
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.

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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

Alfred Camilleri

in their capacity as Directors and for and on behalf of

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

Manager and Registrar

BOV
Bank of Valletta

Sponsor

MZ INVESTMENTS

Legal Counsel

CAMILLERI PREZIOSI
ADVOCATES



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.

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 SECURITIES OF THE ISSUER OTHER THAN THOSE CONTAINED IN THIS REGISTRATION DOCUMENT 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 OR ITS DIRECTORS OR ADVISORS.

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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.

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

IT IS THE RESPONSIBILITY OF ANY PERSONS IN POSSESSION OF THIS DOCUMENT AND ANY PERSONS WISHING TO APPLY FOR ANY SECURITIES 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 SHOULD INFORM THEMSELVES AS TO THE LEGAL REQUIREMENTS OF APPLYING FOR ANY SUCH BONDS AND ANY APPLICABLE EXCHANGE CONTROL REQUIREMENTS AND TAXES IN THE COUNTRIES OF THEIR NATIONALITY, RESIDENCE OR DOMICILE.

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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 limited liability 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 (Cap. 345 of the laws of Malta) 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 plc, a public limited liability company 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 and existing under the laws of Malta with company registration number C 37513 and having its registered office situated 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;
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 and existing 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	means 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;
Subsidiaries	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 “Subsidiary” shall be construed accordingly. 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 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 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 characterized 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 the sole shareholder of the company owning the Corinthia Hotel Tripoli, is a 25% investee in a joint stock company, MTJSC, in respect of the proposed Medina Tower development project and it 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 realization 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 materializing 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 these risks were to materialize, 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 materialize, they could have an adverse impact on the Group's revenue generation, cash flows and financial performance.

The Group's ability to realize the full benefits that it expects from investments made in properties will depend in turn on its ability to assess and minimize 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 completion of projects that have commenced or for 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 the 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 realize 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 utilized 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 hospitality operations 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 hospitality sector of the Issuer's and the Group's business:

- 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 economical 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 of them) 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 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.

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 an 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 its operations, financial condition, and its 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 the 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 other 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 its revenue

A significant portion of the Issuer's costs are fixed and the Issuer's operating results are vulnerable to short-term changes in revenues. 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 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 ID Card: 122646M	Senior Non-Executive Director	2 July 2004
Hamad Mubarak Mohd Buamin 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 ID 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 (ID 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 of the Malta Stock Exchange. 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 organizational 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 organizational 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 summarizes the structure of the Issuer and the position within the said group of the Issuer:



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, 5 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 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 “**Moscow Project**”). 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 83,530m² located adjacent to the Radisson Blu Resort & Spa, Golden Sands, Malta (the “**Hal Ferh Site**”). 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, 5 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 realized, 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 its 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 9.5-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 Corinthia Hotels 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 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 and 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 environmental, social and governance (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 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 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 number PA/03134/19. Such preparatory works are also included in the abovementioned 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 carrying 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 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 estimated 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 Riyadh

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 10 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) Russia¹

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) Portugal²

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.

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

²European 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 Republic¹

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) Libya²

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.

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

²<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 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 welfare.

(f) United Kingdom¹

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) Malta²

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%.

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

²Central 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 6-month period until 30 June 2023 is being incorporated by reference as per below. The financial information about 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 latest 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 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 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
- on-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 Covid, 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 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 of Directors of the Company 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 of Directors 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 of Directors 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 each Subsidiary is, within the strategic parameters established by the Board of the Issuer, 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 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 BPEXPLORATION, 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 12th 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 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 of Directors, 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 of Directors, 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 Prospectus, 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 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 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 organization.

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 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 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 said Principles of Good Corporate Governance 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 of Corporate Governance 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

13.2.1 *Objects*

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/>

