SECURITIES NOTE

dated 26 September 2023

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

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

in respect of an issue of up to

€60,000,000 6% unsecured bonds 2033

of a nominal value of €100 per bond, issued and redeemable at par by

INTERNATIONAL HOTEL INVESTMENTS p.l.c.

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

(ISIN MT0000111345)

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

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

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

APPROVED BY THE BOARD OF DIRECTORS

Alfred Pisani   Alfred Camilleri

in their capacity as Directors and for and on behalf of

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

Manager and Registrar	Sponsor	Legal Counsel
BOV Bank of Valletta	MZ INVESTMENTS	CAMILLERI PREZIOSI ADVOCATES

IMPORTANT INFORMATION

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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1 DEFINITIONS

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

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

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

Unless it appears otherwise from the context:

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

2. RISK FACTORS

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

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

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

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

2.1 FORWARD-LOOKING STATEMENTS

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

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

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

2.2 SUITABILITY

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

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

a. has sufficient knowledge and experience to make a meaningful evaluation of the Bonds, the merits and risks of investing in the Bonds and the information contained or incorporated by reference in the Prospectus or any applicable supplement;

b. has sufficient financial resources and liquidity to bear all the risks of an investment in the Bonds, including where the currency for principal or interest payments is different from the prospective investor's currency and that the Bonds meet the investment objectives of the prospective investor;

c. understands thoroughly the terms of the Bonds and is familiar with the behaviour of any relevant indices and financial markets; and

d. is able to evaluate possible scenarios for economic, interest rate and other factors that may effect its investment and its ability to bear the applicable risks.

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

2.3 RISKS RELATING TO THE BONDS

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

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

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

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

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

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

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

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

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

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

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

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

3. PERSONS RESPONSIBLE AND CONSENT FOR USE OF PROSPECTUS

3.1 PERSONS RESPONSIBLE

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

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

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

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

i. in respect of Bonds subscribed for through the Authorised Financial Intermediaries listed in Annex I of this Securities Note;

ii. to any resale or placement of Bonds subscribed for as aforesaid, taking place in Malta; and

iii. to any resale or placement of Bonds subscribed for as aforesaid, taking place within the period of sixty (60) days from the date of the Prospectus.

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

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

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

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

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

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

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

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

4 ESSENTIAL INFORMATION ON THE BOND ISSUE

4.1 REASONS FOR THE ISSUE AND USE OF PROCEEDS

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

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

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

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

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

4.2 EXPENSES

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

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

4.3 INTEREST OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE

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

4.4 EXPECTED TIMETABLE OF THE BOND ISSUE

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

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

5 INFORMATION CONCERNING THE BONDS

5.1 BOND ISSUE STATISTICS

ISIN:	MT0000111345;
Amount:	up to €60,000,000;
Denomination:	Euro (€);
Bond Issue Price:	the price of €100 per Bond;
Issue Date:	expected on 13 November 2023;
Plan of Distribution:	the Bonds are open for subscription by Maturing Bondholders, Preferred Applicants, and Corinthia Group Personnel. Any remaining Bonds not subscribed by the aforementioned Applicants shall be available for subscription by Authorised Financial Intermediaries through and Intermediaries' Offer (either for their own account or for the account of their underlying customers) as further detailed in section 7.2 hereunder;
Allocation Policy:	(i) Maturing Bondholders applying for Bonds may elect to settle all or part of the amount due on the Bonds applied for by the transfer to the Issuer of Maturing Bonds at par value, subject to a minimum application of €2,000 in Bonds. Any Maturing Bondholders whose holding in Maturing Bonds is less than €2,000 shall be required to pay the difference ("**Cash Top-Up**"). Maturing Bondholders electing to subscribe for Bonds by way of Maturing Bond Transfer shall be allocated Bonds for the corresponding nominal value of Maturing Bonds transferred to the Issuer (including Cash Top-Up, where applicable). Bonds applied for by Maturing Bondholders by way of Maturing Bond Transfer as described above shall be allocated prior to any other allocation of Bonds. Subject to interest payable to the Maturing Bondholders and in accordance with section 5.4 below, the transfer of Maturing Bonds to the Issuer in consideration for the subscription for Bonds shall cause the obligations of the Issuer with respect to the Maturing Bonds to be extinguished and shall give rise to obligations on the part of the Issuer under the Bonds. Maturing Bondholders wishing to apply for a number of Bonds exceeding in value the aggregate nominal value of Maturing Bonds held by them as at the Cut-Off Date (the "**Excess**") may subscribe for such additional Bonds in terms of section 7.2 below; (ii) an amount of up to €15 million of the Bond Issue together with the balance of the Bonds not subscribed for by Maturing Bondholders limitedly by means of a Maturing Bond Transfer including any Cash Top-Up, shall be made available for subscription to: a. Maturing Bondholders in respect of Excess Bonds applied for as further described in (i) above; b. Preferred Applicants; and c. Corinthia Group Personnel; *pari passu* without priority or preference between them. (iii) in the event that following the allocations made pursuant to (i) and (ii) above there shall still remain unallocated Bonds, the Issuer shall offer such remaining Bonds to Authorised Financial Intermediaries through an Intermediaries' Offer as detailed in section 7.5 hereunder;
Minimum amount per Application:	minimum of €2,000 and multiples of €100 thereafter;
Intermediaries' Offer:	in the event that following the allocations made pursuant to (i) and (ii) of the Allocation Policy there shall still remain unallocated Bonds, such unallocated Bonds shall form part of an Intermediaries' Offer as set out in sub-section 7.5 of this Securities Note. In the event that the Intermediaries' Offer takes place and the aggregate of subscriptions received from Authorised Financial Intermediaries pursuant to subscription agreements in terms of the Intermediaries' Offer is in excess of the amount of Bonds available for subscription, the Issuer, acting through the Manager & Registrar, shall scale down each subscription agreement received from Authorised Financial Intermediaries in accordance with the allocation policy to be issued in terms of sub-section 7.4 of this Securities Note;

Interest:	6% per annum;
Interest Payment Date(s):	14 November of each year between and including each of the years 2024 and the year 2033, provided that, if any such day is not a Business Day such Interest Payment Date will be carried over to the next following day that is a Business Day;
Redemption Date:	14 November 2033, unless previously purchased for cancellation by the Issuer;
Cancellation of the Maturing Bonds:	Following the closing of the Bond Issue, the Issuer will proceed to: (i) list the Bonds subscribed for on the Official List; (ii) effect cancellation of the Maturing Bonds received from Maturing Bondholders electing to acquire Bonds by Maturing Bond Transfer in respect of part or all of their holding of Maturing Bonds. Any Maturing Bonds remaining in issue shall be redeemed by the Issuer on the applicable Maturing Bonds Redemption Date;
Form:	the Bonds will be issued in fully registered and dematerialised form and will be represented in uncertificated form by the appropriate entry in the electronic register maintained on behalf of the Issuer at the CSD;
Status of the Bonds:	the Bonds, as and when issued and allotted, shall constitute the general, direct and unconditional and unsecured obligations of the Issuer and shall at all times rank *pari passu*, without any priority or preference among themselves and with other unsecured debt, present and future, if any;
Underwriting:	the Bond Issue is not underwritten;
Admission to Listing and Trading:	the Malta Financial Services Authority has approved the Bonds for admissibility to listing and subsequent trading on the Official List of the MSE. Application has been made to the MSE for the Bonds to be listed and traded on its Official List;
Governing Law:	the Bonds are governed by and shall be construed in accordance with the laws of Malta; and
Jurisdiction:	the Maltese Courts shall have exclusive jurisdiction to settle any disputes that may arise out of or in connection with the Bonds, provided that nothing shall limit the right of the Issuer to bring any action, suit or proceedings arising out of or in connection with any such Applications, acceptance of Applications and contracts resulting therefrom in any manner permitted by law in any court of competent jurisdiction.

