates hotels, as well as the imposition of travel restrictions, bans or other measures by the relevant authorities which could have a bearing on the number of visitors arriving at such destinations;
- b) changes in laws and regulations affecting directly or indirectly the Group's property (re-)development business, including with respect to zoning and planning, health and safety, environmental concerns, and fiscal policies, as well as the related costs of compliance;
- c) changes in laws and regulations affecting directly or indirectly the tourism and hospitality industry;
- d) increases in operating costs due to general market conditions, inflation, employment costs, workers' compensation and healthcare related costs, utility costs, increased taxes and insurance costs which could impact margins and could therefore impact the viability (or otherwise) of the operations of the Group;
- e) socio-demographical changes (ageing markets, family life-cycles and changing structures), and economic changes (recessions, increase in oil prices and exchange rates); and
- f) changes in the sales terms and conditions of main sales channels, the respective fees and commissions payable to online travel agents, the termination, non-renewal and, or the renewal on less favourable terms of agreements entered into with local or international intermediaries, or other material agreements such as management or operation agreements, services agreements, travel agent or platform booking agreements, and other distribution channel agreements;

The impact of any of these factors (or a combination thereof) may adversely impact room rates and occupancy levels at the Group's hotels, or otherwise cause a reduction in its revenue or profitability, which could have a material adverse effect on the Issuer's and the Group's business, financial condition and results of operations.

2.4.2 *The Group's key senior personnel and management have been and remain material to its growth*

The Group believes that its growth is partially attributable to the efforts and abilities of the members of its executive management team and other key personnel. If one or more members of this team were unable or unwilling to continue in their present position, the Group might not be able to replace them within the short term, which could have a material adverse effect on the Group's business, financial condition and results of operations.

In common with many businesses, the Group will be relying heavily on the contacts and expertise of its senior management teams and other key personnel. Although no single person is solely instrumental in fulfilling the Group's business objectives, there is no guarantee that these objectives will be achieved to the degree expected following the possible loss of key personnel. The loss of the services of any of the key personnel could have, in the short term, a material adverse effect on the Group's business.

2.4.3 *Litigation risk*

All industries, including the real estate development industry, are subject to legal claims, with or without merit. Defence and settlement costs can be substantial, even with respect to claims that have no merit. Due to the inherent uncertainty of the litigation



and dispute resolution process, there can be no assurance that the resolution of any particular legal proceeding or dispute will not have a material adverse effect on the Group's future cash flow, results of operations or financial condition.

2.4.4 The Group's insurance policies

Historically, the Group has maintained insurance at levels determined by the Group, following advice from industry experts, to be appropriate in the light of the cost of cover and the risk profiles of the business in which the Group operates. With respect to losses for which the Group is covered by its policies, it may be difficult and may take time to recover such losses from insurers. In addition, the Group may not be able to recover the full amount claimed from the insurer. No assurance can be given that the Group's current insurance coverage would be sufficient to cover all potential losses, regardless of the cause, nor can any assurance be given that appropriate coverage would always be available at acceptable commercial rates.

2.4.5 Competition risk

The business of the Group is susceptible to strong and increasing local and global competition, influenced by a variety of determining factors including price, variety and quality of services, availability, reliability, after-sales service and logistical arrangements, and the fluctuations in demand and supply in respect of both competing or substitute goods and services. A decline in the relative competitive strength of the Group could adversely affect the Group's results of operations, financial condition, and prospects.

In particular, the Group may be compelled by the strength of its competitors that are able to supply goods and services at lower prices, to reduce its own prices. The ability of the Group to maintain or increase its profitability will in turn be dependent on its ability to offset such decreases in prices and margins of its goods and services.

2.4.6 The Group's reliance on non-proprietary software systems and third-party information technology providers

To varying degrees, the Group is reliant upon the efficient and uninterrupted operations of its computer systems, software and telecommunications networks, access to the internet, as well as the systems and services of third parties for the running of its business and is exposed to the risk of failure of such systems. Whilst the Group has service agreements and disaster recovery plans with third party providers of these systems to ensure their continuity and stability, there can be no assurance that the service or systems will not be disrupted. Disruption to those technologies or systems and, or lack of resilience in operational availability could adversely affect the efficiency of the Group's business, financial condition and, or operating results.

2.4.7 A significant portion of the Issuer's operating expenses are fixed, which may impede them from reacting quickly to changes in revenue

A significant portion of the Issuer's costs are fixed and the Issuer's operating results are vulnerable to short-term changes in revenue. The Issuer's inability to react quickly to changes in revenue by reducing operating expenses could have a material adverse effect on its business, financial condition and results of operations.

2.4.8 Liquidity risk

The lack of liquidity and alternative uses of real estate investments could significantly limit the Issuer's ability to respond to adverse changes in the performance of its properties thereby potentially harming their respective financial condition. Furthermore, the Issuer's ability to sell, in a timely fashion, one or more of its properties in response to changing economic, financial and investment conditions, is limited.

The real estate market is affected by many factors, such as general economic conditions, availability of financing, interest rate movements and other factors, including supply and demand, that are beyond the Issuer's control.

2.4.9 The Issuer is exposed to the risk of failure of the Group's proprietary reservations system and increased competition in reservations infrastructure

The Group has its own proprietary central reservation system to serve as a central repository for all the Group's hotel room inventories. The system provides an electronic link between multiple sales channels, including Group websites, third-party internet intermediaries and travel agents, Group reservation offices and the Group's hotels. Lack of resilience or failure of the central reservation system could lead to service disruption and may result in significant interruption in processing room bookings and reservations, which could negatively impact revenues. There can be no assurance that the continued stability of this system will not be disrupted. In addition, inadequate investment in this system or failure to maintain an effective e-commerce strategy may adversely affect the Group's competitiveness and its market share, thereby materially adversely affecting the business, financial condition, results of operations and prospects of the Issuer.

2.4.10 *Risks relating to the failure to implement environmental, social and governance considerations in the Group's business model*

There is a growing expectation for enterprises to implement sustainability risks and consider sustainability factors in their day-to-day management and decision-making process. With an increased emphasis on environmental, social and governance (“ESG”) considerations at global level, the implementation of sustainable factors in the Issuer’s business model is likely to come under increased scrutiny by investors, regulators, and the public at large. ESG considerations for the purposes of the Group’s business may include, but are not limited to, energy performance, energy and resource efficiency, waste management, energy and water use, the use of renewables, as well as social and employment considerations of workers and the health and safety thereof.

In particular, risks relating to the impact of climate change, through physical and transitional channels, including but not limited to, physical risks related to severe weather events, the rise in sea level, and other natural disasters; and transition risks attributable to regulatory, technological, and market or pricing changes, could have economic, operational and financial impacts on the Group, and accordingly the failure by the Group to manage these risks over the short, medium, and long term could have a material adverse effect on the Group’s business operations, financial performance and prospects.

From a governance perspective, risks may arise relating to lack of skilful management or good governance within the Group and the inadequacy of proper control. Said risks cover a wide spectrum of areas including financial crime, regulatory compliance, fraud, systems, and processes which would in turn affect income and capital. Failure to manage these risks may result in negative impacts on the Group’s business and reputation.

Should the Group fail to operate its business in each sector in a sustainable manner, the failure to implement sustainable factors in the Group’s business operations may also have a material adverse effect on the Group’s reputation and the Corinthia Brand, as well as its relationship with clients, suppliers, business partners, and other stakeholders. This in turn may have a material adverse impact on the Group’s business activities, revenues, financial condition, and operations.

2.5 Legal, Regulatory and Compliance Risks

2.5.1 *Risks relating to the collection, processing and storage of personal data*

Whenever personal data is collected, processed and stored by the Company and the Group, the activity conducted is subject to the rules governing the processing of personal data in terms of the Data Protection Act (Cap. 586 of the laws of Malta), subsidiary legislation issued thereunder and the General Data Protection Regulation (GDPR) (EU) 2016/679 (“GDPR”).

The Issuer and the Group are subject to a number of obligations concerning the processing of personal data under such regulation which if breached, could result in the Company being liable to fines that could affect the financial position of the Company. To this end, the Group has appointed a Group Data Protection Officer who is the liaising person for data subjects and the regulator.

Breach of data privacy legislation could result in the Group being subject to claims by its customers, for infringement of privacy rights. Should any such claims be brought, the Group could face administrative proceedings (including criminal proceedings) initiated against it by data protection regulators which could result in penalties of up to the higher of €20 million or 4% of Group turnover. In addition, any inquiries made, or proceedings initiated by the relevant regulator, could lead to negative publicity which could materially adversely affect its reputation and, as a result, its business, earnings and, or financial condition. The more restricted ability to collect and use personal data in a way that is of commercial use to the Group could also adversely impact the Group’s business.

2.5.2 *Risks relative to changes in laws*

The Group is subject to taxation, environmental and health and safety laws and regulations. As with any business, the Group is at risk in relation to changes in laws and regulations and the timing and effects of changes in the laws and regulations to which it is subject, including changes in the interpretation thereof which cannot be predicted. No assurance can be given as to the impact of any possible judicial decision or change in law or administrative practice after the date of the Prospectus upon the business and operations of Group companies.

3. IDENTITY OF DIRECTORS, SENIOR MANAGEMENT, ADVISORS AND AUDITORS OF THE ISSUER

3.1 Directors of the Issuer

As at the date of this Registration Document, the Board of Directors is constituted by the following persons:

Name	Designation	Date of Appointment
Alfred Pisani I.D. Card: 126839M	Chairman and Executive Director	29 March 2000
Frank Xerri de Caro I.D. Card: 122646M	Senior Non-Executive Director	2 July 2004
Hamad Mubarak Mohd Buamim Emirati Passport N.: A2555282	Independent Non-Executive Director	31 December 2013
Douraid Zaghouni French Passport N.: 13FV17960	Non-Executive Director	3 November 2014
Joseph Pisani I.D. Card: 672637M	Non-Executive Director	22 December 2014
Moussa Atiq Ali Libyan Passport N.: PF1J3Z48	Non-Executive Director	23 July 2021
Richard Cachia Caruana I.D. Card: 139255M	Senior Independent Non-Executive Director	9 June 2022
Mohamed Mahmoud Alzarouq Shawsh Libyan Passport N.: AB517189	Independent Non-Executive Director	4 July 2022
Alfred Camilleri I.D. Card: 0404059M	Independent Non-Executive Director	13 June 2023

The business address of the Directors is the same as that of the Issuer.

The *curriculum vitae* of each of the Directors are set out in section 7.1.4 below.

3.2 Company Secretary of the Issuer

The Company Secretary of the Issuer is Mr Jean-Pierre Schembri (I.D. Card: 0573281M). The business address of the company secretary is the same as that of the Issuer.

3.3 Senior Management of the Issuer

The Chairman, the Chief Executive Officer, and other senior members of the executive team, are responsible for the Issuer's day to day management. Alfred Pisani is the Chairman of the Company. Simon Naudi holds the post of Chief Executive Officer. Neville Fenech holds the post of Group Chief Financial Officer. Clinton Fenech is the Company's General Counsel.

3.4 Responsibility and Authorisation Statement

The Directors are the persons responsible for the information contained in this Registration Document. To the best of the knowledge and belief of the Directors (who have all taken reasonable care to ensure such is the case), the information contained in this Registration Document is in accordance with the facts and does not omit anything likely to affect the import of such information. The Directors accept responsibility accordingly.

This Registration Document has been approved by the MFSA as the competent authority in Malta for the purposes of the Prospectus Regulation. The MFSA has only approved this Registration Document as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation and such approval should not be considered as an endorsement of the Issuer and, or the Bonds.

3.5 Advisors to the Issuer

The persons listed hereunder have advised and assisted the Directors in the drafting and compilation of the Prospectus:

Legal Counsel to the Issuer

Name: Camilleri Preziosi
Address: Level 3, Valletta Buildings, South Street
Valletta VLT 1103, Malta

Sponsor

Name: M.Z. Investment Services Limited
Address: 63, M.Z. House, St. Rita Street
Rabat RBT 1523, Malta

Financial Advisors

Name: PricewaterhouseCoopers
Address: 78, Mill Street, Zone 5, Central Business District,
Qormi CBD 5090, Malta

Manager and Registrar

Name: Bank of Valletta p.l.c.
Address: 58, Zachary Street,
Valletta VLT 1130, Malta

3.6 Auditors of the Issuer

Name: PricewaterhouseCoopers
Address: 78, Mill Street, Zone 5, Central Business District,
Qormi CBD 5090, Malta

The annual statutory consolidated financial statements of the Issuer for the financial years ended 31 December 2020, 2021, and 2022 were audited by PricewaterhouseCoopers. PricewaterhouseCoopers is a firm of certified public accountants holding a warrant to practice the profession of accountant in terms of the Accountancy Profession Act (Cap. 281 of the laws of Malta). The Accountancy Board registration number of PricewaterhouseCoopers is AB/26/84/38.



4. INFORMATION ABOUT THE ISSUER

4.1 Historical Development of the Issuer

Full legal and commercial name of the Issuer	International Hotel Investments p.l.c.
Registered address	22, Europa Centre, Floriana FRN 1400, Malta
Place of registration and domicile	Malta
Company registration number	C 26136
Legal Entity Identifier ('LEI')	529900LVB0R279MUX376
Date of registration	29 March 2000
Legal form	The Issuer is lawfully existing and registered as a public limited liability company in terms of the Act.
Telephone number	+356 21 233 141
Email	ihi@corinthia.com
Website	www.corinthiagroup.com

Unless otherwise incorporated by reference herein, the information on the Issuer's website does not form part of the Prospectus.

The Issuer was established and promoted by the Corinthia Group as the principal vehicle for the international expansion of the Group's hotels and mixed-use developments.

In 2000, following a successful initial public offering, the Issuer's shares were listed on the Official List. As at the date hereof, CPHCL holds directly 57.81% of the issued share capital of the Issuer, whilst Istithmar and LAFICO both act as strategic investors in the company with direct holdings of 21.69% and 10.85% respectively. The remaining shares in the Issuer are held by the general investing public. LAFICO also owns 50% of CPHCL, whilst up to approximately half of its direct holding of 10.85% in the Issuer is subject to a call option in favour of CPHCL.

4.2 Organisational Structure and Major Assets of the Group

The Group's organisational structure has expanded over the years in line with the Group's development phases and growth. The Group's organisational structure allows the Issuer to keep the strategic direction and development of the Group as its primary focus, whilst allowing the respective boards and management teams of the Subsidiaries to focus on achieving the Group's operational objectives. CHL, the hotel management company, provides the necessary support, expertise and guidance to the Subsidiaries with respect to the operation of each hotel.

The Group has adopted an autonomous organisational structure for each hotel property and operation. The Group's philosophy is based on the ownership of each hotel property through a company established in the jurisdiction where the hotel is located.

As the holding company of the Group, the Issuer is ultimately dependent upon the operations and performance of its Subsidiaries and their respective operations.

The following diagram summarises the structure of the Group and the position of the Issuer within the Group:



The following table provides a list of the principal assets and operations of the Issuer as at 30 June 2023:

International Hotel Investments p.l.c.

Principal Assets and Operations as at 30 June 2023

Name	Location	Description	% ownership	No. of hotel rooms
Corinthia Hotel Prague	Czech Republic	Property owner	100	539
Corinthia Hotel Budapest	Hungary	Property owner	100	439
Corinthia Hotel Tripoli	Libya	Property owner	100	300
Commercial property Tripoli	Libya	Property owner	100	n/a
Corinthia Hotel St George's Bay	Malta	Property owner	100	248
Marina Hotel St George's Bay	Malta	Property owner	100	200
Radisson Blu Resort St Julians	Malta	Property owner	100	252
Radisson Blu Resort & Spa Golden Sands	Malta	Property owner	100	338
Corinthia Palace Hotel & Spa	Malta	Property owner	100	147
Corinthia Hotels Limited	Malta	Hotel management	100	n/a
QPM Limited	Malta	Project management	100	n/a
CDI Limited	Malta	Project development	100	n/a
Corinthia Catering and Catermax	Malta	Event catering	100	n/a
Corinthia Oasis	Malta	Vacant site <i>(to be developed)</i>	100	n/a
Costa Coffee	Malta	Retail catering	100	n/a
Corinthia Hotel Lisbon	Portugal	Property owner	100	518
Pinheiro Chagas	Portugal	Residential apartment block	100	n/a
Corinthia Hotel St Petersburg	Russia	Property owner	100	388
Commercial property St Petersburg	Russia	Property owner	100	n/a
Craven House <i>(commercial property)</i>	United Kingdom	Property owner	100	n/a
Benghazi Development	Libya	Mixed-use property <i>(to be developed)</i>	55	n/a
Corinthia Grand Astoria Hotel Brussels*	Belgium	Property owner <i>(under development)</i>	50	126
Corinthia Hotel & Residences London*	United Kingdom	Property owner	50	283
Medina Tower	Libya	Mixed-use property <i>(to be developed)</i>	25	n/a
Corinthia Hotel & Residences Moscow	Russia	Property owner <i>(development on hold)</i>	10	n/a

3,778

* *under control and management of IHI*

5. BUSINESS OVERVIEW

IHI carries on the business of an investment company in connection with the ownership, development and operation of hotels, residential and commercial real estate. The Company holds investments in subsidiary and associate companies through which it furthers the business of the Group.

The entire issued share capital of the Issuer is listed on the Official List of the Malta Stock Exchange.

5.1 Principal Activities

Since its incorporation in 2000, the Group has achieved the following milestones:

- 2000: IHI was incorporated on 29 March 2000 and immediately acquired the Corinthia Hotel situated in St George's Bay, Malta, and the derelict shell of the Grand Hotel Royal in Budapest.
- 2001: IHI acquired the four star Alfa Hotel in Lisbon, including four unfinished floors, on 16 August 2001.
- 2002: IHI acquired the Corinthia Hotel, St Petersburg on 16 January 2002 together with adjoining buildings for development.
- 2003: IHI closed the Alfa Hotel, Lisbon on 24 February 2003 for refurbishment and extension.
- 2004: IHI inaugurated the Corinthia Hotel, Budapest on 30 April 2004. The Corinthia Hotel, Lisbon re-opened as a five star hotel on 1 May 2004.
- 2006: IHI inaugurated 26 penthouse apartments situated at the Corinthia Hotel, Budapest.
- 2007: IHI acquired, in May 2007, the Corinthia Hotel, Prague, and the Corinthia Hotel & Commercial Centre, Tripoli.
- 2008: IHI completed, in May 2009, the extension of the Corinthia Hotel, St Petersburg by increasing the inventory by a further 105 bedrooms, together with a retail mall and office complex.
- 2009: In April 2009, IHI and its joint venture partners acquired the landmark Metropole Building and 10, Whitehall Place in London from the Crown Estate and initiated plans to develop a luxury hotel and 12 residential apartments.
- 2011: The Corinthia Hotel, London commenced operations in April 2011 while the residential apartments achieved practical completion in November 2012 (in March 2014, 11 of the 12 residential apartments were sold on the open market, whilst the remaining penthouse apartment was sold in August 2021).
- 2012: IHI acquired the Marina Hotel in St. Julian's, Malta, on 13 February 2012.
- 2015: In the second half of 2015, IHI acquired the IHGH Group, owner of the five-star Radisson Blu Resort in St Julian's and joint owner of the Radisson Blu Resort & Spa, Golden Sands. The IHG group assets also included Island Caterers Ltd and the "Costa Coffee" franchise in Malta and the East of Spain.
- 2016: In April 2016 NLI acquired the entire issued share capital of Hotel Astoria S.A., the company owning the derelict Grand Hotel Astoria in Brussels.
- 2017: IHI and IHGH merged by way of amalgamation to the effect that IHI acquired all the assets and liabilities of IHGH. As a result of the merger, IHGH was struck-off the Registry of Companies.
- 2018: IHI acquired the Corinthia Palace Hotel & Spa business in Attard through a newly formed subsidiary from its ultimate parent CPHCL.
- 2018: NLI converted 22 rooms at the Corinthia Hotel London into 11 suites.
- 2019: IHI purchased the entire issued share capital and the businesses of Corinthia Caterers Limited (formerly named FCCL Limited) and Catermax Limited.
- 2019: IHI purchased a 10% shareholding in the entire issued share capital of the companies owning the land lease and buildings at 10 Tverskaya Street, Moscow.
- 2019: IHI Benelux B.V. commenced the development of a derelict building with a footprint measure *circa* 1,500 square meters into a car park and office space behind the Corinthia Hotel St Petersburg.
- 2019: CHL entered into a preliminary lease agreement for a building in Rome opening in 2024
- 2021: CHL engaged to operate and manage a hotel building in New York City once it reopens in 2024 following extensive refurbishment set to result in 97 guest rooms including 33 suites, five signature suites and 12 luxury residences.
- 2021: Group acquired the remaining 50% shareholding in GSR.
- 2022: CHL entered into an agreement to operate a hotel, residential serviced villas, and five dining outlets under development at Diriyah expected to be concluded in 2026.
- 2022: CHL entered into an agreement to operate the Verdi Hotel on the Strand, Gzira, Malta.
- 2023: CHL entered into an agreement to operate a luxury resort in the Maldives expected to be concluded in 2026.

Revenue and earnings are derived primarily from the operation of owned hotels. A secondary source of income and earnings is rental income of residential and commercial premises, particularly in Tripoli and St Petersburg. Additional revenue streams include fees earned by CHL, a wholly owned Subsidiary of IHI, through fees earned from hotels owned by IHI itself or managed pursuant to management contracts with CPHCL and other third parties, project managements services provided through QP, and catering services provided through "Corinthia Caterers", "Catermax", and "Costa Coffee". As at the date of this Registration Document, CHL manages 12 hotels (11 operational and one under development) owned (fully or partly) by the Group, two hotels owned by CPHCL, and seven third party properties (two operational and five under development).



Hotels to be managed by CHL	Owner	Opening Date
Corinthia Hotel Bucharest	Third Party	Opening 2024
Corinthia Hotel Rome	Third Party	Opening 2024
Corinthia Hotel New York	Third Party	Opening 2024
Corinthia Grand Astoria Hotel Brussels	50% owned through NLI	Opening 2024
Corinthia Hotel & Residences Doha	Third Party	Opening 2025
Corinthia Hotel & Residences Riyadh	Third Party	Opening 2025
Corinthia Hotel Maldives	Third Party	Opening 2026
Corinthia Oasis	100% owned through Corinthia Oasis	Opening 2026

QP, a wholly owned subsidiary of IHI, primarily generates fee income from project management, architectural, structural and other similar services. QP offers a range of project construction, mechanical and electrical engineering, building services, valuation and cost management services to a number of international clients in various countries. It provides services to the Group as well as to its third-party client base. On 12 September 2016 the Issuer increased its stake in QP from 20% to 100%.

The remainder of this section provides a timeline of key investments made by the Group, further information in respect of the more recent of which may be found in sections 5.3 and 5.4 below:

(i) Libya

In 2010, MTJSC was set up for the purpose of owning and developing the Medina Tower. The shareholders of MTJSC are MIH, IHI, AUCC and AHCT, having a shareholding of 25% each. The parcel of land over which this project will be developed measures *circa* 13,000m² and is situated in Tripoli’s main high street. The architectural concept stems from a four-storey podium that will include a mix of residential, retail, commercial and conference space. A curved tower rises from the sixth level and peaks at the 40th level, where a double height restaurant will complete the project. The development will comprise a total gross floor area of *circa* 199,000m². The project designs of the Medina Tower are complete and all development approvals had been obtained from the relevant authorities.

As to the financing of the project, the equity contribution for the first phase of this project is already fully paid up and will comprise 40% of the capital requirements of the said project. The remaining 60% of funding will be derived from a Libyan financial institution in terms of a sanction letter that has been approved and signed, but now needs to be reactivated. Whilst Libya is presently stable, political uncertainty continues to persist, however notwithstanding the fact that the project is still formally on hold management has re-engaged with the relevant authorities in anticipation of its prospects improving.

In addition to the aforementioned proposed project in Libya, IHI has a 55% equity participation in Libya Hotel Development and Investment JSC, a company set up in Libya that acquired a derelict building formerly known as the El-Jazeera Hotel and adjoining site in Benghazi, Libya. The remaining 45% equity participation in “Libya Hotel Development” and Investment JSC is held by LAFICO. “Libya Hotel Development” and Investment JSC will eventually develop a mixed-use project consisting of a 228-room five-star hotel, 2,000m² of retail space and 10,000m² of office space.

Works on the project in Benghazi are still on hold.

(ii) Belgium

On 11 April 2016, NLI acquired the entire issued share capital of the Belgian hotel-owning company, Hotel Astoria S.A., resulting in the acquisition by NLI of the Grand Hotel Astoria in Brussels.

(iii) Romania

In March 2018, CHL entered into a management agreement with the owners of the property formerly known as the Grand Hotel du Boulevard to manage, once redeveloped, as the Corinthia Hotel Bucharest. Pursuant to the above signing, QP has since been engaged by the property owners to manage the development in all technical aspects. Design development of the regeneration of this listed property is complete and a sample suite has been completed for review and snagging by the owner and works are expected to be completed in 2024. The new hotel will feature 30 luxury suites as well as the fully restored grand ballroom and various dining and leisure venues.

(iv) Russia

In February 2019, IHI acquired a 10% minority share for US\$5.5 million in a company formed with a consortium of investors to acquire a landmark property 10 Tverskaya Street, Moscow. The acquisition was made with a view to developing the site, covering a gross area of 43,000m², into a mixed-use real estate project consisting of a 42-room boutique luxury Corinthia Hotel, 109 upmarket residential serviced apartments for re-sale, high-end retail and commercial outlets, and underground parking. In light of the ongoing conflict between Russia and Ukraine, this project has been put on hold until further notice.

(v) Italy

In October 2019, CHL entered into a preliminary lease agreement relating to the lease of a building being redeveloped into a 60-room ultra-luxury hotel in central Rome. The property, being the former seat of the Bank of Italy in Parliament Square, was acquired and is being funded through its extensive reconstruction and refurbishment by a third-party investor. CDI has been contracted to support in the delivery of the project while CHL shall manage the hotel upon its opening. Works are at an advanced stage and the hotel is expected to be developed and completed by the year 2024. In terms of the preliminary lease agreement, the owner of the property undertook to grant the lease upon the completion of the development of the property into a hotel and the necessary permits for the operation of the hotel being obtained.

(vi) Qatar

In October 2020, CHL entered into an agreement with United Development Company (“UDC”), the Qatari owner and master developer of The Pearl in Doha, to manage and operate a luxury Corinthia hotel to be built in UDC’s newest flagship real estate development, Gewan Island. The Corinthia Hotel Doha will be built on a site having an area of 13,000m² and will feature 110 guestrooms, a 1,000-person banquet hall, several restaurants and a luxurious spa facility. The development will also include luxury branded villas, a golf course, and a beach and yacht club, all of which will be managed by CHL

(vii) Malta

Corinthia Palace Attard - In April 2018, IHI acquired the Corinthia Palace Hotel & Spa in Attard through a newly formed subsidiary from its ultimate parent CPHCL. The operating results and assets and liabilities of the acquired business have been consolidated as from 1 April 2018. Since its acquisition, IHI embarked on a significant improvement to the hotel’s amenities and food and beverage facilities. In 2022 the Issuer appointed the services of an interior designer to provide interior design services and fixtures, furniture and equipment schemes in relation to a refurbishment and upgrade of the Corinthia Palace Attard. The schemes include the areas of the Villa and its terraces, the main hotel lobby, and a number of executive suites.

Radisson Blu Resort & Spa Golden Sands - The Radisson Blu Resort & Spa Golden Sands commenced operations in October 2005 and is located on a cliff’s edge overlooking Golden Bay beach on the northern coast of Malta. IHI fully owns the Golden Sands resort, having increased its holding from 50% to 100% in February 2021. Title to the site is in the form of temporary utile dominium which expires in 2114. The five-star resort comprises a total of 338 keys, various food and beverage outlets and is equipped with a 1,000m² spa and leisure centre, four pools, a tennis court and a private sandy beach.

In FY2020, the Radisson Blu Resort & Spa Golden Sands ceased the vacation ownership sales operations and placed the Azure Resorts Group into liquidation. Existing timeshare members will continue to enjoy their entitlement until the end of the term in 2045.

As at the date of this Prospectus, Corinthia Oasis holds, under title of emphyteusis a plot of land measuring 83,000m² located adjacent to the Radisson Blu Resort & Spa, Golden Sands, Malta. The property is earmarked for the development of a low-rise 162-key resort hotel, supported by a top-tier wellness centre, food and beverage outlets, as well as 25 detached hotel-serviced villas and bungalows and a host of ancillary resort amenities in a mixed-use luxury tourist complex.

On 1 June 2022, CHL entered into a 12-year hotel management agreement with the owner of the Verdi Hotel on the Strand, Gzira. The Verdi Hotel is ultimately owned by LAMHCO. The hotel has 106 rooms including food and beverage facilities.

Furthermore, revenue is also generated from retail, events and conference catering business in Malta, and the operation of “Costa Coffee” outlets in Malta. In this respect, in 2019, the Issuer acquired the entire issued share capital and the businesses of Corinthia Caterers Limited and Catermax Limited from CPHCL Company Limited.

(viii) United States of America

In April 2021, CHL entered into a hotel management agreement in relation to a building being redeveloped into a 97-room ultra-luxury hotel in downtown New York City. Once it opens in 2024, following extensive refurbishment, the hotel will include 97 guest rooms including 33 suites, five signature suites and 12 luxury residences.



(ix) Saudi Arabia

In October 2022, CHL entered into a technical and pre-opening services agreement and a 20-year hotel management agreement in relation to a hotel to be built as part of the Diriyah Gate development project. Diriyah Gate is a US\$20 billion heritage and tourism project spearheaded by Diriyah Gate Development Authority which will be home to 100,000 people and aims to attract 25 million visitors annually. The Corinthia Hotel Diriyah will be an ultra-luxury venue comprised of 80 hotel rooms and suites and ten residences, located on the main luxury shopping street of the newly redeveloped historic city. The hotel is expected to open in 2026.

(x) Maldives

In May 2023, CHL entered into a hotel management agreement in relation to a 73-key resort to be built on a lagoon in Kaafu Atoll, Maldives. Once it opens in 2026, the resort will consist of an aquatic-inspired architecture with the main pavilion and independent water-edge villas on the main island and wellness facilities on the smaller island. The resort will include multiple restaurants operated with internationally renowned brands, water sports and jetty access, staff accommodation and full ancillary supporting facilities.

5.2 Business Development Strategy

The Group's business continues to recover from the COVID-19 pandemic. The rate of this recovery is varied among the jurisdictions in which the Group operates, owing to external factors that are clearly not within the control of the Group's management, including the differing economic situation in each territory. While full recovery will require some time, the Group's management continues to oversee all developments in the jurisdictions in which the Group operates and has issued clear instructions to curtail costs efficiently and recover the losses suffered during the pandemic.

The Group's business strategy is to focus on achieving positive and sustainable financial results, and appreciation in the value of the Group's properties and investments. In the execution of the Group's strategy, management aims to provide a high-quality service at each hotel and treat customers to a unique hospitality experience. Through the provision of a better quality offering the brand value is further enhanced, and occupancy levels and average room rates are improved. Moreover, it enables the Group to target higher-yielding customers, in particular those from the leisure and conference & event segments.

Electronic booking portals have become an important source for generating room reservations. In this respect, the Group is continuously optimising its website 'Corinthia.com', developing further its online reservation system and investing in online marketing.

From a cost perspective, the outcome of the pandemic and the consequences of the war in Ukraine has caused an increase in inflation which has adversely impacted operating costs, mainly higher payroll, energy bills and an increase in cost of supplies. Management took this as an opportunity to reassess the Group's cost structures and implement better controls over operating costs and energy-efficient measures.

At the time of this Registration Document, the Group's business strategy is based on three main pillars, these being: (i) the maximisation of revenue and profitability from its hotel operations and other businesses, (ii) the disposal of non-core properties and other properties which are mature in terms of gains to be made and properties which do not fit the Corinthia Brand standards, and (iii) putting the Corinthia flag on luxury third-party-owned properties and being ready to have a minority investment in such properties when the right opportunity presents itself. The Group aims to grow its business in line with these pillars through:

Acquisitions, joint ventures, and developments

Management remains active in growing the Group's portfolio of hotel and mixed-use properties by acquisition, particularly if these entail a potential for capital appreciation.

Furthermore, other mixed-use properties described in section 5.4 below earmarked for development in the coming years, are expected to generate positive returns for the Group. Management remains active in the pursuit of new investment opportunities, if available at attractive prices and subject to funding, and in the case of investment through joint ventures, subject to agreeing mutually acceptable terms with existing or prospective partners.

In 2016, the Issuer launched CDI, a development company with a remit to plan and execute acquisitions and developments in the hotel and real estate sector, whether for the Company or third parties. CDI has originated various off-market projects, in cities and resorts such as Moscow, New York, Miami, Rome, Bucharest and Cannes. Even though some of the projects might not be fully realised, the ability of CDI to tap on and originate real estate projects and raise external funding from renowned institutional investors worldwide, augurs well for the future of this company. CDI is currently project managing the re-development in Rome.

In 2019, CHL acquired a 10% shareholding in GHA. Since the said acquisition, it increased its shareholding in GHA to 13.1% and as at the date of December 2022 it's shareholding stands at 11.8% as a result of additional entities becoming shareholders. GHA is a company that owns the Global Hotel Alliance of which CHL has been a member alongside 39 other hotel participant brands in addition to its separate shareholding in the platform. The ownership of GHA comprises founding shareholders Kempinski, Omni and Oracle, Pan Pacific, Minor Hotels and a Small World.

GHA has demonstrated impressive growth, adding luxury brands consistently, with a current member base of 40 upmarket and luxury brands or 800 upmarket and luxury hotels in 100 countries, and total discovery members of 24 million. Members within the alliance are members of, and have exposure to, the Corinthia Brand. GHA provides a low-cost full service loyalty program, GHA DISCOVERY, on a unique multi-brand technology platform, allowing brands to retain loyal customers and attract new business from members enrolled by other brands around the world.

In 2023, IHI signed a memorandum of understanding with the Jeddah Central Development Company (“JCDC”), the master developer of the “Jeddah Central” development. The memorandum of understanding provides a basis to explore cooperation in developing and operating assets within the Marina District. The memorandum of understanding establishes a framework for QP and CHL to develop and operate assets within the Marina District. The Marina is part of the Jeddah Central 95-kilometre waterfront on the Red Sea. The Marina will serve as a gateway to the city on the Red Sea coast, creating a thriving residential marine community, hotels, including recreational facilities, retail outlets, restaurants, and cafes.

Management contracts

The Group is intent on shifting added focus to growing the provision of management services and the Corinthia Brand to third party hotel developers and owners. When originally set up, CHL's activities were limited to the management of hotels that were owned by the Corinthia Group. CHL has in the last few years signed hotel management agreements with third party owners to operate hotels in Doha, Bucharest, Rome, New York, Riyadh, and the Maldives. CHL continues to actively pursue the negotiation and conclusion of a number of management agreements with third party hotel owners and it is expected that this company shall accelerate its growth path significantly in the forthcoming years. The ultimate objective is that many more hotels, in Europe and beyond, are operated by the Corinthia Brand and will carry the Corinthia flag.

Where attractive opportunities arise, the Group, through CHL, will seek to expand its portfolio of hotels under the Corinthia Brand by entering into agreements to manage hotels for third party owners. Management believes that the strength of the Corinthia Brand, its reservation system and online presence, and the quality of its existing operations, place it in a good position to establish such relationships, which are expected to gather momentum in the short to medium term. This diversification is aimed at improving the Group's profitability, cash generation capabilities and return on investment, as well as reducing the overall risk profile of the Issuer.

Asset divestment

The Group's strategic plan also comprises the divestment of assets located in secondary markets and that have achieved their mature stage of development, to maintain appropriate levels of cash flow, to fund future growth opportunities and, or to create value for shareholders. To this end, the Group has once again put the Corinthia Hotel in Prague on the market. The sale of this property had almost been completed, however the deal had come to a halt due to the COVID-19 pandemic.

Acquisition of intellectual property

During 2018, CHL acquired rights to use the Corinthia Brand in all respects. The acquired rights are in addition to the rights previously held by IHI on the acquisition of the Corinthia Brand in 2010. The Corinthia Brand is recognised in the statement of financial position as an intangible asset amounting to €21.9 million (FY2023: €21.9 million).

IHI has taken active steps to protect the significant goodwill that has become inherent in the Corinthia name and has registered its intellectual property rights in several jurisdictions. The Corinthia Brand acquisition has proved to be an important part of the Group's strategy to capitalise on the re-positioning of the Corinthia Brand as a global luxury hotel brand.

Moreover, the Group is seeking to expand into the upper 4-star and lower 5-star segment. This second brand will be called Verdi Hotels and shall initially be set up as an extension of the Corinthia Hotels management platform, however the intention is to establish Verdi Hotels as a stand-alone business. The Group is in the final stages of registering the name Verdi Hotels worldwide and a new team, separate to that of CHL, is being assembled. The first operations under this new brand will be rolled out in 2024.

5.3 ESG Strategy

The Group has further taken a strategic decision to intensify and holistically coordinate its sustainability efforts and has thereby introduced a new role: Head of Sustainability. The Head of Sustainability will be responsible for building on the Group's sustainability policies and initiatives, whilst creating a consolidated, structured, and measurable approach towards fulfilling the Group's ESG obligations. This role



will be fundamental for the Group to develop a sustainability strategy, covering all areas of organisational conduct by developing a framework within which action plans will be established for each business unit, and a methodology for the measurement of progress will be introduced. The Head of Sustainability will oversee the establishment of a small action team within each business unit to execute, control, monitor, measure, and report sustainability activity, and will communicate with all internal stakeholders as well as engage with external consultants to assist in setting up and enhancing the quality of the deliverables. Overall, the Head of Sustainability is responsible for driving the Group's sustainability agenda, ensuring that sustainability is embedded in the Group's culture and operations to deliver tangible results that contribute to a more sustainable future. In order to improve the sustainability of the organisation, the Issuer and its Subsidiaries will continuously identify the pertinent topics that fall under each of the three main pillars of ESG and update the holistic strategy to tackle them simultaneously.

5.4 Principal Investments

Presently, the Group's principal investments are as described hereunder:

(a) Corinthia Oasis Project (formerly known as the Hal Ferh Project)

Corinthia Oasis, a subsidiary of IHI, holds an 83,000m² site located on the north-west coast of Malta (the "Hal-Ferh Site") under title of emphyteusis. The Hal-Ferh Site was granted to IHGH in 2009 under title of perpetual emphyteusis. The perpetual utile dominium over the site was subsequently acquired by Corinthia Oasis. In 2020, the said company acquired the perpetual directum dominium from the Government of Malta and redeemed the ground-rent to which the site was subject, resulting in the site being held on a freehold basis. In terms of the deed of emphyteusis, the site may be used for tourism development which includes accommodation, ancillary and supporting facilities. Said deed permitted the continued use of the site for hospitality and, furthermore, included a mechanism for the owner to convert a portion of the area to other uses, including allowance for a partial change in land-use in order to include a pre-determined volume of residences, whilst retaining tourism as the principal use.

In July 2021, the Group submitted a revised planning application to the Planning Authority (PA/5420/21), for the development of a resort over the Hal-Ferh Site. Such application is currently being assessed by the Planning Authority. The regeneration project will include a 162-key luxury resort hotel, a top-tier spa and wellness centre, 25 low-rise detached hotel-serviced villas, and a host of ancillary resort amenities. The total development volume amounts to 25,000m², of which 16,000m² is allocated to the resort and 9,000m² to the residential component. Design is at an advanced stage and a permit is expected to be in hand by the end of 2023.

As part of the project, Corinthia Oasis completed in 2022 an adjacent 330-space public car park for use by the local community, administered by the Scouts Association. The resort's own parking requirements will be catered for via an underground carpark located within the site itself and by parking facilities located under the residences.

Demolition works, clearance of site, carting away and dumping of material, in line with planning authority permit requirements have been completed, as originally issued under permit with number PA/03134/19. Such preparatory works are also included in the abovementioned permit (PA/5420/21). These works were funded through a bond issue pursuant to a prospectus dated 28 October 2021.

The Issuer has approved a pre-contract programme of works for the "Corinthia Oasis" project, in terms of which, works would be expected to be completed within 2.5 year term from commencement. Commencement of such works is subject to financing of development costs, which are expected to amount to approximately €30-35 million.

(b) Brussels

The Grand Hotel Astoria was built in 1910 by a Belgian aristocratic family and by the time it was acquired by its last owners in 2007 it was being operated as a 126-room hotel. Upon its acquisition by the hotel's former owners in 2007, it was closed with a view to carry out extensive refurbishment. In 2016 IHI, with its partners, acquired the building and set its sights on re-developing the building into a 126-bedroom property with a reconfigured bedroom inventory, to ensure that all bedrooms are larger than 45m², of which 30% will be junior suites or suites.

A planning permit was issued in December 2017 for the restoration of the historic ground floor and façade of the original hotel, as well as the reconstruction of all upper floors, adjoining land and town houses. The permit is a major gain in additional volumes and floors, for a total built up area of 16,000m². All non-historic, dangerous structures and areas have since been carefully demolished in close collaboration with the local authorities and agreement has been reached on a methodology for the rebuilding of the property and renovation of all historic areas of the ground floor and the imposing, listed façade. A local contractor was appointed for the main construction contract in December 2020 and has since set up the super structure. QP is charged with project management, whilst the corporate resources of IHI, CHL and CDI are collectively providing services as owner's representatives and operators, handling all matters of financing, contracting, oversight, value engineering and design signoffs.

Once completed, it is expected that the new hotel will offer unrivalled amenities for the city of Brussels, including a fully restored grand ballroom, an 850m² spa, various dining venues, boutique meeting facilities and high-end retail shops.

In June 2023, IHI drew up a revised cost estimate for the main construction contract relating to the project, at a fixed lump sum capped at €69.5 million, whereas when combined within the entire construction budget inclusive of all furniture, fixtures and equipment costs, professional fees and contingencies, variations and inflation related pressures that triggered during the COVID-19 pandemic and intensified during the post Ukraine crisis impacting the project, is costed out at an aggregate of €106 million. The funding required for this project is already in place and consists of a combination of debt funding and contributions from shareholders.

The refurbishment of the Grand Hotel Astoria will add another key destination to the Corinthia Brand's growing portfolio. In June 2023 a revised programme of works was agreed with completion having been reset with an opening as the Corinthia Brussels in June 2024.

(c) Corinthia Hotel Lisbon

Alfa Investimentos Lda (a fully-owned Subsidiary of the Company) owns the 518-room five-star Corinthia Hotel located in Lisbon, Portugal ("**Corinthia Hotel Lisbon**"), which was acquired in 2001 for €45 million. The Corinthia Hotel Lisbon required significant renovation and following extensive refurbishment was re-opened in May 2004. A fresh renovation programme is under way at the Corinthia Hotel Lisbon, at an estimated cost of €14 million. The refurbishment started in November 2016 and is due for completion in the last quarter of 2023. The refurbishment is in its final stages and the majority of the works have already been paid.

(d) Corinthia Palace Hotel & Spa Malta

On 10 April 2018, CPHCL (the ultimate parent company of the Group) transferred the 150-room five-star Corinthia Palace Hotel & Spa located in Attard, Malta, to IHI. In 2018, the Group initiated an extensive refurbishment of the hotel and a complete transformation of the spa and gym facilities, at a total cost of €7.1 million. The refurbishment is ongoing and being carried out in a manner so as not to unduly interfere with the hotel operation. Approximately €5 million of the costs to refurbish the Corinthia Palace Hotel & Spa Malta was raised from a bond issue pursuant to a prospectus dated 28 October 2021.