5.2 RANKING OF THE BONDS

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

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

5.3 RIGHTS ATTACHING TO THE BONDS

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

1. the repayment of capital;

2. the payment of interest;

3. the right to attend, participate in and vote at Bondholders' Meetings in accordance with the Terms and Conditions; and

4. the enjoyment of all such other rights attached to the Bonds emanating from the Prospectus.

5.4 INTEREST

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

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

(i) the rights of all the holders of 2023 Maturing Bonds to receive interest on the 2023 Maturing Bonds up to and including 13 November 2023. The 2023 Maturing Bonds shall be redeemed on 14 November 2023 as determined by the Issuer and duly notified to Maturing Bondholders; and, or

(ii) the rights of all the holders of 2024 Maturing Bonds to receive interest on the 2024 Maturing Bonds up to and including 13 November 2023. Holders of 2024 Maturing Bonds who elect not to subscribe for the Bonds by way of Maturing Bonds Transfer shall receive the interest rate applicable to the 2024 Maturing Bonds (6%) up to and including 14 May 2024, being the day prior to the 2024 Maturing Bonds Redemption Date.

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

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

5.5 YIELD

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

5.6 REGISTRATION, FORM, DENOMINATION AND TITLE

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

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

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

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

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

5.7 NEGATIVE PLEDGE

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

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

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

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

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

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

5.8 PAYMENTS

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

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

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

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

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

5.9 REDEMPTION AND PURCHASE

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

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

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

5.10 EVENTS OF DEFAULT

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

5.10.1 the Issuer fails to effect payment of interest under the Bonds on an Interest Payment Date and such failure continues for a period of 60 days after written notice thereof has been given to the Issuer by any Bondholder; or

5.10.2 the Issuer fails to pay the principal amount on any Bond on the Redemption Date, and such failure continues for a period of 60 days after written notice thereof has been given to the Issuer by any Bondholder; or

5.10.3 the Issuer fails to duly perform or otherwise breaches any other material obligation contained in the Prospectus and such failure continues for a period of 60 days after written notice thereof has been given to the Issuer by any Bondholder; or

5.10.4 in terms of article 214(5) of the Act, a Court order or other judicial process is levied or enforced upon or sued out against any part of the property of the Issuer and is not paid out, withdrawn or discharged within one month; or

5.10.5 the Issuer stops or suspends payments (whether of principal or interest) with respect to all or any class of its debts or announces an intention to do so or ceases or threatens to cease to carry on its business or a substantial part of its business; or

5.10.6 the Issuer is unable, or admits in writing its inability, to pay its debts within the meaning of article 214(5) of the Act, or any statutory modification or re-enactment thereof; or

5.10.7 the Issuer ceases or announces an intention to cease or threatens to cease, to carry on its business or a substantial part of its business; or

5.10.8 any material indebtedness of the Issuer is not paid when properly due or becomes properly due and payable or any creditor of the Issuer (as the case may be) becomes entitled to declare any such material indebtedness properly due and payable prior to the date when it would otherwise have become properly due or any guarantee or indemnity of the Issuer in respect of indebtedness is not honoured when properly due and called upon; PROVIDED THAT for the purposes of this provision, material indebtedness shall mean an amount exceeding €25 million; or

5.10.9 the Issuer repudiates, or does or causes or permits to be done any act or thing evidencing an intention to repudiate the Bonds; or

5.10.10 it becomes unlawful at any time for the Issuer to perform all or any of its obligations under the Bonds; or

5.10.11 all of the undertakings, assets, rights, or revenues of or shares or other ownership interests in the Issuer are seized, nationalized, expropriated or compulsorily acquired by or under the authority of any government.

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

5.11 TRANSFERABILITY OF THE BONDS

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

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

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

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

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

5.12 FURTHER ISSUES

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

5.13 MEETINGS OF BONDHOLDERS

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

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

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

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

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

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

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

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

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

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

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

5.14 AUTHORISATIONS AND APPROVALS

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

5.15 NOTICES

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

5.16 GOVERNING LAW AND JURISDICTION

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

6 TAXATION

6.1 GENERAL

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

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

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

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

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

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

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

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

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

6.3 EXCHANGE OF INFORMATION

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

6.3.1 The Common Reporting Standard and the Directive on Administrative Cooperation

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

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

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

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

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

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

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

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

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

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

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

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

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

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

6.5 DUTY ON DOCUMENTS AND TRANSFERS

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

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

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

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

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

7 TERMS AND CONDITIONS OF THE BOND ISSUE

7.1 GENERAL TERMS AND CONDITIONS OF THE BONDS

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

7.1.1 The issue and allotment of the Bonds is conditional upon the Bonds being admitted to the Official List of the MSE by no later than 13 November 2023. In the event that the Bonds are not admitted to the Official List of the MSE by the date indicated, no Maturing Bond Transfers will take effect and the Issuer undertakes to procure that any Application monies received by the Registrar during the Offer Period and pursuant to the Intermediaries' Offer if it takes place, will be returned without interest by direct credit into the Applicants' bank account as indicated in the respective Application Form or subscription agreement as applicable.

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

7.1.3 By submitting a signed pre-printed Application Form 'A' and, or Application Form 'B', as applicable, indicating that the option of the Maturing Bond Transfer is being selected (whether in whole or in part consideration for the Bonds being applied for), the Applicant is thereby confirming:

(i) that all or part (as the case may be) of the Maturing Bonds held by the Applicant as at the Cut-off Date are being transferred to the Issuer, together with the payment due in respect of any Cash Top-Up, if applicable;

(ii) that the pre-printed Application Form 'A' and, or Application Form 'B', as applicable, constitutes the Applicant's irrevocable mandate to the Issuer to:

a. cause the transfer of the said Maturing Bonds in the Issuer's name in consideration of the issue of Bonds; and

b. engage, at the Issuer's cost, the services of such brokers or intermediaries as may be necessary to fully and effectively vest title in the said Maturing Bonds in the Issuer and fully and effectively vest title in the appropriate number of Bonds in the Applicant;

(iii) the obligations of the Issuer with respect to the Maturing Bonds being transferred to the Issuer are extinguished, replaced by obligations on the part of the Issuer under the Bonds to be issued upon acceptance by the Issuer of the Application in question;

(iv) the matter specified in 7.1.7 below;

7.1.4 Preferred Applicants are to submit an Application Form 'C', a pre-printed version of which will be sent to them by mail. With respect to Corinthia Group Personnel, Application Form 'C' may be obtained from the Issuer's offices as from 5 October 2023.

7.1.5 Pursuant to the Intermediaries' Offer (if it takes place) as described in more detail under section 7.5 below, the Issuer shall enter into conditional subscription agreements with Authorised Financial Intermediaries for any resultant balance of Bonds remaining unallocated following closing of the Offer Period. Completed subscription agreements, together with evidence of payment, are to reach the Registrar by 12:00 hours on 2 November 2023.