(e) Corinthia Hotel Rome

By virtue of a binding preliminary lease agreement signed in October 2019 with Reuben Brothers (a prominent private equity, real estate investment and development, and debt financing entity), Reuben Brothers undertook to lease a building to CHL following its development into a 60-room ultra-luxury hotel in central Rome upon the completion of the development of the building into a hotel and the issue of the relevant permits to operate the hotel. The property is situated in the former seat of the Central Bank of Italy in Parliament Square. The 7,000m² property will be converted into a luxury destination, featuring a number of suites and top of the range bedrooms. Two restaurants, bars, lounges, a spa and other amenities will wrap around a central garden forming part of the property. Once granted, the lease of the hotel is for a period of 25 years with a potential extension of a further five years. The rent payable by CHL is fixed with a reference to a percentage of revenue, with a guaranteed minimum of €6.1 million per annum as of the fifth year of operation.

CDI, by virtue of a development management agreement entered into with the owners of the property, Reuben Brothers, has assumed responsibility for the management of the development of the hotel in return for a fee. Internal strip out, asbestos removal and demolitions were completed in 2022 and a main contractor was engaged in the same year. CHL has recruited a general manager for the hotel in anticipation of its opening and has embarked on a recruitment programme in anticipation of its opening in June 2024.

The estimate cost for the development of the project is €50 million, which amount will be incurred by Reuben Brothers as owners of the property. In 2022, the lease arrangements were revised to the extent that the owner decided to take on responsibility for all cost overruns on the project in exchange for revising the minimum guarantee on rent. As a result, CHL's capital contribution has since been pushed out to the opening date and expects to incur €9 million in costs as lessee of the property, which will be used to finance: (i) the pre-opening budget costs, including, for the recruitment of personnel, marketing and concessions; (ii) the acquisition of supplies and operating equipment; and (iii) a capital expenditure contribution towards the general cost of works for the development of the hotel. The €9 million required to be funded by CHL were financed through the net bond proceeds of a bond issue pursuant to a prospectus dated 28 October 2021.

(f) The Corinthia Hotel New York: an investment in the Corinthia Brand

A subsidiary of CHL incorporated in Delaware (CHL Surrey Inc.) has entered into a 25-year hotel management agreement with the owner of a luxury Upper East Side hotel in New York City. The building was acquired by the private equity firm Reuben Brothers in 2020 and is to undergo extensive refurbishment to reopen in 2024 as a Corinthia Hotel. Once renovated, the hotel will have

97 guest rooms including food and beverage facilities, a spa and gym and 12 luxury residences. By virtue of the management agreement, CHL is appointed as the sole and exclusive manager of the hotel to provide management services and to supervise, direct and control the management and the marketing of the hotel. The management agreement provides for an initial term of 25 years from commencement of operation subject to an extension.

In terms of the management agreement, CHL is required to make a payment of a premium of USD 10.5 million. USD 0.5 million was paid on the signing of the management agreement. The amount of USD 10 million is payable when the hotel opens in March 2024. An amount of €8 million in financing for this project was raised by means of a bond issue pursuant to a prospectus dated 28 October 2021.

(g) Craven House

In August 2022, CHL completed the acquisition of a central London office block, Craven House, for a purchase price of £9.5 million. CHL had been renting space within the building in the five years preceding the acquisition. The property is located across the road from the Corinthia Hotel London and lies at the eastern end of Northumberland Avenue, occupying a prominent position, at the junction of Craven Street and Northumberland Avenue.

The property benefits from good transport links, with Charing Cross and Embankment Stations within proximity and Waterloo station within a short walking distance. The property is also within short walking distance to Covent Garden, providing leisure, retail, restaurants and theatres.

The property, which although not listed falls within the Trafalgar Conservation Area, occupies a prominent corner site with dual aspect and is comprised of basement, ground (lower and upper), first to sixth floors, with access to all floors provided either by the main stairs, or a four-passenger lift. The offices are a mixture of open plan, meeting rooms or cellular in configuration, over a total floor area of 9,431 square feet. The property is a freehold building.

The Group has vacated the building to make way for a refurbishment thereof and will return at end September 2023 when the complete refurbishment is expected to be completed and ready for occupancy by CHL on the top four floors whilst the rest of the building is expected to be tenanted to third parties. The funding required for the refurbishment is being financed through own funds.

5.5 Management Contracts under the Corinthia Brand

CHL is a full-service management company with in-house skills and capabilities supporting the Corinthia Brand and operations. It has a track record of driving performance improvements across the Corinthia Group's existing assets and of third parties. It ensures consistent service levels and performance across the properties and is scaled to support future growth of Corinthia. CHL currently manages and, or is involved in the development of 12 hotels (11 operational and one under development) owned (fully or partly) by the Group, two hotels owned by CPHCL, and seven third party properties (two operational and five under development).

CHL's management contracts are entered into and structured for a 20-year term, with key commercial terms including management fees based on total turnover, marketing and reservation fees based pm room revenue, and incentive fees based on total turnover. It is an efficient use of capital and resource with minimal capital outlay required for each new management contract and a cost-effective way to gain in-depth knowledge of various markets.

The most recent management contracts of the Group are described hereunder:

(a) Corinthia Hotel & Residences Doha

In October 2020, CHL entered into an agreement with United Development Company ("UDC"), the Qatari owner and master developer of The Pearl in Doha, an offshore collection of reclaimed islands on which a spectacular city comprising commercial, yachting, hospitality, social and residential developments are now largely complete and occupied, save for one island, the Gewan Island, to be managed and operated as a luxury Corinthia hotel resort. CHL has been entrusted to guide the design development and eventually manage a series of properties on Gewan, including a Corinthia Hotel, Golf Club, Beach Club, Yacht Club, residential villas for sale and more recently, on the main island of the Pearl, a serviced residential tower to be built comprising 150 units of varying sizes for sale and lease. The Corinthia Hotel resort will be built on a site having an area of 13,000m². The development will also include luxury branded villas, a golf course, and a beach and yacht club, all of which will be managed by CHL. CHL has a team on the ground including a General Manager and is of late focused on the Yacht Club, which opened its doors in October 2022. Throughout the year under review, CHL also supported and brokered deals to bring international brands to the development including Solymar beach club of Mykonos, Kai restaurant of Mayfair, London, La Mome of Cannes and the Monaco Yacht Club under whose patronage the Corinthia Yacht Club has been awarded "la Belle Classe" status.

(b) Corinthia Hotel Diriyah

In October 2022, CHL entered into a technical and pre-opening services agreement and a 20-year hotel management agreement with Diriyah Gate Company Limited ("DGCL"), a company incorporated under the laws of the Kingdom of Saudi Arabia and committed to

delivering the Diriyah Gate development project. Diriyah Gate is a US\$20 billion heritage and tourism project spearheaded by Diriyah Gate Development Authority. The development will be home to 100,000 people and aims to attract 25 million visitors annually. It will comprise museums, shopping, restaurants and hotels and will be a world-class hub for education, recreation, culture, retail and hospitality. DGCL is fully owned by the Saudi Arabia Public Investment Fund, the government of Saudi Arabia's sovereign wealth fund, which has made a commitment to inject into DGCL funds to ensure that DGCL can fulfil its commitments and obligations, including the Diriyah Gate development, which, amongst other hotel developments, includes the Corinthia Hotel Diriyah. The Corinthia Hotel will be an ultra-luxury venue, located on the main luxury shopping street of the newly redeveloped historic city and surrounded by several other luxury hotels. The Corinthia property will have a built-up area of 28,662m² spread across three basements and three floors above ground level and which will comprise approximately 80 hotel rooms and suites and ten residences which will have access to hotel services. Under the hotel management agreement, the owner has undertaken to open by October 2026.

(c) Corinthia Hotel Maldives

In May 2023, CHL entered into a technical and pre-opening services agreement and a hotel management agreement in relation to a resort to be built on a lagoon known as Lagoon 19 located in Kaafu Atoll, Maldives. Works on the first phase of the reclamation of the development of the resort have been completed. The resort, to be known as the Corinthia Maldives, will feature a 73-key resort structured as an island resort extending on a main island of *circa* 124,000m² and a second exclusive island of *circa* 15,000m² being reclaimed over a submerged atoll, in proximity of Male. Once it opens in 2026, the resort will consist of an aquatic-inspired architecture with the main pavilion and independent water-edge villas on the main island and wellness facilities on the smaller island. The resort will include multiple restaurants operated with internationally renowned brands, water sports and jetty access, staff accommodation and full ancillary supporting facilities.

6. TREND INFORMATION AND FINANCIAL PERFORMANCE

6.1 Trend information

The following is an overview of the most significant recent trends affecting the Issuer and the markets in which the Group operates:

(a) Hungary¹

Hungary's GDP contracted and inflation spiralled upward in the second half of 2022 as the economy was exposed to higher commodity prices, weaker external demand and tighter financing conditions. Lower energy prices and an expected disinflation are set to trigger a gradual recovery as from the second half of 2023. The budget deficit is projected to remain elevated, reflecting high expenditure levels and the impact of lasting revenue-decreasing measures adopted in recent years. Hungary's economy entered into a recession in the second half of 2022, as the impact of higher energy prices and monetary tightening took hold. Investment fell, while consumption and export growth also slowed down. Real GDP contracted by 0.4% q-o-q in 2022-Q4, and monthly indicators point to a further drop in 2023-Q1.

Annual GDP growth is forecast to slow down from 4.6% in 2022 to 0.5% in 2023, and then pick up to 2.8% in 2024 supported by lower energy commodity prices and an expected disinflation. Consumption is projected to decline in 2023 but return to growth in 2024, driven by developments in real income. Investment is set to remain muted throughout the forecast horizon due to low demand, tight financing conditions and fiscal consolidation efforts. Exports are projected to slow down in 2023 but pick up in 2024, in line with external demand, and supported by ongoing foreign direct investment projects. On the other hand, weaker domestic demand is set to hold back imports throughout the forecast horizon, ensuring a positive contribution of net exports to GDP growth. The agricultural sector contributed negatively to growth by 1.1% of GDP in 2022 due to severe droughts, but the recovery of crop yields is set to boost GDP this year, mainly through inventory accumulation.

Higher energy prices worsened the current account balance to -8.2% of GDP in 2022. The recent fall of commodity prices and the moderation of import demand are expected to reverse this development, and the current account is projected to improve to -2.8% by 2024. Labour demand remained resilient during the economic slowdown of recent quarters and the unemployment rate rose only modestly to 4.1% in 2023-Q1. It is projected to rise to 4.2% on average in 2023, to then fall back to 4.0% in 2024. Shortages of skilled workers are expected to persist, exacerbated by population ageing. Nominal wage growth is set to remain robust, in line with limited labour market slack and high inflation. For 2023, wage growth is also boosted by a 16% minimum wage hike. Real wages are currently declining due to high inflation, but they are expected to rise again as from autumn 2023.

HICP² inflation appears to have peaked at 25.9% in 2023-Q1, following the phase-out of the motor fuel price cap in December 2022. The inflation rate is set to ease in the subsequent quarters, driven by base effects, lower commodity prices, the recent currency appreciation and weak consumer demand. The annual average inflation rate is projected to increase from 15.3% in 2022 to 16.4% in 2023, and then drop to 4.0% in 2024. The forecast assumes that the price cap on certain basic food items is not extended again beyond June 2023, and that residential utility prices remain unchanged. Downside risks to the growth outlook stem from a sudden increase in the country risk premium which might also constrain fiscal policy, and from the exposure of the economy to a potential spike in energy prices. Upside risks to inflation are related to a potentially looser fiscal policy stance, high wage growth in a tight labour market, and the de-anchoring of inflation expectations.

¹European Economic Forecast – Spring 2023 (European Commission Institutional Paper 200 May '23).

²Harmonised Index of Consumer Prices measures the changes over time in the prices of consumer goods and services acquired by households.

(b) Russia³

Russian real GDP contracted by 2.1% in 2022, reflecting the adverse economic impact of its war of aggression against Ukraine and the international sanctions. The GDP fall was driven by a slump in exports, despite Russia's ability to redirect its oil exports to new willing buyers, albeit at a discount, and by a decrease in private consumption, amid declining real incomes and outward migration. Companies' inventories were substantially depleted due to import restrictions. The main impetus came from public consumption and investment boosted by demand from the military production and logistics sectors as companies strived to establish new trading routes and supply chains.

Nominal wages are expected to outpace inflation in 2023 due to labour market pressures stemming from partial mobilisation and outward migration. However, private consumption is set to remain depressed, reflecting ongoing war-related uncertainty. Public funds are expected to continue supporting new domestic production capacities to back import substitution policies, additional infrastructure to facilitate a trade shift towards the east, and military production. Nevertheless, investment activity is not expected to retain the pace of the previous year as projects commenced before the war are coming to the completion phase and new private investment is limited by declining profits, departure of Western companies and persisting uncertainty. The ongoing fiscal stimulus is forecast to fully offset these negative developments, with domestic demand having a neutral contribution to growth.

The EU's diversification of gas supplies away from Russia coupled with its embargo on seaborne oil and refined oil products, are expected to hinder export recovery as Russia is unlikely to fully replace lost markets. Imports are projected to recover only gradually amid ongoing sanctions and a weakening rouble reflecting deterioration of the current account surplus on the back of easing energy prices. Net exports are hence set to pose a negative drag on growth. Overall, real GDP is forecast to contract by 0.9% in 2023.

As the economy gradually adjusts to the sanctions, a modest recovery of 1.3% is projected in 2024. However, international isolation and the pivot towards a war economy are expected to channel resources to less productive sectors, weighing negatively on future potential output.

Amid ongoing high war-related uncertainty, the balance of risks to the growth outlook is deemed to be tilted to the downside. Significant negative risks stem from a possible new wave of mobilisation, which could further exacerbate pressures on the labour market, and stronger enforcement of sanctions against Russia's aggression of war against Ukraine, which could hinder production in some sectors more than currently foreseen.

After a spike in April 2022, inflation continued easing and averaged 13.7% in 2022. This allowed the Central Bank of Russia to reduce its benchmark rate from 20% to 7.5% in September 2022. With the post-invasion price shock moving into the baseline, inflation is forecast to decline to 6.4% in 2023 and to drop further to 4.6% in 2024. Elevated inflation expectations and inflationary risks stemming from high fiscal spending, deteriorating terms of trade amid a depreciating rouble, and wage pressures reflecting a tight labour market are expected to limit the room for loosening monetary policy despite the fragile economic outlook.

(c) Portugal⁴

After a strong rebound in early 2023, economic growth is set to weaken in the second quarter of the year and to pick up again thereafter. Headline inflation is projected to moderate although wage adjustments amid record high employment are expected to keep pressure on prices of services. After narrowing to 0.4% of GDP in 2022, Portugal's general government deficit is forecast to improve to 0.1% of GDP in 2023 and 2024.

Economic activity picked up at the beginning of 2023, helped by a further increase in tourism. GDP growth is estimated at 1.6% (q-o-q) in 2023-Q1, strongly up from the rates recorded in the previous three quarters. However, domestic demand remained weak, as private consumption was constrained by the decline in purchasing power of households in previous quarters and investors were confronted with higher interest rates. The external sector was the major growth driver in 2023-Q1, benefiting from the recovery in global supply chains and a very strong increase in tourism visits, in particular from North America. The steep recovery in Portugal's water reservoirs also supported the external balance, as the rebound in domestic hydropower production reduced import demand for electricity and natural gas.

Economic growth is projected to weaken in 2023-Q2 and to pick up again in the following quarters against the backdrop of a gradual recovery in households' real disposable income and private consumption. Investment growth is also set to improve, as the drop in global commodity prices and the recovery in global supply chains, along with the expected inflows of EU funds, are projected to outweigh the negative impact of higher interest rates. In full-year terms, real GDP growth is forecast to slow down from 6.7% in 2022 to 2.4% in 2023 and 1.8% in 2024.

³ European Economic Forecast – Spring 2023 (European Commission Institutional Paper 200 May '23).

⁴ European Economic Forecast – Spring 2023 (European Commission Institutional Paper 200 May '23).

In the external sector, exports are projected to rise much faster than imports in 2023 due mainly to the strong performance in tourism. In 2024, imports are projected to grow somewhat faster than exports in line with the recovery in private consumption and investment. In normal terms, Portugal's external balance is forecast to benefit substantially from the drop in energy prices in 2023 and higher prices in tourism, leading to a marked improvement in the current account balance. The unemployment rate improved from 6.6% in 2021 to 6.0% in 2022. However, the monthly figures increased in late 2022 and early 2023, driven by a strong rise in job-seeking activity while employment grew only marginally. Both employment and activity rates reached record high levels in early 2023 amid rising wage pressures. In annual average terms, unemployment is forecast at 6.5% in 2023 and 6.3% in 2024 amid a moderate increase in employment and real wages, broadly compensating employees for the loss of purchasing power in 2022.

After reaching a historic high of 10.2% (y-o-y) in 2022-Q4, HICP inflation moderated to 8.4% (y-o-y) in 2023-Q1. The reduction was largely driven by lower energy prices while food prices remained elevated. Inflation is set to moderate further over the forecast horizon, driven initially by the energy price index and later by food and non-industrial goods. In 2023, the moderation in food prices is also supported by a suspension of VAT rates for essential food products effective from 18 April until end-October. Overall, inflation is forecast at 5.1% in 2023 and 2.7% in 2024. Core inflation is expected to move somewhat above the headline rate, as the projected recovery in real incomes will weigh on prices of services, which are also set to moderate but at a softer pace.

(d) Czech Republic⁵

Following moderate economic activity in 2022, real GDP growth in Czech Republic is forecast to decelerate to 0.2% in 2023, due to elevated price pressures amid tight domestic financial conditions. The inflation rate is set to remain close to 12% in 2023 but to decline to 3.4% in 2024. The general government deficit is still affected by energy support measures in 2023, but it is forecast to decline to 3% in 2024.

Czech Republic's real GDP grew by 2.5% in 2022, driven by investment and increased inventories, while dampened by weak household consumption amid lower consumer confidence and the tighter financial situation of Czech households. Economic activity is expected to remain subdued over the first half of 2023, with real GDP growth in the first quarter estimated at 0.1% q-o-q, mainly on the back of foreign demand amid low domestic consumption. Annual GDP growth is forecast to slow to 0.2% in 2023, and to recover to 2.6% in 2024, reaching pre-pandemic output levels at the end of 2023.

Despite several fiscal stimulus measures, household consumption declined for five consecutive quarters until the end of 2022 and is expected to remain subdued also in 2023. Declining real disposable income and tightening financing conditions are the key factors. Household consumption is forecast to start increasing during 2023. In line with developments in real income, household consumption is projected to become the main driver of real GDP growth in 2024 together with foreign demand.

Investment activity picked up significantly in 2022 and is expected to remain the key growth driver in 2023, significantly supported by EU structural and RRF funds. At the same time, the tight financial conditions and persistent labour shortages are expected to weigh on business investment growth over the forecast horizon. The easing of supply chain problems is set to have a positive impact on exports, which are projected to increase in 2023 and 2024. Weaker domestic demand is set to hold back imports in 2023. While imports are expected to rebound in 2024, a positive contribution of net exports to GDP growth is forecast over the forecast horizon. This outlook is subject to high uncertainty, most notably, in relation to the risks of further disruptions of energy markets given the energy intensity of the Czech economy.

Labour demand remained resilient to the economic slowdown in recent quarters and the unemployment rate declined to 2.2% in 2022. It is forecast to remain low in 2023, around 2.8%, and to decline to 2.6% in 2024. Shortages of skilled workers are set to persist. Despite the tight labour market, real wages are still projected to decline in 2023, as nominal wage growth lags behind inflation. Real wages are expected to increase by 3.2% in 2024 amidst recovering economic activity.

Headline inflation appears to have peaked at 18% in 2023-Q1, following the phase-out of the savings tariff on energy prices, which was not fully offset by a cap on electricity and gas prices introduced by the Czech government. Energy prices are expected to decline in 2023-Q2 and remain stable afterwards. The inflation rate is set to decrease, driven mainly by base effects, accompanied by lower commodity prices, recent currency appreciation and weak consumer demand. The annual average inflation rate is projected to decelerate from 14.6% in 2022 to 11.9% in 2023 and to then drop further to 3.4% in 2024 on the back of a decrease in energy costs and related spill-over effects. This forecast assumes that the price cap on energy is phased out in December 2023. The economic outlook remains sensitive to energy commodity prices and financing conditions.

(e) Libya⁶

The delay of national elections originally scheduled for December 2021, with no agreement on the new dates nor on the legal and constitutional basis for these proposed elections, has brought a return to political division in Libya. The confirmation of a new government cabinet by the eastern-based House of Representatives in February 2022 has returned Libya to a state of institutional division with two parallel government administrations in the east and west. Competition between rival governments led to the blockade and shutdowns of oil facilities and armed clashes in the capital.

⁵ European Economic Forecast – Spring 2023 (European Commission Institutional Paper 200 May '23).

⁶ <https://www.worldbank.org/en/country/libya/overview#1>

Political and security tensions could hinder the economic rebound registered in 2021. Oil production in the second quarter of 2022 averaged 0.88 million barrels per day, 33% less than during the first quarter. Soaring international oil prices improved the fiscal surplus during the first eight months of 2022 to 13% of 2021 GDP, excluding spending of the National Oil Corporation, compared to 7% during the same period in 2021. The trade balance surplus grew by 72% in nominal USD terms during the first five months of 2022 compared to the same period in 2021. Foregone oil revenues due to the blockade of oil facilities amounted to around USD4 billion. At the beginning of the third quarter of 2022, oil production resumed at one million barrels per day.

Political uncertainty in Libya will likely slow down economic recovery. If the country could sustain current levels of oil production and exports, it will benefit from increasing global oil prices, translating into higher fiscal revenues and more significant inflows of hard currency. This will positively impact its growth and its fiscal and external balances. Transparent and accountable management of Libya's oil revenues and public spending will be critical to ensure that the country's wealth benefits the population. However, positive economic performances depend on the improvement of political and security conditions. Other shocks to the global economy, or shocks to global commodity prices, would adversely affect Libya's economic activity and household welfare.

(f) United Kingdom⁷

The UK economy is expected to see a modest contraction in 2023, as household real incomes continue to fall and consumption and external demand soften, while business investment remains weak. A mild recovery is foreseen in 2024, as inflation continues to ease and growing employment and rising real wages boost household real incomes. At the same time, the labour market is tight, core inflation is high, and potential output is growing only slowly. Persistence in core inflation is a key downside risk.

The UK economy grew by 4.1% y-o-y in 2022 but this largely reflected the very large statistical carryover (of 3.6%) from 2021. Growth stagnated after March 2022, under the impact of higher energy prices and worsening sentiment in the wake of Russia's invasion of Ukraine. The tight labour market and government fiscal transfers to offset higher energy costs have helped underpin household consumption, which grew by 5.6% in 2022, despite a 2% fall in household real disposable incomes.

Alongside many EU economies, UK high frequency data improved in early 2023, with PMIs (Purchasing Managers' Index) picking up (notably for services) and consumer confidence improving, though from low levels. Monthly GDP data also suggest that output in 2023-Q1 has remained steady despite widespread expectations of a contraction. Household consumption is expected to show no growth in 2023 overall, as real wages continue to fall, and higher interest rates feed through into higher mortgage costs. Consumption is projected to start to gradually pick-up in the second half of 2023 and into 2024 as lower energy prices feed through with the adjustment of regulated price caps from July.

Higher interest rates are expected to lead to a fall in residential and business investment in 2023, with business investment seeing only a modest pick-up in 2024. Export and import volumes are both set to decrease in 2023, with net exports providing a positive contribution to overall growth. Goods exports were significantly inflated in 2022 by large exports of precious metals that are projected to taper off sharply, while services exports will be limited by the weak global outlook. Services imports are expected to normalise somewhat after a surprising bounce in 2022, given the weakness of domestic demand. Relatively rapid growth in government consumption and investment are expected to provide support in 2023, and to a lesser extent in 2024. Overall, UK GDP growth is forecast to contract by 0.2% in 2023 and then rise by 1% in 2024.

The labour market remains tight. While employment was still 100K below pre-pandemic levels in 2022-Q4, the labour force had fallen by around 280K, and unemployment at year end was just 3.7%. Unemployment is expected to edge up in 2023 and 2024 as employment growth slows below the growth in labour supply, fuelled in part by higher migration, largely from outside the EU. Potential output growth in the UK has been lower than the EU average for some years and is estimated at 0.8% in 2022. This reflects not only a fall in labour market participation, but also the stagnation of business investment in recent years and weak underlying productivity growth.

Inflation rose sharply in 2022, from 5.5% in January to a peak of 11.1% in October and slowed only marginally thereafter, to 10.1% in March 2023. The core inflation rate was 6.2% in March, only slightly down from the peak of 6.5% in October 2022. As inflation has picked up, wage growth has also accelerated, with private sector nominal wages growing by 6.6% in both January and February 2023. The Bank of England raised policy rates steadily from 0.25% in early 2022 to 4.25% in March 2023 and markets have priced in further tightening. Lower energy prices are expected to reduce headline inflation significantly in coming quarters, but the outlook for core inflation is less clear, given the high pace of nominal wage growth and the tight labour market.

(g) Malta⁸

The Maltese economy grew by 7.1% in real terms in 2022, driven by strong private domestic demand and investment as well as the better-than-expected recovery in tourism. Furthermore, the unemployment rate remained low at 3% of the labour supply despite the high level of inflation which stood at 6.1%.

⁷ Economic Forecast – Spring 2023 (European Commission Institutional Paper 200 May '23).

⁸ Central Bank of Malta – 'Outlook for the Maltese Economy', 24 August 2023.

Economic growth is projected to ease to 3.7% in 2023 and stabilise at 3.6% in both 2024 and 2025. Net exports are expected to be the main contributor to growth in 2023 reflecting the projected decrease in imports (following the upsurge of investment equipment in 2022) as well as the growth in exports. The rate of growth in government consumption expenditure is also projected to increase, to 4.2% from 2.4% in 2022, and stabilise near the 4% level in 2024 and 2025. On the other hand, the rate of growth in private consumption expenditure is anticipated to slow to 4.3% from 9.8% in 2022 and remain close to the 4% level in both 2024 and 2025. This slowdown reflects the normalisation of consumer demand following the strong post-pandemic recovery, as well as slower growth in real disposable income due to high inflation. The latter is projected to ease to 5.9% in 2023 and drop further to 3.1% and 2.3% in 2024 and 2025 respectively. In parallel, however, the unemployment rate is projected to remain very low and only increase marginally to 3.1% by 2025.

Despite the upsurge in inflation, pandemic-related savings are expected to remain a catalyst to private consumption. Nevertheless, the saving ratio is envisaged to retreat from 28.8% in 2022 to 26.1% in 2025 which would be close to the level prior to the outbreak of the pandemic.

Investment is projected to decline by 21.9% in 2023 before registering a growth of 1.5% in 2024 and 2.7% in 2025. Private investment is expected to contract by around 26% in 2023, mostly reflecting the extraordinary outlays in the aviation sector in 2022. Furthermore, both residential and non-residential construction are projected to contract in 2023 reflecting a softening in sentiment across this sector. Growth in private investment is projected to stand at 3.5% and 3.1% for 2024 and 2025 respectively.

After dropping by around 8.5% in 2022, government investment is projected to grow by 4.3% in 2023, decline by 7.2% in 2024, and grow again by 0.8% in 2025. These dynamics are partly driven by the expected take up of EU funds, notably the full absorption of funds from the 2014-2020 financing framework by 2023, and the increased take up of the Recovery and Resilience Facility grants in 2023 and 2024. Furthermore, domestically funded investment is set to be lower than the level reached in 2022.

The general government deficit is projected to decline gradually to 3.3% by 2025 from 5.8% in 2022, driven by a declining share of expenditure in GDP mainly due to the profile of inflation-mitigation measures. On the other hand, the general government debt-to-GDP ratio is expected to increase to 54.8% by 2025 from 53.2% in 2022, due to the expected level of primary deficits which are projected to offset the debt-decreasing impact of the interest-growth differential.

6.2 Historical Financial Information

The historical financial information relating to the Issuer for the three financial years ended 31 December 2020, 2021, and 2022 as audited by PricewaterhouseCoopers are set out in the consolidated financial statements of the Issuer. Such audited consolidated financial statements are available for inspection as set out in section 15 of this Registration Document. The audit reports of these three financial years do not contain any qualification, modification of opinion, disclaimers or emphasis of matter.

The unaudited interim financial statements of the Issuer for the six months ended 30 June 2023 are also available for inspection as set out in section 15 of this Registration Document.

Historical financial information covering financial years ended 31 December 2021 and 31 December 2022 and the interim financial information for the six-month period until 30 June 2023 is being incorporated by reference as per below. The financial information relating to the Issuer may be obtained from the Issuer's website: <https://www.corinthiagroup.com/investors/>

	Page number in Annual Report	Page number in Annual Report	Page number in Annual Report	Page number in the Interim Financial Statements
Information incorporated by reference in this Registration Document	Financial year ended 31 December 2020	Financial year ended 31 December 2021	Financial year ended 31 December 2022	Interim financial information for the six months ended 30 June 2023
Income Statement	FS28 – FS29	FS23 – FS24	FS40 – FS41	4
Statement of Financial Position	FS30 – FS31	FS25 – FS26	FS42 – FS43	6 - 7
Statement of Cash Flows	FS33 – FS34	FS28	FS45 – FS46	9
Notes to the Financial Statements	FS40 – FS102	FS33 – FS97	FS52 – FS132	10 - 12
Independent Auditor's Report	FS19 – F27	FS98 – FS107	FS133 – FS143	N/A

There were no significant changes to the financial or trading position of the Group since the end of the financial period to which the last interim financial information relates.



6.3 Key Financial Review

The tables and discussion included in this section 6.3 contain certain alternative performance measures (as defined by the European Securities and Markets Authority (ESMA)), including EBITDA (earnings before interest, tax, depreciation and amortization), which the Group's management and other competitors in the industry use. These non-IFRS financial measures are presented as supplemental information as (i) they represent measures which the Directors believe may be relevant for certain investors, securities analysts and other parties in assessing the Group's operating and financial performance and may contribute to a fuller understanding of the Group's cash generation capacity and the growth of its business; and (ii) they may be used by the Group's management as a basis for strategic planning and forecasting.

With reference to the historical information presented below, EBITDA is equivalent to 'operating results before depreciation and fair value gains /(losses)' as presented in the audited and interim financial statements.

International Hotel Investments p.l.c.			
Consolidated Statement of Comprehensive Income			
for the financial year 31 December			
	2020	2021	2022
	Actual	Actual	Actual
	€'000	€'000	€'000
Revenue	91,909	129,266	238,207
Costs of providing services	(53,956)	(65,620)	(125,586)
Gross profit	37,953	63,646	112,621
Marketing costs and administrative expenses	(32,873)	(32,153)	(44,545)
Other operating costs	(8,887)	(4,965)	(16,370)
EBITDA	(3,807)	26,528	51,706
Depreciation and amortisation	(35,779)	(30,613)	(29,164)
Adjustments in value of property and intangible assets	(10,521)	(4,032)	(7,927)
Other operational exchange losses	57	(1,564)	(304)
Changes in value of liabilities and indemnification assets	-	(6,228)	-
Results from operating activities	(50,050)	(15,909)	14,311
Share of profit / (loss): equity accounted investments	(2,448)	1,124	(61)
Finance income	702	506	440
Finance costs	(23,554)	(24,984)	(28,160)
Other	(15,012)	(321)	12,376
Loss before tax	(90,362)	(39,584)	(1,094)
Taxation	14,713	9,256	(1,248)
Loss for the year	(75,649)	(30,328)	(2,342)
Other comprehensive income / (expense)			
Gross surplus / (impairment) - revaluation of hotel properties	(10,246)	78,385	2,959
Other effects, currency translation diff. and tax	(38,076)	16,983	(20,941)
	(48,322)	95,368	(17,982)
Total comprehensive income / (expense) for the year net of tax	(123,971)	65,040	(20,324)

The Group's revenue in 2022 increased by 84% or €108.9 million (y-o-y) to €238.2 million mainly on account of the ongoing recovery in hospitality activities but still 11% below FY2019's turnover. All hotels registered higher revenues over the prior year, most notably the Corinthia hotels in London, Lisbon, Budapest, Malta and Prague. The y-o-y increase in revenue reported by Corinthia Hotel Tripoli and Corinthia Hotel St Petersburg was less than 30% due to country-specific issues described elsewhere in this report.

As a result of higher revenues, the Group's EBITDA increased from €26.5 million in 2021 to €51.7 million in 2022 (+95% or €25.2 million). EBITDA margin (EBITDA/revenue) increased marginally from 20.5% in FY2021 to 21.7% in 2022, which was considerably lower when compared to the 26.0% EBITDA margin achieved in 2019. The underperformance at EBITDA level reflected the adverse impact of rising costs due to inflation, payroll and the termination of wage supplements and other similar schemes that were made available by governments during 2020 and 2021 to mitigate to some extent the downturn caused by the COVID-19 pandemic.

Depreciation & amortisation remained broadly unchanged at *circa* €30 million but finance costs increased by €3.2 million to €28.2 million (2021: €25.0 million). The Group registered a loss of €7.9 million in value of property and intangible assets (2021: loss of €4.0 million), which principally comprised a fair value loss of €5.9 million on the St Petersburg commercial centre.

The Group reported a foreign exchange gain of €12.4 million classified as 'Other' in the income statement compared to a loss of €0.3 million in 2021. This positive movement mainly related to a recovery in the Rouble relative to the Euro.

Overall, the Group registered a loss for the year of €2.3 million compared to a loss of €30.3 million in 2021.

In 2021, on account of continued recovery from COVID-19 pandemic the Group recognised property uplifts of €79.7 million. In 2022, on account of further recovery, the Group recognised a further uplift on the property in London of €12.7 million. This uplift was offset by fair value losses recognised on the property in St Petersburg amounting to €9.7 million, following the hostilities by Russia on Ukraine and the ensuing sanctions which materially affected the business.

The weakening of the Sterling in 2022 relative to the reporting currency of the Group, which is the Euro, resulted in a loss on translation of the investment in London. The Group recorded a combined currency translation loss and other effects of €20.9 million in Other Comprehensive Income relative to a gain of €17.0 million registered in 2021.

The Group registered a loss on total comprehensive income of €20.3 million in 2022 against a gain of €65.0 million registered in 2021.

International Hotel Investments p.l.c.

Consolidated Cash Flow Statement for the financial year 31 December

	2020	2021	2022
	Actual	Actual	Actual
	€'000	€'000	€'000
Net cash from / (used in) operating activities	(2,965)	29,748	49,781
Net cash from / (used in) investing activities	(11,709)	8,694	(38,672)
Net cash from / (used in) financing activities	(14,860)	24,644	(46,789)
Net movement in cash and cash equivalents	(29,534)	63,086	(35,680)
Cash and cash equivalents at beginning of year	65,463	36,383	97,906
Effect of translation of presentation currency	454	(1,563)	(6,486)
Cash and cash equivalents at end of year	36,383	97,906	55,740

Net cash flows from operating activities principally relate to the operations of the Group. In 2022, operations across the Group's properties were significantly higher compared to 2021, and this is reflected in higher net cash inflows from operating activities which amounted to €49.8 million (2021: inflows of €29.7 million).

In 2022, net cash used in investing activities amounted to €38.7 million on account of the development of the Grand Hotel Astoria, re-purchase of timeshare weeks at the Golden Sands and further expenditure at Corinthia Oasis. On the other hand, the Group generated €6.3 million from sale of financial assets.

Financing activities principally comprise movement in bank and other borrowings, payment of leases and interest paid. During 2022, the Group made net repayment of bank loans of €37.4 million and received advances of €20.0 million from its ultimate parent. Interest paid during the year amounted to €26.9 million while lease payments amounted to €2.6 million.

International Hotel Investments p.l.c.
Consolidated Statement of Financial Position
as at 31 December

	2020	2021	2022
	Actual	Actual	Actual
	€'000	€'000	€'000
ASSETS			
Non-current assets			
Intangible assets (including indemnification)	68,035	65,384	63,953
Investment property	191,355	161,149	167,682
Property, plant and equipment	1,102,885	1,259,688	1,254,715
Right-of-use assets	11,690	11,203	11,626
Investments accounted for using the equity method	31,831	5,188	5,198
Other investments	7,198	6,898	5,373
Other fin. assets at amortised cost and receivables	6,739	6,897	7,995
Deferred tax assets	14,214	19,028	18,019
Assets placed under trust management	-	-	-
	<u>1,433,947</u>	<u>1,535,435</u>	<u>1,534,561</u>
Current assets			
Inventories	10,647	12,531	14,606
Other fin. assets at amortised cost and receivables	43	61	152
Trade and other receivables	35,106	35,315	45,337
Taxation	3,324	745	50
Financial assets at fair value through profit or loss	9,250	8,978	1,018
Cash and cash equivalents	46,145	102,087	66,231
Assets placed under trust management	5,637	77	77
	<u>110,152</u>	<u>159,794</u>	<u>127,471</u>
Total assets	<u>1,544,099</u>	<u>1,695,229</u>	<u>1,662,032</u>
EQUITY			
Capital and reserves			
Called up share capital	615,685	615,685	615,685
Reserves and other equity components	(3,646)	44,014	31,596
Retained earnings (accumulated losses)	(8,803)	(34,940)	(40,382)
Minority interest	169,940	213,457	210,993
	<u>773,176</u>	<u>838,216</u>	<u>817,892</u>
LIABILITIES			
Non-current liabilities			
Bank borrowings	345,920	348,528	277,490
Bonds	203,061	282,591	273,062
Lease and other financial liabilities	9,767	16,037	37,256
Other non-current liabilities	92,479	104,507	102,345
	<u>651,227</u>	<u>751,663</u>	<u>690,153</u>
Current liabilities			
Bank overdrafts	9,762	4,181	10,491
Bank borrowings	17,465	20,767	46,299
Bonds	19,938	-	9,985
Lease and other financial liabilities	2,711	2,714	2,056
Other current liabilities	69,820	77,688	85,156
	<u>119,696</u>	<u>105,350</u>	<u>153,987</u>
	<u>770,923</u>	<u>857,013</u>	<u>844,140</u>
Total equity and liabilities	<u>1,544,099</u>	<u>1,695,229</u>	<u>1,662,032</u>

Total assets of the Group as at 31 December 2022 amounted to €1,662 million (2021: €1,695 million) and principally include the assets listed in section 4.2 of this registration document.

The net decrease in total assets of €33 million (y-o-y) was principally on account of the following:

- A net increase in inventories and trade & other receivables of €12.1 million reflecting the recovery in operating activities.
- A decrease in cash balances of €35.9 million mainly reflecting the repayment in advance and in full of the €40 million loan of the St Petersburg Hotel and Commercial Centre.

The Group's equity value decreased by €20.3 million (y-o-y) primarily in consequence of the total comprehensive loss reported in 2022.

Total liabilities decreased by €12.9 million (y-o-y) and mainly represented a net reduction in total borrowings of €18.2 million offset by an increase in trade payables of €7.5 million.

Set out below are the interim financial results of the Issuer for the six-month period 1 January to 30 June 2023 and the comparative interim financial statements for the period 1 January to 30 June 2022. The said results, which are unaudited, have been published and are available on the Issuer's website (www.corinthiagroup.com) and at its registered office.

IHI GROUP INCOME STATEMENT FOR THE SIX-MONTH PERIOD 1 JANUARY TO 30 JUNE

	2023 Unaudited €'000	2022 Unaudited €'000
Revenue	124,787	95,776
Direct costs	(69,631)	(50,914)
	55,155	44,862
Marketing costs	(3,217)	(3,540)
Administrative expenses	(23,600)	(16,896)
Other operating expenses	(9,590)	(7,097)
EBITDA	18,749	17,329
Depreciation and amortisation	(13,960)	(14,351)
Other losses arising on property, plant and equipment	(249)	(49)
Other operational exchange gain/(losses)	(823)	1,638
Results from operating activities	3,717	4,567
Net changes in fair value of financial assets through profit and loss	175	(1,634)
Finance income		
- interest and similar income	280	192
Finance costs		
- interest expense and similar charges	(17,308)	(12,840)
- net exchange differences on borrowings	(1,602)	10,532
Profit/(loss) before tax	(14,738)	817
Tax credit	3,014	(15)
Profit/(loss) for the period	(11,724)	802
Profit/(loss) for the period attributable to:		
- Owners of IHI	(10,256)	1,148
- Non-controlling interests	(1,468)	(346)
Other comprehensive income/(loss):		
Gross deficit arising on revaluation of hotel properties	-	(31)
Deferred tax on surplus arising on revaluation of hotel properties	-	6
Translation reserve	(12,122)	45,930
Income tax relating to components of other comprehensive income	5,939	(6,136)
Other comprehensive income/(loss) for the period, net of tax	(6,183)	39,769
Total comprehensive income/(loss) for the period	(17,907)	40,571

IHI GROUP BALANCE SHEET
AS AT

	30 June	31 December
	2023	2022
	€'000	€'000
Assets		
Non-current		
Intangible assets	46,700	46,785
Indemnification assets	17,168	17,168
Investment property	157,916	167,682
Property, plant and equipment	1,268,016	1,254,715
Right-of-use assets	12,896	11,626
Deferred tax assets	24,997	18,019
Investments accounted for using the equity method	5,198	5,198
Financial assets at fair value through profit or loss	5,373	5,373
Other financial assets at amortised cost	6,201	6,460
Trade and other receivables	1,429	1,535
	1,545,894	1,534,561
Current		
Inventories	15,610	14,606
Other financial assets at amortised cost	110	152
Trade and other receivables	50,985	45,337
Current tax asset	122	50
Financial assets at fair value through profit or loss	-	1,018
Cash and cash equivalents	70,356	66,231
Assets placed under trust arrangement	77	77
	137,260	127,471
Total assets	1,683,154	1,662,032
Equity and liabilities		
Equity		
Capital and reserves attributable to owners of IHI:		
Issued capital	615,685	615,685
Revaluation reserve	59,559	59,559
Translation reserve	(44,295)	(31,023)
Reporting currency conversion difference	443	443
Other components of equity	2,617	2,617
Retained earnings	(50,638)	(40,382)
	583,371	606,899
Non-controlling interests	216,614	210,993
Total equity	799,985	817,892
Liabilities		
Non-current		
Trade and other payables	10,281	10,543
Bank borrowings	149,181	277,490
Bonds	238,357	273,062
Lease liabilities	11,377	10,542
Other financial liabilities	26,654	26,714
Deferred tax liabilities	89,129	91,596
Provisions	206	206
	525,185	690,153
Current		
Trade and other payables	97,659	83,634
Bank borrowings	210,894	56,790
Bond	44,925	9,985
Lease liabilities	2,368	1,943
Other financial liabilities	118	113
Current tax liabilities	2,020	1,522
	357,984	153,987
Total liabilities	883,169	844,140
Total equity and liabilities	1,683,154	1,662,032

**IHI GROUP CASH FLOW STATEMENT
FOR THE SIX-MONTH PERIOD 1 JANUARY TO 30 JUNE**

	2023	2022
	Unaudited	Unaudited
	€'000	€'000
Net cash generated from operating activities	22,773	18,078
Net cash used in investing activities	(23,335)	(7,926)
Net cash used in financing activities	2,602	(42,196)
	<hr/>	<hr/>
Net change in cash and cash equivalents	2,040	(32,044)
Cash and cash equivalents at beginning of period	55,740	97,906
Effect of translation of group entities to presentation currency	641	(491)
	<hr/>	<hr/>
Cash and cash equivalents at end of period	58,421	65,371

Review of Performance

The Group registered total revenues of €124.8 million compared to €95.8 million in the corresponding period last year, an increase of 30%. The 2023 interim report is the first report not influenced by direct curbs on performance due to the COVID-19 pandemic, noting that the first months of 2022 were impacted by the Omicron variant. Total revenues in the first half of 2023 are now at 95% of pre-pandemic levels registered in the same period for 2019. Revenue in most operations is on par with 2019 levels, with London leading - with an increase of €6 million on 2019. Hotels dependent on conference business are registering a slower recovery as expected given the long lead time typical of bookings for this market segment.