7.1.6 Where an individual holds, as at the Cut-Off Date, multiple securities issued by different issuers within the Corinthia Group, and provided that he does not hold any Maturing Bonds, he will be receiving one pre-printed Application Form as set out in section 7.4 below.

7.1.7 An Applicant applying for the Bonds is thereby confirming to the Issuer, the Registrar, and the Authorised Financial Intermediary through whom the Application is made, that the Applicant's remittance will be honoured on first presentation and agrees that, if such remittance is not so honoured on its first presentation, the Issuer, the Registrar, or the respective Authorized Financial Intermediary reserve the right to invalidate the relative Application. Furthermore the Applicant will not be entitled to receive a registration advice or to be registered in the register of Bondholders, unless the Applicant makes payment in cleared funds and such payment is accepted by the respective Authorised Financial Intermediary, Registrar, and, or Issuer, as applicable, which acceptance shall be made in the Authorised Financial Intermediary, Registrar, and, or Issuer's absolute discretion and may be on the basis that the Applicant indemnifies the Authorised Financial Intermediary, Registrar, and, or Issuer against all costs, damages, losses, expenses and liabilities arising out of or in connection with the failure of the Applicant's remittance to be honoured on first presentation.

7.1.8 The contract created by the Issuer's acceptance of an Application filed by a prospective bondholder shall be subject to all the terms and conditions set out in this Securities Note and the Memorandum and Articles of Association. It is the responsibility of investors wishing to apply for the Bonds to inform themselves as to the legal requirements of so applying including any requirements relating to external transaction requirements in Malta and any exchange control in the countries of their nationality, residence, or domicile.

7.1.9 If an Application Form is submitted on behalf of another person, whether legal or natural, the person submitting such Application Form will be deemed to have duly bound such other person, whether legal or natural, on whose behalf the Application Form has been submitted. The person submitting such Application Form shall be deemed also to have given the confirmations, warranties and undertakings contained in these terms and conditions on their behalf. Such representative may be requested to submit the relative power of attorney, or resolution or a copy thereof duly certified by a lawyer or notary public if so required by the Issuer and the Registrar, but it shall not be the duty or responsibility of the Registrar or Issuer to ascertain that such representative is duly authorised to appear on the Application Form. Furthermore, in cases where the decision to invest is taken by a third party authorised to transact on behalf of the Applicant (a "decision maker") such as an individual that holds a power of attorney to trade on the Applicant's account or Applications under a discretionary account, details of the decision maker need to be included in the relative panel of the Application Form.

7.1.10 In the case of joint Applications, reference to the Applicant in these terms and conditions is a reference to each of the joint Applicants, and liability therefor is joint and several. The person whose name shall be inserted in the field entitled "Applicant" on the Application Form, or first-named in the register of Bondholders shall, for all intents and purposes, be deemed to be such nominated person by all those joint holders whose names appear in the field entitled "Additional Applicants" in the Application Form or joint holders in the register, as the case may be. Such person shall, for all intents and purposes, be deemed to be the registered holder of the Bond/s so held.

7.1.11 In the case of corporate Applicants or Applicants having separate legal personality, the Application Form must be signed by a person/s authorized to sign and bind such Applicant. It shall not be incumbent on the Company or Registrar to verify whether the person or persons purporting to bind such an Applicant is or are in fact authorized. Applications by corporate Applicants have to include a valid legal entity identifier ("LEI") which must be unexpired. Applications without such information or without a valid LEI will not be accepted.

7.1.12 In respect of a Bond held subject to usufruct, the name of the bare owner and the usufructuary shall be entered in the register. The usufructuary shall, for all intents and purposes, be deemed vis-à-vis the Issuer to be the holder of the Bond/s so held and shall have the right to receive interest on the Bond/s and to vote at Bondholders' Meetings but shall not, during the continuance of the Bond/s, have the right to dispose of the Bond/s so held without the consent of the bare owner, and shall not be entitled to the repayment of principal on the Bond (which shall be due to the bare owner). Furthermore, the signatures of both the bare owner and the usufructuary will be required in the respective Application Form.

7.1.13 Applications in the name and for the benefit of minors shall be allowed provided that the Applicant already holds an account with the MSE. Any Bonds allocated pursuant to such an Application shall be registered in the name of the minor as Bondholder, with interest and redemption monies payable to the parents / legal guardian/s signing the Application Form until such time as the minor attains the age of 18 years, following which all interest and redemption monies shall be paid directly to the registered holder, provided that the Issuer has been duly notified in writing of the fact that the minor has attained the age of 18 years.

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

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

a. accepts to be irrevocably contractually committed to acquire the number of Bonds allocated to such Applicant at the Bond Issue Price and, to the fullest extent permitted by law, accepts to be deemed to have agreed not to exercise any rights to rescind or terminate, or otherwise withdraw from, such commitment, such irrevocable offer to purchase, and pay the consideration for, the number of Bonds specified in the Application Form submitted by the Applicant (or any smaller number of Bonds for which the Application is accepted) at the Bond Issue Price (as applicable) being made subject to the provisions of the Prospectus, the Terms and Conditions, the Application Form and the Memorandum and Articles of Association;

b. agrees and acknowledges to have had the opportunity to read the Prospectus and to be deemed to have had notice of all information and representations concerning the Issuer and the issue of the Bonds contained therein;

c. warrants that the information submitted by the Applicant in the Application Form is true and correct in all respects. All Applications need to include a valid MSE account number in the name of the Applicant/s. Failure to include an MSE account number will result in the Application being cancelled by the Issuer (acting through the Registrar) and subscription monies will be returned to the Applicant in accordance with section 7.1.15(g) below. In the event of a discrepancy between the personal details (including name and surname and the Applicant's address) appearing on the Application Form and those held by the MSE in relation to the MSE account number indicated on the Application Form, the details held by the MSE shall be deemed to be the correct details of the Applicant;

d. acknowledges the processing of any personal data for the purposes specified in the privacy notice published by the Issuer, which is available on the Issuer's website at www.corinthiagroup.com. The Applicant hereby acknowledges that the processing of personal data may validly take place, even without the Applicant's consent, in the circumstances set out in the Data Protection Act (Cap. 586 of the laws of Malta) (the "Data Protection Act"), the General Data Protection Regulation (GDPR) (EU) 2016/679 ("GDPR") and any applicable subsidiary legislation, as may be amended from time to time. The Applicant hereby confirms that he/she/it has been provided with and read the privacy notice;

e. authorises the Issuer (or its service providers, including the CSD and, or Registrar) and, or the relevant Authorised Financial Intermediary, as applicable, to process the personal data that the Applicant provides in the Application Form, for all purposes necessary and subsequent to the Bond Issue applied for, in accordance with the Data Protection Act and the GDPR. The Applicant has the right to request access to, and rectification of, the personal data relating to him/her in relation to the Bond Issue. Any such requests must be made in writing and sent to the Issuer and the CSD at the MSE. The requests must be signed by the Applicant to whom the personal data relates;

f. confirms that in making such Application no reliance was placed on any information or representation in relation to the Issuer or the issue of the Bonds other than what is contained in the Prospectus and accordingly agree/s that no person responsible solely or jointly for the Prospectus or any part thereof will have any liability for any such other information or representation;

g. agrees that any refund of unallocated Application monies, will be paid by direct credit, without interest, at the Applicant's own risk, to the bank account as indicated in the Application Form. The Issuer shall not be responsible for any loss or delay in transmission or any charges in connection therewith;

h. warrants that the remittance will be honoured on first presentation and agrees that, if such remittance is not so honoured: (i) the Applicant will not be entitled to receive a registration advice or to be registered in respect of such Bonds, unless and until a payment is made in cleared funds within the Offer Period for such Bonds and such payment is accepted by the respective Authorised Financial Intermediary or by the Issuer acting through the Registrar (which acceptance shall be made in its absolute discretion and may be on the basis that the Authorised Financial Intermediary or the Issuer acting through the Registrar is indemnified for all costs, damages, losses, expenses and liabilities arising out of, or in connection with, the failure of the Applicant's remittance to be honoured on first presentation at any time prior to unconditional acceptance by the Issuer acting through the Registrar of such late payment in respect of the Bonds); or (ii) the Issuer may, without prejudice to other rights, treat the agreement to allocate such Bonds as void and may allocate such Bonds to another person, in which case the Applicant will not be entitled to a refund or payment in respect of such Bonds (other than return of such late payment);

i. agrees that the registration advice and other documents and any monies returnable to the Applicant may be retained pending clearance of his/her remittance and any verification of identity as required by the Prevention of Money Laundering Act (Cap. 373 of the Laws of Malta) and regulations made thereunder, and that such monies will not bear interest;

j. agrees to provide the Registrar and, or the Issuer, as the case may be, with any information which it/they may request in connection with the Application;

k. agrees that all Applications, acceptances of Applications and contracts resulting therefrom will be governed, and construed, in accordance with Maltese law, and to submit to the jurisdiction of the Maltese courts, and agrees that nothing shall limit the right of the Company to bring any action, suit or proceedings arising out of or in connection with any such Applications, acceptance of Applications and contracts resulting therefrom in any manner permitted by law in any court of competent jurisdiction;

l. warrants that, where an Applicant signs and submits an Application Form on behalf of another person or on behalf of a corporation or corporate entity or association of persons, the Applicant is duly authorized to do so and such person, corporation, corporate entity, or association of persons will also be bound accordingly and will be deemed also to have given the confirmations, warranties and undertakings contained in the Terms and Conditions and accordingly will be deemed also to have given the confirmations, warranties and undertakings contained in the Terms and Conditions and undertake to submit his power of attorney or a copy thereto duly certified by a lawyer or notary public if so required by the Issuer or the Registrar;

m. warrants that where the Applicant is under the age of 18 years, or where an Application is being lodged in the name and for the benefit of a minor, the Applicant is the parent/s or legal guardian/s of the minor;

n. warrants, in connection with the Application, to have observed all applicable laws, obtained any requisite governmental or other consents, complied with all requisite formalities and paid any issue, transfer or other taxes due in connection with his Application in any territory, and that the Applicant has not taken any action which will or may result in the Issuer or the Registrar acting in breach of the regulatory or legal requirements of any territory in connection with the issue of the Bond and, or his Application;

o. warrants that all applicable exchange control or other such regulations (including those relating to external transactions) have been duly and fully complied with;

p. represents that the Applicant is not a U.S. person (as such term is defined in Regulation S under the Securities Act of 1933 of the United States of America, as amended) as well as not to be accepting the invitation set out in the Prospectus from within the United States of America, its territories or its possessions, or any area subject to its jurisdiction or on behalf or for the account of anyone within the United States or anyone who is a U.S. person;

q. agrees that the Advisors to the Bond Issue (listed in section 3.5 of the Registration Document) will owe the Applicant no duties or responsibilities concerning the Bonds or the suitability of the Applicant;

r. agrees that all documents in connection with the issue of the Bonds will be sent at the Applicant's own risk and may be sent by post at the address (or, in the case of joint Applications, the address of the first named Applicant) as set out in the Application Form; and

s. renounces to any rights the Applicant may have to set off any amounts the Applicant may at any time owe the Issuer against any amount due under the terms of these Bonds.

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

7.1.17 For the purposes of the Prevention of Money Laundering and Funding of Terrorism Regulations (Subsidiary Legislation 373.01 of the laws of Malta), as amended from time to time, the Authorised Financial Intermediaries are under a duty to communicate, upon request, all information about clients as is mentioned in Articles 1.2(d) and 2.4 of the "Members' Code of Conduct" appended as Appendix 3.6 to Chapter 3 of the MSE Bye-Laws, irrespective of whether the said appointed Authorised Financial Intermediaries are MSE Members or not. Such information shall be held and controlled by the MSE in terms of the Data Protection Act and the GDPR, as may be amended from time to time, for the purposes and within the terms of the MSE Data Protection Policy as published from time to time.

7.1.18 It shall be incumbent on the respective Authorised Financial Intermediary to ascertain that all other applicable regulatory requirements relating to subscription of Bonds by an Applicant are complied with, including without limitation the obligation to comply with all applicable requirements set out in Regulation (EU) No. 600/2014 of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Regulation (EU) No. 648/2012, as well as applicable MFSA Rules for investment services providers.

7.1.19 By not later than 6 November 2023, the Issuer shall announce the result of the Bond Issue through a company announcement.

7.1.20 No person receiving a copy of the Prospectus or an Application Form in any territory other than Malta may treat the same as constituting an invitation or offer to such person, nor should such person in any event use such Application Form, unless, in the relevant territory, such an invitation or offer could lawfully be made to such person or such Application Form could lawfully be used without contravention of any registration or other legal requirements. In light of the aforesaid, including but not limited to the onerous requirements involved in the registration of the Prospectus in any territory other than Malta and, or compliance with the relevant legal or regulatory requirements, the Issuer has elected not to send Application Forms to Maturing Bondholders and Preferred Applicants having their address as included in the respective register of bondholders (or in the case of Existing IHI Shareholders, the company's register of members) outside Malta, except where, *inter alia*, in the absolute discretion of the Issuer, it is satisfied that such action would not result in a contravention of any applicable legal or regulatory requirement in the relevant jurisdiction.

7.1.21 Subscription for Bonds by persons resident in, or who are citizens of, or who are domiciled in, or who have a registered address in, a jurisdiction other than Malta, may be affected by the law of the relevant jurisdiction. Those persons should consult their professional advisors (including tax and legal advisors) as to whether they require any governmental or other consents, or need to observe any other formalities, to enable them to subscribe for the Bonds. It is the responsibility of any person (including, without limitation, nominees, custodians, depositaries and trustees) outside Malta wishing to participate in the Bond Issue, to satisfy himself/herself/itself as to full observance of the applicable laws of any relevant jurisdiction, including, but not limited to, obtaining any requisite governmental or other consents, observing any other requisite formalities and paying any transfer or other taxes (of any nature whatsoever) due in such territories. The Issuer shall not accept any responsibility for the non-compliance by any person of any applicable laws or regulations of foreign jurisdictions.

7.1.22 The Bonds have not been and will not be registered under the Securities Act of 1933 of the United States of America and accordingly may not be offered or sold within the United States or to or for the account or benefit of a U.S. person.