The Group registered an EBITDA of €18.7 million in the first half the year compared to €17.3 million in the corresponding period last year. EBITDA conversion at 15% is impacted by inflationary pressures on payroll and other costs such as energy, the latter especially in Budapest, as well as exchange rate movements when converting actual performance from local currencies such as the Rouble and Sterling into Euro. The Group's operating subsidiary CHL is also incurring pre-opening costs and taking on new, senior personnel as this company ramps up its activity, expertise and resources in advance of the opening of several new, luxury Corinthia hotels in 2024 and 2025, which will drive revenues to the Group only once such hotels are operating. EBITDA conversion in the corresponding period last year was positively impacted by wage subsidies. Notwithstanding, the Group's focus on cost controls is ongoing with a particular focus on manning levels, which remain lower than 2019 levels on a like-for-like basis, benefitting to some degree from efficiencies which had arisen in the COVID-19 pandemic. Furthermore, given seasonality factors, the Group expects conversion levels to stabilise at past years' levels by the end of this year.

In reviewing the financial results for the first six months of 2023, one should also note the following:

Interest income and expense has been impacted by the increase in base rates as central bankers battle inflationary pressures. Interest cost increased by €4.5 million from €12.8 million in the corresponding period to €17.3 million on account of these base rate increases and net increases in debt.

Last year, in advance of imminent sanctions, and acting on expert advice, the Group fully repaid an outstanding loan in St Petersburg then owing to a bank which eventually was indeed placed on a list of sanctioned entities by the European Union. Net foreign exchange translation difference gains of €10.5 million reported in our financial statements last year represent realised exchange movements arising from this repayment, which were one-off in nature. This payment removed exchange volatility from debt denominated in a currency different from the function currency of the operation.

All of the above results in a loss after tax of €11.7 million being reported compared to a profit of €0.8 million in the same period last year.

The net loss, net of tax, of €6.2 million in the Statement of Comprehensive Income principally reflects the currency translation difference on the Group's non-Euro denominated investments in London and in St Petersburg. The Sterling strengthened whilst the Rouble weakened against the reporting currency of the Group which is the Euro.

7. ADMINISTRATIVE, MANAGEMENT, AND SUPERVISORY BODIES

Alfred Pisani, an Executive Director, is the Chairman of the Company. Simon Naudi holds the post of Chief Executive Officer. Neville Fenech holds the post of Group Chief Financial Officer. Clinton Fenech is the Company's General Counsel. Jean-Pierre Schembri holds the post of Company Secretary. The Chairman, Chief Executive Officer, and other senior members of the executive team are responsible for the Issuer's day to day management.

7.1 The Board of Directors of the Issuer

The Issuer is currently managed by a Board consisting of nine Directors entrusted with its overall direction and management, including the establishment of strategies for future development. Its responsibilities include the oversight of the Issuer's internal control procedures and financial performance, and the review of the Issuer's business risks, thus ensuring such risks are adequately identified, evaluated, managed and minimized. All the Directors have access to independent professional advice at the expense of the Issuer, should they so require.

The Chairman of the Board and the Chief Executive Officer, together with the Group's executive team, are responsible for acquisitions and development and are entrusted with the Issuer's day-to-day management. The business address of each Director is the registered office of the Issuer.

7.1.1 *Executive Directors*

The Chairman of the Board and the Chief Executive Officer are mainly responsible for the identification and execution of new investment opportunities and the funding of the Issuer's acquisitions. They are also responsible for ensuring the establishment of appropriate management contracts of the hotel properties in the case of operational properties, and negotiating and awarding project contracts in the case of the development or refurbishment of new properties. Members of the Board are also directors or officers of other subsidiary companies within the Group, bringing with them the necessary proficiency and experience in this industry sector, and providing their expertise throughout the entire Group. They are supported in this role by several third party consultants and other officers of the Issuer.

7.1.2 *Non-Executive Directors*

The Non-Executive Directors' main function is to monitor the operations and performance of the Chairman and the Chief Executive Officer, as well as to review any investment opportunities that are proposed by the executives. All proposed acquisitions of the Issuer are brought to the Board for approval. Four Non-Executive Directors sitting on the Board are independent Directors.

7.1.3 *Boards of Subsidiary Companies*

Each hotel property is owned through a Subsidiary company located in the jurisdiction where that hotel property is located, and is required to comply with all the laws and regulations of that jurisdiction. Accordingly, a board of directors is entrusted with the responsibility of the direction and management of each Subsidiary within the strategic parameters established by the Board. In some jurisdictions, the Issuer has adopted the structure of a dual board in line with the requirements of the legislation of those jurisdictions. These involve the concept of a board of directors that is entrusted with setting the policies and strategies of the company to be implemented by management in the day-to-day operations and executive decisions, and a supervisory board that is entrusted with monitoring the policy implementation within the company by management.

The board of directors of each Subsidiary is, within the strategic parameters established by the Board autonomous in the determination of the appropriate policies for the respective hotels and is entrusted with handling the relations with the hotel operating company. Each hotel, in turn, has its own management structure and employees who carry out the function of implementing the policies and directions of the Subsidiary boards of directors under the direction of the hotel operating company.

7.1.4 *Curriculum Vitae of Directors*

Alfred Pisani is the founder of the Corinthia Group and has been the Chairman and Chief Executive Officer since the inception of Corinthia in 1962. He was responsible for the construction of the Group's first hotel, the Corinthia Palace Hotel & Spa in Attard. He has led the Corinthia Group from a one-hotel company to a diversified group having significant interests. Such interests vary from equity participations, management or both in several geographical areas and include interests in five hotels in Malta, two hotels in each of Turkey, Hungary and Portugal, nine hotels in the Czech Republic, and one in each of Libya, Tunisia, the United Kingdom, the Russian Federation, Sudan and Dubai. Mr Pisani is also the Chairman of the Issuer.

Richard Cachia Caruana joined the Board in 2022 as an independent Director. Mr Cachia Caruana has occupied senior positions within the Maltese Government and the European Union. In particular, he was Malta's Chief Negotiator for its EU accession negotiations, a long-serving Chief of Staff to the Maltese Prime Minister and Member of the EU's Committee of Permanent Representatives. Mr Cachia Caruana is currently the Chairperson of the Issuer's Audit Committee and its Remuneration and Nominations Committee.

Frank Xerri de Caro joined the Board as an independent non-executive director in 2005, having previously been General Manager of Bank of Valletta p.l.c., besides serving on the boards of several major financial, banking and insurance institutions.

Hamad Mubarak Mohd Buamim is President and CEO of the Dubai Chamber of Commerce and Industry and serves as the Deputy Chairman of the World Chambers Federation – ICC- in Paris. He is a member of the board of directors of the United Arab Emirates Central Bank, Chairman of National General Insurance and a board member of Union Properties. He previously served as Chairman of Emirates Financial Services, Chairman of Emirates NBD Capital and board member of Emirates NBD Bank and Network International. Mr. Buamim holds a degree in electrical engineering magna cum laude from the University of Southern California, Los Angeles and an MBA with honours in finance from the University of Missouri, Kansas City.

Douraid Zaghouni is Chief Operating Officer of the Investment Corporation of Dubai (the "ICD"). In this role, he supports the CEO Office in corporate strategy development and is responsible for the efficient operational management of the organization, with the aim of optimizing business performance. He manages the areas of strategy, government relations, marketing, corporate communications, legal and compliance, finance and funding, risk and information technology. Prior to joining ICD Mr. Zaghouni was with Xerox for more than 25 years during which period he held a number of senior general management, sales and marketing roles in both Europe and North America. He has also been Chairman of the board of several Xerox companies, his last appointment being Corporate Officer and President, Channel Partners Operations for Xerox based in New York. Mr. Zaghouni has a degree in civil engineering from the Ecole Nationale des Travaux Publics de L'Etat and is also a graduate in business administration from the ESSEC business school in Paris.

Joseph Pisani is a founder director and member of the main board of CPHCL since 1962, and has served on a number of boards of Subsidiary companies. He served as Chairman of the Monitoring Committee of CPHCL and IHI from 2000 to 2014. He was educated at St Edward's College and the University of Malta.

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

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

Alfred Camilleri joined the Board in June 2023. Mr Camilleri holds a BA (Hons) Public Administration and M.Sc (Economics) and has a long and varied career in statistics and in national and international financial, budgetary and economic affairs. He was active in national and European economic and financial policy circles. Additionally, Mr Camilleri is a visiting lecturer at the University of Malta.

7.1.5 Curriculum Vitae of the Chief Executive Officer

Simon Naudi joined the Board of the Issuer in 2005, having joined the Corinthia Group in a senior executive role in 1998. He has since been responsible for corporate strategy, including business development, particularly hotel and real estate acquisitions and project developments. On 1 June 2014, Simon Naudi was appointed joint Chief Executive Officer of the Issuer and on 12 April 2021, he was appointed as Chief Executive Officer. He is also the CEO of CHL, the Issuer's hotel management company.

7.1.6 Curriculum Vitae of the Issuer's Senior Management

In addition to the abovementioned Chief Executive Officer, the Issuer's Senior Management is composed of:

Jean-Pierre Schembri was appointed as Company Secretary of the Issuer in 2018. Mr Schembri is a graduate in European Studies from the University of Malta and holds a Masters in European Politics and Administration from The College of Europe in Bruges. Between 2005 and 2007 he occupied senior positions at the Ministry of Foreign Affairs and at the Office of the Prime Minister. Between 2007 and 2012 he served at the Permanent Representation of Malta to the EU in Brussels, where he also occupied the post of Chef de Cabinet. Between 2012 and 2018, Mr Schembri joined the European Union Civil Service where he occupied the senior management role of Head of Communications and Stakeholders Unit at the European Asylum Support Office (EASO). While at EASO, Mr Schembri also headed the board secretariat of the agency.

Clinton Fenech joined the IHI Group in 2008. Dr Fenech holds a Doctorate in Law from the University of Malta and a Masters degree in Corporate and Finance Law from University College London. Dr Fenech was admitted to the Chamber of Advocates in Malta in 1997 and admitted as a solicitor of the Supreme Court of England and Wales in 2000. Dr Fenech articulated at Ashurst, London where he was from 1998 to 2006. From 2006 to 2008, Dr Fenech was a member of Gide Loyrette Nouel's corporate finance team in London. Dr Fenech is responsible for legal matters relating to acquisitions, finance and related corporate matters of the IHI Group.

Neville Fenech has held the position of Group Chief Financial Officer since 2019. Mr Fenech is a fellow of the Chartered Association of Certified Accountants of the United Kingdom and of the Malta Institute of Accountants. Mr Fenech holds a bachelor's degree in Business Management and an MBA from the University of Malta. Mr Fenech joined the Corinthia Group in 2000 as finance manager responsible for all financial and accounting matters of a number of companies within the Corinthia Group. In 2017, he was promoted to the post of IHI Chief Financial Officer and is responsible for the IHI Group's financial reporting.

8. MANAGEMENT STRUCTURE

8.1 General Management Structure

The Directors have appointed Simon Naudi as the Chief Executive Officer of the Issuer and, together with the Chairman of the Board they are the only executive officers of the Issuer. The Issuer has recruited a number of executives that were previously employed by CPHCL and recruited new executives in line with the requirements of the management structure. The executives support the Chief Executive Officer of the Issuer in fulfilling his role as officer of the Issuer.

8.2 Hotel Operations

Day-to-day hotel operations are the responsibility of CHL, the Group's hotel operating company that directs each Subsidiary's management and staff in day-to-day operations. The responsibility of the operational performance of each hotel is that of the operating company, whose performance is monitored and evaluated on a regular basis by the board of each Subsidiary which in turn reports on performance and operations to the Board.

8.3 Property Audit

Regular property audits are carried out by QP. These audits, which are unannounced, comprise a full review of each property twice a year when a physical inspection of the building and the assets is undertaken by experienced engineers. A detailed report is submitted to the owners including a review of the maintenance systems and quality of the maintenance works and recommendations on the replacement of plant and equipment.

8.4 Conflict of Interest

Alfred Pisani, in addition to sitting on the Board, also acts as director of CPHCL. Simon Naudi, in addition to occupying the post of Chief Executive Officer of the Issuer, provides management services to CPHCL pursuant to a management support services agreement between IHI and CPHCL. Accordingly, conflicts of interest could potentially arise in relation to transactions involving both the Issuer and CPHCL. Frank Xerri de Caro and Joseph Pisani sit on the board of directors of other companies forming part of the Group, and conflicts of interest could potentially arise in relation to transactions involving the Issuer and any of such other Group companies.

The Audit Committee has the task of ensuring that any such potential conflicts of interest are handled in the best interests of the Issuer and in compliance with the Capital Markets Rules. To the extent known or potentially known to the Issuer as at the date of this Registration Document, there are no other potential conflicts of interest between any duties of the Directors, as the case may be, and of executive officers of the Issuer and their private interests and, or their other duties, which require disclosure in terms of the Prospectus Regulation.

8.5 Employees

As at 31 December 2022, the Issuer employed 2,467 members of staff, 1,966 of whom work on a full-time basis and the remaining 501 working on a part-time basis.

9. BOARD PRACTICES OF THE ISSUER

9.1 Audit Committee

The Audit Committee's primary objective is to assist the Board in fulfilling its oversight responsibilities over the financial reporting processes, financial policies and internal control structure. The Committee oversees the conduct of the internal and external audit and acts to facilitate communication between the Board, management, the external auditors and the internal audit team. The internal and external auditors are invited to attend the Audit Committee meetings. The Audit Committee reports directly to the Board of Directors.

The terms of reference of the Audit Committee include support to the Board of Directors in its responsibilities in dealing with issues of: risk, control and governance, and associated assurance. The Board has set formal terms of establishment and the terms of reference of the Audit Committee which set out its composition, role and function, the parameters of its remit as well as the basis for the processes that it is required to comply with.

Briefly, the Audit Committee is expected to deal with and advise the Board on:

- (a) its monitoring responsibility over the financial reporting processes, financial policies and internal control structures;
- (b) maintaining communications on such matters between the Board, management and the external auditors; and
- (c) preserving the Company's assets by assessing the Company's risk environment and determining how to deal with those risks.

In addition, the Audit Committee also has the role and function of evaluating any proposed transaction to be entered into by the Company and a related party, to ensure that the execution of any such transaction is at arm's length, on a commercial basis and ultimately in the best interests of the Company.

The Committee is made up entirely of Non-Executive Directors (a majority of whom are considered independent of the Issuer), who are appointed for a period of three years. Richard Cachia Caruana, an independent Non-Executive Director of the Issuer, acts as Chairman, whilst Joseph Pisani (non-executive director) and Mohamed Mahmoud Shawsh (independent non-executive director) act as members. The Issuer's Company Secretary, Jean-Pierre Schembri, acts as Secretary to the Committee. In compliance with the Capital Markets Rules, Mohamed Mahmoud Shawsh is considered by the Board to be the Director competent in accounting and, or auditing matters.

9.2 Internal Audit

The role of the internal auditor is to carry out systematic risk-based reviews and appraisals of the operations of the Issuer (as well as of the subsidiaries and associates of the Group) for the purpose of advising management and the Board, through the Audit Committee, on the efficiency and effectiveness of internal management policies, practices and controls. The function is expected to promote the application of best practices within the organisation.

The internal auditor reports directly to the Audit Committee.

9.3 Nomination and Remuneration Committees

The Nomination and Remuneration Committee is charged with enhancing the quality of nominees to the Board and ensuring the integrity of the nominating process, and with proposing the remuneration package of directors and senior executives of the Issuer and its subsidiaries. The committee's responsibilities include making recommendations to the Board annually with respect to the composition, size and needs of the Board, recommend criteria for Board membership, including the minimum qualifications for a nominee and the qualities and skills that the committee believes are necessary or desirable for a Board member to possess, and propose adequate remuneration packages.

The Nomination and Remuneration Committee is made up of Richard Cachia Caruana (who acts as chairman of the committee) whilst Mohamed Mahmoud Shawsh and Joseph Pisani act as members. The Issuer's Company Secretary, Jean-Pierre Schembri, acts as secretary to the committee.

10. COMPLIANCE WITH CORPORATE GOVERNANCE REQUIREMENTS

The Issuer is subject to, and supports, the Code of Principles of Good Corporate Governance (the “Code”) forming part of the Capital Markets Rules. The Issuer is confident that the adoption of the Code has resulted in positive effects accruing to the Issuer.

The Board considers that during the financial year ended 31 December 2022, the Company was in compliance with the Code save as set out hereunder.

As at 13 June 2023, being the date of approval of the latest annual report, the Company was not fully in compliance with the Code specifically by virtue of the following:

- Principle 7 “Evaluation of the Board’s Performance”: under the present circumstances, the Board does not consider it necessary to appoint a committee to carry out a performance evaluation of its role, as the Board’s performance is evaluated on an ongoing basis by, and is subject to the constant scrutiny of, the Board itself, the Company’s shareholders, the market and the rules by which the Issuer is regulated as a listed company.
- Principle 9 “Conflicts between Shareholders”: currently there is no established mechanism disclosed in the Memorandum and Articles of Association to trigger arbitration in the case of conflict between the minority shareholders and the controlling shareholders. In any such cases should a conflict arise, the matter is dealt with in the Board meetings and through the open channel of communication between the Issuer and the minority shareholders via the office of the Company Secretary.

11. MAJOR SHAREHOLDERS

As at the date of this Registration Document, CPHCL holds 355,988,463 shares equivalent to 57.81%, Istithmar holds 133,561,548 shares equivalent to 21.69% and LAFICO holds 66,780,771 shares equivalent to 10.85% of the Issuer’s total issued share capital (half of this 10.85% is subject to a call option in favour of CPHCL). As far as the Issuer is aware, no persons hold an indirect shareholding in excess of 5% of its total issued share capital.

The Issuer adopts measures in line with the Code to ensure that the relationship with CPHCL, LAFICO and Istithmar is retained at arm’s length, including adherence to rules on related party transactions requiring the sanction of the Audit Committee.

12. LITIGATION

There is no governmental, legal or arbitration proceedings against the Issuer, including any pending or threatened proceedings, which the Issuer are aware and considers could have significant effects on the financial position or profitability of the Issuer or the Group.

13. ADDITIONAL INFORMATION

13.1 Share Capital of the Issuer

The authorized share capital of the Issuer is €1,000,000,000. The issued share capital is € 615,684,920 divided into 615,684,920 ordinary shares of a nominal value of €1 each, fully paid up.

The Issuer’s ordinary shares were first admitted to the Official List of the MSE on 2 June 2000, and trading commenced on 5 June 2000.

More than 10% of the Issuer’s authorized share capital remains unissued. However, in terms of the Memorandum and Articles of Association, none of such capital shall be issued in such a way as would effectively alter the control of the Issuer or nature of its business without the prior approval of the shareholders in general meeting.

There is no capital of the Issuer which is currently under option, save for half of the 10.85% of the issued share capital of the Issuer (66,780,771 ordinary shares) that LAFICO bought from Istithmar on 22 April 2010, which is currently subject to a call option in favour of CPHCL.

13.2 Memorandum and Articles of Association of the Issuer

The Memorandum and Articles of Association are registered with the Registry of Companies at the Malta Business Registry. A full list of the objects for which the Issuer is established is set out in Clause 3 of the Memorandum of Association. These objects include:

- (a) To carry on the business of a finance and investment company in connection with the ownership, development, operation, and financing of hotels, resorts, leisure facilities, mixed-use properties and tourism related activities and such other activities as may from time to time be ancillary or complimentary to the foregoing whether in Malta or overseas;
- (b) To borrow and raise money for the purpose of its business and to secure the repayment of the money borrowed by hypothecation or other charge upon the whole or part of the movable and immovable assets or property of the Issuer present and future;
- (c) To invest the capital and other moneys of the company in the purchase or subscription of any stocks, equity securities, debentures, bonds or other securities; and
- (d) To issue bonds, commercial paper or other instruments creating or acknowledging indebtedness and the sale or offer thereof to the public.

A copy of the Memorandum and Articles of Association may be inspected during the lifetime of this Registration Document at the registered office of the Issuer and at the Malta Business Registry.

14. MATERIAL CONTRACTS

The Issuer has not entered into any material contracts which are not in the ordinary course of its business which could result in any member of the Group being under an obligation or entitlement that is material to the Issuer's ability to meet its obligations to security holders in respect of the securities being issued pursuant to, and described in, the Securities Note.

15. DOCUMENTS AVAILABLE FOR INSPECTION

For the duration period of this Registration Document the following documents (or copies thereof) shall be available for inspection at the registered address of the Issuer:

- (a) Memorandum and Articles of Association;
- (b) Audited consolidated financial statements of the Issuer for the years ended 31 December 2020, 2021 and 2022;
- (c) Unaudited consolidated financial information of the Issuer for the six-month period 1 January 2023 to 30 June 2023; and
- (d) Financial analysis summary prepared by the Sponsor and dated 26 September 2023.

These documents are also available for inspection in electronic form on the Issuer's website <https://www.corinthiagroup.com/investors/>



SECURITIES NOTE

dated 26 September 2023

This document is a Securities Note issued in accordance with the provisions of Chapter 4 of the Capital Markets Rules issued by the Malta Financial Services Authority and in accordance with the provisions of the Prospectus Regulation.

This Securities Note should be read in conjunction with the most updated Registration Document containing information about the Issuer.

in respect of an issue of up to
€60,000,000 6% unsecured bonds 2033
of a nominal value of €100 per bond, issued and redeemable at par by



INTERNATIONAL HOTEL INVESTMENTS p.l.c.

A PUBLIC LIMITED LIABILITY COMPANY REGISTERED IN MALTA
WITH COMPANY REGISTRATION NUMBER C 26136

(ISIN MT0000111345)

THIS SECURITIES NOTE HAS BEEN APPROVED BY THE MALTA FINANCIAL SERVICES AUTHORITY, AS THE COMPETENT AUTHORITY UNDER THE PROSPECTUS REGULATION. THIS MEANS THAT THE MALTA FINANCIAL SERVICES AUTHORITY HAS ONLY APPROVED THIS SECURITIES NOTE AS MEETING THE STANDARDS OF COMPLETENESS, COMPREHENSIBILITY AND CONSISTENCY AS PRESCRIBED BY THE PROSPECTUS REGULATION. SUCH APPROVAL SHOULD NOT HOWEVER BE CONSIDERED AS AN ENDORSEMENT OF THE SECURITIES THAT ARE THE SUBJECT OF THIS SECURITIES NOTE. IN PROVIDING THIS AUTHORISATION, THE MALTA FINANCIAL SERVICES AUTHORITY DOES NOT GIVE ANY CERTIFICATION REGARDING THE POTENTIAL RISKS IN INVESTING IN THE SAID INSTRUMENTS AND SUCH AUTHORISATION SHOULD NOT BE DEEMED OR BE CONSTRUED AS A REPRESENTATION OR WARRANTY AS TO THE SAFETY OF INVESTING IN SUCH INSTRUMENTS.

THE MALTA FINANCIAL SERVICES AUTHORITY ACCEPTS NO RESPONSIBILITY FOR THE CONTENTS OF THE PROSPECTUS, MAKES NO REPRESENTATIONS AS TO ITS ACCURACY OR COMPLETENESS AND EXPRESSLY DISCLAIMS ANY LIABILITY WHATSOEVER, FOR ANY LOSS HOWSOEVER ARISING FROM, OR IN RELIANCE UPON, THE WHOLE OR ANY PART OF THE CONTENTS OF THE PROSPECTUS INCLUDING ANY LOSSES INCURRED BY INVESTING IN THE BONDS.

A PROSPECTIVE INVESTOR SHOULD ALWAYS SEEK FINANCIAL ADVICE BEFORE DECIDING TO INVEST IN ANY LISTED FINANCIAL INSTRUMENT. A PROSPECTIVE INVESTOR SHOULD BE AWARE OF THE POTENTIAL RISKS IN INVESTING IN THE BONDS OF THE ISSUER AND SHOULD MAKE THE DECISION TO INVEST ONLY AFTER CAREFUL CONSIDERATION AND CONSULTATION WITH HIS OR HER OWN FINANCIAL ADVISOR. A PROSPECTIVE INVESTOR SHOULD MAKE HIS OR HER OWN ASSESSMENT AS TO THE SUITABILITY OF INVESTING IN THE BONDS SUBJECT OF THIS SECURITIES NOTE.

APPROVED BY THE BOARD OF DIRECTORS

Alfred Pisani

Alfred Camilleri

in their capacity as Directors and for and on behalf of

Frank Xerri de Caro, Hamad Mubarak Mohd Buamim, Douraid Zaghouni,
Joseph Pisani, Moussa Atiq Ali, Richard Cachia Caruana and Mohamed Mahmoud Alzarouq Shawsh

Manager and Registrar

BOV
Bank of Valletta

Sponsor


MZ INVESTMENTS

Legal Counsel


CAMILLERI PREZIOSI
ADVOCATES



IMPORTANT INFORMATION

THIS SECURITIES NOTE CONTAINS INFORMATION ON AN ISSUE BY THE ISSUER OF UP TO €60,000,000 UNSECURED BONDS OF A NOMINAL VALUE OF €100 PER BOND ISSUED AT PAR, AND BEARING INTEREST AT THE RATE OF 6% PER ANNUM, PAYABLE ANNUALLY ON 14 NOVEMBER OF EACH YEAR UNTIL THE REDEMPTION DATE. THE NOMINAL VALUE OF THE BONDS SHALL BE REPAYABLE IN FULL AT MATURITY ON THE REDEMPTION DATE UNLESS OTHERWISE PREVIOUSLY REPURCHASED FOR CANCELLATION.

THIS SECURITIES NOTE SETS OUT THE CONTRACTUAL TERMS UNDER WHICH THE BONDS ARE ISSUED BY THE ISSUER AND ACQUIRED BY A BONDHOLDER, WHICH TERMS SHALL REMAIN BINDING UNTIL THE REDEMPTION DATE OF THE BONDS, AS APPLICABLE, UNLESS THEY ARE OTHERWISE CHANGED IN ACCORDANCE WITH THE TERMS OF THIS SECURITIES NOTE. NO BROKER, DEALER, SALESMAN OR OTHER PERSON HAS BEEN AUTHORISED BY THE ISSUER OR ITS DIRECTORS, TO ISSUE ANY ADVERTISEMENT OR TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATIONS IN CONNECTION WITH THE SALE OF BONDS OF THE ISSUER OTHER THAN THOSE CONTAINED IN THIS SECURITIES NOTE AND IN THE DOCUMENTS REFERRED TO HEREIN, AND IF GIVEN OR MADE, SUCH INFORMATION OR REPRESENTATIONS MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORISED BY THE ISSUER, ITS DIRECTORS OR ADVISORS.

THE MALTA FINANCIAL SERVICES AUTHORITY ACCEPTS NO RESPONSIBILITY FOR THE CONTENTS OF THE PROSPECTUS, MAKES NO REPRESENTATIONS AS TO ITS ACCURACY OR COMPLETENESS AND EXPRESSLY DISCLAIMS ANY LIABILITY WHATSOEVER FOR ANY LOSS HOWSOEVER ARISING FROM, OR IN RELIANCE UPON, THE WHOLE OR ANY PART OF THE CONTENTS OF THE PROSPECTUS.

THE PROSPECTUS DOES NOT CONSTITUTE, AND MAY NOT BE USED FOR THE PURPOSES OF, AN OFFER OR INVITATION TO SUBSCRIBE FOR BONDS ISSUED BY THE ISSUER: (I) BY ANY PERSON IN ANY JURISDICTION IN WHICH SUCH OFFER OR INVITATION IS NOT AUTHORISED OR IN WHICH THE PERSON MAKING SUCH OFFER OR INVITATION IS NOT QUALIFIED TO DO SO; OR (II) TO ANY PERSON TO WHOM IT IS UNLAWFUL TO MAKE SUCH OFFER OR INVITATION. THE DISTRIBUTION OF THE PROSPECTUS IN CERTAIN JURISDICTIONS MAY BE RESTRICTED AND, ACCORDINGLY, PERSONS INTO WHOSE POSSESSION IT IS RECEIVED ARE REQUIRED TO INFORM THEMSELVES ABOUT, AND TO OBSERVE, SUCH RESTRICTIONS.

THE PROSPECTUS AND THE OFFERING, SALE OR DELIVERY OF ANY BONDS MAY NOT BE TAKEN AS AN IMPLICATION: (I) THAT THE INFORMATION CONTAINED IN THE PROSPECTUS IS ACCURATE AND COMPLETE SUBSEQUENT TO ITS DATE OF ISSUE; OR (II) THAT THERE HAS BEEN NO MATERIAL ADVERSE CHANGE IN THE FINANCIAL POSITION OF THE ISSUER SINCE SUCH DATE; OR (III) THAT ANY OTHER INFORMATION SUPPLIED IN CONNECTION WITH THE PROSPECTUS IS ACCURATE AT ANY TIME SUBSEQUENT TO THE DATE ON WHICH IT IS SUPPLIED OR, IF DIFFERENT, THE DATE INDICATED IN THE DOCUMENT CONTAINING THE SAME.

THE PROSPECTUS IS VALID FOR A PERIOD OF 12 MONTHS FROM THE DATE HEREOF. THE ISSUER IS OBLIGED TO PUBLISH A SUPPLEMENT ONLY IN THE EVENT OF SIGNIFICANT NEW FACTORS, MATERIAL MISTAKE OR MATERIAL INACCURACIES RELATING TO THE INFORMATION SET OUT IN THE PROSPECTUS WHICH MAY AFFECT THE ASSESSMENT OF THE SECURITIES AND WHICH ARISES OR IS NOTED BETWEEN THE TIME WHEN THE PROSPECTUS IS APPROVED AND THE CLOSING OF THE OFFER PERIOD OR THE TIME WHEN TRADING ON A REGULATED MARKET COMMENCES, WHICHEVER OCCURS LATER. THE OBLIGATION TO SUPPLEMENT THE PROSPECTUS IN THE EVENT OF SIGNIFICANT NEW FACTORS, MATERIAL MISTAKES OR MATERIAL INACCURACIES DOES NOT APPLY WHEN THE PROSPECTUS IS NO LONGER VALID.

IT IS THE RESPONSIBILITY OF ANY PERSON IN POSSESSION OF THIS DOCUMENT AND ANY PERSON WISHING TO APPLY FOR ANY BONDS ISSUED BY THE ISSUER TO INFORM THEMSELVES OF, AND TO OBSERVE AND COMPLY WITH, ALL APPLICABLE LAWS AND REGULATIONS OF ANY RELEVANT JURISDICTION. PROSPECTIVE INVESTORS FOR ANY BONDS THAT MAY BE ISSUED BY THE ISSUER SHOULD INFORM THEMSELVES AS TO THE LEGAL REQUIREMENTS OF APPLYING FOR ANY SUCH SECURITIES AND ANY APPLICABLE EXCHANGE CONTROL REQUIREMENTS AND TAXES IN THE COUNTRIES OF THEIR NATIONALITY, RESIDENCE OR DOMICILE.

SAVE FOR THE OFFERING IN THE REPUBLIC OF MALTA, NO ACTION HAS BEEN OR WILL BE TAKEN BY THE ISSUER THAT WOULD PERMIT A PUBLIC OFFERING OF THE BONDS DESCRIBED IN THIS SECURITIES NOTE OR THE DISTRIBUTION OF THE PROSPECTUS (OR ANY PART THEREOF) OR ANY OFFERING MATERIAL IN ANY COUNTRY OR JURISDICTION WHERE ACTION FOR THAT PURPOSE IS REQUIRED. ACCORDINGLY, NO BONDS MAY BE OFFERED OR SOLD, DIRECTLY OR INDIRECTLY, AND NEITHER THE PROSPECTUS NOR ANY ADVERTISEMENT OR OTHER OFFERING MATERIAL MAY BE DISTRIBUTED OR PUBLISHED IN ANY JURISDICTION, EXCEPT UNDER CIRCUMSTANCES THAT WILL RESULT IN COMPLIANCE WITH ANY APPLICABLE LAWS AND REGULATIONS. PERSONS INTO WHOSE POSSESSION THE PROSPECTUS OR ANY BONDS MAY COME MUST INFORM THEMSELVES ABOUT, AND OBSERVE, ANY SUCH RESTRICTIONS ON THE DISTRIBUTION OF THE PROSPECTUS AND THE OFFERING AND SALE OF BONDS.



THE BONDS HAVE NOT BEEN, NOR WILL THEY BE, REGISTERED UNDER THE UNITED STATES SECURITIES ACT, 1933 AS AMENDED, OR UNDER ANY FEDERAL OR STATE SECURITIES LAW AND MAY NOT BE OFFERED, SOLD OR OTHERWISE TRANSFERRED, DIRECTLY OR INDIRECTLY, IN THE UNITED STATES OF AMERICA, ITS TERRITORIES OR POSSESSIONS, OR ANY AREA SUBJECT TO ITS JURISDICTION (THE “U.S.”) OR TO OR FOR THE BENEFIT OF, DIRECTLY OR INDIRECTLY, ANY U.S. PERSON (AS DEFINED IN REGULATION “S” OF THE SAID ACT). FURTHERMORE, THE ISSUER WILL NOT BE REGISTERED UNDER THE UNITED STATES INVESTMENT COMPANY ACT, 1940 AS AMENDED AND INVESTORS WILL NOT BE ENTITLED TO THE BENEFITS SET OUT THEREIN.

A COPY OF THIS DOCUMENT HAS BEEN SUBMITTED TO THE MALTA FINANCIAL SERVICES AUTHORITY IN SATISFACTION OF THE CAPITAL MARKETS RULES, THE MALTA STOCK EXCHANGE IN SATISFACTION OF THE MALTA STOCK EXCHANGE BYE-LAWS AND HAS BEEN DULY FILED WITH THE MALTA BUSINESS REGISTRY IN ACCORDANCE WITH THE COMPANIES ACT (CAP. 386 OF THE LAWS OF MALTA).

STATEMENTS MADE IN THIS SECURITIES NOTE ARE, EXCEPT WHERE OTHERWISE STATED, BASED ON THE LAW AND PRACTICE CURRENTLY IN FORCE IN MALTA AND ARE SUBJECT TO CHANGES THEREIN.

ALL THE ADVISORS TO THE ISSUER NAMED IN THE REGISTRATION DOCUMENT UNDER THE HEADING “**ADVISORS TO THE ISSUER**” IN SECTION 3.5 OF THE REGISTRATION DOCUMENT HAVE ACTED AND ARE ACTING EXCLUSIVELY FOR THE ISSUER IN RELATION TO THE PROSPECTUS AND HAVE NO CONTRACTUAL, FIDUCIARY OR OTHER OBLIGATION TOWARDS ANY OTHER PERSON AND WILL ACCORDINGLY NOT BE RESPONSIBLE TO ANY INVESTOR OR ANY OTHER PERSON WHOMSOEVER IN RELATION TO THE TRANSACTIONS PROPOSED IN THE PROSPECTUS.

THE CONTENTS OF THE ISSUER’S WEBSITE OR ANY WEBSITE DIRECTLY OR INDIRECTLY LINKED TO THE ISSUER’S WEBSITE DO NOT FORM PART OF THE PROSPECTUS UNLESS SUCH CONTENTS ARE INCORPORATED BY REFERENCE INTO THE PROSPECTUS. ACCORDINGLY, NO RELIANCE OUGHT TO BE MADE BY ANY INVESTOR ON ANY INFORMATION OR OTHER DATA CONTAINED IN SUCH WEBSITES AS THE BASIS FOR A DECISION TO INVEST IN THE BONDS.

THE VALUE OF INVESTMENTS CAN GO UP OR DOWN AND PAST PERFORMANCE IS NOT NECESSARILY INDICATIVE OF FUTURE PERFORMANCE. PROSPECTIVE INVESTORS SHOULD CAREFULLY CONSIDER ALL THE INFORMATION CONTAINED IN THE PROSPECTUS AS A WHOLE AND SHOULD CONSULT THEIR OWN FINANCIAL AND OTHER PROFESSIONAL ADVISORS BEFORE DECIDING TO MAKE AN INVESTMENT IN THE BONDS.

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1 DEFINITIONS

Words, expressions, and capitalised terms used in this Securities Note shall, except where the context otherwise requires and except where otherwise defined herein, bear the same meaning as the meaning given to such words, expressions, and capitalised terms as indicated in the Registration Document. Additionally, the following words and expressions used in this Securities Note shall bear the following meanings whenever such words and expressions are used in their capitalised form, except where the context otherwise requires:

2023 Maturing Bonds	the 5.8% International Hotel Investments p.l.c. unsecured bonds 2023 (ISIN: MT0000111287) redeemable on 14 November 2023, issued by the Issuer by virtue of a prospectus dated 21 October 2013, amounting as at the date of the Prospectus to €10,000,000;
2023 Maturing Bonds Redemption Date	14 November 2023;
2024 Maturing Bonds	the 6% International Hotel Investments p.l.c. (formerly Island Hotels Group Holdings p.l.c.) unsecured bonds 2024 (ISIN: MT0000481227) redeemable on 15 May 2024, issued by the Issuer by virtue of a prospectus dated 6 May 2014, amounting as at the date of the Prospectus to €35,000,000;
2024 Maturing Bonds Redemption Date	15 May 2024;
Applicant/s	a person or persons whose name or names (in the case of joint applicants) appear in the registration details of an Application Form;
Application/s	the application to subscribe for Bonds made by an Applicant/s through any of the Authorised Financial Intermediaries;
Application Form/s	the forms of application of subscription for the Bonds, specimen of which are contained in Annex II of this Securities Note;
Authorised Financial Intermediaries	the financial intermediaries whose details appear in Annex I of this Securities Note;
Bond Issue	the issue of the Bonds being made pursuant to and in accordance with the terms and conditions of this Securities Note;
Bond Issue Price	the price of €100 per Bond;
Bondholders' Meeting	means a meeting of Bondholders held in accordance with section 5.13 of this Securities Note;
Business Day	any day between Monday and Friday (both days included) on which commercial banks in Malta settle payments and are open for normal banking business;
Corinthia Bonds	the 4.25% CPHCL Finance p.l.c. unsecured bonds 2026 (ISIN: MT0000101262) currently listed and trading on the Official List;
CPHCL Finance p.l.c.	CPHCL Finance p.l.c., a company registered under the laws of Malta with company registration number C 25104 and having its registered office at 22, Europa Centre, Floriana FRN 1400, Malta;
Corinthia Group Personnel	directors, executives and employees of the Corinthia Group as at 22 September 2023;
CSD	the Central Securities Depository of the Malta Stock Exchange, having its address at Garrison Chapel, Castille Place, Valletta VLT 1063, Malta;
Cut-Off Date	close of business of 22 September 2023 (trading session of 19 September 2023);
Existing IHI Shareholders	the shareholders of the Issuer registered on the register of members of the Issuer as at the Cut-Off Date;
IHI Bonds	collectively, the: (i) 5.75% International Hotel Investments p.l.c. unsecured bonds 2025 (ISIN: MT0000111295); (ii) 4.0% International Hotel Investments p.l.c. unsecured bonds 2026 (ISIN: MT0000111311); (iii) 4.0% International Hotel Investment p.l.c. secured bonds 2026 (ISIN: MT0000111303); and (iv) 3.65% International Hotel Investments p.l.c. unsecured bonds 2031 (ISIN: MT0000111337), all of which are currently listed and trading on the Official List;
Interest Payment Date	14 November of each year between and including each of the years 2024 and 2033, provided that if any such day is not a Business Day such Interest Payment Date shall be carried over to the next following day that is a Business Day;

Maturing Bonds	collectively, the 2023 Maturing Bonds and the 2024 Maturing Bonds;
Maturing Bonds Redemption Date	either of (i) the 2023 Maturing Bonds Redemption Date, or (ii) the 2024 Maturing Bonds Redemption Date, as applicable;
Maturing Bond Transfer	the subscription for Bonds by a Maturing Bondholder settled, after submitting the appropriate pre-printed Application Form 'A' or Application Form 'B', as applicable, received by mail directly from the Issuer, by the transfer to the Issuer of all or part of the Maturing Bonds held by such Maturing Bondholder as at the Cut-Off Date;
Maturing Bondholder	a holder of Maturing Bonds as at the Cut-Off Date;
MIH Bonds	collectively, the: (i) 5.25% Mediterranean Investments Holding p.l.c. unsecured bonds 2027 (ISIN: MT0000371303); and (ii) 5.85% Mediterranean Investments Holding p.l.c. unsecured bonds 2028 (ISIN: MT0000371311); both of which are currently listed and trading on the Official List;
Offer Period	the period between 5 October 2023 and 26 October 2023;
Preferred Applicants	collectively, Existing IHI Shareholders, the holders of Corinthia Bonds, IHI Bonds and MIH Bonds, as at the Cut-Off Date;
Redemption Value	the nominal value of each Bond (€100 per Bond); and
Terms and Conditions	the terms and conditions of the Bond Issue specified in section 7 of this Securities Note.

Unless it appears otherwise from the context:

- a. words importing the singular shall include the plural and *vice-versa*;
- b. words importing the masculine gender shall include the feminine gender and *vice-versa*;
- c. the word “*may*” shall be construed as permissive and the word “*shall*” shall be construed as imperative;
- d. all references in this Securities Note to “*Malta*” shall be construed as defined in article 124 (1) of the Constitution of Malta;
- e. any phrase introduced by the terms “*including*”, “*include*”, “*in particular*” or any similar expression is illustrative only and does not limit the sense of the words preceding those terms; and
- f. any reference to a law, legislative act, and, or other legislation shall mean that particular law, legislative act and, or legislation as in force as the date of this Securities Note.



2. RISK FACTORS

THE VALUE OF INVESTMENTS CAN GO UP OR DOWN AND PAST PERFORMANCE IS NOT NECESSARILY INDICATIVE OF FUTURE PERFORMANCE.

AN INVESTMENT IN THE BONDS INVOLVES CERTAIN RISKS INCLUDING THOSE DESCRIBED BELOW. PROSPECTIVE INVESTORS SHOULD CAREFULLY CONSIDER, WITH THEIR OWN FINANCIAL AND OTHER PROFESSIONAL ADVISORS, THE FOLLOWING RISK FACTORS AND OTHER INVESTMENT CONSIDERATIONS AS WELL AS ALL THE OTHER INFORMATION CONTAINED IN THE PROSPECTUS, OR INCORPORATED BY REFERENCE THEREIN, BEFORE DECIDING TO MAKE AN INVESTMENT IN THE BONDS. THE RISK FACTOR FIRST APPEARING UNDER EACH CATEGORY CONSTITUTES THAT RISK FACTOR THAT THE DIRECTORS HAVE ASSESSED TO BE, AT THE DATE OF THIS SECURITIES NOTE, THE MOST MATERIAL RISK FACTOR UNDER SUCH CATEGORY. IN MAKING THIS ASSESSMENT OF MATERIALITY, THE DIRECTORS HAVE EVALUATED THE COMBINATION OF: (I) THE PROBABILITY THAT A RISK FACTOR OCCURS; AND (II) THE EXPECTED MAGNITUDE OF THE ADVERSE EFFECT ON THE FINANCIAL CONDITION AND PERFORMANCE OF THE ISSUER AND ITS BONDS IF SUCH RISK FACTOR WERE TO MATERIALISE.

NEITHER THIS SECURITIES NOTE, NOR ANY OTHER PARTS OF THE PROSPECTUS OR INCORPORATED BY REFERENCE THEREIN, OR ANY OTHER INFORMATION SUPPLIED IN CONNECTION WITH THE BONDS: (I) IS INTENDED TO PROVIDE THE BASIS OF ANY CREDIT OR OTHER EVALUATION; OR (II) SHOULD BE CONSIDERED AS A RECOMMENDATION BY THE ISSUER, THE SPONSOR OR ANY OF THE AUTHORISED FINANCIAL INTERMEDIARIES THAT ANY RECIPIENT OF THIS SECURITIES NOTE OR ANY OTHER PART OF THE PROSPECTUS OR ANY OTHER INFORMATION SUPPLIED IN CONNECTION WITH THE PROSPECTUS OR ANY BONDS SHOULD PURCHASE ANY BONDS.