7.2 PLAN OF DISTRIBUTION AND ALLOTMENT

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

i. Maturing Bondholders up to the amount of Maturing Bonds held as at the Cut-off Date and subject to any Cash Top-Up as and if applicable;

ii. Maturing Bondholders in respect of any Excess, Preferred Applicants, and Corinthia Group Personnel, for an amount of up to €15 million of the Bond Issue together with the balance of the Bonds not subscribed for by Maturing Bondholders limitedly by means of a Maturing Bond Transfer including any Cash Top-Up;

iii. Authorised Financial Intermediaries through an Intermediaries' Offer in respect of any balance of Bonds not subscribed to by Maturing Bondholders, Preferred Applicants, and Corinthia Group Personnel pursuant to (i) and (ii) above as further described in section 7.5 below.

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

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

7.3 PRICING

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

7.4 ALLOCATION POLICY

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

a. Maturing Bondholders will be allocated such number of Bonds equivalent to the Maturing Bond Transfer subject to any Cash Top-Up as and if applicable. Maturing Bondholders subscribing for Excess Bonds shall be subject to an allocation policy as further detailed in (b) hereunder;

b. an amount of up to €15 million of the Bond Issue together with the balance of the Bonds not subscribed for by Maturing Bondholders limitedly by means of a Maturing Bond Transfer including any Cash Top-Up, shall be allocated to:

   i) Maturing Bondholders in respect of any Excess Bonds;
   ii) Preferred Applicants; and
   iii) Corinthia Group Personnel.

   pari passu without priority or preference between them.

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

7.5 INTERMEDIARIES' OFFER

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

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

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

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

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

7.6 ADMISSION TO TRADING

i. The Malta Financial Services Authority has authorised the Bonds as admissible to Listing pursuant to the Capital Markets Rules by virtue of a letter dated 26 September 2023.

ii. Application has been made to the MSE for the Bonds being issued pursuant to the Prospectus to be listed and traded on the Official List of the MSE.

iii. The Bonds are expected to be admitted to the MSE with effect from 13 November 2023 and trading is expected to commence on 14 November 2023.

7.7 ADDITIONAL INFORMATION

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

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

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

ANNEX I
AUTHORISED FINANCIAL INTERMEDIARIES

NAME	ADDRESS	TELEPHONE
APS Bank p.l.c.	APS Centre, Tower Street, Birkirkara BKR 4012	2560 3000
Bank of Valletta p.l.c.	Premium Banking Centre, 475, Triq il-Kbira San Guzepp, St Venera SVR 1011	2275 1732
Calamatta Cuschieri Investment Services Ltd	Ewropa Business Centre, Triq Dun Karm, Birkirkara BKR 9034	2568 8688
Curmi & Partners Ltd	Finance House, Princess Elizabeth Street, Ta' Xbiex XBX 1102	2134 7331
FINCO Treasury Management Ltd	The Bastions, Office No 2, Emvin Cremona Street, Floriana FRN 1281	2122 0002
Jesmond Mizzi Financial Advisors Ltd	67 Level 3, South Street, Valletta VLT 1105	2122 4410
Lombard Bank Malta p.l.c.	67, Republic Street, Valletta VLT 1117	2558 1806
Medirect Bank (Malta) p.l.c.	The Centre, Tigne` Point, Sliema TPO 0001	2557 4400
Michael Grech Financial Investment Services Ltd	The Brokerage, Level 0 A, St Marta Street, Victoria, Gozo VCT 2551	2258 7000
MZ Investment Services Ltd	63, St Rita Street, Rabat RBT 1523	2145 3739
Rizzo, Farrugia & Co (Stockbrokers) Ltd	Airways House, Fourth Floor, High Street, Sliema SLM 1551	2258 3000

ANNEX II
SPECIMEN APPLICATION FORMS

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

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

A APPLICANT *(see notes 2 to 8)*

		I.D. CARD / PASSPORT	MSE A/C NO.
DOCUMENT TYPE	COUNTRY OF ISSUE	DATE OF BIRTH	NATIONALITY
LEI (Legal Entity Identifier) *(If applicant is NOT an Individual)*		PLEASE REGISTER ME FOR E-PORTFOLIO ☐	MOBILE NO. *(mandatory for e-portfolio)*

B ADDITIONAL (JOINT) APPLICANTS *(see note 3)* *(please use Addendum to Application Form if space is not sufficient)*

TITLE (Mr/Mrs/Ms/...)	FULL NAME AND SURNAME		I.D. CARD/PASSPORT NO.
DOCUMENT TYPE	COUNTRY OF ISSUE	DATE OF BIRTH	NATIONALITY

C DECISION MAKER/MINOR'S PARENTS / LEGAL GUARDIAN(S) / USUFRUCTUARY/IES *(see notes 4 ,7 & 8) (to be completed **ONLY** if applicable)*

TITLE (Mr/Mrs/Ms/...)	FULL NAME AND SURNAME		I.D. CARD/PASSPORT NO.
DOCUMENT TYPE	COUNTRY OF ISSUE	DATE OF BIRTH	NATIONALITY
TITLE (Mr/Mrs/Ms/...)	FULL NAME AND SURNAME		I.D. CARD/PASSPORT NO.
DOCUMENT TYPE	COUNTRY OF ISSUE	DATE OF BIRTH	NATIONALITY

D I/WE APPLY TO PURCHASE AND ACQUIRE *(see note 9)*:

BOX 1 - Nominal Value of 2023 Maturing Bonds

AMOUNT IN FIGURES **Box 1**
€

BOX 2 - I/We wish to purchase and acquire the amount set out in Box 2 in Bonds at the Bond Issue Price (at par) pursuant to the Prospectus dated 26 September 2023 (the "**Prospectus**") (**minimum €2,000 and in multiples of €100 thereafter**).

AMOUNT IN WORDS

AMOUNT IN FIGURES **Box 2**
€

BOX 3 - Amount of Bonds applied for less the nominal holding in the 2023 Maturing Bonds payable in full upon application under the Terms and Conditions of the Bonds set out in the Prospectus.

AMOUNT IN FIGURES **Box 3**
Difference payable on Application
Box 2 - Box 1
€

E RESIDENT - FINAL WITHHOLDING TAX ("FWT") DECLARATION *(see notes 10)* *(to be completed ONLY if the Applicant is a resident of Malta)*

☐ I/We elect to receive interest NET of FWT

☐ I/We elect to receive interest GROSS (i.e. without FWT)

F NON-RESIDENT - DECLARATION FOR TAX PURPOSES *(see notes 2 & 11)* *(to be completed ONLY if the Applicant is a non-resident)*

TAX COUNTRY	CITY OF BIRTH
T.I.N. (Tax Identification Number)	COUNTRY OF BIRTH

☐ **NOT** resident in Malta but resident in the European Union

☐ **NOT** resident in Malta and **NOT** resident in the European Union

G INTEREST, REFUND AND REDEMPTION MANDATE *(see notes 12 & 13)* *(completion of this panel is **MANDATORY**)*

BANK	IBAN

I/We have fully understood the instructions for completing this Application Form, and am/are making this Application solely on the basis of the Prospectus, and subject to its Terms and Conditions of the Bonds as contained therein which I/we fully accept.