ACCORDINGLY, PROSPECTIVE INVESTORS SHOULD MAKE THEIR OWN INDEPENDENT EVALUATION OF ALL RISK FACTORS AND SHOULD CONSIDER ALL OTHER SECTIONS IN THIS SECURITIES NOTE.

2.1 FORWARD-LOOKING STATEMENTS

This Securities Note contains statements that are, or may be deemed to be, “*forward-looking statements*”. These forward-looking statements can be identified by the use of forward-looking terminology, such as the terms “*believes*”, “*estimates*”, “*anticipates*”, “*expects*”, “*intends*”, “*may*”, “*will*” or “*should*” or, in each case, their negative or other variations or comparable terminology. Forward-looking statements relate to matters that are not historical facts. They appear in a number of places throughout the Prospectus, and documents incorporated therein by reference, and include statements regarding the intentions, beliefs or current expectations of the Issuer and, or the Directors concerning, amongst other things, the Issuer’s and, or the Group’s strategy and business plans, capital requirements, results of operations, financial condition, liquidity, prospects, the markets in which it operates and general market conditions. By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Forward-looking statements are not guarantees of future performance and should therefore not be construed as such. The Issuer’s and, or the Group’s actual results of operations, financial condition, liquidity, and the development of its business may differ materially from the impression created by the forward-looking statements contained in the Prospectus. In addition, even if the results of operations, financial condition, and, or liquidity of the Issuer and, or the Group are consistent with the forward-looking statements contained in the Prospectus, those results or developments may not be indicative of results or developments in subsequent periods.

Potential investors are advised to read the Prospectus in its entirety and, in particular, all the risks set out in this section and in the section entitled ‘**Risk Factors**’ in the Registration Document, for a review of the factors that could affect the Issuer’s performance. In light of these risks, uncertainties and assumptions, the events described in the forward-looking statements in this document may not occur.

All forward-looking statements contained in this document are made only as at the date hereof. Subject to applicable legal and regulatory obligations, the Issuer and its Directors expressly disclaim any obligations to update or revise any forward-looking statement contained herein to reflect any change in expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based.

2.2 SUITABILITY

An investment in the Bonds may not be suitable for all recipients of the Prospectus and prospective investors are urged to consult an investment advisor licensed under the Investment Services Act (Cap. 370 of the laws of Malta) as to the suitability or otherwise of an investment in the Bonds before making an investment decision.

In particular, such advice should be sought with a view to ascertaining that each prospective investor:

- a. has sufficient knowledge and experience to make a meaningful evaluation of the Bonds, the merits and risks of investing in the Bonds and the information contained or incorporated by reference in the Prospectus or any applicable supplement;
- b. has sufficient financial resources and liquidity to bear all the risks of an investment in the Bonds, including where the currency for principal or interest payments is different from the prospective investor's currency and that the Bonds meet the investment objectives of the prospective investor;
- c. understands thoroughly the terms of the Bonds and is familiar with the behaviour of any relevant indices and financial markets; and
- d. is able to evaluate possible scenarios for economic, interest rate and other factors that may effect its investment and its ability to bear the applicable risks.

An informed investment decision can only be made by investors after they have read and fully understood the risk factors associated with an investment in the Bonds and the inherent risks associated with the Issuer's business. In the event that an investor does not seek professional advice and, or does not read and fully understand the provisions of the Prospectus, there is a risk that such investor may acquire an investment which is not suitable for his or her risk profile.

2.3 RISKS RELATING TO THE BONDS

Subsequent changes in interest rates and the potential impact of inflation

The Bonds shall carry fixed interest rates. Investment in the Bonds involves the risk that subsequent changes in market interest rates may adversely affect the value of the Bonds. Investors should also be aware that the price of fixed rate bonds should theoretically move adversely to changes in interest rates. When prevailing market interest rates are rising, their prices decline and conversely, if market interest rates are declining, the prices of fixed rate bonds rise. This is called market risk since it arises only if a Bondholder decides to sell the Bonds before maturity on the secondary market.

The coupon payable on the Bonds is a nominal interest rate. The real interest rate is computed by subtracting inflation from the nominal interest rate, the result of which indicates the real return on the Bond coupons. In a period of high inflation, an investor's real return on the Bonds will be lower than the Bonds' nominal interest rate and thus undermine an investor's expected return. Furthermore, an increase in inflation may result in a decrease in the traded price of the Bonds on the secondary market.

No prior market for the Bonds

Prior to the Bond Issue and admission of the Bonds to listing and trading, there has been no public market for the Bonds within or outside Malta. Due to the absence of any prior market for the Bonds, there can be no assurance that the price of the Bonds will correspond to the price at which the Bonds will trade in the market subsequent to the Bond Issue. The market price of the Bonds could be subject to significant fluctuations in response to numerous factors, including the occurrence of any of the risk factors identified in this section 2 of this Securities Note.

Orderly and liquid secondary market

The existence of an orderly and liquid market for the Bonds depends on a number of factors, including but not limited to the presence of willing buyers and sellers of the Bonds at any given time and the general economic conditions in the market in which the Bonds are traded. Such factors are dependent upon the individual decisions of investors and the general economic conditions of the market, over which the Issuer has no control. Accordingly, there can be no assurance that an active secondary market for the Bonds will develop, or, if it develops, that it will continue. Furthermore, there can be no assurance that an investor will be able to trade in the Bonds at all.

Future public offers

No prediction can be made about the effect which any future public offerings of the Issuer's securities (including but not limited to the effects arising out of a change in the cash flow requirements of the Issuer or other commitments of the Issuer vis-à-vis the new security holders), or any takeover or merger activity involving the Issuer (including but not limited to a delisting, in full or in part, of the Bonds), will have on the market price of the Bonds prevailing from time to time.

The status of the Bonds

The Bonds, as and when allotted, shall constitute the general, direct, unconditional and unsecured obligations of the Issuer and shall at all times rank *pari passu*, without any priority or preference among themselves and with other unsecured debt, present and future, if any, of the Issuer.

This means that any secured or privileged debts of the Issuer shall rank at all times ahead of the obligations of the Issuer under the Bonds, as a result of which the Bondholders may not be able to recover their investment in the Bonds in the case of insolvency or an equivalent situation, whether in full or in part. Furthermore, subject to the negative pledge clause (section 5.7 of this Securities Note) third party security interests may be registered which will rank in priority to the Bonds against the assets of the Issuer, as the case may be, for so long as such security interests remain in effect, which registration may further impede the ability of the Bondholders to recover their investment upon enforcement of such security interests, whether in full or in part.

Conditions precedent

The attention of prospective investors in the Bonds is drawn to section 7.1.1 of this Securities Note, which provides that the issue and allotment of the Bonds is conditional upon the Bonds being admitted to the Official List.

Currency of reference

A Bondholder will bear the risk of any adverse fluctuations in exchange rates between the currency of denomination of the Bonds (€) and the Bondholder's currency of reference, if different. Such adverse fluctuations may impair the return of investment of the Bondholder in real terms after taking into account the relevant exchange rate.

Continuing obligations

After the Bonds are admitted to trading on the Official List, the Issuer must remain in compliance with certain requirements. The Malta Financial Services Authority has the authority to suspend trading of the Bonds if, *inter alia*, it comes to believe that such a suspension is required for the protection of investors, or of the integrity or reputation of the market. Furthermore, the Malta Financial Services Authority may discontinue the listing of the Bonds if, *inter alia*, it is satisfied that, owing to special circumstances, normal regular dealings in the Bonds are no longer possible, or upon the request of the Issuer or the MSE. Any such trading suspensions or listing revocations or discontinuations described above, could have a material adverse effect on the liquidity and value of the Bonds.

Amendments to the Terms and Conditions of the Bonds

The Terms and Conditions contain provisions for calling a Bondholders' Meeting to consider matters affecting their interests generally. In the event that the Issuer wishes to amend any of the Terms and Conditions it shall call a Bondholders' Meeting in accordance with the provisions of section 5.13 of this Securities Note. These provisions permit defined majorities to bind all Bondholders, including Bondholders who did not attend and vote at the relevant meeting and Bondholders who voted in a manner contrary to the majority.

Changes in law

The Terms and Conditions are based on Maltese law in effect as at the date of this Securities Note. No assurance can be given as to the impact of any possible judicial decision or change in Maltese law or administrative practice after the date of this Securities Note.

3. PERSONS RESPONSIBLE AND CONSENT FOR USE OF PROSPECTUS

3.1 PERSONS RESPONSIBLE

All of the Directors, whose names and functions appear under the subheading '**Directors**' under the heading '**Identity of Directors, Senior Management, Advisors and Auditors of the Issuer**' in section 3 of the Registration Document, accept responsibility for the information contained in this Securities Note. To the best of the knowledge and belief of the Directors, who have taken all reasonable care to ensure that such is the case, the information contained in this Securities Note is in accordance with the facts and does not omit anything likely to affect the import of such information. The Directors accept responsibility accordingly.

All representations and other statements made in the Prospectus are made by the Issuer, and the Directors take sole responsibility for all such representations and statements. The Sponsor, Manager and Registrar, and the Issuer's advisors have advised and assisted the Issuer in the preparation of this document, but none make any representation or statement, unless otherwise expressly stated in the Prospectus, and each of them disclaims any responsibility for any representations and other statements made in the Prospectus.

3.2 CONSENT REQUIRED IN CONNECTION WITH THE USE OF THE PROSPECTUS BY THE AUTHORISED FINANCIAL INTERMEDIARIES

For the purposes of any subscription for Bonds through any of the Authorised Financial Intermediaries in terms of this Securities Note and any subsequent resale, placement or other offering of Bonds by such Authorised Financial Intermediaries in circumstances where there is no exemption from the requirement to publish a prospectus under the Regulation, the Issuer consents to the use of the Prospectus (and accepts responsibility for the information contained therein) with respect to any such subsequent resale or placement or other offering of Bonds, provided this is limited only:

- i. in respect of Bonds subscribed for through the Authorised Financial Intermediaries;
- ii. to any resale or placement of Bonds subscribed for as aforesaid, taking place in Malta; and
- iii. to any resale or placement of Bonds subscribed for as aforesaid, taking place within the period of 60 days from the date of the Prospectus.

None of the Issuer, the Sponsor, the Manager and Registrar, or any of their respective advisors take any responsibility for any of the actions of any Authorised Financial Intermediary, including their compliance with applicable conduct of business rules or other local regulatory requirements or other securities law requirements in relation to a resale or placement of the Bonds.

Other than as set out above, neither the Issuer, the Sponsor, nor Manager and Registrar has authorised (nor do they authorise or consent to the use of the Prospectus in connection with) the making of any public offer of the Bonds by any person in any circumstance. Any such unauthorised offers are not made on behalf of the Issuer, the Sponsor, or the Manager and Registrar and neither the Issuer, the Sponsor, nor Manager and Registrar has any responsibility or liability for the actions of any person making such offers.

Investors should enquire whether an intermediary is considered to be an Authorised Financial Intermediary in terms of the Prospectus. If the investor is in doubt as to whether it can rely on the Prospectus and, or who is responsible for its contents, it should obtain legal advice.

No person has been authorised to give any information or to make any representation not contained in or inconsistent with the Prospectus. If given or made, it must not be relied upon as having been authorised by the Issuer, the Sponsor, or Manager and Registrar. The Issuer does not accept responsibility for any information not contained in the Prospectus.

In the event of a resale, placement or other offering of the Bonds by an Authorised Financial Intermediary, the Authorised Financial Intermediary shall be responsible to provide information to investors on the terms and conditions of the resale, placement, or other offering at the time such is made.

Any resale, placement, or other offering of the Bonds to an investor by an Authorised Financial Intermediary will be made in accordance with any terms and other arrangements in place between such Authorised Financial Intermediary and such investor, including as to price, allocations, and settlement arrangements. Where such information is not contained in the Prospectus, it will be the responsibility of the applicable Authorised Financial Intermediary at the time of such resale, placement, or other offering to provide the investor with that information and neither the Issuer nor the Sponsor has any responsibility or liability for such information.

Any Authorised Financial Intermediary using the Prospectus in connection with a resale, placement or other offering of the Bonds subsequent to the Bond Issue shall, limitedly for the period of sixty (60) days from the date of the Prospectus, publish on its website a notice to the effect that it is using the Prospectus for such resale, placement or other offering in accordance with the consent of the Issuer and the conditions attached thereto. The consent provided herein shall no longer apply following the lapse of such period.

Any new information with respect to Authorised Financial Intermediaries unknown at the time of the approval of this Securities Note will be made available through a company announcement which will also be made available on the Issuer's website: www.corinthiagroup.com.

4 ESSENTIAL INFORMATION ON THE BOND ISSUE

4.1 REASONS FOR THE ISSUE AND USE OF PROCEEDS

The aggregate proceeds from the Bond Issue, which net of expenses are expected to amount to approximately €59,220,000, will be used by the Issuer for the following purposes:

- 4.1.1 acquiring for redemption and cancellation a maximum amount of €10,000,000 in 2023 Maturing Bonds from 2023 Maturing Bondholders subscribing for Bonds by way of Maturing Bond Transfer, and to redeem any 2023 Maturing Bonds remaining in issue as at the 2023 Maturing Bonds Redemption Date;
- 4.1.2 acquiring for redemption and cancellation a maximum amount of €35,000,000 in 2024 Maturing Bonds from 2024 Maturing Bondholders subscribing for Bonds by way of Maturing Bond Transfer, and to redeem any 2024 Maturing Bonds remaining in issue as at the 2024 Maturing Bonds Redemption Date; and



4.1.3 the remaining amount of *circa* €14,220,000 will be used by the Issuer for general corporate funding purposes of the Group.

In the event that the Bond Issue is not fully subscribed, the Issuer shall proceed with the listing of the Bonds so subscribed for and shall apply the net proceeds received in the manner and order of priority set out above. Any residual amounts required by the Issuer for the purposes of the use specified in this section 4.1, which shall not have been raised through the Bond Issue, shall be financed from the Group's general cash flow and, or banking facilities.

4.2 EXPENSES

Professional fees, and costs related to publicity, advertising, printing, listing, registration, Sponsor fees, Manager & Registrar fees, selling commission, and other miscellaneous expenses in connection with this Bond Issue are estimated not to exceed €780,000 in the aggregate.

There is no particular order of priority with respect to such expenses. The expenses pertaining to the Bond Issue shall be deducted entirely from the proceeds of the Bond Issue and accordingly shall be borne exclusively by the Issuer.

4.3 INTEREST OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE

Save for the subscription for Bonds by Authorised Financial Intermediaries (which includes MZ Investment Services Ltd as Sponsor and Bank of Valletta p.l.c. as Manager & Registrar, and any fees payable in connection with the Bond Issue to M.Z. Investment Services Limited as Sponsor and Bank of Valetta p.l.c. as Manager & Registrar, in so far as the Issuer is aware, no person involved in the Bond Issue has an interest, conflicting or otherwise, material to the Bond Issue.

4.4 EXPECTED TIMETABLE OF THE BOND ISSUE

1. Application Forms mailed to Maturing Bondholders and Preferred Applicants	3 October 2023
2. Application Forms available to Corinthia Group Personnel	5 October 2023
3. Offer Period for Maturing Bondholders, Preferred Applicants, and Corinthia Group Personnel	5 October 2023 to 26 October 2023, both days included
4. Intermediaries' Offer Date	2 November 2023
5. Announcement of basis of acceptance	6 November 2023
6. Refunds of unallocated monies (if any) and dispatch of allotment letters	13 November 2023
7. Expected date of admission of the securities to listing	13 November 2023
8. Expected date of commencement of trading in the securities	14 November 2023
9. Commencement of interest on the Bonds	14 November 2023

The Issuer reserves the right to close the Offer Period before 26 October with respect to any one or more classes of Applicants depending on the total level of subscription in the Bond Issue, in which case the Intermediaries' Offer will not take place.

5 INFORMATION CONCERNING THE BONDS

5.1 BOND ISSUE STATISTICS

ISIN:	MT0000111345;
Amount:	up to €60,000,000;
Denomination:	Euro (€);
Bond Issue Price:	the price of €100 per Bond;
Issue Date:	expected on 13 November 2023;
Plan of Distribution:	the Bonds are open for subscription by Maturing Bondholders, Preferred Applicants, and Corinthia Group Personnel. Any remaining Bonds not subscribed by the aforementioned Applicants shall be available for subscription by Authorised Financial Intermediaries through an Intermediaries' Offer (either for their own account or for the account of their underlying customers) as further detailed in section 7.2 hereunder;
Allocation Policy:	<p>(i) Maturing Bondholders applying for Bonds may elect to settle all or part of the amount due on the Bonds applied for by the transfer to the Issuer of Maturing Bonds at par value, subject to a minimum application of €2,000 in Bonds. Any Maturing Bondholders whose holding in Maturing Bonds is less than €2,000 shall be required to pay the difference (“Cash Top-Up”). Maturing Bondholders electing to subscribe for Bonds by way of Maturing Bond Transfer shall be allocated Bonds for the corresponding nominal value of Maturing Bonds transferred to the Issuer (including Cash Top-Up, where applicable). Bonds applied for by Maturing Bondholders by way of Maturing Bond Transfer, as described above, shall be allocated prior to any other allocation of Bonds. Subject to interest payable to the Maturing Bondholders and in accordance with section 5.4 below, the transfer of Maturing Bonds to the Issuer in consideration for the subscription for Bonds shall cause the obligations of the Issuer with respect to the Maturing Bonds to be extinguished and shall give rise to obligations on the part of the Issuer under the Bonds. Maturing Bondholders wishing to apply for a number of Bonds exceeding in value the aggregate nominal value of Maturing Bonds held by them as at the Cut-Off Date (the “Excess”) may subscribe for such additional Bonds in terms of section 7.2 below;</p> <p>(ii) an amount of up to €15 million of the Bond Issue together with the balance of the Bonds not subscribed for by Maturing Bondholders limitedly by means of a Maturing Bond Transfer including any Cash Top-Up, shall be made available for subscription to:</p> <ol style="list-style-type: none">Maturing Bondholders in respect of Excess Bonds applied for as further described in (i) above;Preferred Applicants; andCorinthia Group Personnel; <i>pari passu</i> without priority or preference between them. <p>(iii) in the event that following the allocations made pursuant to (i) and (ii) above there shall still remain unallocated Bonds, the Issuer shall offer such remaining Bonds to Authorised Financial Intermediaries through an Intermediaries' Offer as detailed in section 7.5 hereunder;</p>
Minimum amount per Application:	minimum of €2,000 and multiples of €100 thereafter;
Intermediaries' Offer:	in the event that following the allocations made pursuant to (i) and (ii) of the Allocation Policy there shall still remain unallocated Bonds, such unallocated Bonds shall form part of an Intermediaries' Offer as set out in section 7.5 of this Securities Note. In the event that the Intermediaries' Offer takes place and the aggregate of subscriptions received from Authorised Financial Intermediaries pursuant to subscription agreements in terms of the Intermediaries' Offer is in excess of the amount of Bonds available for subscription, the Issuer, acting through the Manager & Registrar, shall scale down each subscription agreement received from Authorised Financial Intermediaries in accordance with the allocation policy to be issued in terms of section 7.4 of this Securities Note;



Interest:	6% per annum;
Interest Payment Date(s):	14 November of each year between and including each of the years 2024 and the year 2033, provided that, if any such day is not a Business Day such Interest Payment Date will be carried over to the next following day that is a Business Day;
Redemption Date:	14 November 2033, unless previously purchased for cancellation by the Issuer;
Cancellation of the Maturing Bonds:	Following the closing of the Bond Issue, the Issuer will proceed to: <ul style="list-style-type: none"> (i) list the Bonds subscribed for on the Official List; (ii) effect cancellation of the Maturing Bonds received from Maturing Bondholders electing to acquire Bonds by Maturing Bond Transfer in respect of part or all of their holding of Maturing Bonds. Any Maturing Bonds remaining in issue shall be redeemed by the Issuer on the applicable Maturing Bonds Redemption Date;
Form:	the Bonds will be issued in fully registered and dematerialised form and will be represented in uncertificated form by the appropriate entry in the electronic register maintained on behalf of the Issuer at the CSD;
Status of the Bonds:	the Bonds, as and when issued and allotted, shall constitute the general, direct and unconditional and unsecured obligations of the Issuer and shall at all times rank <i>pari passu</i> , without any priority or preference among themselves and with other unsecured debt, present and future, if any;
Underwriting:	the Bond Issue is not underwritten;
Admission to Listing and Trading:	the Malta Financial Services Authority has approved the Bonds for admissibility to listing and subsequent trading on the Official List. Application has been made to the MSE for the Bonds to be listed and traded on the Official List;
Governing Law:	the Bonds are governed by, and shall be construed in accordance with the laws of Malta; and
Jurisdiction:	the Maltese courts shall have exclusive jurisdiction to settle any disputes that may arise out of or in connection with the Bonds, provided that nothing shall limit the right of the Issuer to bring any action, suit or proceedings arising out of or in connection with any such Applications, acceptance of Applications and contracts resulting therefrom in any manner permitted by law in any court of competent jurisdiction.

5.2 RANKING OF THE BONDS

The Bonds, as and when issued and allotted, shall constitute the general, direct, unconditional and unsecured obligations of the Issuer and shall at all times rank *pari passu*, without any priority or preference amongst themselves and with other unsecured debt of the Issuer, present and future, if any.

This means that any secured or privileged debts of the Issuer shall rank at all times ahead of the obligations of the Issuer under the Bonds, as a result of which the Bondholders may not be able to recover all or part of their investment in the Bonds in the case of insolvency or an equivalent situation, whether in full or in part. Furthermore, subject to the negative pledge clause found in section 5.7 of this Securities Note, third party security interests may be registered which will rank in priority to the Bonds against the assets of the Issuer, as the case may be, for so long as such security interests remain in effect, which registration may further impede the ability of the Bondholders to recover their investment upon enforcement of such security interests, whether in full or in part.

5.3 RIGHTS ATTACHING TO THE BONDS

A Bondholder shall have such rights as are, pursuant to this Securities Note, attached to the Bonds, including:

1. the repayment of capital;
2. the payment of interest;
3. the right to attend, participate in and vote at Bondholders' Meetings in accordance with the Terms and Conditions; and
4. the enjoyment of all such other rights attached to the Bonds emanating from the Prospectus.

5.4 INTEREST

The Bonds shall bear interest from, and including, 14 November 2023 at the rate of 6% per annum on the nominal value thereof, payable annually in arrears on each Interest Payment Date. The first interest payment will be effected on 14 November 2024 (covering the period 14 November 2023 to 13 November 2024). Any Interest Payment Date which falls on a day other than a Business Day will be carried over to the next following day that is a Business Day.

A Maturing Bond Transfer effected by a Maturing Bondholder shall be without prejudice to:

- (i) the rights of all the holders of 2023 Maturing Bonds to receive interest on the 2023 Maturing Bonds up to and including 13 November 2023. The 2023 Maturing Bonds shall be redeemed on 14 November 2023 as determined by the Issuer and duly notified to Maturing Bondholders; and, or
- (ii) the rights of all the holders of 2024 Maturing Bonds to receive interest on the 2024 Maturing Bonds up to and including 13 November 2023. Holders of 2024 Maturing Bonds who elect not to subscribe for the Bonds by way of Maturing Bonds Transfer shall receive the interest rate applicable to the 2024 Maturing Bonds (6%) up to and including 14 May 2024, being the day prior to the 2024 Maturing Bonds Redemption Date.

In terms of article 2156 of the Civil Code (Cap. 16 of the laws of Malta), the right of Bondholders to bring claims for payment of interest and repayment of the principal on the Bonds is barred by the lapse of five years.

When interest is required to be calculated for any period of less than a full year, it shall be calculated on the basis of a 360-day year consisting of 12 months of 30 days each, and in the case of an incomplete month, the number of days elapsed.

5.5 YIELD

The gross yield calculated on the basis of the Interest, the Bond Issue Price and the Redemption Value of the Bonds at Redemption Date is 6%.

5.6 REGISTRATION, FORM, DENOMINATION AND TITLE

Certificates will not be delivered to Bondholders in respect of the Bonds. The entitlement to Bonds will be represented in uncertificated form by the appropriate entry in the electronic register maintained on behalf of the Issuer by the CSD. There will be entered in such electronic register the names, addresses, identity card numbers (in the case of natural persons), registration numbers (in the case of companies) and MSE account numbers of the Bondholders and particulars of the Bonds held by them respectively, and the Bondholders shall have, at all reasonable times during business hours, access to the register of bondholders held at the CSD for the purpose of inspecting information held on their respective account.

The CSD will issue, upon a request by a Bondholder, a statement of holdings to such Bondholder evidencing his/her/its entitlement to Bonds held in the register kept by the CSD.

The Bonds will be issued in fully registered form, without interest coupons, in denominations of any integral multiples of €100 provided that on subscription the Bonds will be subscribed for at a minimum of €2,000 per individual Bondholder. Authorised Financial Intermediaries subscribing to the Bonds through nominee accounts for and on behalf of clients shall apply the minimum subscription amount of €2,000 to each underlying client.

Any person in whose name a Bond is registered may (to the fullest extent permitted by applicable law) be deemed and treated at all times, by all persons and for all purposes (including the making of any payments), as the absolute owner of such Bond. Title to the Bonds may be transferred as provided below under the heading '**Transferability of the Bonds**' in section 5.11 of this Securities Note.

Applicants may opt to subscribe for the online e-portfolio of the MSE. The Bondholder's statement of holdings evidencing entitlement to the Bonds held in the register kept by the CSD and registration advices evidencing movements in such register will be available through the said e-portfolio facilities at <https://eportfolio.borzamalta.com.mt/>. Further details on the e-portfolio may be found at <https://eportfolio.borzamalta.com.mt/Help>.

5.7 NEGATIVE PLEDGE

The Issuer undertakes, for as long as any principal or interest under the Bonds or any of the Bonds remains outstanding, not to create or permit to subsist any Security Interest (as defined below), other than a Permitted Security Interest (as defined below), upon the whole or any part of its present or future assets or revenues to secure any Financial Indebtedness (as defined below) of the Issuer, unless at the same time or prior thereto the Issuer's indebtedness under the Bonds is secured equally and rateably therewith, and the instrument creating such Security Interest so provides.



“**Financial Indebtedness**” means any indebtedness in respect of: (A) monies borrowed; (B) any debenture, bond, note, loan stock or other security; (C) any acceptance credit; (D) the acquisition cost of any asset to the extent payable before or after the time of acquisition or possession by the party liable where the advance or deferred payment is arranged primarily as a method of raising finance for the acquisition of that asset; (E) leases entered into primarily as a method of raising finance for the acquisition of the asset leased; (F) amounts raised under any other transaction having the commercial effect of borrowing or raising of money; and (G) any guarantee, indemnity or similar assurance against financial loss of any person;

“**Security Interest**” means any privilege, hypothec, pledge, lien, charge or other encumbrance or real right which grants rights of preference to a creditor over the assets of the Issuer;

“**Permitted Security Interest**” means: (A) any Security Interest arising by operation of law; (B) any Security Interest securing temporary bank loans or overdrafts in the ordinary course of business; (C) any other Security Interest (in addition to (A) and (B) above) securing Financial Indebtedness of the Issuer, in an aggregate outstanding amount not exceeding 80% of the difference between the value of the unencumbered assets of the Issuer and the aggregate principal amount of Bonds outstanding at the time.

Provided that the aggregate Security Interests referred to in (B) and (C) above do not result in the unencumbered assets of the Issuer being less than 106% of the aggregate principal amount of the Bonds still outstanding;

“**unencumbered assets**” means assets which are not subject to a Security Interest.

5.8 PAYMENTS

Payment of the principal amount of Bonds will be made in Euro (€) by the Issuer to the person in whose name such Bonds are registered, with interest accrued up to the Redemption Date, by means of direct credit transfer into such bank account as the Bondholder may designate from time to time, provided such bank account is denominated in Euro (€). Such payment shall be effected within seven days of the Redemption Date. The Issuer shall not be responsible for any loss or delay in transmission or any charges related thereto. Upon payment of the Redemption Value the Bonds shall be redeemed and the appropriate entry made in the electronic register of the Bonds at the CSD.

In the case of Bonds held subject to usufruct, payment will be made against the joint instructions of all bare owners and usufructuaries. Before effecting payment, the Issuer and, or the CSD shall be entitled to request any legal documents deemed necessary concerning the entitlement of the bare owner/s and the usufructuary/ies to payment of the Bonds.

Payment of interest on a Bond will be made to the person in whose name such Bond is registered at the close of business 15 days prior to the Interest Payment Date, by means of a direct credit transfer into such bank account as the Bondholder may designate, from time to time, which is denominated in Euro. Such payment shall be effected within seven days of the Interest Payment Date. The Issuer shall not be responsible for any loss or delay in transmission or any charges related thereto.

All payments with respect to the Bonds are subject in all cases to any applicable fiscal or other laws and regulations prevailing in Malta. In particular, but without limitation, all payments of principal and interest by or on behalf of the Issuer in respect of the Bonds shall be made net of any amount which the Issuer is or may become compelled by law to deduct or withhold for or on account of any present or future taxes, duties, assessments or other government charges of whatsoever nature imposed, levied, collected, withheld or assessed by or within the Republic of Malta or any authority thereof or therein having power to tax.

No commissions or expenses shall be charged by the Issuer to Bondholders in respect of such payments.

5.9 REDEMPTION AND PURCHASE

Unless previously purchased and cancelled, the Bonds will be redeemed at their nominal value (together with interest accrued to the date fixed for redemption) on the Redemption Date.

Subject to the provisions of this section 5.9, the Issuer may at any time purchase Bonds in the open market or otherwise at any price. Any purchase by tender shall be made available to all Bondholders alike.

All Bonds repurchased by the Issuer shall be cancelled forthwith and may not be reissued or re-sold.

5.10 EVENTS OF DEFAULT

The Bonds shall become immediately due and repayable at their principal amount together with accrued interest, if any, upon the happening of any of the following events (“**Events of Default**”):

- 5.10.1 the Issuer fails to effect payment of interest under the Bonds on an Interest Payment Date and such failure continues for a period of 60 days after written notice thereof has been given to the Issuer by any Bondholder; or
- 5.10.2 the Issuer fails to pay the principal amount on any Bond on the Redemption Date, and such failure continues for a period of 60 days after written notice thereof has been given to the Issuer by any Bondholder; or
- 5.10.3 the Issuer fails to duly perform or otherwise breaches any other material obligation contained in the Prospectus and such failure continues for a period of 60 days after written notice thereof has been given to the Issuer by any Bondholder; or
- 5.10.4 in terms of article 214(5) of the Act, a court order or other judicial process is levied or enforced upon or sued out against any part of the property of the Issuer and is not paid out, withdrawn or discharged within one month; or
- 5.10.5 the Issuer stops or suspends payments (whether of principal or interest) with respect to all or any class of its debts or announces an intention to do so or ceases or threatens to cease to carry on its business or a substantial part of its business; or
- 5.10.6 the Issuer is unable, or admits in writing its inability, to pay its debts within the meaning of article 214(5) of the Act, or any statutory modification or re-enactment thereof; or
- 5.10.7 the Issuer ceases or announces an intention to cease or threatens to cease, to carry on its business or a substantial part of its business; or
- 5.10.8 any material indebtedness of the Issuer is not paid when properly due or becomes properly due and payable or any creditor of the Issuer (as the case may be) becomes entitled to declare any such material indebtedness properly due and payable prior to the date when it would otherwise have become properly due or any guarantee or indemnity of the Issuer in respect of indebtedness is not honoured when properly due and called upon; PROVIDED THAT for the purposes of this provision, material indebtedness shall mean an amount exceeding €25 million; or
- 5.10.9 the Issuer repudiates, or does or causes or permits to be done any act or thing evidencing an intention to repudiate the Bonds; or
- 5.10.10 it becomes unlawful at any time for the Issuer to perform all or any of its obligations under the Bonds; or
- 5.10.11 all of the undertakings, assets, rights, or revenues of or shares or other ownership interests in the Issuer are seized, nationalised, expropriated or compulsorily acquired by or under the authority of any government.

Upon any such declaration being made as aforesaid the said principal monies and interest accrued under the Bonds shall be deemed to have become immediately payable at the time of the event which shall have happened as aforesaid.

5.11 TRANSFERABILITY OF THE BONDS

The Bonds are freely transferable and, once admitted to the Official List, shall be transferable only in whole (i.e. in multiples of €100) in accordance with the rules and regulations of the MSE applicable from time to time. The minimum subscription amount of €2,000 shall only apply during the Offer Period. No minimum holding requirement shall be applicable once the Bonds are admitted to listing on the Official List and commence trading thereafter, subject to trading in multiples of €100.

Any person becoming entitled to a Bond in consequence of the death or bankruptcy of a Bondholder may, upon such evidence being produced as may from time to time properly be required by the Issuer or the CSD, elect either to be registered himself as the holder of the Bond or to have some person nominated by him registered as the transferee thereof. If the person so becoming entitled shall elect to be registered himself, he shall deliver or send to the CSD a notice in writing signed by him stating that he so elects. If he shall elect to have another person registered, he shall testify his election by transferring the Bond, or procuring the transfer of the Bond, in favour of that person.

All transfers and transmissions are subject in all cases to any pledge (duly constituted) of the Bonds and to any applicable laws and regulations.

The cost and expenses of effecting any registration of transfer or transmission, except for the expenses of delivery by any means other than regular mail (if any) and except, if the Issuer shall so require, the payment of a sum sufficient to cover any tax, duty or other governmental charge or insurance charges that may be imposed in relation thereto, will be borne by the transferee.

The Issuer will not register the transfer or transmission of Bonds for a period of 15 days preceding the due date for any payment of interest on the Bonds.

5.12 FURTHER ISSUES

The Issuer may, from time to time, without the consent of the Bondholders, create and issue further secured or unsecured debentures, debenture stock, bonds, loan notes, or any other debt securities, either having the same terms and conditions as any outstanding debt securities of any series (including the Bonds) and so that such further issue shall be consolidated and form a single series with the outstanding debt securities of the relevant series (including the Bonds), or upon such terms as the Issuer may determine at the time of their issue.

5.13 MEETINGS OF BONDHOLDERS

The Issuer may, from time to time, call Bondholders' Meetings for the purpose of consultation with Bondholders or for the purpose of obtaining the consent of Bondholders on matters which in terms of the Prospectus require the approval of a Bondholders' Meeting and to effect any change to the applicable Terms and Conditions.

A Bondholders' Meeting shall be called by the Directors to all Bondholders listed on the register of Bondholders as at a date being not more than 30 days preceding the date scheduled for the meeting, and not less than 14 days' notice in writing. Such notice shall set out the time, place and date set for the meeting and the matters to be discussed or decided thereat, including, if applicable, sufficient information on any amendment of the Prospectus that is proposed to be voted upon at the meeting and seeking the approval of the Bondholders.

Following a Bondholders' Meeting held in accordance with the provisions contained hereunder, the Issuer shall, acting in accordance with the resolution(s) taken at the meeting, communicate to the Bondholders whether the necessary consent to the proposal made by the Issuer has been granted or withheld. Subject to having obtained the necessary approval by the Bondholders in accordance with the provisions of this section 5.13 at a meeting called for that purpose as aforesaid, any such decision shall subsequently be given effect to by the Issuer.

The amendment or waiver of any of the Terms and Conditions may only be made with the approval of Bondholders at a meeting called and held for that purpose in accordance with the terms hereof.

A Bondholders' Meeting shall only validly and properly proceed to business if there is a quorum present at the commencement of the meeting. For this purpose, at least two Bondholders present in person or by proxy, representing not less than 50% in nominal value of the Bonds then outstanding, shall constitute a quorum. If a quorum is not present within 30 minutes from the time scheduled for the commencement of the meeting as indicated on the notice convening same, the meeting shall stand adjourned to a place, date and time as shall be communicated by the Directors to the Bondholders present at that meeting. The Issuer shall within two days from the date of the original meeting publish by way of a company announcement the date, time and place where the adjourned meeting is to be held. An adjourned meeting shall be held not earlier than seven days, and not later than 15 days, following the original meeting. At an adjourned meeting: the number of Bondholders present, in person or by proxy, shall constitute a quorum; and only the matters specified in the notice calling the original meeting shall be placed on the agenda of, and shall be discussed at, the adjourned meeting.

Any person who in accordance with the Memorandum and Articles of Association is to chair the annual general meetings of shareholders shall also chair Bondholders' Meetings.

Once a quorum is declared present by the chairman of the meeting, the meeting may then proceed to business and address the matters set out in the notice convening the meeting. In the event of decisions being required at the meeting the directors or their representative shall present to the Bondholders the reasons why it is deemed necessary or desirable and appropriate that a particular decision is taken. The meeting shall allow reasonable and adequate time to Bondholders to present their views to the Issuer and the other Bondholders present at the meeting.

The meeting shall then put the matter as proposed by the Issuer to a vote of the Bondholders present at the time at which the vote is being taken, and any Bondholders taken into account for the purpose of constituting a quorum who are no longer present for the taking of the vote shall not be taken into account for the purpose of such vote.

The voting process shall be managed by the Company Secretary of the Issuer under the supervision and scrutiny of the auditors of the Issuer.

The proposal placed before a Bondholders' Meeting shall only be considered approved if at least 65% in nominal value of the Bondholders present at the meeting at the time when the vote is being taken, in person or by proxy, shall have voted in favour of the proposal.

Save for the above, the rules generally applicable to proceedings at general meetings of shareholders of the Issuer shall *mutatis mutandis* apply to Bondholders' Meetings.

5.14 AUTHORISATIONS AND APPROVALS

The Board of Directors authorised the Bond Issue pursuant to a board of directors' resolution passed on 5 September 2023.

5.15 NOTICES

Notices will be mailed to Bondholders at their registered addresses and shall be deemed to have been served at the expiration of 24 hours after the letter containing the notice is posted, and in proving such service it shall be sufficient to prove that a prepaid letter containing such notice was properly addressed to such Bondholder at his registered address and posted.

5.16 GOVERNING LAW AND JURISDICTION

The Bonds are governed by and shall be construed in accordance with Maltese law. Any legal action, suit or proceedings against the Issuer arising out of or in connection with the Bonds and, or the Prospectus shall be brought exclusively before the Maltese courts.

6 TAXATION

6.1 GENERAL

Investors and prospective investors are urged to seek professional advice as regards both Maltese and any foreign tax legislation which may be applicable to them in respect of the Bonds, including their acquisition, holding and transfer as well as on any income derived therefrom or on any gains derived on the transfer of such Bonds. The following is a summary of the anticipated tax treatment applicable to Bondholders in so far as taxation in Malta is concerned. This information does not constitute legal or tax advice and does not purport to be exhaustive.

The information below is based on an interpretation of tax law and practice relative to the applicable legislation, as known to the Issuer at the date of the Prospectus, in respect of a subject on which no official guidelines exist. Investors are reminded that tax law and practice and their interpretation as well as the levels of tax on the subject matter referred to in the preceding paragraph, may change from time to time.

This information is being given solely for the general information of investors. The precise implications for investors will depend, among other things, on their particular circumstances and on the classification of the Bonds from a Maltese tax perspective, and professional advice in this respect should be sought accordingly.

6.2 MALTESE INCOME TAX ON INTEREST INCOME ARISING FROM THE HOLDING OF BONDS

Since interest is payable in respect of a Bond which is the subject of a public issue, unless the Issuer is instructed by a Bondholder to receive the interest gross (i.e. without the deduction of tax), or if the Bondholder does not fall within the definition of "recipient" in terms of article 41(c) of the Income Tax Act (Cap. 123 of the laws of Malta, hereinafter the "**Income Tax Act**") (see further below), interest shall be paid to such Bondholder net of a final withholding tax, currently at the rate of 15% (10% in the case of certain types of collective investment schemes) of the gross amount of the interest, pursuant to article 33 of the Income Tax Act. Bondholders who do not fall within the definition of a "recipient" do not qualify for the said rate and should seek advice on the taxation of such income as other rules may apply.

Article 41(c) of the Income Tax Act defines the term "recipient", which includes, *inter alia*, a person resident in Malta during the year in which investment income is payable, and EU/EEA nationals (and their spouse were applicable) who are not resident in Malta for Maltese tax purposes but who apply (at their option) the tax rates applicable to Maltese residents on the basis that the income that arises in Malta is at least 90% of their worldwide income.

The aforementioned withholding tax is considered as a final tax and a Maltese resident individual Bondholder is not obliged to declare the interest so received in his or her income tax return (to the extent that the interest is paid net of tax). No person shall be charged to further tax in respect of such income. Furthermore, such tax should not be available as a credit against the recipient's tax liability or for a refund, as the case may be, for the relevant year of assessment in Malta. The Issuer is required to comply with a number of obligations, including the submission to the Maltese Commissioner for Revenue of the tax withheld within prescribed timeframes, and rendering an account to the Maltese Commissioner for Revenue of all amounts so deducted, including the identity of the recipient.



In the case of a valid election made by an eligible Bondholder resident in Malta to receive the interest due without the deduction of tax, interest will be paid gross and such person will be obliged to declare the interest so received in his or her Maltese income tax return and be subject to tax on such interest at the standard rates applicable to such Bondholder at that time. Additionally, in this latter case the Issuer will advise the Maltese Commissioner for Revenue on an annual basis in respect of all interest paid gross and of the identity of all such recipients. Any such election made by a resident Bondholder at the time of subscription may be subsequently changed by giving notice in writing to the Issuer. Such election or revocation will be effective within the time limit set out in the Income Tax Act.

In terms of article 12(1)(c) of the Income Tax Act, Bondholders who are not resident in Malta satisfying the applicable conditions set out in the Income Tax Act are not taxable in Malta on the interest received and will receive interest gross, subject to the requisite declaration/evidence being provided to the Issuer in terms of law.

6.3 EXCHANGE OF INFORMATION

In terms of applicable Maltese legislation, the Issuer and, or its agent may be required to collect and forward certain information (including, but not limited to, information regarding payments made to certain Bondholders) to the Maltese Commissioner for Revenue. The Maltese Commissioner for Revenue will or may, in turn, automatically or on request, forward the information to other relevant tax authorities subject to certain conditions. Please note that this does not constitute tax advice and prospective investors in the Bonds are to consult their own tax advisors in case of doubt.

6.3.1 *The Common Reporting Standard and the Directive on Administrative Cooperation*

The Organisation for Economic Co-operation and Development (“**OECD**”) has developed a global framework, commonly known as the Common Reporting Standard (“**CRS**”) for the identification and timely reporting of certain financial information on individuals, and controlling persons of certain entities, who hold financial accounts with financial institutions of participating jurisdictions in order to increase tax transparency and cooperation between tax administrations. Numerous jurisdictions, including Malta, have signed the OECD Multilateral Competent Authority Agreement, which is a multilateral agreement outlining the framework to automatically exchange certain financial and personal information as set out within CRS.

So as to introduce an extended automatic exchange of information regime in accordance with the global standard released by the OECD, CRS has also been adopted in the EU through the implementation of Council Directive 2014/107/EU of 9 December 2014 amending Directive 2011/16/EU as regards mandatory automatic exchange of tax information in the field of taxation. This has been transposed in Malta by means of Legal Notice 384 of 2015 amending the Cooperation with Other Jurisdictions on Tax Matters Regulations, Subsidiary Legislation 123.127 (“**CRS Legislation**”), and has been applicable since 1 January 2016. In terms of this legal notice, the automatic exchange of information obligations shall extend to jurisdictions that are not EU Member States with which there is a relevant arrangement in place.

Malta based financial institutions (defined as such for the purposes of CRS) are obliged to identify and annually report to the Malta Commissioner for Revenue financial accounts held by a reportable person, as defined under the CRS Legislation, including certain entities with one or more controlling persons, as defined under the CRS Legislation. Financial information relating to the Bonds and the holders thereof may fall within the purview of CRS and may be subject to reporting and information exchange provisions.

Under CRS, financial institutions resident in a CRS participating jurisdiction (such as Malta) would be required to apply onerous due-diligence procedures for the identification of reportable accounts. Bondholders may be required to provide certain information and certifications to financial institutions, such as qualifying custodians or any intermediaries, in order to satisfy their obligations under CRS. Certain confidential information in relation to the Bondholders and, or other reportable persons may be reported to the Commissioner for Revenue or other relevant overseas tax authorities and automatically exchanged pursuant to these arrangements with the tax administrations of other participating jurisdictions.

Investors are also advised to assess any reporting obligations in terms of Council Directive (EU) 2018/822 of 25 May 2018 amending Directive 2011/16/EU as regards mandatory automatic exchange of information in the field of taxation in relation to reportable cross-border arrangements, as transposed into Maltese domestic law by way of Legal Notice 342 of 2019 amending the CRS Legislation.

Investors are advised to seek professional advice in relation to the CRS Legislation and EU Council Directive 2014/107/EU. Not complying with the CRS rules may give rise to certain fines or closure of financial accounts.

6.3.2 *The Exchange of Information (United States of America) (FATCA) Order*

The United States of America (“U.S.”) has enacted rules, commonly referred to as ‘FATCA’, that generally impose a reporting regime and, in some cases withholding requirements, with respect to certain U.S. source payments (including dividends and interest), gross proceeds from the disposition of property that can produce U.S. source interest and dividends as well as certain payments made by, and financial accounts held with, entities that are classified as financial institutions under FATCA. The U.S. has entered into an intergovernmental agreement with Malta dated 6 December 2013 regarding the implementation of FATCA in Malta which has been implemented into Maltese law through the Exchange of Information (United States of America) (FATCA) Order, Subsidiary Legislation 123.156 (“**FATCA Legislation**”).

Under the FATCA Legislation, financial institutions in Malta (defined as such for the purposes of FATCA) are required to satisfy applicable due diligence requirements to identify and report financial accounts held by specified U.S. persons, as defined under the FATCA Legislation, and certain non-U.S. entities, which are controlled by U.S. Controlling Persons, as defined under the FATCA Legislation, to the Malta Commissioner for Revenue. The Maltese Government and the Government of the U.S. shall annually exchange the information obtained pursuant to the FATCA Legislation on an automatic basis.

Financial account information in respect of holders of the Bonds could fall within the scope of FATCA and they may therefore be subject to reporting obligations. In order to comply with its FATCA obligations, if any, the Issuer and, or its agent may be required to obtain certain information, forms and other documentation on the Bondholders to report information on reportable accounts to the Commissioner for Revenue, in accordance with applicable laws and regulations, which will in turn report this information to the Internal Revenue Service in the U.S. Bondholders should note that a specified U.S. person in terms of FATCA may include a wider range of investors than the current U.S. person definition referred to in the terms and conditions of Application.

Financial institutions reserve the right to request any information and, or documentation required, in respect of any financial account, in order to comply with the obligations imposed under FATCA and any referring legislation. In the case of failure to provide satisfactory documentation and, or information, financial institutions may take such action as it thinks fit, including without limitation, the closure of the financial account.

Although the Issuer will attempt to satisfy any obligations imposed on it to avoid the imposition of the FATCA withholding tax, no assurance can be given that the Issuer will be able to satisfy these obligations. If the Issuer becomes subject to a withholding tax as a result of the FATCA regime, the Bondholders may suffer losses.

6.4 MALTESE TAXATION ON CAPITAL GAINS ARISING ON TRANSFERS OF THE BONDS

As the Bonds do not fall within the definition of “securities” in terms of article 5(1)(b) of the Income Tax Act, that is, “*shares and stocks and such like instrument that participate in any way in the profits of the company and whose return is not limited to a fixed rate of return*”, to the extent that the Bonds are held as capital assets by the Bondholders, no tax on capital gains should be chargeable in respect of the transfer of the Bonds. Such Bondholders should seek advice on any foreign tax implications that may be applicable to them.

6.5 DUTY ON DOCUMENTS AND TRANSFERS

In terms of the Duty on Documents and Transfers Act (Cap. 364 of the laws of Malta), duty is chargeable *inter alia* on the transfer *inter vivos* or transmission *causa mortis* of marketable securities. A marketable security is defined in the said legislation as “*a holding of share capital in any company and any document representing the same*”.

Consequently, the Bonds should not be treated as constituting marketable securities within the meaning of the legislation and therefore, the transfer/transmission thereof should not be chargeable to duty.

Furthermore, even if the Bonds are considered marketable securities for the purposes of the Duty on Documents and Transfers Act, in terms of article 50 of the Financial Markets Act since the Bonds constitute financial instruments of a company quoted on a regulated market exchange, as is the MSE, redemptions and transfers of the Bonds should, in any case, be exempt from duty.

THE ABOVE INFORMATION IS BASED ON TAX LAW AND PRACTICE APPLICABLE AS AT THE DATE OF THIS SECURITIES NOTE. INVESTORS AND PROSPECTIVE INVESTORS ARE URGED TO SEEK PROFESSIONAL ADVICE AS REGARDS BOTH MALTESE AND ANY FOREIGN TAX LEGISLATION APPLICABLE TO THE ACQUISITION, HOLDING AND DISPOSAL OF BONDS AS WELL AS INTEREST PAYMENTS MADE BY THE ISSUER. THE ABOVE IS A SUMMARY OF THE ANTICIPATED TAX TREATMENT APPLICABLE TO THE BONDS AND TO BONDHOLDERS. THIS INFORMATION, WHICH DOES NOT CONSTITUTE LEGAL OR TAX ADVICE,



AND WHICH SHOULD NOT PURPORT TO BE EXHAUSTIVE IN NATURE, REFERS ONLY TO BONDHOLDERS WHO DO NOT DEAL IN SECURITIES IN THE COURSE OF THEIR NORMAL TRADING ACTIVITY AND DEPENDS, AMONG OTHER THINGS, ON THE PARTICULAR INDIVIDUAL CIRCUMSTANCES OF THE INVESTORS AND OF THE CLASSIFICATION OF THE SECURED BONDS FROM A MALTESE TAX PERSPECTIVE.

7 TERMS AND CONDITIONS OF THE BOND ISSUE

7.1 GENERAL TERMS AND CONDITIONS OF THE BONDS

The following Terms and Conditions shall be read in conjunction with all the other terms and conditions relative to and regulating the contractual relationship created between the Issuer and the Applicant on the other.

- 7.1.1 The issue and allotment of the Bonds is conditional upon the Bonds being admitted to the Official List by no later than 13 November 2023. In the event that the Bonds are not admitted to the Official List by the date indicated, no Maturing Bond Transfers will take effect and the Issuer undertakes to procure that any Application monies received by the Manager & Registrar during the Offer Period and pursuant to the Intermediaries' Offer if it takes place, will be returned without interest by direct credit into the Applicants' bank account as indicated in the respective Application Form or subscription agreement as applicable.
- 7.1.2 Maturing Bondholders applying for Bonds may elect to settle all or part of the amount due on the Bonds applied for by completing a pre-printed: (i) Application Form 'A' should they be 2023 Maturing Bondholders, and, or (ii) Application Form 'B' should they be 2024 Maturing Bondholders, indicating that the consideration for the Bonds applied for shall be settled by way of transfer to the Issuer of all or part of the Maturing Bonds held as at the Cut-Off Date in an amount equivalent to the par value of the Bonds applied for, subject to a minimum application of €2,000. Any Maturing Bondholders whose holding in Maturing Bonds is less than €2,000 shall be required to pay the Cash Top-Up together with the submission of their pre-printed Application Form 'A' and, or Application Form 'B', as applicable.
- 7.1.3 By submitting a signed pre-printed Application Form 'A' and, or Application Form 'B', as applicable, indicating that the option of the Maturing Bond Transfer is being selected (whether in whole or in part consideration for the Bonds being applied for), the Applicant is thereby confirming:
- (i) that all or part (as the case may be) of the Maturing Bonds held by the Applicant as at the Cut-off Date are being transferred to the Issuer, together with the payment due in respect of any Cash Top-Up, if applicable;
 - (ii) that the pre-printed Application Form 'A' and, or Application Form 'B', as applicable, constitutes the Applicant's irrevocable mandate to the Issuer to:
 - a. cause the transfer of the said Maturing Bonds in the Issuer's name in consideration of the issue of Bonds; and
 - b. engage, at the Issuer's cost, the services of such brokers or intermediaries as may be necessary to fully and effectively vest title in the said Maturing Bonds in the Issuer and fully and effectively vest title in the appropriate number of Bonds in the Applicant;
 - (iii) the obligations of the Issuer with respect to the Maturing Bonds being transferred to the Issuer are extinguished, replaced by obligations on the part of the Issuer under the Bonds to be issued upon acceptance by the Issuer of the Application in question;
 - (iv) the matter specified in section 7.1.7 below;
- 7.1.4 Preferred Applicants are to submit an Application Form 'C', a pre-printed version of which will be sent to them by mail. With respect to Corinthia Group Personnel, Application Form 'C' may be obtained from the Issuer's offices as from 5 October 2023.
- 7.1.5 Pursuant to the Intermediaries' Offer (if it takes place) as described in more detail under section 7.5 below, the Issuer shall enter into conditional subscription agreements with Authorised Financial Intermediaries for any resultant balance of Bonds remaining unallocated following closing of the Offer Period. Completed subscription agreements, together with evidence of payment, are to reach the Manager & Registrar by 12:00 hours on 2 November 2023.

- 7.1.6 Where an individual holds, as at the Cut-Off Date, multiple securities issued by different issuers within the Corinthia Group, and provided that he does not hold any Maturing Bonds, he will be receiving one pre-printed Application Form as set out in section 7.4 below.
- 7.1.7 An Applicant applying for the Bonds is thereby confirming to the Issuer, the Manager & Registrar, and the Authorised Financial Intermediary through whom the Application is made, that the Applicant's remittance will be honoured on first presentation and agrees that, if such remittance is not so honoured on its first presentation, the Issuer, the Manager & Registrar, or the respective Authorized Financial Intermediary reserve the right to invalidate the relative Application. Furthermore the Applicant will not be entitled to receive a registration advice or to be registered in the register of Bondholders, unless the Applicant makes payment in cleared funds and such payment is accepted by the respective Authorised Financial Intermediary, Manager & Registrar, and, or Issuer, as applicable, which acceptance shall be made in the Authorised Financial Intermediary, Manager & Registrar, and, or Issuer's absolute discretion and may be on the basis that the Applicant indemnifies the Authorised Financial Intermediary, Manager & Registrar, and, or Issuer against all costs, damages, losses, expenses and liabilities arising out of or in connection with the failure of the Applicant's remittance to be honoured on first presentation.
- 7.1.8 The contract created by the Issuer's acceptance of an Application filed by a prospective bondholder shall be subject to all the terms and conditions set out in this Securities Note and the Memorandum and Articles of Association. It is the responsibility of investors wishing to apply for the Bonds to inform themselves as to the legal requirements of so applying including any requirements relating to external transaction requirements in Malta and any exchange control in the countries of their nationality, residence, or domicile.
- 7.1.9 If an Application Form is submitted on behalf of another person, whether legal or natural, the person submitting such Application Form will be deemed to have duly bound such other person, whether legal or natural, on whose behalf the Application Form has been submitted. The person submitting such Application Form shall be deemed also to have given the confirmations, warranties and undertakings contained in these terms and conditions on their behalf. Such representative may be requested to submit the relative power of attorney, or resolution or a copy thereof duly certified by a lawyer or notary public if so required by the Issuer and the Manager & Registrar, but it shall not be the duty or responsibility of the Manager & Registrar or Issuer to ascertain that such representative is duly authorised to appear on the Application Form. Furthermore, in cases where the decision to invest is taken by a third party authorised to transact on behalf of the Applicant (a "**decision maker**") such as an individual that holds a power of attorney to trade on the Applicant's account or Applications under a discretionary account, details of the decision maker need to be included in the relative panel of the Application Form.
- 7.1.10 In the case of joint Applications, reference to the Applicant in these terms and conditions is a reference to each of the joint Applicants, and liability therefor is joint and several. The person whose name shall be inserted in the field entitled "Applicant" on the Application Form, or first-named in the register of Bondholders shall, for all intents and purposes, be deemed to be such nominated person by all those joint holders whose names appear in the field entitled "Additional Applicants" in the Application Form or joint holders in the register, as the case may be. Such person shall, for all intents and purposes, be deemed to be the registered holder of the Bond/s so held.
- 7.1.11 In the case of corporate Applicants or Applicants having separate legal personality, the Application Form must be signed by a person/s authorised to sign and bind such Applicant. It shall not be incumbent on the Company or Manager & Registrar to verify whether the person or persons purporting to bind such an Applicant is or are in fact authorized. Applications by corporate Applicants have to include a valid legal entity identifier ("**LEI**") which must be unexpired. Applications without such information or without a valid LEI will not be accepted.
- 7.1.12 In respect of a Bond held subject to usufruct, the name of the bare owner and the usufructuary shall be entered in the register. The usufructuary shall, for all intents and purposes, be deemed *vis-à-vis* the Issuer to be the holder of the Bond/s so held and shall have the right to receive interest on the Bond/s and to vote at Bondholders' Meetings but shall not, during the continuance of the Bond/s, have the right to dispose of the Bond/s so held without the consent of the bare owner, and shall not be entitled to the repayment of principal on the Bond (which shall be due to the bare owner). Furthermore, the signatures of both the bare owner and the usufructuary will be required in the respective Application Form.
- 7.1.13 Applications in the name and for the benefit of minors shall be allowed provided that the Applicant already holds an account with the MSE. Any Bonds allocated pursuant to such an Application shall be registered in the name of the minor as Bondholder, with interest and redemption monies payable to the parents / legal guardian/s signing the Application Form until such time as the minor attains the age of 18 years, following which all interest and redemption monies shall be paid directly to the registered holder, provided that the Issuer has been duly notified in writing of the fact that the minor has attained the age of 18 years.

7.1.14 All Applications for the Bonds must be submitted on the appropriate Application Form by not later than 14:00 hours on 26 October 2023. The Issuer reserves the right to close the Offer Period before 26 October 2023 with respect to any one or more classes of Applicants depending on the total level of subscription in the Bond Issue. All Application Forms are to be lodged with any of the Authorised Financial Intermediaries listed in Annex I together with payment of the full price of the Bonds applied for, in Euro (€) with the exception of Application Forms 'A' and Application Forms 'B' submitted by Maturing Bondholders, where payment needs to correspond to the amount applied for less the aggregate value of the bonds forming the subject of the Maturing Bond Transfer. Payments may be made through any method of payment as accepted by the respective Authorised Financial Intermediary.

7.1.15 By completing and delivering an Application Form, the Applicant:

- a. accepts to be irrevocably contractually committed to acquire the number of Bonds allocated to such Applicant at the Bond Issue Price and, to the fullest extent permitted by law, accepts to be deemed to have agreed not to exercise any rights to rescind or terminate, or otherwise withdraw from, such commitment, such irrevocable offer to purchase, and pay the consideration for, the number of Bonds specified in the Application Form submitted by the Applicant (or any smaller number of Bonds for which the Application is accepted) at the Bond Issue Price (as applicable) being made subject to the provisions of the Prospectus, the Terms and Conditions, the Application Form and the Memorandum and Articles of Association;
- b. agrees and acknowledges to have had the opportunity to read the Prospectus and to be deemed to have had notice of all information and representations concerning the Issuer and the issue of the Bonds contained therein;
- c. warrants that the information submitted by the Applicant in the Application Form is true and correct in all respects. All Applications need to include a valid MSE account number in the name of the Applicant/s. Failure to include an MSE account number will result in the Application being cancelled by the Issuer (acting through the Manager & Registrar) and subscription monies will be returned to the Applicant in accordance with section 7.1.15(g) below. In the event of a discrepancy between the personal details (including name and surname and the Applicant's address) appearing on the Application Form and those held by the MSE in relation to the MSE account number indicated on the Application Form, the details held by the MSE shall be deemed to be the correct details of the Applicant;
- d. acknowledges the processing of any personal data for the purposes specified in the privacy notice published by the Issuer, which is available on the Issuer's website at www.corinthiagroup.com. The Applicant hereby acknowledges that the processing of personal data may validly take place, even without the Applicant's consent, in the circumstances set out in the Data Protection Act (Cap. 586 of the laws of Malta) (the "**Data Protection Act**"), the General Data Protection Regulation (GDPR) (EU) 2016/679 ("**GDPR**") and any applicable subsidiary legislation, as may be amended from time to time. The Applicant hereby confirms that he/she/it has been provided with and read the privacy notice;
- e. authorises the Issuer (or its service providers, including the CSD and, or Manager & Registrar) and, or the relevant Authorised Financial Intermediary, as applicable, to process the personal data that the Applicant provides in the Application Form, for all purposes necessary and subsequent to the Bond Issue applied for, in accordance with the Data Protection Act and the GDPR. The Applicant has the right to request access to, and rectification of, the personal data relating to him/her in relation to the Bond Issue. Any such requests must be made in writing and sent to the Issuer and the CSD. The requests must be signed by the Applicant to whom the personal data relates;
- f. confirms that in making such Application no reliance was placed on any information or representation in relation to the Issuer or the issue of the Bonds other than what is contained in the Prospectus and accordingly agree/s that no person responsible solely or jointly for the Prospectus or any part thereof will have any liability for any such other information or representation;
- g. agrees that any refund of unallocated Application monies will be paid by direct credit, without interest, at the Applicant's own risk, to the bank account as indicated in the Application Form. The Issuer shall not be responsible for any loss or delay in transmission or any charges in connection therewith;
- h. warrants that the remittance will be honoured on first presentation and agrees that, if such remittance is not so honoured: (i) the Applicant will not be entitled to receive a registration advice or to be registered in respect of such Bonds, unless and until a payment is made in cleared funds within the Offer Period for such Bonds and such payment is accepted by the respective Authorised Financial Intermediary or by the Issuer acting through the Manager & Registrar (which acceptance shall be made in its absolute discretion and may be on the basis that the Authorised Financial Intermediary or the Issuer acting through the Manager & Registrar is indemnified for all costs, damages, losses, expenses and liabilities arising out of, or in connection with, the failure of the Applicant's

remittance to be honoured on first presentation at any time prior to unconditional acceptance by the Issuer acting through the Manager & Registrar of such late payment in respect of the Bonds); or (ii) the Issuer may, without prejudice to other rights, treat the agreement to allocate such Bonds as void and may allocate such Bonds to another person, in which case the Applicant will not be entitled to a refund or payment in respect of such Bonds (other than return of such late payment);

- i. agrees that the registration advice and other documents and any monies returnable to the Applicant may be retained pending clearance of his/her remittance and any verification of identity as required by the Prevention of Money Laundering Act (Cap. 373 of the laws of Malta) and regulations made thereunder, and that such monies will not bear interest;
- j. agrees to provide the Manager & Registrar and, or the Issuer, as the case may be, with any information which it/they may request in connection with the Application;
- k. agrees that all Applications, acceptances of Applications and contracts resulting therefrom will be governed, and construed, in accordance with Maltese law, and to submit to the jurisdiction of the Maltese courts, and agrees that nothing shall limit the right of the Company to bring any action, suit or proceedings arising out of or in connection with any such Applications, acceptance of Applications and contracts resulting therefrom in any manner permitted by law in any court of competent jurisdiction;
- l. warrants that, where an Applicant signs and submits an Application Form on behalf of another person or on behalf of a corporation or corporate entity or association of persons, the Applicant is duly authorised to do so and such person, corporation, corporate entity, or association of persons will also be bound accordingly and will be deemed also to have given the confirmations, warranties and undertakings contained in the Terms and Conditions and accordingly will be deemed also to have given the confirmations, warranties and undertakings contained in the Terms and Conditions and undertake to submit his power of attorney or a copy thereto duly certified by a lawyer or notary public if so required by the Issuer or the Manager & Registrar;
- m. warrants that where the Applicant is under the age of 18 years, or where an Application is being lodged in the name and for the benefit of a minor, the Applicant is the parent/s or legal guardian/s of the minor;
- n. warrants, in connection with the Application, to have observed all applicable laws, obtained any requisite governmental or other consents, complied with all requisite formalities and paid any issue, transfer or other taxes due in connection with his Application in any territory, and that the Applicant has not taken any action which will or may result in the Issuer or the Registrar acting in breach of the regulatory or legal requirements of any territory in connection with the issue of the Bond and, or his Application;
- o. warrants that all applicable exchange control or other such regulations (including those relating to external transactions) have been duly and fully complied with;
- p. represents that the Applicant is not a U.S. person (as such term is defined in Regulation S under the Securities Act of 1933 of the United States of America, as amended) as well as not to be accepting the invitation set out in the Prospectus from within the U.S. its territories or its possessions, or any area subject to its jurisdiction or on behalf or for the account of anyone within the United States or anyone who is a U.S. person;
- q. agrees that the advisors to the Bond Issue (listed in section 3.5 of the Registration Document) will owe the Applicant no duties or responsibilities concerning the Bonds or the suitability of the Applicant;
- r. agrees that all documents in connection with the issue of the Bonds will be sent at the Applicant's own risk and may be sent by post at the address (or, in the case of joint Applications, the address of the first named Applicant) as set out in the Application Form; and
- s. renounces to any rights the Applicant may have to set off any amounts the Applicant may at any time owe the Issuer against any amount due under the terms of the Bonds.

7.1.16 In the event that an Applicant has not been allocated any Bonds or has been allocated a number of Bonds which is less than the number applied for, the Applicant shall receive a full refund or, as the case may be, the balance of the price of the Bonds applied for but not allocated, without interest, by credit transfer to such account indicated in the Application Form, at the Applicant's sole risk. The Issuer shall not be responsible for any charges, loss or delay arising in connection with such direct credit transfer.



- 7.1.17 For the purposes of the Prevention of Money Laundering and Funding of Terrorism Regulations (Subsidiary Legislation 373.01 of the laws of Malta), as amended from time to time, the Authorised Financial Intermediaries are under a duty to communicate, upon request, all information about clients as is mentioned in Articles 1.2(d) and 2.4 of the “Members’ Code of Conduct” appended as Appendix 3.6 to Chapter 3 of the MSE Bye-Laws, irrespective of whether the said appointed Authorised Financial Intermediaries are MSE Members or not. Such information shall be held and controlled by the MSE in terms of the Data Protection Act and the GDPR, as may be amended from time to time, for the purposes and within the terms of the MSE Data Protection Policy as published from time to time.
- 7.1.18 It shall be incumbent on the respective Authorised Financial Intermediary to ascertain that all other applicable regulatory requirements relating to subscription of Bonds by an Applicant are complied with, including without limitation the obligation to comply with all applicable requirements set out in Regulation (EU) No. 600/2014 of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Regulation (EU) No. 648/2012, as well as applicable MFSA Rules for investment services providers.
- 7.1.19 By not later than 6 November 2023, the Issuer shall announce the result of the Bond Issue through a company announcement.
- 7.1.20 No person receiving a copy of the Prospectus or an Application Form in any territory other than Malta may treat the same as constituting an invitation or offer to such person, nor should such person in any event use such Application Form, unless, in the relevant territory, such an invitation or offer could lawfully be made to such person or such Application Form could lawfully be used without contravention of any registration or other legal requirements. In light of the aforesaid, including but not limited to the onerous requirements involved in the registration of the Prospectus in any territory other than Malta and, or compliance with the relevant legal or regulatory requirements, the Issuer has elected not to send Application Forms to Maturing Bondholders and Preferred Applicants having their address as included in the respective register of bondholders (or in the case of Existing IHI Shareholders, the company’s register of members) outside Malta, except where, *inter alia*, in the absolute discretion of the Issuer, it is satisfied that such action would not result in a contravention of any applicable legal or regulatory requirement in the relevant jurisdiction.
- 7.1.21 Subscription for Bonds by persons resident in, or who are citizens of, or who are domiciled in, or who have a registered address in, a jurisdiction other than Malta, may be affected by the law of the relevant jurisdiction. Those persons should consult their professional advisors (including tax and legal advisors) as to whether they require any governmental or other consents, or need to observe any other formalities, to enable them to subscribe for the Bonds. It is the responsibility of any person (including, without limitation, nominees, custodians, depositaries and trustees) outside Malta wishing to participate in the Bond Issue, to satisfy himself/herself/itself as to full observance of the applicable laws of any relevant jurisdiction, including, but not limited to, obtaining any requisite governmental or other consents, observing any other requisite formalities and paying any transfer or other taxes (of any nature whatsoever) due in such territories. The Issuer shall not accept any responsibility for the non-compliance by any person of any applicable laws or regulations of foreign jurisdictions.
- 7.1.22 The Bonds have not been and will not be registered under the Securities Act of 1933 of the United States of America and accordingly may not be offered or sold within the United States or to or for the account or benefit of a U.S. person.

7.2 PLAN OF DISTRIBUTION AND ALLOTMENT

The Bonds will be available for subscription by all categories of investors, which may be broadly split as follows:

- i. Maturing Bondholders up to the amount of Maturing Bonds held as at the Cut-off Date and subject to any Cash Top-Up as and if applicable;
- ii. Maturing Bondholders in respect of any Excess, Preferred Applicants, and Corinthia Group Personnel, for an amount of up to €15 million of the Bond Issue together with the balance of the Bonds not subscribed for by Maturing Bondholders limitedly by means of a Maturing Bond Transfer including any Cash Top-Up;
- iii. Authorised Financial Intermediaries through an Intermediaries’ Offer in respect of any balance of Bonds not subscribed to by Maturing Bondholders, Preferred Applicants, and Corinthia Group Personnel pursuant to (i) and (ii) above as further described in section 7.5 below.

Subscriptions shall be made through Authorised Financial Intermediaries, subject to a minimum subscription amount of €2,000 in nominal value of Bonds and in multiples of €100 thereafter.

By not later than 6 November 2023, the Issuer shall announce the result of the Bond Issue through a company announcement. Dealings in the Bonds shall not commence prior to the Bonds being admitted to the Official List.

7.3 PRICING

The Bonds are being issued at par, that is, at €100 per Bond with the full amount payable upon subscription.

7.4 ALLOCATION POLICY

The Issuer shall allocate the total Bonds amounting to €60,000,000 on the basis of the following policy:

- a. Maturing Bondholders will be allocated such number of Bonds equivalent to the Maturing Bond Transfer subject to any Cash Top-Up as and if applicable. Maturing Bondholders subscribing for Excess Bonds shall be subject to an allocation policy as further detailed in (b) hereunder;
- b. an amount of up to €15 million of the Bond Issue together with the balance of the Bonds not subscribed for by Maturing Bondholders limited by means of a Maturing Bond Transfer including any Cash Top-Up, shall be allocated to:
 - i) Maturing Bondholders in respect of any Excess Bonds;
 - ii) Preferred Applicants; and
 - iii) Corinthia Group Personnel.

pari passu without priority or preference between them.

- c. in the event that following the allocations made pursuant to paragraphs (a) and (b) above there shall still remain unallocated Bonds, the Issuer shall offer such remaining Bonds to Authorised Financial Intermediaries through an Intermediaries' Offer as detailed in sub-section 7.5 hereunder. Subscription agreements received from Authorised Financial Intermediaries shall be allocated without priority or preference and in accordance with the allocation policy as determined by the Issuer, acting through the Manager & Registrar.

7.5 INTERMEDIARIES' OFFER

Any balance of the Bonds not subscribed to by Maturing Bondholders, Preferred Applicants, and Corinthia Group Personnel, as the case may be, shall be offered for subscription by Authorised Financial Intermediaries participating in the Intermediaries' Offer. Any subscriptions received during the Intermediaries' Offer shall be subject to the same terms and conditions as those applicable to Applications by all categories of Applicants, but limited to any remaining balance of Bonds after fully allocating the Bonds applied for under Application Forms 'A', 'B' and 'C', respectively, as detailed in section 7.4 above.

In this regard, the Issuer shall enter into conditional subscription agreements with Authorised Financial Intermediaries for the subscription of the resultant balance of Bonds, whereby it will bind itself to allocate Bonds thereto up to any such amount as may not be taken up by Applicants during the Offer Period.

In terms of each subscription agreement entered into with an Authorised Financial Intermediary, the Issuer will be conditionally bound to issue, and each Authorised Financial Intermediary will be conditionally bound to subscribe for, up to the total amount of Bonds as indicated therein, subject to the Bonds being admitted to trading on the Official List. The subscription agreements, which will be subject to the Terms and Conditions will become binding on each of the Issuer and the respective Authorised Financial Intermediaries upon delivery, provided that all subscription proceeds would have been paid to the Manager & Registrar in cleared funds on delivery of the subscription agreement.

In terms of the subscription agreements, Authorised Financial Intermediaries may subscribe for the Bonds either for their own account or for the account of underlying customers, including retail customers. The minimum amount which each Authorised Financial Intermediary may apply for in terms of the applicable subscription agreement is €2,000 and in multiples of €100 thereafter and such minimum and multiples shall also apply to each underlying Applicant.

Completed subscription agreements, together with evidence of payment, are to reach the Manager & Registrar by 12:00 hours on 2 November 2023. The Issuer, acting through the Manager & Registrar, shall communicate the amount allocated under each subscription agreement by 12:00 hours on 3 November 2023. Any unsatisfied amounts in terms of the subscription agreements shall be returned to the respective Authorised Financial Intermediary by direct credit to the account indicated in the respective subscription agreement by latest close of business on 6 November 2023.



7.6 ADMISSION TO TRADING

- i. The Malta Financial Services Authority has authorised the Bonds as admissible to listing pursuant to the Capital Markets Rules by virtue of a letter dated 26 September 2023.
- ii. Application has been made to the MSE for the Bonds being issued pursuant to the Prospectus to be listed and traded on the Official List.
- iii. The Bonds are expected to be admitted to the Official List with effect from 13 November 2023 and trading is expected to commence on 14 November 2023.

7.7 ADDITIONAL INFORMATION

Save for the financial analysis summary set out as Annex III to this Securities Note, this Securities Note does not contain any statement or report attributed to any person as an expert.

The financial analysis summary has been included in the form and context in which it appears with the authorisation of M.Z. Investment Services Limited of 63, M.Z. House, St Rita Street, Rabat RBT 1523, Malta, which has given and has not withdrawn its consent to the inclusion of such report herein.

M.Z. Investment Services Limited does not have any material interest in the Issuer. The Issuer confirms that the financial analysis summary has been accurately reproduced in this Securities Note and that there are no facts of which the Issuer is aware that have been omitted and which would render the reproduced information inaccurate or misleading.

ANNEX I

AUTHORISED FINANCIAL INTERMEDIARIES

NAME	ADDRESS	TELEPHONE
APS Bank p.l.c.	APS Centre, Tower Street, Birkirkara BKR 4012	2560 3000
Bank of Valletta p.l.c.	Premium Banking Centre, 475, Triq il-Kbira San Guzepp, St Venera SVR 1011 (Applications accepted from all Branches, Investments Centres and Wealth Mgmt)	2275 1732
Calamatta Cuschieri Investment Services Ltd	Ewropa Business Centre, Triq Dun Karm, Birkirkara BKR 9034	2568 8688
CiliaFormosa Financial Advisors Ltd	Triq id-Delu, Mosta, MST 3355	2226 0200
Curmi & Partners Ltd	Finance House, Princess Elizabeth Street, Ta' Xbiex XBX 1102	2134 7331
FINCO Treasury Management Ltd	The Bastions, Office No 2, Emvin Cremona Street, Floriana FRN 1281	2122 0002
Hogg Capital Investments Ltd	NuBis Centre, Mosta Road, Lija LJA 9012	2132 2872
HSBC Bank Malta plc	116, Archbishop Street Valletta VLT 1444	2380 2380
Jesmond Mizzi Financial Advisors Ltd	67 Level 3, South Street, Valletta VLT 1105	2122 4410
Lombard Bank Malta p.l.c.	67, Republic Street, Valletta VLT 1117	2558 1806
Medirect Bank (Malta) p.l.c.	The Centre, Tigne` Point, Sliema TPO 0001	2557 4400
Michael Grech Financial Investment Services Ltd	The Brokerage, Level 0 A, St Marta Street, Victoria, Gozo VCT 2551	2258 7000
MZ Investment Services Limited	63, St Rita Street, Rabat RBT 1523	2145 3739
Rizzo, Farrugia & Co (Stockbrokers) Limited	Airways House, Fourth Floor, High Street, Sliema SLM 1551	2258 3000
Timberland Invest Ltd	CF Business Centre, Gort Road, St Julians STJ 9023	2090 8100

ANNEX II

SPECIMEN APPLICATION FORMS



INTERNATIONAL HOTEL INVESTMENTS P.L.C.
€60,000,000 6% UNSECURED BONDS 2033
APPLICATION FORM 'A'
2023 MATURING BONDS

This Application Form is not transferable and entitles you to subscribe for the International Hotel Investments p.l.c. 6% Unsecured Bonds 2033 as a Maturing Bondholder of the 2023 Maturing Bonds (as defined in the Prospectus dated 26 September 2023).

A APPLICANT (see notes 2 to 8)			
		I.D. CARD / PASSPORT	MSE A/C NO.
DOCUMENT TYPE	COUNTRY OF ISSUE	DATE OF BIRTH	NATIONALITY
LEI (Legal Entity Identifier) (if applicant is NOT an Individual)		PLEASE REGISTER ME FOR E-PORTFOLIO <input type="checkbox"/>	MOBILE NO. (mandatory for e-portfolio)
B ADDITIONAL (JOINT) APPLICANTS (see note 3) (please use Addendum to Application Form if space is not sufficient)			
TITLE (Mr/Mrs/Ms/...)	FULL NAME AND SURNAME		I.D. CARD/PASSPORT NO.
DOCUMENT TYPE	COUNTRY OF ISSUE	DATE OF BIRTH	NATIONALITY
C DECISION MAKER/MINOR'S PARENTS / LEGAL GUARDIAN(S) / USUFRUCTUARY/IES (see notes 4, 7 & 8) (to be completed ONLY if applicable)			
TITLE (Mr/Mrs/Ms/...)	FULL NAME AND SURNAME		I.D. CARD/PASSPORT NO.
DOCUMENT TYPE	COUNTRY OF ISSUE	DATE OF BIRTH	NATIONALITY
TITLE (Mr/Mrs/Ms/...)	FULL NAME AND SURNAME		I.D. CARD/PASSPORT NO.
DOCUMENT TYPE	COUNTRY OF ISSUE	DATE OF BIRTH	NATIONALITY
D I/WE APPLY TO PURCHASE AND ACQUIRE (see note 9):			
BOX 1 - Nominal Value of 2023 Maturing Bonds		AMOUNT IN FIGURES Box 1	
BOX 2 - I/We wish to purchase and acquire the amount set out in Box 2 in Bonds at the Bond Issue Price (at par) pursuant to the Prospectus dated 26 September 2023 (the "Prospectus") (minimum €2,000 and in multiples of €100 thereafter).		€	
AMOUNT IN WORDS		AMOUNT IN FIGURES Box 2	
		€	
BOX 3 - Amount of Bonds applied for less the nominal holding in the 2023 Maturing Bonds payable in full upon application under the Terms and Conditions of the Bonds set out in the Prospectus.		AMOUNT IN FIGURES Box 3	
		Difference payable on Application Box 2 - Box 1	
		€	
E RESIDENT - FINAL WITHHOLDING TAX ("FWT") DECLARATION (see notes 10) (to be completed ONLY if the Applicant is a resident of Malta)			
<input type="checkbox"/> I/We elect to receive interest NET of FWT		<input type="checkbox"/> I/We elect to receive interest GROSS (i.e. without FWT)	
F NON-RESIDENT - DECLARATION FOR TAX PURPOSES (see notes 2 & 11) (to be completed ONLY if the Applicant is a non-resident)			
TAX COUNTRY	CITY OF BIRTH		
T.I.N. (Tax Identification Number)	COUNTRY OF BIRTH		
<input type="checkbox"/> NOT resident in Malta but resident in the European Union		<input type="checkbox"/> NOT resident in Malta and NOT resident in the European Union	
G INTEREST, REFUND AND REDEMPTION MANDATE (see notes 12 & 13) (completion of this panel is MANDATORY)			
BANK	IBAN		
<p>I/We have fully understood the instructions for completing this Application Form, and am/are making this Application solely on the basis of the Prospectus, and subject to its Terms and Conditions of the Bonds as contained therein which I/we fully accept.</p> <p>I/We hereby authorise the Company to forward the details to the Malta Stock Exchange for the purposes of registering the Bonds in my/our MSE account, to register for the e-portfolio (where applicable) and to enable the reporting of all necessary transaction and personal information provided in this Application Form in compliance with Article 26 of MIFIR (Markets in Financial Instruments Regulation) to the Malta Financial Services Authority as competent authority ("Transaction Reporting"). Furthermore, I/we understand and acknowledge that the Company may require additional information for Transaction Reporting purposes and agree that such information will be provided.</p>			
Signature/s of Applicant/s <small>(Parent/s or legal guardian/s are/is to sign if Applicant is a minor) (All parties are to sign in the case of a joint Application) (Bare owner/s and usufructuary/ies to sign in the case of holdings of Bonds that are subject to usufruct)</small>			Date
AUTHORISED FINANCIAL INTERMEDIARY'S STAMP	AUTHORISED FINANCIAL INTERMEDIARY'S CODE	APPLICATION NUMBER	

Notes on how to complete this Application Form and other information

The following notes are to be read in conjunction with the Prospectus dated 26 September 2023 regulating the Bond Issue

This Application Form is not transferable and entitles you to a preferential treatment as holder of the 5.8% International Hotel Investments p.l.c. unsecured bonds 2023 (the "2023 Maturing Bonds") and is to be submitted as a method of payment where the Applicant selects to apply for the 6% International Hotel Investments p.l.c. Unsecured Bonds 2033 (the "Bond/s") so as to transfer to the Issuer all or part of the holding in the 2023 Maturing Bonds held by the Applicant as at the Cut-Off Date, the nominal value of which is set out in Box 1 of Panel B. By submitting this signed Application Form, Maturing Bondholders shall be deemed to:

- i. cause the transfer of the said 2023 Maturing Bonds in the Issuer's name in consideration of the issue of Bonds; and
- ii. engage, at the Issuer's cost, the services of such brokers or intermediaries as may be necessary to fully and effectively vest title in the said 2023 Maturing Bonds in the Issuer and fully and effectively vest title in the appropriate number of Bonds in the Applicant.

1. This Application is governed by the Terms and Conditions of the Bonds contained in Section 7 of the Securities Note dated 26 September 2023 forming part of the Prospectus. Capitalised terms not defined herein shall, unless the context otherwise requires, have the meaning ascribed to them in the Prospectus.
2. The Application Form is to be completed in BLOCK LETTERS. For applicants who are non-residents in Malta for tax purposes, the relative box in Panel F must be completed.
3. The MSE account number pertaining to the Maturing Bondholders, has been preprinted in Panel A and reflects the MSE account number on the bond register of the Maturing Bonds held at the CSD as at 22 September 2023 (trading session of the 19 September 2023). If an MSE account pertains to more than one person (including husband and wife), the full details of all individuals must be given in Panels A and B but the first named bondholder shall, for all intents and purposes, be deemed to be the registered holder of the Bonds (vide note 6 below). Applications by more than two persons are to use the Addendum to the Application Form.
Upon submission of an Application Form, Bondholders who opt to have an online e-portfolio facility (by marking the relative box in Panel A), will receive by mail at their registered address a handle code to activate the new e-portfolio login. Registration for the e-Portfolio facility requires a mobile number to be provided on the Application Form. The Bondholder's statement of holdings evidencing entitlement to Bonds held in the register kept by the CSD and registration advices evidencing movements in such register will be available through the said e-portfolio facility on <https://eportfolio.borzamalta.com.mt/>. Further details on the e-portfolio may be found on <https://eportfolio.borzamalta.com.mt/Help>.
4. Applications in the name and for the benefit of minors shall be allowed provided that the applicant already holds an account with the MSE. Any Bonds allocated pursuant to such an Application shall be registered in the name of the minor as Bondholder, with interest and redemption proceeds payable to the parents or legal guardian/s signing the Application Form until such time as the minor attains the age of eighteen (18) years, following which all interest and redemption proceeds shall be payable directly to the registered holder, provided that the Company has been duly notified in writing of the fact that the minor has attained the age of eighteen (18) years. Panel C must be inserted with full details of the parents/legal guardians.
5. In the case of a body corporate, a valid Legal Entity Identifier ("LEI") needs to be inserted in Panel A. **Failure to include a valid LEI code, will result in the Application being cancelled by the Registrar.** Applications must be signed by duly authorised representatives indicating the capacity in which they are signing.
6. **MATURING BONDHOLDERS ARE TO NOTE THAT ANY SECURITIES ALLOTTED TO THEM WILL BE RECORDED BY THE MALTA STOCK EXCHANGE IN THE MSE ACCOUNT QUOTED ON THIS APPLICATION FORM EVEN IF THE DETAILS OF SUCH MSE ACCOUNT NUMBER, AS HELD BY THE CSD OF THE MALTA STOCK EXCHANGE, DIFFER FROM ANY OR ALL OF THE DETAILS APPEARING OVERLEAF. A SEPARATE REQUEST BY THE APPLICANT TO CHANGE THESE DETAILS AS RECORDED AT THE MSE, WILL HAVE TO BE EFFECTED.**
7. Where a decision to invest is taken by a third party authorised to transact on behalf of the Applicant (a "decision maker") such as an individual that holds a power of attorney to trade on the Applicant's account or applications under a discretionary account, details of the decision maker need to be included in Panel C.
8. Where an MSE account number is held subject to usufruct, Panel C needs to be completed and both the bare owner/s and the usufructuary/ies are to sign this Application Form.
9. Applications must be for a minimum subscription of €2,000 and thereafter in multiples of €100 and must be accompanied by the relevant subscription amount in Euro.
10. Only Applicants who hold a valid official Maltese Identity Card or companies registered in Malta will be treated as resident in Malta. In such a case the Applicant may elect to have final withholding tax, currently 15%, deducted from interest payments in which case such interest need not be declared in the Applicant's income tax return. The Applicant may elect to receive the interest gross (i.e. without deduction of final withholding tax), but will be obliged to declare interest so received in the tax return. The Company will render an account to the Maltese Commissioner for Revenue of all interest paid, all amounts of tax deducted by the payor in respect of the interest paid and of the identity of all such recipients. Interest received by non-resident Applicants is not taxable in Malta and non-residents will receive interest gross. Authorised entities applying in the name of a prescribed fund will have final withholding tax (currently 10%), deducted from interest payments.

In terms of Section 6.2 of the Securities Note, unless the Company is otherwise instructed by a Bondholder, or if the Bondholder does not fall within the definition of "recipient" in terms of article 41(c) of the Income Tax Act (Cap. 123 of the laws of Malta), interest shall be paid to such person net of final withholding tax, (currently 15%) of the gross amount of interest, pursuant to article 33 of the Income Tax Act (Cap. 123 of the laws of Malta).

11. Non-residents of Malta should note that payment of interest to individuals and certain residual entities residing in another EU Member State is reported on an annual basis to the Director General Inland Revenue, Malta, who will in turn exchange the information with the competent tax authority of the Member State where the recipient of interest is resident. This exchange of information takes place in terms of the Council Directive 2014/107/EU, of 9 December 2014 amending Directive 2011/16/EU as regards mandatory automatic exchange of information in the field of taxation.

The contents of Notes 10 and 11 above do not constitute tax advice by the Company and Applicants are to consult their own independent tax advisors in case of doubt.