I/We hereby authorise the Company to forward the details to the Malta Stock Exchange for the purposes of registering the Bonds in my/our MSE account, to register for the e-portfolio (where applicable) and to enable the reporting of all necessary transaction and personal information provided in this Application Form in compliance with Article 26 of MiFIR (Markets in Financial Instruments Regulation) to the Malta Financial Services Authority as competent authority ("**Transaction Reporting**"). Furthermore, I/we understand and acknowledge that the Company may require additional information for Transaction Reporting purposes and agree that such information will be provided.

Signature/s of Applicant/s
(Parent/s or legal guardian/s are/is to sign if Applicant is a minor)
(All parties are to sign in the case of a joint Application)
(Bare owner/s and usufructuary/ies to sign in the case of holdings of Bonds that are subject to usufruct)

Date

AUTHORISED FINANCIAL INTERMEDIARY'S STAMP	AUTHORISED FINANCIAL INTERMEDIARY'S CODE	APPLICATION NUMBER

Notes on how to complete this Application Form and other information

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

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

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

1. This Application is governed by the Terms and Conditions of the Bonds contained in Section 7 of the Securities Note dated 26 September 2023 forming part of the Prospectus. Capitalised terms not defined herein shall, unless the context otherwise requires, have the meaning ascribed to them in the Prospectus.

2. The Application Form is to be completed in BLOCK LETTERS. For applicants who are non-residents In Malta for tax purposes, the relative box in Panel F must be completed.

3. The MSE account number pertaining to the Maturing Bondholders, has been preprinted in Panel A and reflects the MSE account number on the bond register of the Maturing Bonds held at the CSD as at 22 September 2023 (trading session of the 19 September 2023). If an MSE account pertains to more than one person (including husband and wife), the full details of all individuals must be given in Panels A and B but the first named bondholder shall, for all intents and purposes, be deemed to be the registered holder of the Bonds (vide note 6 below). Applications by more than two persons are to use the Addendum to the Application Form.

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

4. Applications in the name and for the benefit of minors shall be allowed provided that the applicant already holds an account with the MSE. Any Bonds allocated pursuant to such an Application shall be registered in the name of the minor as Bondholder, with interest and redemption proceeds payable to the parents or legal guardian/s signing the Application Form until such time as the minor attains the age of eighteen (18) years, following which all interest and redemption proceeds shall be payable directly to the registered holder, provided that the Company has been duly notified in writing of the fact that the minor has attained the age of eighteen (18) years. Panel C must be inserted with full details of the parents/legal guardians.

5. In the case of a body corporate, a valid Legal Entity Identifier ("**LEI**") needs to be inserted in Panel A. **Failure to include a valid LEI code, will result in the Application being cancelled by the Registrar**. Applications must be signed by duly authorised representatives indicating the capacity in which they are signing.

6. **MATURING BONDHOLDERS ARE TO NOTE THAT ANY SECURITIES ALLOTTED TO THEM WILL BE RECORDED BY THE MALTA STOCK EXCHANGE IN THE MSE ACCOUNT QUOTED ON THIS APPLICATION FORM EVEN IF THE DETAILS OF SUCH MSE ACCOUNT NUMBER, AS HELD BY THE CSD OF THE MALTA STOCK EXCHANGE, DIFFER FROM ANY OR ALL OF THE DETAILS APPEARING OVERLEAF. A SEPARATE REQUEST BY THE APPLICANT TO CHANGE THESE DETAILS AS RECORDED AT THE MSE, WILL HAVE TO BE EFFECTED.**

7. Where a decision to invest is taken by a third party authorised to transact on behalf of the Applicant (a "**decision maker**") such as an individual that holds a power of attorney to trade on the Applicant's account or applications under a discretionary account, details of the decision maker need to be included in Panel C.

8. Where an MSE account number is held subject to usufruct, Panel C needs to be completed and both the bare owner/s and the usufructuary/ies are to sign this Application Form.

9. Applications must be for a minimum subscription of €2,000 and thereafter in multiples of €100 and must be accompanied by the relevant subscription amount in Euro.

10. Only Applicants who hold a valid official Maltese Identity Card or companies registered in Malta will be treated as resident in Malta. In such a case the Applicant may elect to have final withholding tax, currently 15%, deducted from interest payments in which case such interest need not be declared in the Applicant's income tax return. The Applicant may elect to receive the interest gross (i.e. without deduction of final withholding tax), but will be obliged to declare interest so received in the tax return. The Company will render an account to the Maltese Commissioner for Revenue of all interest paid, all amounts of tax deducted by the payor in respect of the interest paid and of the identity of all such recipients. Interest received by non-resident Applicants is not taxable in Malta and non-residents will receive interest gross. Authorised entities applying in the name of a prescribed fund will have final withholding tax (currently 10%), deducted from interest payments.

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

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

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

12. Interest, refund and redemption proceeds will be credited to the account indicated in Panel G or as otherwise amended by the Bondholder/s during the term of the Bond.

13. The Offer Period will open at 08:30 hours on 5 October 2023 and will close at 14:00 hours on 26 October 2023. The Issuer reserves the right to close the Offer Period before 26 October 2023 with respect to any one or more classes of Applicants depending on the level of subscription in the Bond Issue. Application for Bonds may be lodged with any Authorised Intermediary listed in Annex I of the Securities Note during normal office hours. Remittances by post are made at the risk of the Applicant and the Company disclaims all responsibility for any such remittances not being received by the date of closing of the subscription lists. If any Application is not accepted after the closure of the subscription lists or is accepted for fewer Bonds than those applied for, the monies equivalent to the number of Bonds not being accepted will be returned by direct credit into the IBAN specified in panel G.

14. By completing and delivering an Application Form you (as the Applicant(s)) acknowledge that:
    a. the Company or its duly appointed agents including the CSD and the Registrar, may process the personal data that you provide in the Application Form in accordance with the Data Protection Act (Cap. 586 of the laws of Malta) and the General Data Protection Regulation (GDPR) (EU) 2016/679 as amended from time to time;
    b. the Company may process such personal data for all purposes necessary for and related to the Bonds applied for; and
    c. you, as the Applicant, have the right to request access to and rectification of the personal data relating to you, as processed by the Company.

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

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

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

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

A APPLICANT *(see notes 2 to 8)*

		I.D. CARD / PASSPORT	MSE A/C NO.
DOCUMENT TYPE	COUNTRY OF ISSUE	DATE OF BIRTH	NATIONALITY
LEI (Legal Entity Identifier) *(If applicant is NOT an Individual)*		PLEASE REGISTER ME FOR E-PORTFOLIO ☐	MOBILE NO. *(mandatory for e-portfolio)*

B ADDITIONAL (JOINT) APPLICANTS *(see note 3)* *(please use Addendum to Application Form if space is not sufficient)*

TITLE (Mr/Mrs/Ms/...)	FULL NAME AND SURNAME		I.D. CARD/PASSPORT NO.
DOCUMENT TYPE	COUNTRY OF ISSUE	DATE OF BIRTH	NATIONALITY

C DECISION MAKER/MINOR'S PARENTS / LEGAL GUARDIAN(S) / USUFRUCTUARY/IES *(see notes 4 ,7 & 8) (to be completed **ONLY** if applicable)*

TITLE (Mr/Mrs/Ms/...)	FULL NAME AND SURNAME		I.D. CARD/PASSPORT NO.
DOCUMENT TYPE	COUNTRY OF ISSUE	DATE OF BIRTH	NATIONALITY
TITLE (Mr/Mrs/Ms/...)	FULL NAME AND SURNAME		I.D. CARD/PASSPORT NO.
DOCUMENT TYPE	COUNTRY OF ISSUE	DATE OF BIRTH	NATIONALITY

D I/WE APPLY TO PURCHASE AND ACQUIRE *(see note 9)*:

BOX 1 - Nominal Value of 2024 Maturing Bonds

AMOUNT IN FIGURES **Box 1**
€

BOX 2 - I/We wish to purchase and acquire the amount set out in Box 2 in Bonds at the Bond Issue Price (at par) pursuant to the Prospectus dated 26 September 2023 (the "**Prospectus**") (**minimum €2,000 and in multiples of €100 thereafter**).

AMOUNT IN WORDS

AMOUNT IN FIGURES **Box 2**
€

BOX 3 - Amount of Bonds applied for less the nominal holding in the 2024 Maturing Bonds payable in full upon application under the Terms and Conditions of the Bonds set out in the Prospectus.

AMOUNT IN FIGURES **Box 3**
Difference payable on Application
Box 2 - Box 1
€

E RESIDENT - FINAL WITHHOLDING TAX ("FWT") DECLARATION *(see notes 10)* *(to be completed ONLY if the Applicant is a resident of Malta)*

☐ I/We elect to receive interest NET of FWT

☐ I/We elect to receive interest GROSS (i.e. without FWT)

F NON-RESIDENT - DECLARATION FOR TAX PURPOSES *(see notes 2 & 11)* *(to be completed ONLY if the Applicant is a non-resident)*

TAX COUNTRY	CITY OF BIRTH
T.I.N. (Tax Identification Number)	COUNTRY OF BIRTH

☐ **NOT** resident in Malta but resident in the European Union

☐ **NOT** resident in Malta and **NOT** resident in the European Union

G INTEREST, REFUND AND REDEMPTION MANDATE *(see notes 12 & 13)* *(completion of this panel is **MANDATORY**)*

BANK	IBAN

I/We have fully understood the instructions for completing this Application Form, and am/are making this Application solely on the basis of the Prospectus, and subject to its Terms and Conditions of the Bonds as contained therein which I/we fully accept.

I/We hereby authorise the Company to forward the details to the Malta Stock Exchange for the purposes of registering the Bonds in my/our MSE account, to register for the e-portfolio (where applicable) and to enable the reporting of all necessary transaction and personal information provided in this Application Form in compliance with Article 26 of MiFIR (Markets in Financial Instruments Regulation) to the Malta Financial Services Authority as competent authority ("**Transaction Reporting**"). Furthermore, I/we understand and acknowledge that the Company may require additional information for Transaction Reporting purposes and agree that such information will be provided.

Signature/s of Applicant/s
(Parent/s or legal guardian/s are/is to sign if Applicant is a minor)
(All parties are to sign in the case of a joint Application)
(Bare owner/s and usufructuary/ies to sign in the case of holdings of Bonds that are subject to usufruct)

Date

AUTHORISED FINANCIAL INTERMEDIARY'S STAMP	AUTHORISED FINANCIAL INTERMEDIARY'S CODE	APPLICATION NUMBER

Notes on how to complete this Application Form and other information

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

This Application Form is not transferable and entitles you to a preferential treatment as holder of the 6% International Hotel Investments p.l.c. unsecured bonds 2024 (the "**2024 Maturing Bonds**") and is to be submitted as a method of payment where the Applicant selects to apply for the 6% International Hotel Investments p.l.c. Unsecured Bonds 2033 (the "**Bond/s**") so as to transfer to the Issuer all or part of the holding in the 2024 Maturing Bonds held by the Applicant as at the Cut-Off Date, the nominal value of which is set out in Box 1 of Panel B. By submitting this signed Application Form, Maturing Bondholders shall be deemed to:

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

1. This Application is governed by the Terms and Conditions of the Bonds contained in Section 7 of the Securities Note dated 26 September 2023 forming part of the Prospectus. Capitalised terms not defined herein shall, unless the context otherwise requires, have the meaning ascribed to them in the Prospectus.

2. The Application Form is to be completed in BLOCK LETTERS. For applicants who are non-residents In Malta for tax purposes, the relative box in Panel F must be completed.

3. The MSE account number pertaining to the Maturing Bondholders, has been preprinted in Panel A and reflects the MSE account number on the bond register of the Maturing Bonds held at the CSD as at 22 September 2023 (trading session of the 19 September 2023). If an MSE account pertains to more than one person (including husband and wife), the full details of all individuals must be given in Panels A and B but the first named bondholder shall, for all intents and purposes, be deemed to be the registered holder of the Bonds (vide note 6 below). Applications by more than two persons are to use the Addendum to the Application Form.

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

4. Applications in the name and for the benefit of minors shall be allowed provided that the applicant already holds an account with the MSE. Any Bonds allocated pursuant to such an Application shall be registered in the name of the minor as Bondholder, with interest and redemption proceeds payable to the parents or legal guardian/s signing the Application Form until such time as the minor attains the age of eighteen (18) years, following which all interest and redemption proceeds shall be payable directly to the registered holder, provided that the Company has been duly notified in writing of the fact that the minor has attained the age of eighteen (18) years. Panel C must be inserted with full details of the parents/legal guardians.

5. In the case of a body corporate, a valid Legal Entity Identifier ("**LEI**") needs to be inserted in Panel A. **Failure to include a valid LEI code, will result in the Application being cancelled by the Registrar**. Applications must be signed by duly authorised representatives indicating the capacity in which they are signing.

6. **MATURING BONDHOLDERS ARE TO NOTE THAT ANY SECURITIES ALLOTTED TO THEM WILL BE RECORDED BY THE MALTA STOCK EXCHANGE IN THE MSE ACCOUNT QUOTED ON THIS APPLICATION FORM EVEN IF THE DETAILS OF SUCH MSE ACCOUNT NUMBER, AS HELD BY THE CSD OF THE MALTA STOCK EXCHANGE, DIFFER FROM ANY OR ALL OF THE DETAILS APPEARING OVERLEAF. A SEPARATE REQUEST BY THE APPLICANT TO CHANGE THESE DETAILS AS RECORDED AT THE MSE, WILL HAVE TO BE EFFECTED.**

7. Where a decision to invest is taken by a third party authorised to transact on behalf of the Applicant (a "**decision maker**") such as an individual that holds a power of attorney to trade on the Applicant's account or applications under a discretionary account, details of the decision maker need to be included in Panel C.

8. Where an MSE account number is held subject to usufruct, Panel C needs to be completed and both the bare owner/s and the usufructuary/ies are to sign this Application Form.

9. Applications must be for a minimum subscription of €2,000 and thereafter in multiples of €100 and must be accompanied by the relevant subscription amount in Euro.

10. Only Applicants who hold a valid official Maltese Identity Card or companies registered in Malta will be treated as resident in Malta. In such a case the Applicant may elect to have final withholding tax, currently 15%, deducted from interest payments in which case such interest need not be declared in the Applicant's income tax return. The Applicant may elect to receive the interest gross (i.e. without deduction of final withholding tax), but will be obliged to declare interest so received in the tax return. The Company will render an account to the Maltese Commissioner for Revenue of all interest paid, all amounts of tax deducted by the payor in respect of the interest paid and of the identity of all such recipients. Interest received by non-resident Applicants is not taxable in Malta and non-residents will receive interest gross. Authorised entities applying in the name of a prescribed fund will have final withholding tax (currently 10%), deducted from interest payments.