12. Interest, refund and redemption proceeds will be credited to the account indicated in Panel G or as otherwise amended by the Bondholder/s during the term of the Bond.
13. The Offer Period will open at 08:30 hours on 5 October 2023 and will close at 14:00 hours on 26 October 2023. The Issuer reserves the right to close the Offer Period before 26 October 2023 with respect to any one or more classes of Applicants depending on the level of subscription in the Bond Issue. Application for Bonds may be lodged with any Authorised Intermediary listed in Annex I of the Securities Note during normal office hours. Remittances by post are made at the risk of the Applicant and the Company disclaims all responsibility for any such remittances not being received by the date of closing of the subscription lists. If any Application is not accepted after the closure of the subscription lists or is accepted for fewer Bonds than those applied for, the monies equivalent to the number of Bonds not being accepted will be returned by direct credit into the IBAN specified in panel G.
14. By completing and delivering an Application Form you (as the Applicant(s)) acknowledge that:
 - a. the Company or its duly appointed agents including the CSD and the Registrar, may process the personal data that you provide in the Application Form in accordance with the Data Protection Act (Cap. 586 of the laws of Malta) and the General Data Protection Regulation (GDPR) (EU) 2016/679 as amended from time to time;
 - b. the Company may process such personal data for all purposes necessary for and related to the Bonds applied for; and
 - c. you, as the Applicant, have the right to request access to and rectification of the personal data relating to you, as processed by the Company.

Any such requests must be made in writing and addressed to the Company. The request must be signed by yourself as the Applicant to whom the personal data relates.

The value of investments can go up or down and past performance is not necessarily indicative of future performance. The nominal value of the Bonds on offer will be repayable in full upon redemption. An investor should consult an independent financial advisor, licensed under the Investment Services Act (Cap. 370 of the laws of Malta), for advice.



INTERNATIONAL HOTEL INVESTMENTS P.L.C.
€60,000,000 6% UNSECURED BONDS 2033
APPLICATION FORM 'B'
2024 MATURING BONDS

This Application Form is not transferable and entitles you to subscribe for the International Hotel Investments p.l.c. 6% Unsecured Bonds 2033 as a Maturing Bondholder of the 2024 Maturing Bonds (as defined in the Prospectus dated 26 September 2023).

A APPLICANT (see notes 2 to 8)			
		I.D. CARD / PASSPORT	MSE A/C NO.
DOCUMENT TYPE	COUNTRY OF ISSUE	DATE OF BIRTH	NATIONALITY
LEI (Legal Entity Identifier) (if applicant is NOT an Individual)		PLEASE REGISTER ME FOR E-PORTFOLIO <input type="checkbox"/>	MOBILE NO. (mandatory for e-portfolio)
B ADDITIONAL (JOINT) APPLICANTS (see note 3) (please use Addendum to Application Form if space is not sufficient)			
TITLE (Mr/Mrs/Ms/...)	FULL NAME AND SURNAME		I.D. CARD/PASSPORT NO.
DOCUMENT TYPE	COUNTRY OF ISSUE	DATE OF BIRTH	NATIONALITY
C DECISION MAKER/MINOR'S PARENTS / LEGAL GUARDIAN(S) / USUFRUCTUARY/IES (see notes 4, 7 & 8) (to be completed ONLY if applicable)			
TITLE (Mr/Mrs/Ms/...)	FULL NAME AND SURNAME		I.D. CARD/PASSPORT NO.
DOCUMENT TYPE	COUNTRY OF ISSUE	DATE OF BIRTH	NATIONALITY
TITLE (Mr/Mrs/Ms/...)	FULL NAME AND SURNAME		I.D. CARD/PASSPORT NO.
DOCUMENT TYPE	COUNTRY OF ISSUE	DATE OF BIRTH	NATIONALITY
D I/WE APPLY TO PURCHASE AND ACQUIRE (see note 9):			
BOX 1 - Nominal Value of 2024 Maturing Bonds		AMOUNT IN FIGURES Box 1	
BOX 2 - I/We wish to purchase and acquire the amount set out in Box 2 in Bonds at the Bond Issue Price (at par) pursuant to the Prospectus dated 26 September 2023 (the "Prospectus") (minimum €2,000 and in multiples of €100 thereafter).		€	
AMOUNT IN WORDS		AMOUNT IN FIGURES Box 2	
		€	
BOX 3 - Amount of Bonds applied for less the nominal holding in the 2024 Maturing Bonds payable in full upon application under the Terms and Conditions of the Bonds set out in the Prospectus.		AMOUNT IN FIGURES Box 3 Difference payable on Application Box 2 - Box 1	
		€	
E RESIDENT - FINAL WITHHOLDING TAX ("FWT") DECLARATION (see notes 10) (to be completed ONLY if the Applicant is a resident of Malta)			
<input type="checkbox"/> I/We elect to receive interest NET of FWT		<input type="checkbox"/> I/We elect to receive interest GROSS (i.e. without FWT)	
F NON-RESIDENT - DECLARATION FOR TAX PURPOSES (see notes 2 & 11) (to be completed ONLY if the Applicant is a non-resident)			
TAX COUNTRY		CITY OF BIRTH	
T.I.N. (Tax Identification Number)		COUNTRY OF BIRTH	
<input type="checkbox"/> NOT resident in Malta but resident in the European Union		<input type="checkbox"/> NOT resident in Malta and NOT resident in the European Union	
G INTEREST, REFUND AND REDEMPTION MANDATE (see notes 12 & 13) (completion of this panel is MANDATORY)			
BANK	IBAN		
<p>I/We have fully understood the instructions for completing this Application Form, and am/are making this Application solely on the basis of the Prospectus, and subject to its Terms and Conditions of the Bonds as contained therein which I/we fully accept.</p> <p>I/We hereby authorise the Company to forward the details to the Malta Stock Exchange for the purposes of registering the Bonds in my/our MSE account, to register for the e-portfolio (where applicable) and to enable the reporting of all necessary transaction and personal information provided in this Application Form in compliance with Article 26 of MiFIR (Markets in Financial Instruments Regulation) to the Malta Financial Services Authority as competent authority ("Transaction Reporting"). Furthermore, I/we understand and acknowledge that the Company may require additional information for Transaction Reporting purposes and agree that such information will be provided.</p>			
Signature/s of Applicant/s <small>(Parent/s or legal guardian/s are/is to sign if Applicant is a minor) (All parties are to sign in the case of a joint Application) (Bare owner/s and usufructuary/ies to sign in the case of holdings of Bonds that are subject to usufruct)</small>			Date
AUTHORISED FINANCIAL INTERMEDIARY'S STAMP	AUTHORISED FINANCIAL INTERMEDIARY'S CODE	APPLICATION NUMBER	

Notes on how to complete this Application Form and other information

The following notes are to be read in conjunction with the Prospectus dated 26 September 2023 regulating the Bond Issue

This Application Form is not transferable and entitles you to a preferential treatment as holder of the 6% International Hotel Investments p.l.c. unsecured bonds 2024 (the "2024 Maturing Bonds") and is to be submitted as a method of payment where the Applicant selects to apply for the 6% International Hotel Investments p.l.c. Unsecured Bonds 2023 (the "Bond/s") so as to transfer to the Issuer all or part of the holding in the 2024 Maturing Bonds held by the Applicant as at the Cut-Off Date, the nominal value of which is set out in Box 1 of Panel B. By submitting this signed Application Form, Maturing Bondholders shall be deemed to:

- i. cause the transfer of the said 2024 Maturing Bonds in the Issuer's name in consideration of the issue of Bonds; and
- ii. engage, at the Issuer's cost, the services of such brokers or intermediaries as may be necessary to fully and effectively vest title in the said 2024 Maturing Bonds in the Issuer and fully and effectively vest title in the appropriate number of Bonds in the Applicant.

1. This Application is governed by the Terms and Conditions of the Bonds contained in Section 7 of the Securities Note dated 26 September 2023 forming part of the Prospectus. Capitalised terms not defined herein shall, unless the context otherwise requires, have the meaning ascribed to them in the Prospectus.
2. The Application Form is to be completed in BLOCK LETTERS. For applicants who are non-residents in Malta for tax purposes, the relative box in Panel F must be completed.
3. The MSE account number pertaining to the Maturing Bondholders, has been preprinted in Panel A and reflects the MSE account number on the bond register of the Maturing Bonds held at the CSD as at 22 September 2023 (trading session of the 19 September 2023). If an MSE account pertains to more than one person (including husband and wife), the full details of all individuals must be given in Panels A and B but the first named bondholder shall, for all intents and purposes, be deemed to be the registered holder of the Bonds (vide note 6 below). Applications by more than two persons are to use the Addendum to the Application Form.

Upon submission of an Application Form, Bondholders who opt to have an online e-portfolio facility (by marking the relative box in Panel A), will receive by mail at their registered address a handle code to activate the new e-portfolio login. Registration for the e-Portfolio facility requires a mobile number to be provided on the Application Form. The Bondholder's statement of holdings evidencing entitlement to Bonds held in the register kept by the CSD and registration advices evidencing movements in such register will be available through the said e-portfolio facility on <https://eportfolio.borzamalta.com.mt/>. Further details on the e-portfolio may be found on <https://eportfolio.borzamalta.com.mt/Help>.

4. Applications in the name and for the benefit of minors shall be allowed provided that the applicant already holds an account with the MSE. Any Bonds allocated pursuant to such an Application shall be registered in the name of the minor as Bondholder, with interest and redemption proceeds payable to the parents or legal guardian/s signing the Application Form until such time as the minor attains the age of eighteen (18) years, following which all interest and redemption proceeds shall be payable directly to the registered holder, provided that the Company has been duly notified in writing of the fact that the minor has attained the age of eighteen (18) years. Panel C must be inserted with full details of the parents/legal guardians.
5. In the case of a body corporate, a valid Legal Entity Identifier ("LEI") needs to be inserted in Panel A. **Failure to include a valid LEI code, will result in the Application being cancelled by the Registrar.** Applications must be signed by duly authorised representatives indicating the capacity in which they are signing.
6. **MATURING BONDHOLDERS ARE TO NOTE THAT ANY SECURITIES ALLOTTED TO THEM WILL BE RECORDED BY THE MALTA STOCK EXCHANGE IN THE MSE ACCOUNT QUOTED ON THIS APPLICATION FORM EVEN IF THE DETAILS OF SUCH MSE ACCOUNT NUMBER, AS HELD BY THE CSD OF THE MALTA STOCK EXCHANGE, DIFFER FROM ANY OR ALL OF THE DETAILS APPEARING OVERLEAF. A SEPARATE REQUEST BY THE APPLICANT TO CHANGE THESE DETAILS AS RECORDED AT THE MSE, WILL HAVE TO BE EFFECTED.**

7. Where a decision to invest is taken by a third party authorised to transact on behalf of the Applicant (a "decision maker") such as an individual that holds a power of attorney to trade on the Applicant's account or applications under a discretionary account, details of the decision maker need to be included in Panel C.
8. Where an MSE account number is held subject to usufruct, Panel C needs to be completed and both the bare owner/s and the usufructuary/ies are to sign this Application Form.
9. Applications must be for a minimum subscription of €2,000 and thereafter in multiples of €100 and must be accompanied by the relevant subscription amount in Euro.
10. Only Applicants who hold a valid official Maltese Identity Card or companies registered in Malta will be treated as resident in Malta. In such a case the Applicant may elect to have final withholding tax, currently 15%, deducted from interest payments in which case such interest need not be declared in the Applicant's income tax return. The Applicant may elect to receive the interest gross (i.e. without deduction of final withholding tax), but will be obliged to declare interest so received in the tax return. The Company will render an account to the Maltese Commissioner for Revenue of all interest paid, all amounts of tax deducted by the payor in respect of the interest paid and of the identity of all such recipients. Interest received by non-resident Applicants is not taxable in Malta and non-residents will receive interest gross. Authorised entities applying in the name of a prescribed fund will have final withholding tax (currently 10%), deducted from interest payments.

In terms of Section 6.2 of the Securities Note, unless the Company is otherwise instructed by a Bondholder, or if the Bondholder does not fall within the definition of "recipient" in terms of article 41(c) of the Income Tax Act (Cap. 123 of the laws of Malta), interest shall be paid to such person net of final withholding tax, (currently 15%) of the gross amount of interest, pursuant to article 33 of the Income Tax Act (Cap. 123 of the laws of Malta).

11. Non-residents of Malta should note that payment of interest to individuals and certain residual entities residing in another EU Member State is reported on an annual basis to the Director General Inland Revenue, Malta, who will in turn exchange the information with the competent tax authority of the Member State where the recipient of interest is resident. This exchange of information takes place in terms of the Council Directive 2014/107/EU, of 9 December 2014 amending Directive 2011/16/EU as regards mandatory automatic exchange of information in the field of taxation.

The contents of Notes 10 and 11 above do not constitute tax advice by the Company and Applicants are to consult their own independent tax advisors in case of doubt.

12. Interest, refund and redemption proceeds will be credited to the account indicated in Panel G or as otherwise amended by the Bondholder/s during the term of the Bond.
13. The Offer Period will open at 08:30 hours on 5 October 2023 and will close at 14:00 hours on 26 October 2023. The Issuer reserves the right to close the Offer Period before 26 October 2023 with respect to any one or more classes of Applicants depending on the level of subscription in the Bond Issue. Application for Bonds may be lodged with any Authorised Intermediary listed in Annex I of the Securities Note during normal office hours. Remittances by post are made at the risk of the Applicant and the Company disclaims all responsibility for any such remittances not being received by the date of closing of the subscription lists. If any Application is not accepted after the closure of the subscription lists or is accepted for fewer Bonds than those applied for, the monies equivalent to the number of Bonds not being accepted will be returned by direct credit into the IBAN specified in panel G.
14. By completing and delivering an Application Form you (as the Applicant(s)) acknowledge that:
 - a. the Company or its duly appointed agents including the CSD and the Registrar, may process the personal data that you provide in the Application Form in accordance with the Data Protection Act (Cap. 586 of the laws of Malta) and the General Data Protection Regulation (GDPR) (EU) 2016/679 as amended from time to time;
 - b. the Company may process such personal data for all purposes necessary for and related to the Bonds applied for; and
 - c. you, as the Applicant, have the right to request access to and rectification of the personal data relating to you, as processed by the Company.

Any such requests must be made in writing and addressed to the Company. The request must be signed by yourself as the Applicant to whom the personal data relates.

The value of investments can go up or down and past performance is not necessarily indicative of future performance. The nominal value of the Bonds on offer will be repayable in full upon redemption. An investor should consult an independent financial advisor, licensed under the Investment Services Act (Cap. 370 of the laws of Malta), for advice.



INTERNATIONAL HOTEL INVESTMENTS P.L.C.
€60,000,000 6% UNSECURED BONDS 2033
APPLICATION FORM 'C'
PREFERRED APPLICANTS/CORINTHIA GROUP PERSONNEL

This Application Form is not transferable and entitles you to subscribe for the International Hotel Investments p.l.c. 6% Unsecured Bonds 2033 as a Preferred Applicant or Corinthia Group Personnel (each as defined in the Prospectus dated 26 September 2023). Please read the notes overleaf before completing this Application Form. Mark 'X' where applicable.

A APPLICANT <i>(see notes 2 to 8)</i>						
		I.D. CARD / PASSPORT	MSE A/C NO.			
DOCUMENT TYPE	COUNTRY OF ISSUE	DATE OF BIRTH	NATIONALITY			
LEI (Legal Entity Identifier) <i>(if applicant is NOT an Individual)</i>		PLEASE REGISTER ME FOR E-PORTFOLIO <input type="checkbox"/>	MOBILE NO. <i>(mandatory for e-portfolio)</i>			
B ADDITIONAL (JOINT) APPLICANTS <i>(see note 3)</i> <i>(please use Addendum to Application Form if space is not sufficient)</i>						
TITLE (Mr/Mrs/Ms/...)	FULL NAME AND SURNAME		I.D. CARD/PASSPORT NO.			
DOCUMENT TYPE	COUNTRY OF ISSUE	DATE OF BIRTH	NATIONALITY			
C DECISION MAKER/MINOR'S PARENTS / LEGAL GUARDIAN(S) / USUFRUCTUARY/IES <i>(see notes 4, 7 & 8)</i> <i>(to be completed ONLY if applicable)</i>						
TITLE (Mr/Mrs/Ms/...)	FULL NAME AND SURNAME		I.D. CARD/PASSPORT NO.			
DOCUMENT TYPE	COUNTRY OF ISSUE	DATE OF BIRTH	NATIONALITY			
TITLE (Mr/Mrs/Ms/...)	FULL NAME AND SURNAME		I.D. CARD/PASSPORT NO.			
DOCUMENT TYPE	COUNTRY OF ISSUE	DATE OF BIRTH	NATIONALITY			
D I/WE APPLY TO PURCHASE AND ACQUIRE <i>(see note 9):</i>						
AMOUNT IN FIGURES €		AMOUNT IN WORDS				
<p>International Hotel Investments p.l.c. 6% Unsecured Bonds 2033 (the "Bonds") (minimum subscription of €2,000 and in multiples of €100 thereafter) at the Bond Issue Price (at par), as defined in the Prospectus dated 26 September 2023 (the "Prospectus"), payable in full upon application under the Terms and Conditions of the Bonds as set out in the Prospectus.</p>						
E RESIDENT - FINAL WITHHOLDING TAX ("FWT") DECLARATION <i>(see notes 10 & 11)</i> <i>(to be completed ONLY if the Applicant is a resident of Malta)</i>						
<input type="checkbox"/> I/We elect to receive interest NET of FWT		<input type="checkbox"/> I/We elect to receive interest GROSS (i.e. without FWT)				
F NON-RESIDENT - DECLARATION FOR TAX PURPOSES <i>(see notes 2 & 11)</i> <i>(to be completed ONLY if the Applicant is a non-resident)</i>						
TAX COUNTRY		CITY OF BIRTH				
T.I.N. (Tax Identification Number)		COUNTRY OF BIRTH				
<input type="checkbox"/> NOT resident in Malta but resident in the European Union		<input type="checkbox"/> NOT resident in Malta and NOT resident in the European Union				
G INTEREST, REFUND AND REDEMPTION MANDATE <i>(see notes 12 & 13)</i> <i>(completion of this panel is MANDATORY)</i>						
BANK	IBAN					
<p>I/We have fully understood the instructions for completing this Application Form, and am/are making this Application solely on the basis of the Prospectus, and subject to its Terms and Conditions of the Bonds as contained therein which I/we fully accept.</p> <p>I/We hereby authorise the Company to forward the details to the Malta Stock Exchange for the purposes of registering the Bonds in my/our MSE account, to register for the e-portfolio (where applicable) and to enable the reporting of all necessary transaction and personal information provided in this Application Form in compliance with Article 26 of MiFIR (Markets in Financial Instruments Regulation) to the Malta Financial Services Authority as competent authority ("Transaction Reporting"). Furthermore, I/we understand and acknowledge that the Company may require additional information for Transaction Reporting purposes and agree that such information will be provided.</p>						
Signature/s of Applicant/s <small><i>(Parent/s or legal guardian/s are/is to sign if Applicant is a minor)</i></small> <small><i>(All parties are to sign in the case of a joint Application)</i></small> <small><i>(Bare owner/s and usufructuary/ies to sign in the case of holdings of Bonds that are subject to usufruct)</i></small>			Date			
AUTHORISED FINANCIAL INTERMEDIARY'S STAMP	AUTHORISED FINANCIAL INTERMEDIARY'S CODE	APPLICATION NUMBER				
	<table border="1" style="width: 100%; height: 20px;"> <tr> <td style="width: 25%;"></td> <td style="width: 25%;"></td> <td style="width: 25%;"></td> <td style="width: 25%;"></td> </tr> </table>					

Notes on how to complete this Application Form and other information

The following notes are to be read in conjunction with the Prospectus dated 26 September 2023 regulating the Bond Issue

1. This Application is governed by the Terms and Conditions of the Bonds contained in Section 7 of the Securities Note dated 26 September 2023 forming part of the Prospectus. Capitalised terms not defined herein shall, unless the context otherwise requires, have the meaning ascribed to them in the Prospectus.
2. The Application Form is to be completed in BLOCK LETTERS. For applicants who are non-residents in Malta for tax purposes, the relative box in Panel F must be completed.
3. The MSE account number pertaining to the Preferred Applicants, has been preprinted in Panel A and reflects the MSE account number on the respective register held at the CSD as at 22 September 2023 (trading session of the 19 September 2023). Corinthia Group Personnel are to insert full personal details in Panel A including an MSE account number which is mandatory. If an MSE account pertains to more than one person (including husband and wife), the full details of all individuals must be given in Panels A and B but the first named bondholder shall, for all intents and purposes, be deemed to be the registered holder of the Bonds (vide note 6 below). Applications by more than two persons are to use the Addendum to the Application Form.
Upon submission of an Application Form, Applicants who opt to have an online e-portfolio facility (by marking the relative box in Panel A), will receive by mail at their registered address a handle code to activate the new e-portfolio login. Registration for the e-Portfolio facility requires a mobile number to be provided on the Application Form. The Bondholder's statement of holdings evidencing entitlement to Bonds held in the register kept by the CSD and registration advices evidencing movements in such register will be available through the said e-portfolio facility on <https://eportfolio.borzamalta.com.mt/>. Further detail on the e-portfolio may be found on <https://eportfolio.borzamalta.com.mt/Help>.
4. Applications in the name and for the benefit of minors shall be allowed provided that the applicant already holds an account with the MSE. Any Bonds allocated pursuant to such an Application shall be registered in the name of the minor as Bondholder, with interest and redemption proceeds payable to the parents or legal guardian/s signing the Application Form until such time as the minor attains the age of eighteen (18) years, following which all interest and redemption proceeds shall be payable directly to the registered holder, provided that the Company has been duly notified in writing of the fact that the minor has attained the age of eighteen (18) years. Panel C must be inserted with full details of the parents/legal guardians.
5. In the case of a body corporate, a valid Legal Entity Identifier ("LEI") needs to be inserted in Panel A. **Failure to include a valid LEI code, will result in the Application being cancelled by the Registrar.** Applications must be signed by duly authorised representatives indicating the capacity in which they are signing.
6. **PREFERRED APPLICANTS AND CORINTHIA GROUP PERSONNEL ARE TO NOTE THAT ANY SECURITIES ALLOTTED TO THEM WILL BE RECORDED BY THE MALTA STOCK EXCHANGE IN THE MSE ACCOUNT QUOTED ON THIS APPLICATION FORM EVEN IF THE DETAILS OF SUCH MSE ACCOUNT NUMBER, AS HELD BY THE CSD OF THE MALTA STOCK EXCHANGE, DIFFER FROM ANY OR ALL OF THE DETAILS APPEARING OVERLEAF. A SEPARATE REQUEST BY THE APPLICANT TO CHANGE THESE DETAILS AS RECORDED AT THE MSE, WILL HAVE TO BE EFFECTED.**
7. Where a decision to invest is taken by a third party authorised to transact on behalf of the Applicant (a "decision maker") such as an individual that holds a power of attorney to trade on the Applicant's account or applications under a discretionary account, details of the decision maker need to be included in Panel C.
8. Where an MSE account number is held subject to usufruct, Panel C needs to be completed and both the bare owner/s and the usufructuary/ies are to sign this Application Form.
9. Applications must be for a minimum subscription of €2,000 and thereafter in multiples of €100 and must be accompanied by the relevant subscription amount in Euro.
10. Only Applicants who hold a valid official Maltese Identity Card or companies registered in Malta will be treated as resident in Malta. In such a case the Applicant may elect to have final withholding tax, currently 15%, deducted from interest payments in which case such interest need not be declared in the Applicant's income tax return. The Applicant may elect to receive the interest gross (i.e. without deduction of final withholding tax), but will be obliged to declare interest so received in the tax return. The Company will render an account to the Maltese Commissioner for Revenue of all interest paid, all amounts of tax deducted by the payor in respect of the interest paid and of the identity of all such recipients. Interest received by non-resident Applicants is not taxable in Malta and non-residents will receive interest gross. Authorised entities applying in the name of a prescribed fund will have final withholding tax (currently 10%), deducted from interest payments.
In terms of Section 6.2 of the Securities Note, unless the Company is otherwise instructed by a Bondholder, or if the Bondholder does not fall within the definition of "recipient" in terms of article 41(c) of the Income Tax Act (Cap. 123 of the laws of Malta), interest shall be paid to such person net of final withholding tax, (currently 15%) of the gross amount of interest, pursuant to article 33 of the Income Tax Act (Cap. 123 of the laws of Malta).
11. Non-residents of Malta should note that payment of interest to individuals and certain residual entities residing in another EU Member State is reported on an annual basis to the Director General Inland Revenue, Malta, who will in turn exchange the information with the competent tax authority of the Member State where the recipient of interest is resident. This exchange of information takes place in terms of the Council Directive 2014/107/EU, of 9 December 2014 amending Directive 2011/16/EU as regards mandatory automatic exchange of information in the field of taxation.
The contents of Notes 10 and 11 above do not constitute tax advice by the Company and Applicants are to consult their own independent tax advisors in case of doubt.
12. Interest, refund and redemption proceeds will be credited to the account indicated in Panel G or as otherwise amended by the Bondholder/s during the term of the Bond.
13. The Offer Period will open at 08:30 hours on 5 October 2023 and will close at 14:00 hours on 26 October 2023. The Issuer reserves the right to close the Offer Period before 26 October 2023 with respect to any one or more classes of Applicants depending on the level of subscription in the Bond Issue. Application for Bonds may be lodged with Authorised Intermediary listed in Annex I of the Securities Note during normal office hours. Remittances by post are made at the risk of the Applicant and the Company disclaims all responsibility for any such remittances not being received by the date of closing of the subscription lists. If any Application is not accepted after the closure of the subscription lists or is accepted for fewer Bonds than those applied for, the monies equivalent to the number of Bonds not being accepted will be returned by direct credit into the IBAN specified in panel G.
14. By completing and delivering an Application Form you (as the Applicant(s)) acknowledge that:
 - a. the Company or its duly appointed agents including the CSD and the Registrar, may process the personal data that you provide in the Application Form in accordance with the Data Protection Act (Cap. 586 of the laws of Malta) and the General Data Protection Regulation (GDPR) (EU) 2016/679 as amended from time to time;
 - b. the Company may process such personal data for all purposes necessary for and related to the Bonds applied for; and
 - c. you, as the Applicant, have the right to request access to and rectification of the personal data relating to you, as processed by the Company.

Any such requests must be made in writing and addressed to the Company. The request must be signed by yourself as the Applicant to whom the personal data relates.

The value of investments can go up or down and past performance is not necessarily indicative of future performance. The nominal value of the Bonds on offer will be repayable in full upon redemption. An investor should consult an independent financial advisor, licensed under the Investment Services Act (Cap. 370 of the laws of Malta), for advice.

ANNEX III
FINANCIAL ANALYSIS SUMMARY

**FINANCIAL
ANALYSIS
SUMMARY**

26 September 2023

ISSUER



INTERNATIONAL HOTEL INVESTMENTS p.l.c.

Prepared by:



MZ INVESTMENTS





MZ INVESTMENTS

MZ Investment Services Limited

63, 'MZ House', St Rita Street, Rabat RBT 1523, Malta

E info@mzinvestments.com W mzinvestments.com

The Directors
International Hotel Investments p.l.c.
22, Europa Centre
Floriana FRN 1400
Malta

26 September 2023

Dear Board Members,

Financial Analysis Summary

In accordance with your instructions, and in line with the requirements of the MFSA Listing Policies, we have compiled the Financial Analysis Summary (the “**Analysis**”) set out in the following pages and which is being forwarded to you together with this letter.

The purpose of the financial analysis is that of summarising key financial data appertaining to International Hotel Investments p.l.c. (the “**Issuer**”, “**Company**” or “**Group**”). The data is derived from various sources or is based on our own computations as follows:

- (a) Historical financial data for the three years ended 31 December 2020 to 31 December 2022 has been extracted from audited financial statements of the Issuer for the three years in question.
- (b) The projected data for the years ending 31 December 2023 and 31 December 2024 has been provided by management.
- (c) Our commentary on the results of the Issuer and its financial position is based on the explanations provided to us by management.
- (d) The ratios quoted in the Analysis have been computed by us applying the definitions set out in Part 5 of the Analysis.
- (e) Relevant financial data in respect of the companies included in Part 4 has been extracted from public sources such as websites of the companies concerned, financial statements filed with the Registrar of Companies or websites providing financial data.

The Analysis is meant to assist investors in the Issuer’s securities and potential investors by summarising the more important financial data of the Group. The Analysis does not contain all data that is relevant to investors or potential investors. The Analysis does not constitute an endorsement by our firm of any securities of the Issuer and should not be interpreted as a recommendation to invest in any of the Issuer’s securities. We shall not accept any liability for any loss or damage arising out of the use of the Analysis. As with all investments, potential investors are encouraged to seek independent professional financial advice before investing in the Issuer’s securities.

Yours faithfully,

Evan Mohnani
Head of Corporate Broking

MZ Investment Services Limited is a private limited liability company licensed to conduct investment services business by the Malta Financial Services Authority under the investment Services Act. Member of the Malta Stock Exchange. Enrolled Tied Insurance Intermediary under the Insurance Intermediaries Act, 2006 for MAPFRE MSV Life p.l.c.

Company Registration Number: C 23936 | VAT Number: MT 1529 8424



IHI – FAS 2

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PART 1 – INFORMATION ABOUT THE ISSUER

1. KEY ACTIVITIES

International Hotel Investments p.l.c. (the “**Issuer**”, “**Company**” or “**Group**”) is listed on the Malta Stock Exchange and carries on the business of an investment company in connection with the ownership, development and operation of hotels, residential and commercial real estate. The Company owns a number of investments in subsidiary and associate companies through which it furthers the business of the Group.

RECENT AND ONGOING PROJECTS

Described hereunder are recent and ongoing projects and developments of the Group’s business. These points are set out in no particular order, both chronological as well as strategic or financial.

Corinthia Hotel Rome (opening 2024)

Corinthia Hotels Limited (“**CHL**”), through a lease agreement, will be operating a redeveloped hotel property in Rome which was acquired and is being funded through its extensive reconstruction and refurbishment by a third-party investor. The property is the former seat of the Bank of Italy in Parliament Square. Works are at an advanced stage for the conversion of the 7,000m² building into a luxury hotel featuring 60 guest rooms including a number of suites. The public areas include 2 restaurants, bars and lounges, all wrapped around a central garden. The hotel also has a spa and other amenities. CDI Limited (“**CDI**”), IHI’s development company, is contracted to support in the delivery of the project, whilst CHL is the operator and lessee.

Corinthia Hotel Brussels (opening 2024)

The project entails the development and opening of a grand luxury Corinthia Hotel in Brussels, Belgium. The owner of this investment is NLI Holdings Ltd, in which IHI has a 50% shareholding. NLI acquired the former Grand Hotel Astoria in Brussels in 2016, together with an empty land plot adjoining the listed hotel building and four vacant town houses at the rear of the original hotel. The said acquisitions were originated and executed by CDI. QPM Limited (“**QP**”), an IHI subsidiary, is engaged as project manager to coordinate and supervise the reconstruction process. Once complete, the hotel will be operated by CHL.

The new hotel will have 126 luxury bedrooms and suites and will offer unrivalled amenities for the city of Brussels including a fully restored grand ballroom, an 850m² spa, various dining venues, meeting facilities and high-end retail shops.

Corinthia Hotel New York (opening 2024)

The property was acquired by the private investment firm Reuben Brothers in 2020 and is in New York’s luxurious upper east side. Works are ongoing for the development of a Corinthia Hotel which shall comprise 97 guest rooms (including 33 suites, 5 signature suites and 12 luxury residences). By virtue of the management agreement, CHL is appointed as the manager of the hotel to provide management services and to supervise, direct and control the management and the marketing of the hotel. The management agreement provides for an initial term of 25 years from commencement of operation subject to an extension.

Corinthia Hotel Bucharest (opening 2024)

In March 2018, CHL entered into a management agreement with the owners of the former Grand Hotel du Boulevard, to be redeveloped as the Corinthia Hotel Bucharest. Subsequent to the above signing, QP was engaged for a period of time by the property owners to provide support and project management on certain technical aspects. Design development of the regeneration of this listed property is complete and works have commenced on site, to be completed in 2024. The reconstructed hotel will feature 30 luxury suites as well as the fully restored Grand Ballroom and various dining and leisure venues.



Corinthia Hotel & Residences Doha (opening 2025)

CHL has entered into contractual arrangements with United Development Company (“UDC”), the Qatari master developer of The Pearl in Doha, to manage and operate a luxury Corinthia Hotel being built on UDC’s newest flagship real estate development, named Gewan Island. The Corinthia Hotel Doha occupies an area of 13,000m² and will feature 110 guestrooms, a 1,000-person banquet hall, several restaurants and a luxurious spa facility. The project also includes 18 nearby luxury branded villas for sale or lease, a golf course, and a beach club, which will be managed, together with the afore-mentioned hotel, by CHL under the Corinthia brand umbrella. The yacht club is now operational and is affiliated to the Monaco Yacht Club. It features members’ lounges and amenities as well as a signature restaurant from Mayfair, London.

Corinthia Hotel Diriyah (opening 2026)

In October 2022, CHL entered into a technical and pre-opening services agreement and a 20-year hotel management agreement with Diriyah Gate Company Limited (“DGCL”), a company incorporated under the laws of the Kingdom of Saudi Arabia and committed to delivering the Diriyah Gate development project. Diriyah Gate is a US\$20 billion heritage and tourism project spearheaded by Diriyah Gate Development Authority. The development will be home to 100,000 people and aims to attract 25 million visitors annually. It will comprise museums, shopping, restaurants and hotels and will be a world-class hub for education, recreation, culture, retail and hospitality. DGCL is fully owned by the Saudi Arabia Public Investment Fund (“PIF”), the government of Saudi Arabia’s sovereign wealth fund, which has made a commitment to inject into DGCL funds to ensure that DGCL can fulfil its commitments and obligations, including the Diriyah Gate development, which, amongst other hotel developments, includes the Corinthia Hotel Diriyah. The Corinthia Hotel will be an ultra-luxury venue, located on the main luxury shopping street of the newly redeveloped historic city and surrounded by several other luxury hotels. The Corinthia property will comprise 80 hotel rooms and suites and 10 residences which will have access to hotel services. Under the hotel management agreement, the owner has undertaken to open by October 2026.

Corinthia Hotel Maldives (opening 2026)

In May 2023, CHL entered into a technical and pre-opening services agreement and a 20-year hotel management agreement with Maarah Pvt Ltd, a Maldivian entity, forming part of Niro Investment Group, a Romanian investment company having operations in Romania, the Middle East and South Asia. Maarah exclusively holds the head lease to the lagoon known as Lagoon 19 located in Kaafu Atoll, Maldives. Works on the first phase of the reclamation of the development of the resort are underway. The resort, to be known as the Corinthia Maldives, will feature a 73-key resort structured as an island resort extending on a main island of *circa* 124,000m² and a second exclusive island of *circa* 15,000m² being reclaimed over a submerged atoll, in proximity to Male. CHL is retained to advise on the technical and pre-opening services prior to opening. Under the technical services agreement, the owner has undertaken to open by 2026 when the resort will open to the public managed and operated as a luxury Corinthia Hotel resort. The resort consists of an aquatic-inspired architecture designed by global firm HKS with the main pavilion and independent water-edge villas on the main island and wellness facilities on the smaller island. The resort will include multiple restaurants operated with internationally renowned brands, water sports and jetty access, staff accommodation and full ancillary supporting facilities.

Corinthia Oasis Project

IHI owns an 83,000m² brownfield beachfront site in the pristine, rural north of Malta. The Group completed in 2021 the re-zoning of the site at Golden Bay to permit 25 low-rise detached hotel-serviced villas alongside a 162-key luxury resort property. In same year, the Maltese Parliament ratified a change of zoning to allow the development of the residential component, versus an agreed incremental payment of €10.5 million over and above what was originally paid for the land when privatised several years ago. Architectural designs are largely completed in keeping with IHI’s aim to create a luxury low-rise, highly landscaped resort that is sensitive to Malta’s character, materiality and rural environment.



UK-based designers and landscape experts have been engaged and an application to Planning Authority has been submitted. Works will commence once permits are in hand, expected by end of 2023. IHI has approved a pre-contract programme of works for the Corinthia Oasis Project over approximately a 2.5-year term with a target completion date for the project in 2026.

Other Developments

With its Corinthia brand now firmly established as a luxury operator on four continents, and an operating infrastructure capable of further globalising the brand, the Company decided to expand into the upper 4-star and lower 5-star segment. This second brand will be called Verdi Hotels.

The Group owns directly or manages for others, several hotels, not branded as five-star luxury Corinthia, for which the Group wishes to secure a long-term in-house marketing and branding strategy. Currently, the Group operates these hotels under their own independent name or under franchise from other brands such as Radisson and Ramada Plaza.

IHI is in the final stages of registering the name Verdi Hotels worldwide. A new team, separate to that of CHL, is being assembled and the first operations under this new brand will be rolled out in 2024, initially by reflagging some of the Group's owned hotels which today are operating without any brand. Furthermore, the Group is in discussions with partners, and indeed agreed with one of its shareholders LAFICO, to operate any hotels they may own worldwide which require such services under the Verdi Hotels brand.

2. DIRECTORS AND KEY EMPLOYEES

The Issuer is presently managed by a Board consisting of nine directors entrusted with its overall direction and management, including the establishment of strategies for future development.

The Board members of the Issuer as at the date of this report are as follows:

Mr Alfred Pisani	Chairman
Mr Moussa Atiq Ali	Non-Executive Director
Mr Hamad Buamin	Independent Non-Executive Director
Mr Richard Cachia Caruana	Senior Independent Non-Executive Director
Mr Joseph Pisani	Non-Executive Director
Mr Mohamed Mahmoud Shawsh	Independent Non-Executive Director
Mr Frank Xerri de Caro	Senior Non-Executive Director
Mr Douraid Zaghouani	Independent Non-Executive Director
Mr Alfred Camilleri	Independent Non-Executive Director

The Chief Executive Officer of the Issuer is Mr Simon Naudi.

The Chairman and the Chief Executive Officer are responsible for the identification and execution of new investment opportunities. They are also responsible for managing the Company's assets and subsidiary businesses covering all aspects of investments, real estate developments and operations.

The key members of the Company's management team, apart from the Chairman and the Chief Executive Officer, are Jean-Pierre Schembri (Company Secretary), Neville Fenech (Group Chief Financial Officer) and Clinton Fenech (General Counsel).

The weekly average number of employees engaged at the Issuer's corporate office and in its owned hotels during FY2022 amounted to 2,249 persons (FY2021: 1,852 persons).



3. PRINCIPAL ASSETS

The following table provides a list of the principal assets and operations of the Issuer:

International Hotel Investments p.l.c.

Principal Assets and Operations as at 30 June 2023

Name	Location	Description	% ownership	No. of hotel rooms
Corinthia Hotel Prague	Czech Republic	Property owner	100	539
Corinthia Hotel Budapest	Hungary	Property owner	100	439
Corinthia Hotel Tripoli	Libya	Property owner	100	300
Commercial property Tripoli	Libya	Property owner	100	n/a
Corinthia Hotel St George's Bay	Malta	Property owner	100	248
Marina Hotel St George's Bay	Malta	Property owner	100	200
Radisson Blu Resort St Julians	Malta	Property owner	100	252
Radisson Blu Resort & Spa Golden Sands	Malta	Property owner	100	338
Corinthia Palace Hotel & Spa	Malta	Property owner	100	147
Corinthia Hotels Limited	Malta	Hotel management	100	n/a
QPM Limited	Malta	Project management	100	n/a
CDI Limited	Malta	Project development	100	n/a
Corinthia Catering and Catermax	Malta	Event catering	100	n/a
Corinthia Oasis	Malta	Vacant site <i>(to be developed)</i>	100	n/a
Costa Coffee	Malta	Retail catering	100	n/a
Corinthia Hotel Lisbon	Portugal	Property owner	100	518
Pinheiro Chagas	Portugal	Residential apartment block	100	n/a
Corinthia Hotel St Petersburg	Russia	Property owner	100	388
Commercial property St Petersburg	Russia	Property owner	100	n/a
Craven House <i>(commercial property)</i>	United Kingdom	Property owner	100	n/a
Benghazi Development	Libya	Mixed-use property <i>(to be developed)</i>	55	n/a
Corinthia Grand Astoria Hotel Brussels*	Belgium	Property owner <i>(under development)</i>	50	126
Corinthia Hotel & Residences London*	United Kingdom	Property owner	50	283
Medina Tower	Libya	Mixed-use property <i>(to be developed)</i>	25	n/a
Corinthia Hotel & Residences Moscow	Russia	Property owner <i>(development on hold)</i>	10	n/a
				3,778

* under control and management of IHI



The following table illustrates the carrying values of the principal properties of the Issuer, accounted for in the audited consolidated balance sheet as at 31 December 2020, 2021 and 2022 under the headings: “investment property”, “property, plant & equipment” and “investments accounted for using the equity method”:

International Hotel Investments p.l.c.

Valuation of Principal Properties

as at 31 December

	2020 €'000	2021 €'000	2022 €'000
Investment Properties			
Commercial Centre St Petersburg	49,350	51,600	52,484
Commercial Centre Tripoli	73,743	75,344	75,344
Apartment Block Lisbon	3,168	4,705	5,908
Site in Tripoli	29,500	29,500	29,500
Office block in London	-	-	4,446 (1)
Apartment in London	35,594	-	- (2)
	191,355	161,149	167,682
Hotel Properties and Offices			
Corinthia Hotel St George's Bay	37,819	36,951	36,384
Radisson Blu Resort, St Julians	35,536	34,654	34,028
Corinthia Hotel Lisbon	115,048	112,181	108,615
Corinthia Hotel Prague	92,636	90,909	89,438
Corinthia Hotel Tripoli	71,707	69,477	67,135
Corinthia Hotel Budapest	116,727	120,396	119,632
Corinthia Hotel St Petersburg	66,934	75,965	71,830
Corinthia Hotel London	438,060	533,156	512,990
Corinthia Palace Hotel and Spa	32,701	32,000	32,717
Marina Hotel	29,385	28,974	28,977
Golden Sand Resort	-	60,076	62,455 (3)
Office block in London	-	-	4,574 (1)
	1,036,553	1,194,739	1,168,775
Joint Ventures and Associates			
Radisson Blu Resort & Spa Golden Sands (50%)	19,647	-	- (3)
Medina Towers J.S.C. (25%)	12,184	5,188	5,198 (4)
	31,831	5,188	5,198
Assets in the Course of Development			
The Heavenly Collection Ltd (<i>Corinthia Oasis</i>)	21,951	24,444	28,657
Corinthia Grand Astoria Hotel Brussels	24,570	31,943	47,897
	46,521	56,387	76,554
Total	1,306,260	1,417,463	1,418,209

Notes:

- (1) In August 2022, CHL completed the acquisition of a central office block, Craven House. The Group occupies the top three floors whilst the remaining space is available for lease by third parties.
- (2) The sale contract of the Penthouse at the Corinthia Residences, London was closed in 2021.
- (3) During 2021, the Group acquired the other 50% of the Golden Sands Hotel. As a subsidiary company, the financial position and results of Golden Sands are consolidated with the financial position and results of the Issuer and its undertakings.



- (4) IHI owns 25% of the share capital of Medina Tower Joint Stock Company, a company set up for the purpose of owning and developing the Medina Tower, in Tripoli. The parcel of land, over which the project will be developed, measures *circa* 11,000m² and is situated in Tripoli's main high street. The architectural concept stems from a 4-storey podium that will include a mix of residential, retail, commercial and conference space. A curved tower rises from the 6th level and peaks at the 40th level, where a double height restaurant will complete the property. The development will comprise a total gross floor area of *circa* 199,000m². The execution of this project is currently on hold. The year-on-year decrease in the carrying value of the Medina Towers investment, from €12.2 million in FY2020 to €5.2 million in FY2021, was due to the effects of a devaluation of the Libyan Dinar.

4. OTHER ASSETS

CORINTHIA BRAND

During 2019, IHI acquired rights to use the Corinthia brand in all respects. The acquired rights are in addition to the rights previously held by the Group on the acquisition of the Corinthia brand in 2010. The Corinthia brand is recognised in the statement of financial position as an intangible asset amounting to €21.9 million (FY2021: €21.9 million).

IHI has taken active steps to protect the significant goodwill that has become inherent in the Corinthia name and has registered its intellectual property rights in several jurisdictions worldwide. The Corinthia brand acquisition has proved to be an important part of the Group's strategy to capitalise on the re-positioning of the Corinthia brand as a global luxury hotel brand.

BENGHAZI PROJECT

IHI has a 55% equity participation in Libya Hotel Development and Investment JSC, a company that acquired a derelict building formerly known as the El-Jazeera Hotel and adjoining site in Benghazi, Libya. Libya Hotel Development and Investment JSC will eventually develop a mixed-use project consisting of a 228-room five-star hotel, 2,000m² of retail space and 10,000m² of office space. Whilst the necessary planning permits for the project were issued by the Benghazi planning authorities and demolition works commenced in January 2014, in light of the prevailing situation in Libya all works on this development have been put on hold, and current plans are due for reconsideration depending on future developments in Libya. It is anticipated that the funding required for the project, once resumed, will be sourced from a combination of equity injected by the shareholders and appropriate bank financing.

PROJECT MANAGEMENT

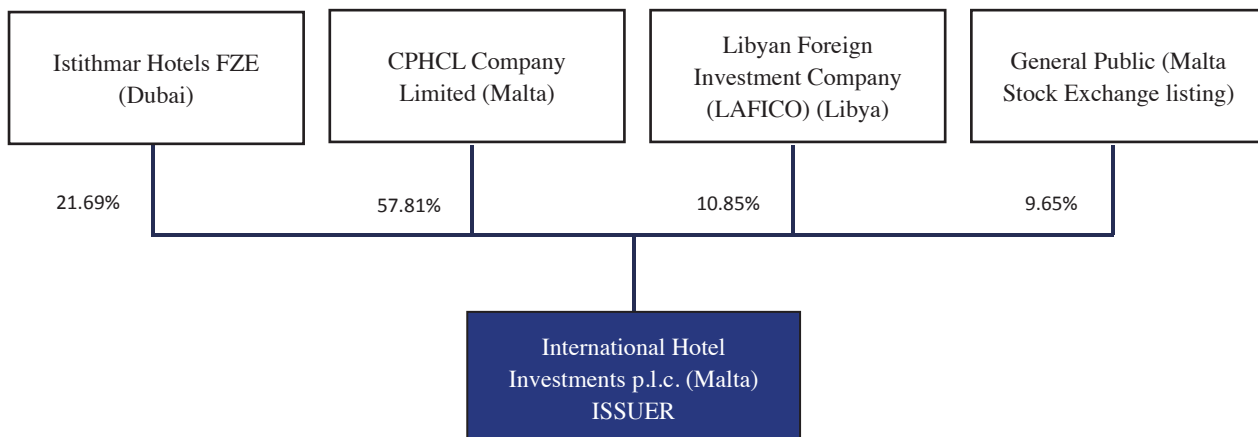
IHI owns 100% of QP a company which specialises in construction, interior design and project management services, both locally and overseas. QP operates independently of, and at arm's length to, IHI and offers a range of project, construction and cost management services and design and architectural services to a number of international clients in various countries. Since January 2019, QP has included archaeology and land surveying to its list of services, thereby offering a one-stop-shop service for any complex building project. Whilst continuing to provide services to the Corinthia Group, QP is increasing its third-party client base and revenue generation, with the latter representing the most significant part of annual turnover.

Revenue generated by QP in FY2022 amounted to €7.2 million compared to €6.1 million in FY2021 (18%). It is worth noting that over 55% of revenue was generated from third party owned projects, which are totally unrelated to the Corinthia Group.



5. ORGANISATIONAL STRUCTURE

The diagram below summaries, in simplified format, the structure of the Issuer and the position within the said Group of the Corinthia Group. The complete list of companies forming part of the Group is included in section 17 of the 2022 Annual Report & Financial Statements.



PART 2 – OPERATIONAL DEVELOPMENT

6. HOTEL OPERATIONS

6.1 ROOM INVENTORY

The Issuer fully owns 10 hotel properties and 50% in each of 2 other hotel properties (namely, Corinthia Hotel & Residences London and Corinthia Grand Hotel Astoria Brussels (under construction)). The complete list is included in section 3 of this report.

The owned-room inventory of the Issuer as at 31 December 2022 amounted to 3,778 rooms (31 December 2021: 3,788 rooms).

6.2 Performance Review

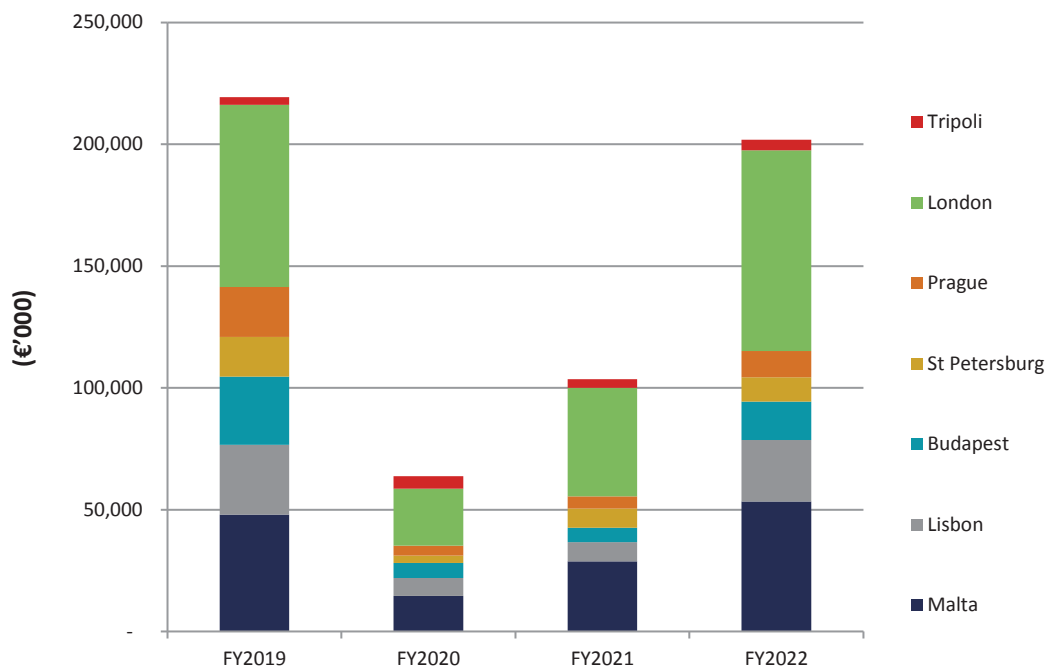
The table below summarises the financial performance of the Group's hotel operations over the four-year period between 2019 and 2022.

International Hotel Investments p.l.c.				
Hotel Operations	FY2019	FY2020	FY2021	FY2022
	Actual	Actual	Actual	Actual
	€'000	€'000	€'000	€'000
Revenue				
Malta	48,000	14,692	28,898	53,466
Lisbon	28,635	7,358	7,800	25,189
Budapest	28,054	6,184	5,878	15,686
St Petersburg	16,243	3,020	7,876	10,053
Prague	20,454	4,001	5,056	10,735
London	74,862	23,354	44,582	82,472
Tripoli	3,156	5,148	3,505	4,293
Total revenue	219,404	63,757	103,595	201,894
<i>Year-on-year % change in revenue</i>		<i>-71%</i>	<i>62%</i>	<i>95%</i>
EBITDA				
Malta	10,623	(2,333)	4,356	9,565
Lisbon	7,911	(534)	(434)	5,506
Budapest	8,181	110	1,491	2,885
St Petersburg	5,848	(1,693)	2,172	1,552
Prague	5,231	(2,328)	(288)	(90)
London	15,272	(1,895)	9,776	14,085
Tripoli	(2,141)	(548)	(852)	143
Total EBITDA	50,925	(9,221)	16,221	33,646
Depreciation and amortisation	(30,691)	(23,674)	(26,049)	(26,436)
Segment profit or loss	20,234	(32,895)	(9,828)	7,210
EBITDA margin (%)				
Malta	22.1	(15.9)	15.1	17.9
Lisbon	27.6	(7.3)	(5.6)	21.9
Budapest	29.2	1.8	25.4	18.4
St Petersburg	36.0	(56.1)	27.6	15.4
Prague	25.6	(58.2)	(5.7)	(0.8)
London	20.4	(8.1)	21.9	17.1
Tripoli	(67.8)	(10.6)	(24.3)	3.3
Overall EBITDA margin	23.2	(14.5)	15.7	16.7

Source: Annual reports FY19 - FY22, management information, MZI analysis

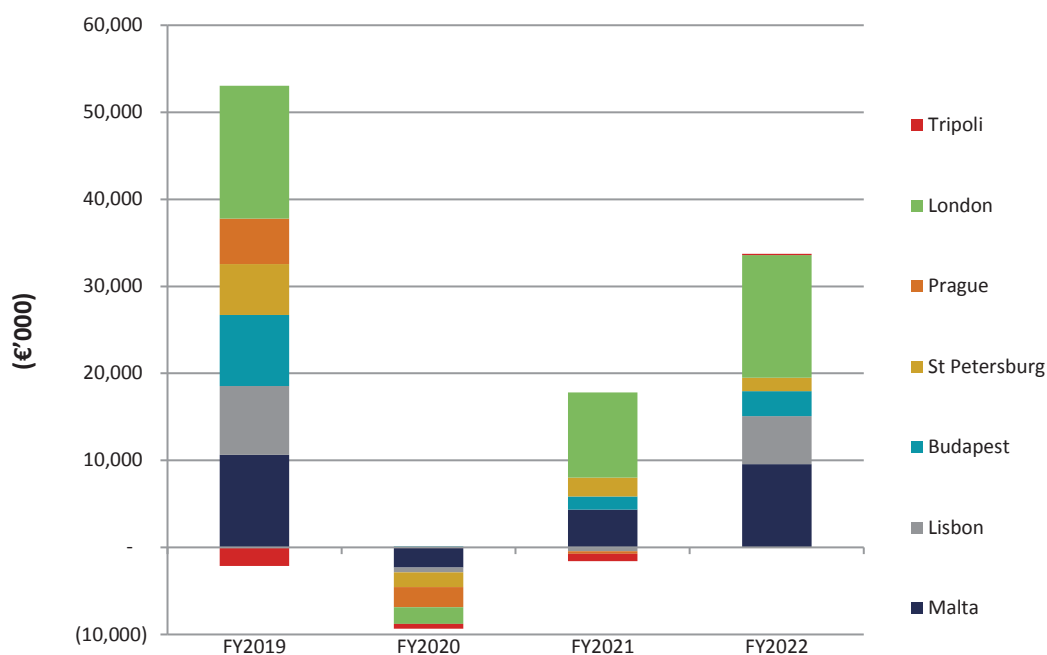


Hotel Operations - Revenue



Source: Management information.

Hotel Operations - EBITDA



Source: Management information.



Revenue from hotel operations in FY2019 amounted to €219.4 million, an increase of €9.9 million (+5%) from FY2018. London operations accounted for 34% of revenues generated in FY2019, whilst Malta operations accounted for 22%. The London and Malta operations represented 51% of aggregate EBITDA which amounted to €50.9 million in FY2019 compared to €50.7 million in the prior year (+€0.2 million). In terms of EBITDA margin, Corinthia Hotel St Petersburg was the best performer at 36.0% followed by Corinthia Hotel Budapest at 29.2%.

In FY2020, COVID-19 pandemic had a significant impact on the global hotel industry as well as on the Group's hotel operations. Year-on-year revenue decreased by €155.6 million (-71%) from €219.4 million in FY2019 to €63.8 million in FY2020. Group management implemented significant and effective cost containment measures to minimise the impact on EBITDA which could have been substantially worse otherwise. The relative governments also assisted in this regard through the introduction of different schemes, including salary subsidies and waiver or deferral of payroll taxes and social security contributions. Notwithstanding, the Group reported an EBITDA loss of €9.2 million (FY2019: + €50.9 million).

Hotel operations fared much better in FY2021 as travel demand increased following the gradual easing of travel restrictions by relative governments. Revenue for the year amounted to €103.6 million, which is 62% higher compared to the prior year, though still 53% below revenue achieved in FY2019 (pre-pandemic). Corinthia London and the Malta operations also doubled their revenue year-on-year and represented 71% of aggregate revenue. It is to be noted that revenues generated by the Radisson Blu Resort & Spa Golden Sands are included in the consolidated figures as from FY2021 pursuant to the acquisition of the other 50% shareholding in Golden Sands by the Group in the same year.

EBITDA recovered from a loss of €9.2 million in FY2020 to €16.2 million in FY2021. During the reviewed period, the Group's hotel operations reported an EBITDA margin of 15.7% (FY2020: -14.5%). After accounting for depreciation and amortisation, the Group's hotel operations registered a segment loss of €9.8 million compared to a loss of €32.9 million in FY2020 (FY2019: profit of €20.2 million).

In FY2022, revenue from hotel operations increased y-o-y by €98.3 million (+95%) to €201.9 million on account of the continued recovery post COVID-19 pandemic. Total revenue represents 92% of FY2019 revenue figure, though the Radisson Blu Resort & Spa Golden Sands was not a subsidiary of the Group in FY2019. Comparing FY2022 to FY2019 revenue by hotel property, it is observed that Corinthia Hotel London performed better by 10%. In contrast, Corinthia Hotel Budapest and Corinthia Hotel Prague underperformed by 44% and 48% respectively. Furthermore, due to the absence of international business in Russia following the imposition of sanctions thereon, revenue generated by Corinthia Hotel St Petersburg in FY2022 was 38% below FY2019's figures.

Total EBITDA in FY2022 amounted to €33.6 million, an increase of €17.4 million (+107%) from the prior year but 34% below EBITDA generated by the Group from hotel operations in FY2019. Apart from the underperformance of a number of the Group's hotel properties, the outcome of the pandemic and the consequences of war in Ukraine has caused an increase in inflation which has adversely impacted operating costs, mainly higher payroll, energy bills and an increase in cost of supplies.

Overall, the Group registered a segment profit in FY2022 of €7.2 million compared to a loss of €9.8 million in the previous financial year (FY2019: profit amounted to €20.2 million).



7. OTHER OPERATIONS

7.1 REAL ESTATE

The table below summarises the financial performance of the Group's real estate segment over the four-year period between 2019 and 2022.

International Hotel Investments p.l.c.				
Real Estate	FY2019	FY2020	FY2021	FY2022
	Actual	Actual	Actual	Actual
	€'000	€'000	€'000	€'000
Revenue				
Tripoli	7,236	7,351	7,548	7,901
St Petersburg	5,424	4,213	2,702	3,203
London penthouse	1,034	956	-	-
Total revenue	13,694	12,520	10,250	11,104
EBITDA				
Tripoli	6,736	6,782	6,973	7,281
St Petersburg	4,189	3,283	1,671	1,745
London	814	907	(731)	-
Other	-	-	-	(53)
Total EBITDA	11,739	10,972	7,913	8,973
EBITDA margin (%)				
Tripoli	93.1	92.3	92.4	92.2
St Petersburg	77.2	77.9	61.8	54.5
London	78.7	94.9	n/a	n/a
Overall EBITDA margin	85.7	87.6	77.2	80.8

Source: Annual reports FY19 - FY22, management information, MZI analysis

The Group operates a commercial centre measuring *circa* 10,000 square metres adjacent to the Corinthia Hotel Tripoli, Libya. Despite the ongoing instability in Libya, the Commercial Centre has remained operational and fully leased out. In FY2022, the Commercial Centre generated €7.9 million in revenue compared to €7.5 million in the prior year. The EBITDA margin is relatively high and has remained constant above 90%.

The commercial properties in St Petersburg comprise a mix of commercial areas, shops and office space, with total rentable area in excess of 11,600 square metres. In FY2020, rental income declined by €1.2 million (y-o-y) to €4.2 million (FY2019: €5.4 million). The said decrease resulted from slightly lower occupancies in the year and the depreciation of the Russian rouble against the euro. In FY2021, revenue decreased by €1.5 million (-36%) following the termination of two leases during the said year. Revenue in FY2022 remained relatively stable at €3.2 million. EBITDA in the last financial year amounted to €1.75 million compared to €1.67 million in FY2021.

Prior to the disposal of the London apartment in FY2021, the property generated rental income of *circa* €1 million *per annum*.



7.2 HOTEL MANAGEMENT

Corinthia Hotels Limited is a fully owned subsidiary of IHI which manages and operates a number of hotel properties, predominantly owned by IHI and CPHCL, but also including third party hotel properties.

The portfolio of hotels managed by CHL comprise the following:

CORINTHIA HOTELS LIMITED

Managed Hotel Portfolio as at 31 December 2022

Name	Location	% ownership	No. of hotel rooms
<i>Owned and managed properties (operational)</i>			
Corinthia Hotel Budapest	Hungary	100	439
Corinthia Hotel St Petersburg	Russia	100	388
Corinthia Hotel Lisbon	Portugal	100	518
Corinthia Hotel Prague	Czech Republic	100	539
Corinthia Hotel Tripoli	Libya	100	300
Corinthia Hotel St George's Bay	Malta	100	248
Marina Hotel St George's Bay	Malta	100	200
Radisson Blu Resort St Julians	Malta	100	252
Corinthia Palace Hotel & Spa	Malta	100	147
Radisson Blu Resort & Spa Golden Sands	Malta	100	338
Corinthia Hotel & Residences London	United Kingdom	50	283
<i>Owned & managed properties (under development)</i>			
Corinthia Grand Astoria Hotel Brussels (<i>opening 2024</i>)	Belgium	50	126
<i>Managed properties (operational)</i>			
Aquincum Hotel Budapest	Hungary	-	310
Ramada Plaza	Tunisia	-	309
Panorama Hotel Prague	Czech Republic	-	440
Corinthia Hotel Khartoum	Sudan	-	230
<i>Managed properties (under development)</i>			
Corinthia Hotel Bucharest (<i>opening 2024</i>)	Romania	-	33
Corinthia Hotel Residences Doha (<i>opening 2025</i>)	Qatar	-	110
Corinthia Hotel Rome (<i>opening 2024</i>)	Italy	-	60
Corinthia Hotel New York (<i>opening 2024</i>)	United States of America	-	97
Corinthia Hotel Diriyah (<i>opening 2026</i>)	Saudi Arabia	-	80
			5,447

CHL is a full-service hotel management company with in-house skills and capabilities supporting the Corinthia brand and operations. It has a track record of driving performance improvements across the Corinthia Group's existing assets and of third parties. It ensures consistent service levels and performance across the properties. CHL is scaled to support the future growth of the Corinthia brand. CHL currently manages or is involved in the development of 12 owned (fully or partly) hotels (11 operational and 1 under development), 2 hotels owned by its parent company CPHCL, and 7 third party properties (2 operational and 5 under development).



Management contracts are typically entered into and structured for a 20-year term. Its key commercial terms include management fees based on total turnover, marketing and reservation fees based on rooms' revenue and incentive fees based on gross operating profit achieved. It is an efficient use of capital and resource with minimal capital outlay, if any, required for each new management contract and a cost-effective way to gain in-depth knowledge of various markets.

The company's operations are segmented into the following areas:

- Operations – comprises the design and development of new Corinthia Hotels under development, as well as responsibility for current operations and support to all general managers, engineering, standards, quality, and sustainability.
- Finance - covers procurement and IT.
- Human Resources - involves culture and people.
- Commercial - covers revenue management, sales, PR and marketing, distribution and loyalty programmes.
- Business Growth - includes sourcing of new opportunities and negotiation of agreements for new Corinthia Hotels under management.

CHL has a 10% shareholding in GHA Holdings Limited ("GHA"), a company that owns the Global Hotel Alliance of which CHL has been a member alongside 25 other hotel brands. The ownership of GHA also comprises founding shareholders Kempinski, Minor, Pan Pacific, Oracle, and, since 2022, A Small World of Switzerland.

The following table summarises the financial performance of CHL over the four-year period FY2019 to FY2022:

International Hotel Investments p.l.c.				
Hotel Management	FY2019	FY2020	FY2021	FY2022
	Actual	Actual	Actual	Actual
	€'000	€'000	€'000	€'000
Revenue				
Owned hotels	14,769	2,743	6,696	15,029
Third party owned hotels	1,868	418	497	1,383
Other	326	45	146	168
Total revenue	16,963	3,206	7,339	16,580
EBITDA	8,107	(2,314)	7,045	2,652
EBITDA margin (%)	47.8	(72.2)	96.0	16.0

Source: Annual reports FY19 - FY22, management information, MZI analysis

Due to the significant decline in hotel services and revenue generation during FY2020, CHL's revenue decreased by 81% from €17.0 million in FY2019 to €3.2 million. In FY2021, revenue recovered to €7.3 million and almost matched FY2019's revenue in the last financial year (€16.6 million compared to €17.0 million in FY2019). Notwithstanding, EBITDA in FY2022 amounted to €2.7 million, a decrease of 62% or €4.4 million when compared to the previous year (FY2021: €7.0 million).

It is noted that in FY2021, CHL received \$5 million on account of the company's exit from the Meydan Beach Hotel Dubai project. Furthermore, the much lower EBITDA margin registered in FY2022 compared to the prior year was mainly due to: (i) an increase in employees and payroll costs as CHL started ramping up their manning post-pandemic and in preparation for the new management agreements and planned openings in the coming months and years; (ii) the return of certain activities such as quality audits, employee satisfaction surveys, health and safety and property audits; and (iii) set up costs of a new company in the U.S. in preparation for the New York hotel opening.



7.3 CATERING

The following table summarises the financial performance of the Group's catering segment over the four-year period FY2019 to FY2022:

International Hotel Investments p.l.c.				
Catering	FY2019	FY2020	FY2021	FY2022
	Actual	Actual	Actual	Actual
	€'000	€'000	€'000	€'000
Revenue				
Costa Malta	9,456	3,211	4,745	7,934
Costa Spain	5,463	1,138	-	-
Corinthia Caterers Limited	6,174	2,230	3,464	8,198
Catermax Limited	3,988	1,889	1,912	2,401
Total revenue	25,081	8,468	10,121	18,533
EBITDA				
Costa Malta	1,839	(258)	627	806
Costa Spain	(443)	(889)	-	-
Corinthia Caterers Limited	(597)	(1,085)	(307)	155
Catermax Limited	130	(18)	177	(42)
Total EBITDA	929	(2,250)	497	919
EBITDA margin (%)				
Costa Malta	19.4	(8.0)	13.2	10.2
Costa Spain	(8.1)	(78.1)	n/a	n/a
Corinthia Caterers Limited	(9.7)	(48.7)	(8.9)	1.9
Catermax Limited	3.3	(1.0)	9.3	(1.7)
Overall EBITDA margin	3.7	(26.6)	4.9	5.0

Source: Annual reports FY19 - FY22, management information, MZI analysis

The impact of the pandemic resulted in the temporary closure of Costa Coffee outlets in Q2 2020 and restricted operations thereafter. The Costa Coffee Spain operation was closed in 2020 and placed into voluntary liquidation. The outlets located at Malta International Airport were directly impacted by the significant drop in airport passengers following the imposition of travel restrictions between March and December 2020. In consequence, Costa Malta reported revenue of €3.2 million in FY2020, a decrease of 66% compared to the prior year (FY2019: €9.5 million). Revenue is gradually returning back to normal levels mainly on account of an increase in tourism which has a positive effect on turnover.

Corinthia Caterers Limited and Catermax Limited are principally involved in event and contract catering services, and in FY2022 generated €10.6 million (in aggregate), which is €0.4 million higher when compared to FY2019. Both businesses have yet to generate meaningful EBITDA but are performing substantially better when noting the operating losses incurred in previous years.



8. ECONOMIC ANALYSIS

The following is an overview of the most significant recent trends affecting the IHI and the market in which it operates:

8.1 HUNGARY¹

Hungary's GDP² contracted and inflation spiralled upward in the second half of 2022 as the economy was exposed to higher commodity prices, weaker external demand and tighter financing conditions. Lower energy prices and an expected disinflation are set to trigger a gradual recovery as from the second half of 2023. The budget deficit is projected to remain elevated, reflecting high expenditure levels and the impact of lasting revenue-decreasing measures adopted in recent years.

Hungary's economy entered into a recession in the second half of 2022, as the impact of higher energy prices and monetary tightening took hold. Investment fell, while consumption and export growth also slowed down. Real GDP contracted by 0.4% q-o-q in 2022-Q4, and monthly indicators point to a further drop in 2023-Q1.

Annual GDP growth is forecast to slow down from 4.6% in 2022 to 0.5% in 2023, and then pick up to 2.8% in 2024 supported by lower energy commodity prices and an expected disinflation. Consumption is projected to decline in 2023 but return to growth in 2024, driven by developments in real income. Investment is set to remain muted throughout the forecast horizon due to low demand, tight financing conditions and fiscal consolidation efforts. Exports are projected to slow down in 2023 but pick up in 2024, in line with external demand, and supported by ongoing foreign direct investment projects. On the other hand, weaker domestic demand is set to hold back imports throughout the forecast horizon, ensuring a positive contribution of net exports to GDP growth. The agricultural sector contributed negatively to growth by 1.1% of GDP in 2022 due to severe droughts, but the recovery of crop yields is set to boost GDP this year, mainly through inventory accumulation.

Higher energy prices worsened the current account balance to -8.2% of GDP in 2022. The recent fall of commodity prices and the moderation of import demand are expected to reverse this development, and the current account is projected to improve to -2.8% by 2024.

Labour demand remained resilient during the economic slowdown of recent quarters and the unemployment rate rose only modestly to 4.1% in 2023-Q1. It is projected to rise to 4.2% on average in 2023, to then fall back to 4.0% in 2024. Shortages of skilled workers are expected to persist, exacerbated by population ageing. Nominal wage growth is set to remain robust, in line with limited labour market slack and high inflation. For 2023, wage growth is also boosted by a 16% minimum wage hike. Real wages are currently declining due to high inflation, but they are expected to rise again as from autumn 2023.

HICP³ inflation appears to have peaked at 25.9% in 2023-Q1, following the phase-out of the motor fuel price cap in December 2022. The inflation rate is set to ease in the subsequent quarters, driven by base effects, lower commodity prices, the recent currency appreciation and weak consumer demand. The annual average inflation rate is projected to increase from 15.3% in 2022 to 16.4% in 2023, and then drop to 4.0% in 2024. The forecast assumes that the price cap on certain basic food items is not extended again beyond June 2023, and that residential utility prices remain unchanged.

Downside risks to the growth outlook stem from a sudden increase in the country risk premium which might also constrain fiscal policy, and from the exposure of the economy to a potential spike in energy prices. Upside risks to inflation are related to a potentially looser fiscal policy stance, high wage growth in a tight labour market, and the de-anchoring of inflation expectations.

¹ Economic Forecast – Spring 2023 (European Commission Institutional Paper 200 May '23).

² Gross Domestic Product (GDP) is an estimate of the value of goods and services produced in the economy over a period of time.

³ Harmonised Index of Consumer Prices measures the changes over time in the prices of consumer goods and services acquired by households.



8.2 RUSSIA⁴

Russian real GDP contracted by 2.1% in 2022, reflecting the adverse economic impact of its war of aggression against Ukraine and the international sanctions. The GDP fall was driven by a slump in exports, despite Russia's ability to redirect its oil exports to new willing buyers, albeit at a discount, and by a decrease in private consumption, amid declining real incomes and outward migration. Companies' inventories were substantially depleted due to import restrictions. The main impetus came from public consumption and investment boosted by demand from the military production and logistics sectors as companies strived to establish new trading routes and supply chains.

Nominal wages are expected to outpace inflation in 2023 due to labour market pressures stemming from partial mobilisation and outward migration. However, private consumption is set to remain depressed, reflecting ongoing war-related uncertainty. Public funds are expected to continue supporting new domestic production capacities to back import substitution policies, additional infrastructure to facilitate a trade shift towards the east, and military production. Nevertheless, investment activity is not expected to retain the pace of the previous year as projects commenced before the war are coming to the completion phase and new private investment is limited by declining profits, departure of Western companies and persisting uncertainty. The ongoing fiscal stimulus is forecast to fully offset these negative developments, with domestic demand having a neutral contribution to growth.

The EU's diversification of gas supplies away from Russia coupled with its embargo on seaborne oil and refined oil products, are expected to hinder export recovery as Russia is unlikely to fully replace lost markets. Imports are projected to recover only gradually amid ongoing sanctions and a weakening rouble reflecting deterioration of the current account surplus on the back of easing energy prices. Net exports are hence set to pose a negative drag on growth. Overall, real GDP is forecast to contract by 0.9% in 2023.

As the economy gradually adjusts to the sanctions, a modest recovery of 1.3% is projected in 2024. However, international isolation and the pivot towards a war economy are expected to channel resources to less productive sectors, weighing negatively on future potential output.

Amid ongoing high war-related uncertainty, the balance of risks to the growth outlook is deemed to be tilted to the downside. Significant negative risks stem from a possible new wave of mobilisation, which could further exacerbate pressures on the labour market, and stronger enforcement of sanctions against Russia's aggression of war against Ukraine, which could hinder production in some sectors more than currently foreseen.

After a spike in April 2022, inflation continued easing and averaged 13.7% in 2022. This allowed the Central Bank of Russia to reduce its benchmark rate from 20% to 7.5% in September 2022. With the post-invasion price shock moving into the baseline, inflation is forecast to decline to 6.4% in 2023 and to drop further to 4.6% in 2024. Elevated inflation expectations and inflationary risks stemming from high fiscal spending, deteriorating terms of trade amid a depreciating rouble, and wage pressures reflecting a tight labour market are expected to limit the room for loosening monetary policy despite the fragile economic outlook.

8.3 PORTUGAL⁵

After a strong rebound in early 2023, economic growth is set to weaken in the second quarter of the year and to pick up again thereafter. Headline inflation is projected to moderate although wage adjustments amid record high employment are expected to keep pressure on prices of services. After narrowing to 0.4% of GDP in 2022, Portugal's general government deficit is forecast to improve to 0.1% of GDP in 2023 and 2024.

⁴Economic Forecast – Spring 2023 (European Commission Institutional Paper 200 May '23).

⁵Economic Forecast – Spring 2023 (European Commission Institutional Paper 200 May '23).



Economic activity picked up at the beginning of 2023, helped by a further increase in tourism. GDP growth is estimated at 1.6% (q-o-q) in 2023-Q1, strongly up from the rates recorded in the previous three quarters. However, domestic demand remained weak, as private consumption was constrained by the decline in purchasing power of households in previous quarters and investors were confronted with higher interest rates. The external sector was the major growth driver in 2023-Q1, benefiting from the recovery in global supply chains and a very strong increase in tourism visits, in particular from North America. The steep recovery in Portugal's water reservoirs also supported the external balance, as the rebound in domestic hydropower production reduced import demand for electricity and natural gas. Economic growth is projected to weaken in 2023-Q2 and to pick up again in the following quarters against the backdrop of a gradual recovery in households' real disposable income and private consumption. Investment growth is also set to improve, as the drop in global commodity prices and the recovery in global supply chains, along with the expected inflows of EU funds, are projected to outweigh the negative impact of higher interest rates. In full-year terms, real GDP growth is forecast to slow down from 6.7% in 2022 to 2.4% in 2023 and 1.8% in 2024.

In the external sector, exports are projected to rise much faster than imports in 2023 due mainly to the strong performance in tourism. In 2024, imports are projected to grow somewhat faster than exports in line with the recovery in private consumption and investment. In normal terms, Portugal's external balance is forecast to benefit substantially from the drop in energy prices in 2023 and higher prices in tourism, leading to a marked improvement in the current account balance.

The unemployment rate improved from 6.6% in 2021 to 6.0% in 2022. However, the monthly figures increased in late 2022 and early 2023, driven by a strong rise in job-seeking activity while employment grew only marginally. Both employment and activity rates reached record high levels in early 2023 amid rising wage pressures. In annual average terms, unemployment is forecast at 6.5% in 2023 and 6.3% in 2024 amid a moderate increase in employment and real wages, broadly compensating employees for the loss of purchasing power in 2022.

After reaching a historic high of 10.2% (y-o-y) in 2022-Q4, HICP inflation moderated to 8.4% (y-o-y) in 2023-Q1. The reduction was largely driven by lower energy prices while food prices remained elevated. Inflation is set to moderate further over the forecast horizon, driven initially by the energy price index and later by food and non-industrial goods. In 2023, the moderation in food prices is also supported by a suspension of VAT rates for essential food products effective from 18 April until end-October. Overall, inflation is forecast at 5.1% in 2023 and 2.7% in 2024. Core inflation is expected to move somewhat above the headline rate, as the projected recovery in real incomes will weigh on prices of services, which are also set to moderate but at a softer pace.

8.4 CZECH REPUBLIC⁶

Following moderate economic activity in 2022, real GDP growth in Czech Republic is forecast to decelerate to 0.2% in 2023, due to elevated price pressures amid tight domestic financial conditions. The inflation rate is set to remain close to 12% in 2023 but to decline to 3.4% in 2024. The general government deficit is still affected by energy support measures in 2023, but it is forecast to decline to 3% in 2024.

Czech Republic's real GDP grew by 2.5% in 2022, driven by investment and increased inventories, while dampened by weak household consumption amid lower consumer confidence and the tighter financial situation of Czech households. Economic activity is expected to remain subdued over the first half of 2023, with real GDP growth in the first quarter estimated at 0.1% q-o-q, mainly on the back of foreign demand amid low domestic consumption. Annual GDP growth is forecast to slow to 0.2% in 2023, and to recover to 2.6% in 2024, reaching pre-pandemic output levels at the end of 2023.

Despite several fiscal stimulus measures, household consumption declined for five consecutive quarters until the end of 2022 and is expected to remain subdued also in 2023. Declining real disposable income and tightening financing conditions are the key factors. Household consumption is forecast to start increasing during 2023. In line with developments in real income, household consumption is projected to become the main driver of real GDP growth in 2024 together with foreign demand.

⁶Economic Forecast – Spring 2023 (European Commission Institutional Paper 200 May '23).



Investment activity picked up significantly in 2022 and is expected to remain the key growth driver in 2023, significantly supported by EU structural and RRF funds. At the same time, the tight financial conditions and persistent labour shortages are expected to weigh on business investment growth over the forecast horizon. The easing of supply chain problems is set to have a positive impact on exports, which are projected to increase in 2023 and 2024. Weaker domestic demand is set to hold back imports in 2023. While imports are expected to rebound in 2024, a positive contribution of net exports to GDP growth is forecast over the forecast horizon.

This outlook is subject to high uncertainty, most notably, in relation to the risks of further disruptions of energy markets given the energy intensity of the Czech economy.

Labour demand remained resilient to the economic slowdown in recent quarters and the unemployment rate declined to 2.2% in 2022. It is forecast to remain low in 2023, around 2.8%, and to decline to 2.6% in 2024. Shortages of skilled workers are set to persist. Despite the tight labour market, real wages are still projected to decline in 2023, as nominal wage growth lags behind inflation. Real wages are expected to increase by 3.2% in 2024 amidst recovering economic activity.

Headline inflation appears to have peaked at 18% in 2023-Q1, following the phase-out of the savings tariff on energy prices, which was not fully offset by a cap on electricity and gas prices introduced by the Czech government. Energy prices are expected to decline in 2023-Q2 and remain stable afterwards. The inflation rate is set to decrease, driven mainly by base effects, accompanied by lower commodity prices, recent currency appreciation and weak consumer demand. The annual average inflation rate is projected to decelerate from 14.6% in 2022 to 11.9% in 2023 and to then drop further to 3.4% in 2024 on the back of a decrease in energy costs and related spill-over effects. This forecast assumes that the price cap on energy is phased out in December 2023. The economic outlook remains sensitive to energy commodity prices and financing conditions.

8.5 LIBYA

The delay of national elections originally scheduled for December 2021, with no agreement on the new dates nor on the legal and constitutional basis for these proposed elections, has brought a return to political division in Libya. The confirmation of a new government cabinet by the eastern-based House of Representatives in February 2022 has returned Libya to a state of institutional division with two parallel government administrations in the East and West. Competition between rival governments led to the blockade and shutdowns of oil facilities and armed clashes in the capital.

Political and security tensions could hinder the economic rebound registered in 2021. Oil production in the second quarter of 2022 averaged 0.88 million barrels per day, 33% less than during the first quarter. Soaring international oil prices improved the fiscal surplus during the first eight months of 2022 to 13% of 2021 GDP, excluding spending of the National Oil Corporation, compared to 7% during the same period in 2021. The trade balance surplus grew by 72% in nominal USD terms during the first five months of 2022 compared to the same period in 2021. Foregone oil revenues due to the blockade of oil facilities amounted to around USD4 billion. At the beginning of the third quarter of 2022, oil production resumed at 1 million barrels per day.

Political uncertainty in Libya will likely slow down economic recovery. If the country could sustain current levels of oil production and exports, it will benefit from increasing global oil prices, translating into higher fiscal revenues and more significant inflows of hard currency. This will positively impact its growth and its fiscal and external balances. Transparent and accountable management of Libya's oil revenues and public spending will be critical to ensure that the country's wealth benefits the population. However, positive economic performances depend on the improvement of political and security conditions. Other shocks to the global economy, or shocks to global commodity prices, would adversely affect Libya's economic activity and household welfare⁷.

⁷<https://www.worldbank.org/en/country/libya/overview#1>



8.6 UNITED KINGDOM⁸

The UK economy is expected to see a modest contraction in 2023, as household real incomes continue to fall and consumption and external demand soften, while business investment remains weak. A mild recovery is foreseen in 2024, as inflation continues to ease and growing employment and rising real wages boost household real incomes. At the same time, the labour market is tight, core inflation is high, and potential output is growing only slowly. Persistence in core inflation is a key downside risk.

The UK economy grew by 4.1% y-o-y in 2022 but this largely reflected the very large statistical carryover (of 3.6%) from 2021. Growth stagnated after March 2022, under the impact of higher energy prices and worsening sentiment in the wake of Russia's invasion of Ukraine. The tight labour market and government fiscal transfers to offset higher energy costs have helped underpin household consumption, which grew by 5.6% in 2022, despite a 2% fall in household real disposable incomes.

Alongside many EU economies, UK high frequency data improved in early 2023, with PMIs (Purchasing Managers' Index) picking up (notably for services) and consumer confidence improving, though from low levels. Monthly GDP data also suggest that output in 2023-Q1 has remained steady despite widespread expectations of a contraction. Household consumption is expected to show no growth in 2023 overall, as real wages continue to fall, and higher interest rates feed through into higher mortgage costs. Consumption is projected to start to gradually pick-up in the second half of 2023 and into 2024 as lower energy prices feed through with the adjustment of regulated price caps from July.

Higher interest rates are expected to lead to a fall in residential and business investment in 2023, with business investment seeing only a modest pick-up in 2024. Export and import volumes are both set to decrease in 2023, with net exports providing a positive contribution to overall growth. Goods exports were significantly inflated in 2022 by large exports of precious metals that are projected to taper off sharply, while services exports will be limited by the weak global outlook. Services imports are expected to normalise somewhat after a surprising bounce in 2022, given the weakness of domestic demand. Relatively rapid growth in government consumption and investment are expected to provide support in 2023, and to a lesser extent in 2024. Overall, UK GDP growth is forecast to contract by 0.2% in 2023 and then rise by 1% in 2024.

The labour market remains tight. While employment was still 100K below pre-pandemic levels in 2022-Q4, the labour force had fallen by around 280K, and unemployment at year end was just 3.7%. Unemployment is expected to edge up in 2023 and 2024 as employment growth slows below the growth in labour supply, fuelled in part by higher migration, largely from outside the EU. Potential output growth in the UK has been lower than the EU average for some years and is estimated at 0.8% in 2022. This reflects not only a fall in labour market participation, but also the stagnation of business investment in recent years and weak underlying productivity growth.

Inflation rose sharply in 2022, from 5.5% in January to a peak of 11.1% in October and slowed only marginally thereafter, to 10.1% in March 2023. The core inflation rate was 6.2% in March, only slightly down from the peak of 6.5% in October 2022. As inflation has picked up, wage growth has also accelerated, with private sector nominal wages growing by 6.6% in both January and February 2023. The Bank of England raised policy rates steadily from 0.25% in early 2022 to 4.25% in March 2023 and markets have priced in further tightening. Lower energy prices are expected to reduce headline inflation significantly in coming quarters, but the outlook for core inflation is less clear, given the high pace of nominal wage growth and the tight labour market.

8.7 MALTA⁹

The Maltese economy grew by 7.1% in real terms in 2022, driven by strong private domestic demand and investment as well as the better-than-expected recovery in tourism. Furthermore, the unemployment rate remained low at 3% of the labour supply despite the high level of inflation which stood at 6.1%.

⁸Economic Forecast – Spring 2023 (European Commission Institutional Paper 200 May '23).

⁹Central Bank of Malta – 'Outlook for the Maltese Economy', 24 August 2023.



Economic growth is projected to ease to 3.7% in 2023 and stabilise at 3.6% in both 2024 and 2025. Net exports are expected to be the main contributor to growth in 2023 reflecting the projected decrease in imports (following the upsurge of investment equipment in 2022) as well as the growth in exports. The rate of growth in government consumption expenditure is also projected to increase, to 4.2% from 2.4% in 2022, and stabilise near the 4% level in 2024 and 2025. On the other hand, the rate of growth in private consumption expenditure is anticipated to slow to 4.3% from 9.8% in 2022 and remain close to the 4% level in both 2024 and 2025. This slowdown reflects the normalisation of consumer demand following the strong post-pandemic recovery, as well as slower growth in real disposable income due to high inflation. The latter is projected to ease to 5.9% in 2023 and drop further to 3.1% and 2.3% in 2024 and 2025 respectively. In parallel, however, the unemployment rate is projected to remain very low and only increase marginally to 3.1% by 2025.

Despite the upsurge in inflation, pandemic-related savings are expected to remain a catalyst to private consumption. Nevertheless, the saving ratio is envisaged to retreat from 28.8% in 2022 to 26.1% in 2025 which would be close to the level prior to the outbreak of the pandemic.

Investment is projected to decline by 21.9% in 2023 before registering a growth of 1.5% in 2024 and 2.7% in 2025. Private investment is expected to contract by around 26% in 2023, mostly reflecting the extraordinary outlays in the aviation sector in 2023. Furthermore, both residential and non-residential construction are projected to contract in 2022 reflecting a softening in sentiment across this sector. Growth in private investment is projected to stand at 3.5% and 3.1% for 2024 and 2025 respectively.

After dropping by around 8.5% in 2022, government investment is projected to grow by 4.3% in 2023, decline by 7.2% in 2024, and grow again by 0.8% in 2025. These dynamics are partly driven by the expected take up of EU funds, notably the full absorption of funds from the 2014-2020 financing framework by 2023, and the increased take up of the Recovery and Resilience Facility grants in 2023 and 2024. Furthermore, domestically funded investment is set to be lower than the level reached in 2022.

The general government deficit is projected to decline gradually to 3.3% by 2025 from 5.8% in 2022, driven by a declining share of expenditure in GDP mainly due to the profile of inflation-mitigation measures. On the other hand, the general government debt-to-GDP ratio is expected to increase to 54.8% by 2025 from 53.2% in 2022, due to the expected level of primary deficits which are projected to offset the debt-decreasing impact of the interest-growth differential.



PART 3 – PERFORMANCE REVIEW

9. GROUP FINANCIAL INFORMATION

The financial information provided hereunder is extracted from the audited consolidated financial statements of IHI for each of the years ended 31 December 2020 to 31 December 2022. The projected financial information for the years ending 31 December 2023 and 31 December 2024 has been provided by management of the Company.

The Group's operations in Libya and Russia

Note 5 to the 2022 financial statements explains the significant uncertainties and judgments surrounding the valuation of the Group's assets in Libya that have a bearing on the projected cash flows from the relative operations, and which are in turn influenced by the timing of a recovery in the country. Different plausible scenarios may impact the financial performance of the Libya operations and the valuation of related assets in a significant matter. This matter is considered to be of fundamental importance to stakeholders because of the potential impact that this uncertainty may have on the valuation of the Group's assets in Libya and the recoverability of certain debtors, which as at 31 December 2022 were carried at €177.1 million and €2.1 million respectively (2021: €179.5 million and €3.3 million respectively).

The same note to the 2022 financial statements also describes the prevailing circumstances in Russia and the higher element of uncertainty in carrying out a valuation assessment of the Group's assets in Russia. In February 2022, a military conflict erupted between Russia and Ukraine with consequential international sanctions being imposed on Russia. The situation regarding these sanctions and any counter sanctions that Russia itself has imposed on the international community is continuously developing. The consequences these sanctions could have on the Group are difficult to determine. The Group has engaged international legal advisers to assist in managing the situation that the sanctions may have brought about.

The Group owns a hotel in St Petersburg with an adjoining Commercial Centre which have been in operation for a number of years. Both the hotel and the Commercial Centre are presently operational and have maintained the same level of activity as in FY2021. Depending on the duration of this conflict, this may have an adverse effect on operations. Apart from business disruptions which may influence the valuation of the hotel and commercial centre, this situation increased the volatility of the Rouble exchange rate and may impact the amount reported in the Group's financial statements. As at 31 December 2022, the Group's assets in Russia were carried at €130.8 million (2021: €133.5 million).

Projections

The projected financial information relates to events in the future and is based on assumptions which IHI believes to be reasonable. Consequently, the actual outcome may be adversely affected by unforeseen situations and the variation between forecast and actual results may be material.



International Hotel Investments p.l.c. Consolidated Statement of Comprehensive Income for the financial year 31 December			2020	2021	2022	2023	2024
	Actual	Actual	Actual	Forecast	Projection		
	€'000	€'000	€'000	€'000	€'000		€'000
Revenue	91,909	129,266	238,207	277,763	339,870		
Costs of providing services	(53,956)	(65,620)	(125,586)	(157,872)	(190,304)		
Gross profit	37,953	63,646	112,621	119,891	149,566		
Marketing costs and administrative expenses	(32,873)	(32,153)	(44,545)	(48,166)	(59,370)		
Other operating costs	(8,887)	(4,965)	(16,370)	(16,846)	(14,062)		
EBITDA	(3,807)	26,528	51,706	54,879	76,134		
Depreciation and amortisation	(35,779)	(30,613)	(29,164)	(28,655)	(31,677)		
Adjustments in value of property and intangible assets	(10,521)	(4,032)	(7,927)	-	-		
Other operational exchange losses	57	(1,564)	(304)	-	-		
Changes in value of liabilities and indemnification assets	-	(6,228)	-	-	-		
Results from operating activities	(50,050)	(15,909)	14,311	26,224	44,457		
Share of profit / (loss): equity accounted investments	(2,448)	1,124	(61)	-	-		
Finance income	702	506	440	251	400		
Finance costs	(23,554)	(24,984)	(28,160)	(38,356)	(51,770)		
Other	(15,012)	(321)	12,376	(1,824)	1,173		
Loss before tax	(90,362)	(39,584)	(1,094)	(13,705)	(5,740)		
Taxation	14,713	9,256	(1,248)	2,007	(664)		
Loss for the year	(75,649)	(30,328)	(2,342)	(11,698)	(6,404)		
Other comprehensive income / (expense)							
Gross surplus / (impairment) - revaluation of hotel properties	(10,246)	78,385	2,959	-	-		
Other effects, currency translation diff. and tax	(38,076)	16,983	(20,941)	401	1,592		
	(48,322)	95,368	(17,982)	401	1,592		
Total comprehensive income / (expense) for the year net of tax	(123,971)	65,040	(20,324)	(11,297)	(4,812)		

Key Financial Ratios	FY2020	FY2021	FY2022	FY2023	FY2024
	Actual	Actual	Actual	Forecast	Projection
EBITDA margin (%) <i>(EBITDA / revenue)</i>	(4.14)	20.52	21.71	19.76	22.40
Operating profit margin (%) <i>(Operating profit / revenue)</i>	(54.46)	(12.31)	6.01	9.44	13.08
Net profit margin (%) <i>(Profit after tax / revenue)</i>	(82.31)	(23.46)	(0.98)	(4.21)	(1.88)
Return on equity (%) <i>(Profit after tax / average equity)</i>	(9.06)	(3.76)	(0.28)	(1.43)	(0.80)
Return on assets (%) <i>(Profit after tax / average assets)</i>	(4.68)	(1.87)	(0.14)	(0.68)	(0.37)
Return on invested capital (%) <i>(Operating profit / average equity and net debt)</i>	(3.63)	(1.16)	1.02	1.81	2.94
Interest cover (<i>times</i>) <i>(EBITDA / net finance costs)</i>	(0.17)	1.08	1.87	1.44	1.48
<i>Source: MZ Investment Services Ltd</i>					



The financial performance for **FY2020** was materially impacted by COVID-19 and the restrictions and limitations it imposed on the Group's businesses and everyday lives. Total revenue for the year under review amounted to €91.9 million, a reduction of €176.4 million from the revenue generated the year before on account of lockdowns and other restrictions imposed in all countries where the Group operates.

Notwithstanding the significant reduction in revenue generation, the loss at EBITDA level for 2020 was limited to €3.8 million (FY2019: positive EBITDA of €69.8 million). The minimal loss at EBITDA level in 2020 was achieved in consequence of proactive cost-cutting decisions taken at Group and operating subsidiary levels, including reducing staff complements at all levels as well as various programmes on salary cuts and deferrals, apart from government subsidies.

Adjustments in value of property and intangible assets amounted to a loss of €10.5 million in FY2020 compared to a loss of €3.7 million in FY2019. The said loss for 2020 represents an impairment on goodwill of €2.4 million, an impairment of €5.2 million in the carrying value of the London apartment and a write off of €2.9 million with regard to the work in progress on the Hotel Astoria.

The Group's share of results of associates and joint ventures amounted to a loss of €2.4 million compared to a loss in FY2019 of €4.0 million. This loss reflects the performance of hotel operations at Golden Sands and four months of timeshare operations. The timeshare sales operation was discontinued in May 2020.

In 2020 'other' items amounted to a loss of €15.0 million (FY2019: profit of €6.9 million). This adverse amount mainly represents exchange differences related to the St Petersburg property on account of a weaker Rouble compared to FY2019. Year-on-year the Rouble devalued by 32% against the Euro. Furthermore, currency translation differences of €2.8 million relating to Azure Resorts Group, previously recorded in translation reserves, were released to profit or loss as a result of the loss of joint control over the joint venture.

Changes in fair value during 2020 in respect of the Group's properties amounting to €10.3 million have been recognised with other comprehensive income to reverse previously recognised revaluation reserves. These impairments relate to the Corinthia Hotel Budapest and Corinthia Hotel London. In 2019, a revaluation surplus of €7.0 million in respect of the Group's properties was recognised within other comprehensive income.

On account of a weaker Sterling and Rouble relative to the reporting currency of the Group which is Euro, the Group recorded a combined currency translation loss of €44.1 million in 2020, relative to a profit of €34.5 million registered in 2019.

The Group registered a loss on total comprehensive income of €123.97 million in 2020 against a profit of €38.9 million registered in 2019.

Revenue in **FY2021** increased by €37.4 million (+41%) y-o-y to €129.3 million on account of an improvement in hospitality business in the second semester of the year and the consolidation of Golden Sands Resort Limited's results following the acquisition by IHI of the remaining 50% shareholding thereof in February 2021. Corinthia St Petersburg and Corinthia London recovered faster than the other hotels mainly due to internally generated demand (domestic tourism).

The above-mentioned increase in revenue reversed an EBITDA loss of €3.8 million registered in FY2020 to a positive EBITDA amounting to €26.5 million. The Group achieved an EBITDA margin of 21% in FY2021, five percentage points lower than pre-pandemic level of 26% (FY2019). The interest cover in the reviewed year was at 1.08 times (FY2019: 3.01 times).

The Group reported an overall exchange loss of €2.5 million in FY2021 compared to a loss on exchange of €12.3 million the year before (included in items 'Other operational exchange losses' and 'Other'). This movement in exchange differences reflects the net gains on exchange related to the St Petersburg property as the Rouble recovered from 90.68 to 84.07 and of losses on the Dinar as the Libyan Central Bank devalued the Dinar on 3 January by 330%.



During 2021, the Group acquired the other 50% of the Golden Sands Hotel which is now accounted as a subsidiary. The Group's share of results of associates and joint ventures reflects the Golden Sands Hotel results for the first two months of 2021 before the said acquisition. The remaining investment shown as an associate relates to the Medina project in Libya.

In 2020, on account of COVID-19 and the expected recovery tempo, the Group registered net property impairments of €15.5 million before tax. This impairment was attributable to the London hotel and apartment and to the Corinthia Hotel Budapest. In 2021, on account of less uncertainty and the positive results recognised in some properties, especially the London Hotel, the Group recognised a property uplift of €79.7 million (€1.3 million accounted for in the income statement and €78.4 million in other comprehensive income).

Both the Sterling and Rouble strengthened in 2021 relative to the reporting currency of the Group (Euro), but this positive result was subdued by the devaluation of the Libyan Dinar. The Group recorded a combined currency translation gain of €19.6 million relative to a loss of €44.7 million registered in 2020 (accounted for in comprehensive income within item 'Other effects, currency translation diff. and tax').

The Group reported a loss for the year of €30.3 million compared to a loss €75.6 million in FY2020. Overall, the Group registered a profit on total comprehensive income of €65.0 million in FY2021 against a loss of €124.0 million registered in FY2020.

The Group's revenue in **FY2022** increased by 84% or €108.9 million (y-o-y) to €238.2 million mainly on account of the ongoing recovery in hospitality activities but still 11% below FY2019's turnover. All hotels registered higher revenues over the prior year, most notably the Corinthia hotels in London, Lisbon, Budapest, Malta and Prague. The y-o-y increase in revenue reported by Corinthia Hotel Tripoli and Corinthia Hotel St Petersburg was less than 30% due to country-specific issues described elsewhere in this report.

As a result of higher revenues, the Group's EBITDA increased from €26.5 million in FY2021 to €51.7 million in FY2022 (+95% or €25.2 million). EBITDA margin increased marginally from 20.5% in FY2021 to 21.7% in FY2022, which was considerably lower when compared to the 26.0% EBITDA margin achieved in FY2019. The underperformance at EBITDA level reflected the adverse impact of rising costs due to inflation, payroll and the termination of wage supplements and other similar schemes that were made available by governments during FY2020 and FY2021 to mitigate to some extent the downturn caused by the pandemic.

Depreciation & amortisation remained broadly unchanged at *circa* €30 million but finance costs increased by €3.2 million to €28.2 million (FY2021: €25.0 million). Interest cover improved from 1.08 times in FY2021 to 1.87 times. The Group registered a loss of €7.9 million in value of property and intangible assets (FY2021: loss of €4.0 million), which principally comprised a fair value loss of €5.9 million on the St Petersburg commercial centre.

The Group reported a gain of €12.4 million classified as 'Other' in the income statement compared to a loss of €0.3 million in FY2021. This positive movement mainly related to a recovery in the Rouble relative to the Euro.

Overall, the Group registered a loss for the year of €2.3 million compared to a loss of €30.3 million in FY2021.

In FY2021, on account of continued recovery from COVID-19 the Group recognized property uplifts of €79.7 million. In FY2022, on account of further recovery, the Group recognised a further uplift on the property in London of €12.7 million. This uplift was offset by fair value losses recognised on the property in St Petersburg amounting to €9.7 million, following the hostilities by Russia on Ukraine and the ensuing sanctions which materially affected the business.

The weakening of the Sterling in FY2022 relative to the reporting currency of the Group, which is the Euro, resulted in a loss on translation of the investment in London. The Group recorded a combined currency translation loss and other effects of €20.9 million in Other Comprehensive Income relative to a gain of €17.0 million registered in FY2021.

The Group registered a loss on total comprehensive income of €20.3 million in FY2022 against a gain of €65.0 million registered in FY2021.



The estimates for the projected financial year as presented in this document assume that the carrying values of hotel and investment properties will not be revalued upwards or impaired, and therefore no adjustment has been made as to possible uplifts or impairments in value of assets which can materially affect the consolidated income statement and the balance sheet values. However, in consequence of the annual depreciation charge, the carrying values of hotel properties is reducing on an annual basis.

The Group is projecting to generate revenue of €277.8 million in **FY2023** (June analysis: €282.0 million, -1.5%), an increase of €39.6 million (+17%) from the prior year (FY2022: €238.2 million) and +4% over FY2019's reported turnover. Notable y-o-y increases are expected from the Malta Hotels, Corinthia Hotel Budapest, Corinthia Hotel Lisbon and Corinthia Hotel Prague. On the other hand, revenues generated from the Corinthia Hotel St Petersburg and Corinthia Hotel Tripoli are projected to remain unchanged from a year earlier.

In consequence of the y-o-y increase in Group revenue, EBITDA is expected to increase by 6% from €51.7 million in FY2022 to €54.9 million (June analysis: €59.6 million, -7.9%). As such, EBITDA margin is expected to decrease by 2 percentage points to 20%. Interest cover for the projected year is estimated at 1.44 times compared to 1.87 times in FY2022. EBITDA conversion is expected to be impacted by inflationary pressures on payroll and other costs such as energy, and additional expenses from CHL's operations. CHL is presently taking on new senior personnel and incurring pre-opening costs as it ramps up its activity, expertise and resources in advance of the opening of several new, luxury Corinthia hotels in 2024 and 2025. In the comparative financial year (FY2022), the Group was positively impacted by wage subsidies.

Management has assumed nil adjustments in value of property and intangible assets (FY2022: impairments of €7.9 million).

Finance costs are projected to increase by €10.2 million, from €28.2 million in FY2022 to €38.4 million (June analysis: €39.3 million, -2.3%), on account of higher interest rates vis-à-vis loans with variable interest rates and an increase in total borrowings.

In FY2022, the Group reported a gain of €12.4 million classified as 'Other' in the income statement which was mainly related to a recovery in the Rouble relative to the Euro. A similar gain is not expected in FY2023, thus resulting in an adverse y-o-y variance of €14.2 million.

The Group expects to register a loss for the year of €11.7 million (June analysis: loss of €8.2 million) compared to a loss of €2.3 million in FY2022. The financial projections assume no translation differences (accounted for in other comprehensive income) as such projections have been based on constant exchange rates (FY2022: loss of €20.9 million). Overall, the Group is projecting total comprehensive expense in FY2023 to amount to €11.3 million (June analysis: total comprehensive expense amounting to €19.2 million) compared to a loss of €20.3 million registered in FY2022.

The projections for **FY2024** assume continued improvement in operational performance of Corinthia Hotels and further assume growth from new developments, namely Corinthia Hotel Brussels and Corinthia Hotel Rome. In hotel management, considerable growth is anticipated as new hotels are set to complete development and commence operations (in FY2024 - Corinthia Hotel Bucharest and Corinthia Hotel New York). As such, the Group is projecting revenue for the said financial year to amount to €339.9 million, an increase of 22% over FY2023's revenue of €277.8 million.

The increase in revenue is expected to have a positive impact on the Group's EBITDA, which is projected to increase from €54.9 million in FY2023 to €76.1 million. Also, the EBITDA margin is expected to increase to 22% (from 20% in FY2023). Notwithstanding, interest cover is projected to remain unchanged at 1.48 times on account of an increase in the Group's indebtedness and higher finance costs.

Depreciation & amortisation is expected to increase from €28.7 million in FY2023 to €31.7 million in FY2024. The y-o-y increase is principally due to the depreciation charge of right-of-use asset following the recognition of a right-of-use asset and a lease liability in relation to the 20-year lease agreement for the Corinthia Hotel Rome property.

In view of the projected increase in Group borrowings and higher variable interest rates, the Group's finance costs are expected to increase by 35%, from €38.4 million in FY2023 to €51.8 million.

Overall, the Group is projected to report total comprehensive expense of €4.8 million in FY2024 compared to €11.3 million in the prior projected year.



International Hotel Investments p.l.c.
Consolidated Statement of Financial Position
as at 31 December

	2020	2021	2022	2023	2024
	Actual	Actual	Actual	Forecast	Projection
	€'000	€'000	€'000	€'000	€'000
ASSETS					
Non-current assets					
Intangible assets (including indemnification)	68,035	65,384	63,953	63,431	62,098
Investment property	191,355	161,149	167,682	152,860	152,860
Property, plant and equipment	1,102,885	1,259,688	1,254,715	1,306,523	1,343,827
Right-of-use assets	11,690	11,203	11,626	11,675	90,865
Investments accounted for using the equity method	31,831	5,188	5,198	5,198	5,198
Other investments	7,198	6,898	5,373	14,567	18,567
Other fin. assets at amortised cost and receivables	6,739	6,897	7,995	7,996	7,996
Deferred tax assets	14,214	19,028	18,019	18,452	18,452
Assets placed under trust management	-	-	-	-	-
	<u>1,433,947</u>	<u>1,535,435</u>	<u>1,534,561</u>	<u>1,580,702</u>	<u>1,699,863</u>
Current assets					
Inventories	10,647	12,531	14,606	17,353	20,642
Other fin. assets at amortised cost and receivables	43	61	152	-	-
Trade and other receivables	35,106	35,315	45,337	60,745	64,433
Taxation	3,324	745	50	32	32
Financial assets at fair value through profit or loss	9,250	8,978	1,018	152	152
Cash and cash equivalents	46,145	102,087	66,231	108,698	60,704
Assets placed under trust management	5,637	77	77	-	-
	<u>110,152</u>	<u>159,794</u>	<u>127,471</u>	<u>186,980</u>	<u>145,963</u>
Total assets	<u>1,544,099</u>	<u>1,695,229</u>	<u>1,662,032</u>	<u>1,767,682</u>	<u>1,845,826</u>
EQUITY					
Capital and reserves					
Called up share capital	615,685	615,685	615,685	615,685	615,685
Reserves and other equity components	(3,646)	44,014	31,596	18,644	17,041
Retained earnings (accumulated losses)	(8,803)	(34,940)	(40,382)	(51,677)	(56,489)
Minority interest	169,940	213,457	210,993	217,280	215,709
	<u>773,176</u>	<u>838,216</u>	<u>817,892</u>	<u>799,932</u>	<u>791,946</u>
LIABILITIES					
Non-current liabilities					
Bank borrowings	345,920	348,528	277,490	261,462	348,058
Bonds	203,061	282,591	273,062	297,845	253,305
Lease and other financial liabilities	9,767	16,037	37,256	40,106	125,897
Other non-current liabilities	92,479	104,507	102,345	94,679	88,123
	<u>651,227</u>	<u>751,663</u>	<u>690,153</u>	<u>694,092</u>	<u>815,383</u>
Current liabilities					
Bank overdrafts	9,762	4,181	10,491	9,867	30,802
Bank borrowings	17,465	20,767	46,299	182,597	73,254
Bonds	19,938	-	9,985	-	45,000
Lease and other financial liabilities	2,711	2,714	2,056	2,152	4,902
Other current liabilities	69,820	77,688	85,156	79,042	84,539
	<u>119,696</u>	<u>105,350</u>	<u>153,987</u>	<u>273,658</u>	<u>238,497</u>
	<u>770,923</u>	<u>857,013</u>	<u>844,140</u>	<u>967,750</u>	<u>1,053,880</u>
Total equity and liabilities	<u>1,544,099</u>	<u>1,695,229</u>	<u>1,662,032</u>	<u>1,767,682</u>	<u>1,845,826</u>
<i>Total debt</i>	<i>608,624</i>	<i>674,818</i>	<i>656,639</i>	<i>794,029</i>	<i>881,218</i>
<i>Net debt</i>	<i>556,842</i>	<i>572,654</i>	<i>590,331</i>	<i>685,331</i>	<i>820,514</i>
<i>Invested capital (total equity plus net debt)</i>	<i>1,330,018</i>	<i>1,410,870</i>	<i>1,408,223</i>	<i>1,485,263</i>	<i>1,612,460</i>



Key Financial Ratios	FY2020	FY2021	FY2022	FY2023	FY2024
	Actual	Actual	Actual	Forecast	Projection
Net debt-to-EBITDA (<i>times</i>) (<i>Net debt / EBITDA</i>)	n/a	21.59	11.42	12.49	10.78
Net debt-to-equity (<i>times</i>) (<i>Net debt / total equity</i>)	0.72	0.68	0.72	0.86	1.04
Net gearing (%) (<i>Net debt / net debt and total equity</i>)	41.87	40.59	41.92	46.14	50.89
Debt-to-asset (<i>times</i>) (<i>Total debt / total assets</i>)	0.39	0.40	0.40	0.45	0.48
Leverage (<i>times</i>) (<i>Total assets / total equity</i>)	2.00	2.02	2.03	2.21	2.33
Current ratio (<i>times</i>) (<i>Current assets / current liabilities</i>)	0.92	1.52	0.83	0.68	0.61

Source: MZ Investment Services Ltd

Total assets of the Group as at 31 December **2022** amounted to €1,662 million (FY2021: €1,695 million) and principally include the assets described in section 3 of this report.

The net decrease in total assets of €33 million (y-o-y) was principally on account of the following:

- i) A net increase in inventories and trade & other receivables of €12.1 million reflecting the recovery in operating activities.
- ii) A decrease in cash balances of €35.9 million mainly reflecting the repayment in advance and in full of the €40 million loan of the St Petersburg Hotel and Commercial Centre.

The Group's equity value decreased by €20.3 million (y-o-y) primarily in consequence of the total comprehensive loss reported in 2022.

Total liabilities decreased by €12.9 million (y-o-y) and mainly represented a net reduction in total borrowings of €18.2 million offset by an increase in trade payables of €7.5 million.

Net gearing ratio of the Group increased by 1.33 percentage points from 40.59% in 2021 to 41.92% in 2022. On the other hand, net debt-to-EBITDA improved considerably from 21.59 times in 2021 to 11.42 times in 2022 on account of the material y-o-y increase in EBITDA. The liquidity ratio weakened to 0.83 times compared to 1.52 times in 2021, impacted by a bank loan and bond issue due in 2023 amounting to €39.0 million (in aggregate) which have been classified as current liabilities.

In FY2023, total assets are expected to increase by €105.7 million mainly on account of the following:

- i) investment property is expected to decrease y-o-y by €14.8 million, which reflects the disposal of the Lisbon apartments;
- ii) an increase in property, plant & equipment of €51.8 million (net of depreciation charge) comprising various refurbishment programmes and projected development of Grand Hotel Astoria;
- iii) an increase of €9.2 million in other investments, mainly contract assets which principally reflects the expected key money due on the New York hotel property;
- iv) a net increase in inventories and trade & other receivables of €18.2 million is reflective of the continued increase in operating activities;



- v) an increase in projected cash balances of €42.5 million as explained further in the commentary on the cash flow statement below.

Total liabilities are projected to increase by €123.7 million (y-o-y), which movement is expected to emanate primarily from changes in borrowings and other financial liabilities.

Bank borrowings are projected to increase by €84.8 million to €419.1 million (FY2022: €334.3 million), while debt securities are expected to increase by €49.7 million to €332.7 million. In view of the increased borrowings, the Group's gearing ratio is projected to increase by *circa* 4 percentage points to 46%, while net debt-to-EBITDA is anticipated to increase from 11.4 times in 2022 to 12.5 times in 2023.

The liquidity ratio for FY2023 is expected to weaken to 0.68 times compared to 0.83 times in the prior year. In FY2023, bank borrowings and bonds amounting to €182.6 (in aggregate) are due within one year and therefore classified as current liabilities. These borrowings are expected to be refinanced by means of new bank facilities and proposed new bonds.

In FY2024, total assets are expected to increase by €78.1 million mainly on account of the following:

- i) an increase in property, plant & equipment of €37.3 million (net of depreciation charge) comprising various renovation and refurbishment programmes and projected development of Grand Hotel Astoria;
- ii) an increase of €79.2 million in right-of-use assets which principally reflects the lease agreement on the Rome hotel property. The property is being developed by the lessor and will be operated by CHL;
- iii) a decrease in projected cash balances of €48.0 million as explained further in the commentary on the cash flow statement below.

Total liabilities are projected to increase by €78.1 million (y-o-y), which movement is expected to emanate primarily from the recognition of the lease liability for the lease of the Rome hotel property.

Bank borrowings and debt securities are projected to remain broadly unchanged at €452.1 million (FY2023: €453.9 million) and €298.3 million (FY2023: €297.8 million) respectively. Notwithstanding, due to the projected decrease in cash balances and higher lease liabilities, the Group's gearing ratio is expected to increase by *circa* 5 percentage points to 51%. In contrast, net debt-to-EBITDA is anticipated to improve from 12.5 times in 2023 to 10.8 times in 2024 on account of higher projected y-o-y EBITDA.

International Hotel Investments p.l.c. Consolidated Cash Flow Statement for the financial year 31 December					
	2020	2021	2022	2023	2024
	Actual	Actual	Actual	Forecast	Projection
	€'000	€'000	€'000	€'000	€'000
Net cash from / (used in) operating activities	(2,965)	29,748	49,781	32,573	68,989
Net cash from / (used in) investing activities	(11,709)	8,694	(38,672)	(81,097)	(69,430)
Net cash from / (used in) financing activities	(14,860)	24,644	(46,789)	92,690	(68,488)
Net movement in cash and cash equivalents	(29,534)	63,086	(35,680)	44,166	(68,929)
Cash and cash equivalents at beginning of year	65,463	36,383	97,906	55,740	98,831
Effect of translation of presentation currency	454	(1,563)	(6,486)	(1,075)	-
Cash and cash equivalents at end of year	36,383	97,906	55,740	98,831	29,902

Net cash flows from operating activities principally relate to the operations of the Group, which are analysed in further detail in Part 2 of this report. In 2022, operations across the Group's properties were significantly higher compared to 2021, and this is reflected in higher net cash inflows from operating activities which amounted to €49.8 million (FY2021: inflows of €29.7 million). In the projected years (2023 and 2024), the Group expects to generate €32.6 million and €69.0 million respectively in net cash from operating activities. This is reflective of the anticipated growth in the Group's operating profit from existing properties as well as new owned and managed hotels.



In FY2022, net cash used in investing activities amounted to €38.7 million on account of the development of the Grand Hotel Astoria, re-purchase of timeshare weeks at the Golden Sands and further expenditure at Corinthia Oasis. On the other hand, the Group generated €6.3 million from sale of financial assets.

In the projected two financial years, the Group is projecting net cash used in investing activities to amount to €150.5 million. Capital expenditure predominantly relates to the development of the Grand Hotel Astoria and is estimated at €143.4 million. Furthermore, the Group will be settling key money amounting to €9.2 million in FY2023 for the signing of the management agreement relating to the New York hotel and €4.0 million in FY2024 as contribution to the development of the Corinthia Hotel Rome. Projected cash inflows of €6.1 million in FY2023 relate to the disposal of the Lisbon apartments.

Financing activities principally comprise movement in bank and other borrowings, payment of leases and interest paid. During FY2022, the Group made net repayment of bank loans of €37.4 million and received advances of €20.0 million from its ultimate parent. Interest paid during the year amounted to €26.9 million while lease payments amounted to €2.6 million.

Net cash from financing activities in FY2023 is projected to amount to €92.7 million and shall comprise net cash inflows from borrowings (mainly bank loan facilities) of €119.0 million. In addition, an amount of €14.3 million is expected to be raised from the proposed bond issue. Net cash outflows are projected to amount to €40.6 million, comprising mainly payment of lease obligations of €2.4 million and interest payable of €38.2 million.

In FY2024, the Group is projected to use €68.5 million for financing activities. Net repayment of borrowings is estimated to amount to €18.0 million while lease obligations and interest payable are projected at €3.5 million and €47.0 million respectively.

10. RELATED PARTY DEBT SECURITIES

CPHCL Company Limited (“CPHCL”) is the parent company and owns 57.81% of the issued share capital of IHI. CPHCL, through its wholly owned subsidiary Corinthia Finance p.l.c., has the following outstanding debt securities listed on the Malta Stock Exchange:

Security ISIN	Amount Outstanding	Security Name
MT0000101262	€ 40,000,000	4.25% CPHCL Finance plc Unsecured & Guaranteed Bonds 2026

Source: Malta Stock Exchange

CPHCL also owns 50% of Mediterranean Investments Holding p.l.c. (“MIH”), a company principally involved in the Palm City Residences Project and the Medina Tower Project and which are both situated in Libya. Below is a list of outstanding debt securities as at the date of this report.

Security ISIN	Amount Outstanding	Security Name
n/a	€ 11,000,000	6.00% Mediterranean Investments Holding plc Unsecured Notes 2023-2025 (unlisted)
MT0000371303	€ 30,000,000	5.25% Mediterranean Investments Holding plc Unsecured & Guaranteed Bonds 2027
MT0000371311	€ 20,000,000	5.85% Mediterranean Investments Holding plc Unsecured & Guaranteed Bonds 2028
	€ 61,000,000	

Source: Malta Stock Exchange



11. INFORMATION RELATING TO THE ISSUER'S EQUITY

The 615,684,920 ordinary shares of the Issuer, having a nominal value of €1.00 per share, are listed on the Regulated Main Market of the Malta Stock Exchange. The key market data relating to these ordinary shares is provided hereunder:

International Hotel Investments p.l.c.

Key Equity Market Data

Total number of shares in issue ('000)	[A]	615,685
Share price as at 31 August 2023 (€)	[B]	0.505
Market capitalisation (€'000)	[A multiplied by B]	310,921
FY2022 net loss attributable to shareholders (€'000)	[C]	(5,442)
Loss per share (€)	[C dividend by A]	(0.009)
Price-to-earnings ratio (times)	[A multiplied by B] divided by [C]	(57.13)
Shareholders' funds as at 30 June 2023 (€'000)	[D]	583,371
Net asset value per share (€)	[D divided by A]	0.948
Price-to-net asset value (times)	[A multiplied by B] divided by [D]	0.53



PART 4 – COMPARATIVE ANALYSIS

The table below provides a comparison between the Group and its bonds with other debt issuers listed on the Malta Stock Exchange and their respective debt securities. Although there are significant variances between the activities of the Company and other issuers (including different industries, principal markets, competition, capital requirements etc.), and material differences between the risks associated with the Company's business and that of other issuers, the comparative analysis serves as an indication of the financial strength and creditworthiness of the Group.

Comparative Analysis*	Amount Issued (€'000)	Yield-to-Maturity (%)	Interest Cover (times)	Net Debt-to-EBITDA (times)	Net Gearing (%)	Debt-to-Assets (times)
6.00% AX Investments plc Unsecured & Guaranteed 2024	40,000	4.84	1.75	14.74	30.01	0.28
6.00% International Hotel Investments plc Unsecured 2024	35,000	3.73	1.87	11.42	41.92	0.40
5.30% Mariner Finance plc Unsecured 2024	17,684	5.29	4.72	5.95	49.91	0.49
5.00% Hal Mann Vella Group plc Secured 2024	30,000	4.88	2.42	9.45	51.80	0.44
5.10% 1923 Investments plc Unsecured 2024	36,000	5.07	4.81	2.94	47.79	0.40
4.25% Best Deal Properties Holding plc Secured & Guaranteed 2024	6,365	3.58	13.29	4.71	63.61	0.65
5.75% International Hotel Investments plc Unsecured 2025	45,000	5.10	1.87	11.42	41.92	0.40
5.10% 6PM Holdings plc Unsecured 2025	13,000	5.09	10.95	0.38	11.16	0.17
4.50% Hili Properties plc Unsecured & Guaranteed 2025	37,000	4.49	1.80	12.53	45.87	0.46
3.70% Gap Group plc Secured & Guaranteed 2023/2025	12,308	3.69	33.21	4.85	56.20	0.69
4.35% Hudson Malta plc Unsecured & Guaranteed 2026	12,000	4.34	6.11	4.89	71.67	0.57
4.25% CPHCL Finance plc Unsecured & Guaranteed 2026	40,000	4.24	1.66	12.42	42.45	0.40
4.00% International Hotel Investments plc Secured 2026	55,000	4.18	1.87	11.42	41.92	0.40
5.00% Dizz Finance plc Unsecured & Guaranteed 2026	8,000	4.78	1.91	10.70	79.93	0.59
3.75% Premier Capital plc Unsecured 2026	65,000	5.11	11.25	2.09	61.67	0.56
4.00% International Hotel Investments plc Unsecured 2026	60,000	5.35	1.87	11.42	41.92	0.40
3.25% AX Group plc Unsecured 2026	15,000	4.24	1.75	14.74	30.01	0.28
3.90% Gap Group plc Secured & Guaranteed 2024/2026	21,000	4.22	33.21	4.85	56.20	0.69
4.00% Hili Finance Company plc Unsecured & Guaranteed 2027	50,000	4.62	4.64	4.84	69.79	0.63
4.35% SD Finance plc Unsecured & Guaranteed 2027	65,000	4.80	4.68	1.74	22.08	0.26
4.00% Eden Finance plc Unsecured & Guaranteed 2027	40,000	5.54	4.24	5.37	25.33	0.23
5.25% Mediterranean Investments Holding plc Unsecured & Guaranteed 2027	30,000	5.24	3.79	3.30	22.75	0.21
4.00% Stivala Group Finance plc Secured & Guaranteed 2027	45,000	4.00	5.61	4.81	28.97	0.26
4.75% Best Deal Properties Holding Plc Secured & Guaranteed 2025/2027	15,000	4.55	13.29	4.71	63.61	0.65
4.75% Gap Group plc Secured & Guaranteed 2025/2027	23,000	4.49	33.21	4.85	56.20	0.69
3.85% Hili Finance Company plc Unsecured & Guaranteed 2028	40,000	4.78	4.64	4.84	69.79	0.63
5.85% Mediterranean Investments Holding plc Unsecured & Guaranteed 2028	20,000	5.26	3.79	3.30	22.75	0.21
3.65% Stivala Group Finance plc Secured & Guaranteed 2029	15,000	3.84	5.61	4.81	28.97	0.26
3.80% Hili Finance Company plc Unsecured & Guaranteed 2029	80,000	4.58	4.64	4.84	69.79	0.63
3.75% AX Group plc Unsecured 2029	10,000	3.75	1.75	14.74	30.01	0.28
6.25% GPH Malta Finance plc Unsecured & Guaranteed 2030	18,144	5.87	1.73	7.63	94.01	0.75
3.65% International Hotel Investments plc Unsecured 2031	80,000	4.63	1.87	11.42	41.92	0.40
3.50% AX Real Estate plc Unsecured 2032	40,000	4.29	2.31	13.83	42.36	0.41
5.00% Mariner Finance plc Unsecured 2032	36,930	5.00	4.72	5.95	49.91	0.49
6.00% International Hotel Investments plc Unsecured 2033	60,000	6.00	1.87	11.42	41.92	0.40
4.50% The Ona plc Secured & Guaranteed 2028/2034	16,000	4.51	44.17	9.76	64.11	0.59
5.50% Juel Group plc Secured & Guaranteed 2035	32,000	5.16	3.35	11.26	55.24	0.51

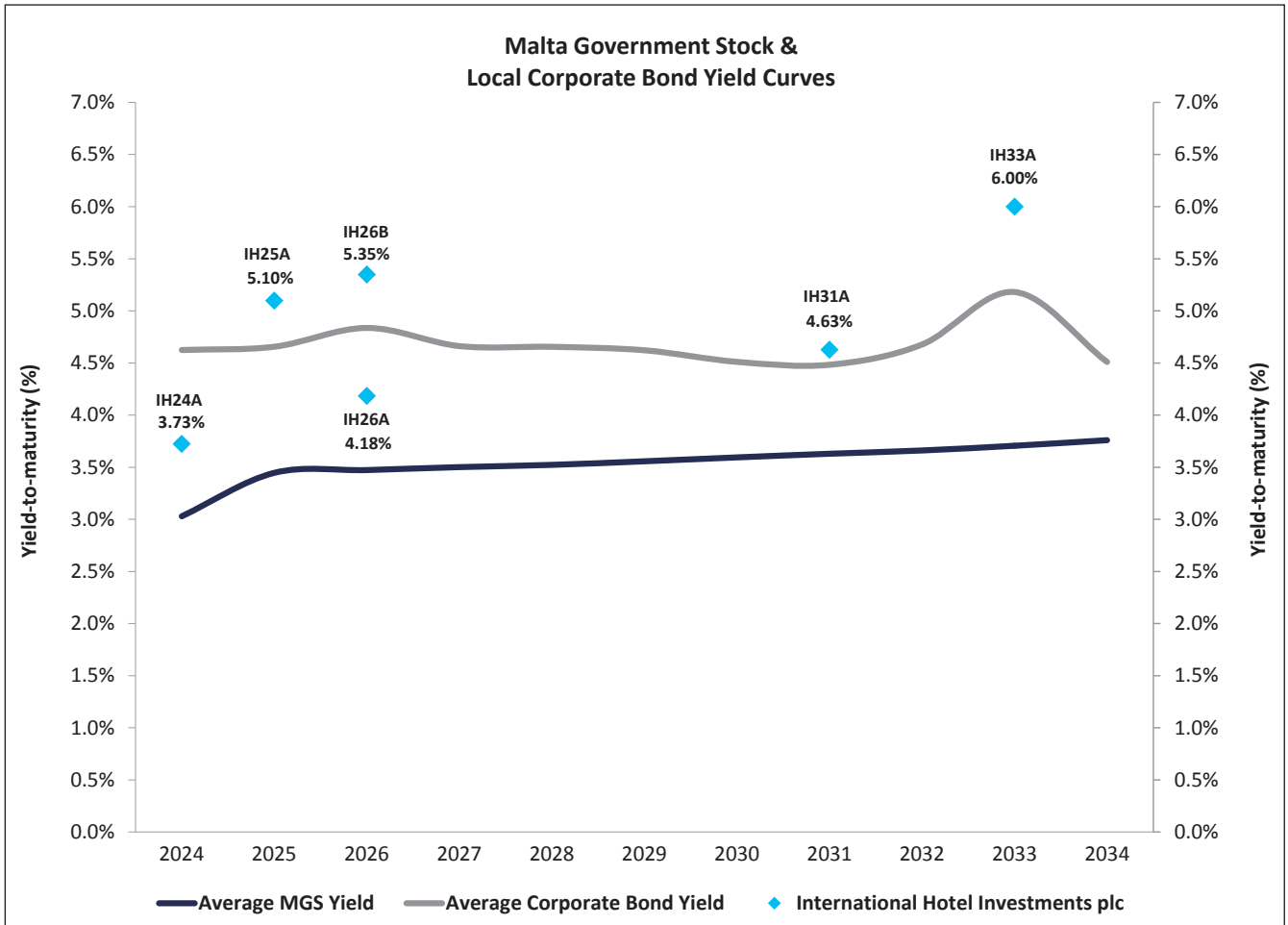
*As at 31 August 2023

Sources: Malta Stock Exchange

M.Z. Investment Services Limited

Most recent audited annual financial statements except for Juel Group plc (FY2024 – forecast)





The **6.00% IHI unsecured bonds 2024** had a yield-to-maturity (“YTM”) of 3.73% as at 31 August 2023, which was 90 basis points lower than the average YTM of 4.62% of other local corporate bonds maturing in the same year. The premium over the corresponding Malta Government Stock yield of equivalent maturity stood at 70 basis points.

The **5.75% IHI unsecured bonds 2025** had a yield-to-maturity YTM of 5.10% as at 31 August 2023, which was 44 basis points higher than the average YTM of 4.66% of other local corporate bonds maturing in the same year. The premium over the corresponding Malta Government Stock yield of equivalent maturity stood at 165 basis points.

The **4.00% IHI secured bonds 2026** had a yield-to-maturity YTM of 4.18% as at 31 August 2023, which was 65 basis points lower than the average YTM of 4.84% of other local corporate bonds maturing in the same year. The premium over the corresponding Malta Government Stock yield of equivalent maturity stood at 71 basis points.

The **4.00% IHI unsecured bonds 2026** had a yield-to-maturity YTM of 5.35% as at 31 August 2023, which was 51 basis points higher than the average YTM of 4.84% of other local corporate bonds maturing in the same year. The premium over the corresponding Malta Government Stock yield of equivalent maturity stood at 188 basis points.

The **3.65% IHI unsecured bonds 2031** had a yield-to-maturity YTM of 4.63% as at 31 August 2023, which was 14 basis points higher than the average YTM of 4.48% of other local corporate bonds maturing in the same year. The premium over the corresponding Malta Government Stock yield of equivalent maturity stood at 100 basis points.

The new **6.00% IHI unsecured bonds 2033** have been priced at 82 basis points above the average YTM of 5.18% of other local corporate bonds maturing in the same year. The premium over the corresponding Malta Government Stock yield of equivalent maturity as at 31 August 2023 is 229 basis points.



PART 5 - EXPLANATORY DEFINITIONS

INCOME STATEMENT

<i>Revenue</i>	Total income generated from business activities.
<i>EBITDA</i>	Earnings before interest, taxes, depreciation, and amortisation. It is a metric used for gauging a company's operating performance, excluding the impact of its capital structure, and is usually interpreted as a loose proxy for operating cash flow generation.
<i>Operating profit</i>	Profit from core operations excluding interest and tax.
<i>Profit after tax</i>	Net profit generated from all business activities.

PROFITABILITY RATIOS

<i>EBITDA margin</i>	EBITDA as a percentage of revenue.
<i>Operating profit margin</i>	Operating profit as a percentage of total revenue.
<i>Net profit margin</i>	Profit after tax as a percentage of total revenue.
<i>Return on equity</i>	Measures the rate of return on the company's net assets and is computed by dividing the net profit by average equity.
<i>Return on assets</i>	Measures the rate of return on the company's assets and is computed by dividing the net profit by average assets.
<i>Return on invested capital</i>	Measures the rate of return from core operations and is computed by dividing operating profit by the average amount of equity and net debt.

CASH FLOW STATEMENT

<i>Net cash flow from / (used in) operating activities</i>	The amount of cash generated (or consumed) from the normal conduct of business.
<i>Cash flow from / (used in) investing activities</i>	The amount of cash generated (or consumed) from activities related to the acquisition, disposal, and/or development of long-term assets and other investments.
<i>Cash flow from / (used in) financing activities</i>	The amount of cash generated (or consumed) that have an impact on the company's capital structure and thus result in changes to share capital and borrowings.

BALANCE SHEET

<i>Non-current assets</i>	These represent long-term investments which full value will not be realised within the next twelve months. Such assets, which typically include property, plant, equipment, and investment property, are capitalised rather than expensed, meaning that a company amortises the cost of the asset over the number of years for which the asset will be in use instead of allocating the entire cost to the accounting year in which the asset was acquired.
<i>Current assets</i>	All assets which could be realisable within a twelve-month period from the balance sheet date. Such amounts may include development stock, accounts receivable, cash and bank balances.



<i>Non-current liabilities</i>	These represent long-term financial obligations which are not due within the next twelve months, and typically include long-term borrowings and debt securities.
<i>Current liabilities</i>	Liabilities which fall due within the next twelve months from the balance sheet date, and typically include accounts payable and short-term debt.
<i>Total equity</i>	Represents the residual value of the business (assets minus liabilities) and typically includes the share capital, reserves, as well as retained earnings.

FINANCIAL STRENGTH/CREDIT RATIOS

<i>Interest cover</i>	Measures the extent of how many times a company can pay its net finance costs from EBITDA.
<i>Net debt-to-EBITDA</i>	Measures how many years it will take a company to pay off its net interest-bearing liabilities (including lease liabilities) from its EBITDA generation capabilities, assuming that net debt and EBITDA are held constant.
<i>Net debt-to-equity</i>	Shows the proportion of net debt (including lease liabilities) to the amount of equity.
<i>Net gearing</i>	Shows the proportion of equity and net debt used to finance a company's business and is calculated by dividing a company's net debt by net debt plus equity.
<i>Debt-to-asset</i>	Shows the degree to which a company's assets are funded by debt and is calculated by dividing all interest-bearing liabilities by total assets.
<i>Leverage</i>	Shows how much equity a company is using to finance its assets.
<i>Current ratio</i>	Measures whether or not a company has enough resources to pay its short-term liabilities from its short-term assets.