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

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

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

12. Interest, refund and redemption proceeds will be credited to the account indicated in Panel G or as otherwise amended by the Bondholder/s during the term of the Bond.

13. The Offer Period will open at 08:30 hours on 5 October 2023 and will close at 14:00 hours on 26 October 2023. The Issuer reserves the right to close the Offer Period before 26 October 2023 with respect to any one or more classes of Applicants depending on the level of subscription in the Bond Issue. Application for Bonds may be lodged with any Authorised Intermediary listed in Annex I of the Securities Note during normal office hours. Remittances by post are made at the risk of the Applicant and the Company disclaims all responsibility for any such remittances not being received by the date of closing of the subscription lists. If any Application is not accepted after the closure of the subscription lists or is accepted for fewer Bonds than those applied for, the monies equivalent to the number of Bonds not being accepted will be returned by direct credit into the IBAN specified in panel G.

14. By completing and delivering an Application Form you (as the Applicant(s)) acknowledge that:
    a. the Company or its duly appointed agents including the CSD and the Registrar, may process the personal data that you provide in the Application Form in accordance with the Data Protection Act (Cap. 586 of the laws of Malta) and the General Data Protection Regulation (GDPR) (EU) 2016/679 as amended from time to time;
    b. the Company may process such personal data for all purposes necessary for and related to the Bonds applied for; and
    c. you, as the Applicant, have the right to request access to and rectification of the personal data relating to you, as processed by the Company.

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

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

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

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

A APPLICANT *(see notes 2 to 8)*

	I.D. CARD / PASSPORT	MSE A/C NO.

DOCUMENT TYPE	COUNTRY OF ISSUE	DATE OF BIRTH	NATIONALITY
LEI (Legal Entity Identifier) *(If applicant is NOT an Individual)*		PLEASE REGISTER ME FOR E-PORTFOLIO ☐	MOBILE NO. *(mandatory for e-portfolio)*

B ADDITIONAL (JOINT) APPLICANTS *(see note 3)* *(please use Addendum to Application Form if space is not sufficient)*

TITLE (Mr/Mrs/Ms/...)	FULL NAME AND SURNAME		I.D. CARD/PASSPORT NO.
DOCUMENT TYPE	COUNTRY OF ISSUE	DATE OF BIRTH	NATIONALITY

C DECISION MAKER/MINOR'S PARENTS / LEGAL GUARDIAN(S) / USUFRUCTUARY/IES *(see notes 4, 7 & 8) (to be completed **ONLY** if applicable)*

TITLE (Mr/Mrs/Ms/...)	FULL NAME AND SURNAME		I.D. CARD/PASSPORT NO.
DOCUMENT TYPE	COUNTRY OF ISSUE	DATE OF BIRTH	NATIONALITY
TITLE (Mr/Mrs/Ms/...)	FULL NAME AND SURNAME		I.D. CARD/PASSPORT NO.
DOCUMENT TYPE	COUNTRY OF ISSUE	DATE OF BIRTH	NATIONALITY

D I/WE APPLY TO PURCHASE AND ACQUIRE *(see note 9)*:

AMOUNT IN FIGURES	AMOUNT IN WORDS
€	

International Hotel Investments p.l.c. 6% Unsecured Bonds 2033 (the "Bonds") (minimum subscription of €2,000 and in multiples of €100 thereafter) at the Bond Issue Price (at par), as defined in the Prospectus dated 26 September 2023 (the "**Prospectus**"), payable in full upon application under the Terms and Conditions of the Bonds as set out in the Prospectus.

E RESIDENT - FINAL WITHHOLDING TAX ("FWT") DECLARATION *(see notes 10 & 11)* *(to be completed ONLY if the Applicant is a resident of Malta)*

☐ I/We elect to receive interest NET of FWT

☐ I/We elect to receive interest GROSS (i.e. without FWT)

F NON-RESIDENT - DECLARATION FOR TAX PURPOSES *(see notes 2 & 11)* *(to be completed ONLY if the Applicant is a non-resident)*

TAX COUNTRY	CITY OF BIRTH
T.I.N. (Tax Identification Number)	COUNTRY OF BIRTH

☐ **NOT** resident in Malta but resident in the European Union

☐ **NOT** resident in Malta and **NOT** resident in the European Union

G INTEREST, REFUND AND REDEMPTION MANDATE *(see notes 12 & 13)* *(completion of this panel is **MANDATORY**)*

BANK	IBAN

I/We have fully understood the instructions for completing this Application Form, and am/are making this Application solely on the basis of the Prospectus, and subject to its Terms and Conditions of the Bonds as contained therein which I/we fully accept.

I/We hereby authorise the Company to forward the details to the Malta Stock Exchange for the purposes of registering the Bonds in my/our MSE account, to register for the e-portfolio (where applicable) and to enable the reporting of all necessary transaction and personal information provided in this Application Form in compliance with Article 26 of MiFIR (Markets in Financial Instruments Regulation) to the Malta Financial Services Authority as competent authority ("**Transaction Reporting**"). Furthermore, I/we understand and acknowledge that the Company may require additional information for Transaction Reporting purposes and agree that such information will be provided.

Signature/s of Applicant/s

(Parent/s or legal guardian/s are/is to sign if Applicant is a minor)
(All parties are to sign in the case of a joint Application)
(Bare owner/s and usufructuary/ies to sign in the case of holdings of Bonds that are subject to usufruct)

Date

AUTHORISED FINANCIAL INTERMEDIARY'S STAMP	AUTHORISED FINANCIAL INTERMEDIARY'S CODE	APPLICATION NUMBER

Notes on how to complete this Application Form and other information

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

1. This Application is governed by the Terms and Conditions of the Bonds contained in Section 7 of the Securities Note dated 26 September 2023 forming part of the Prospectus. Capitalised terms not defined herein shall, unless the context otherwise requires, have the meaning ascribed to them in the Prospectus.

2. The Application Form is to be completed in BLOCK LETTERS. For applicants who are non-residents In Malta for tax purposes, the relative box in Panel F must be completed.

3. The MSE account number pertaining to the Preferred Applicants, has been preprinted in Panel A and reflects the MSE account number on the respective register held at the CSD as at 22 September 2023 (trading session of the 19 September 2023). Corinthia Group Personnel are to insert full personal details in Panel A including an MSE account number which is mandatory. If an MSE account pertains to more than one person (including husband and wife), the full details of all individuals must be given in Panels A and B but the first named bondholder shall, for all intents and purposes, be deemed to be the registered holder of the Bonds (vide note 6 below). Applications by more than two persons are to use the Addendum to the Application Form.

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

4. Applications in the name and for the benefit of minors shall be allowed provided that the applicant already holds an account with the MSE. Any Bonds allocated pursuant to such an Application shall be registered in the name of the minor as Bondholder, with interest and redemption proceeds payable to the parents or legal guardian/s signing the Application Form until such time as the minor attains the age of eighteen (18) years, following which all interest and redemption proceeds shall be payable directly to the registered holder, provided that the Company has been duly notified in writing of the fact that the minor has attained the age of eighteen (18) years. Panel C must be inserted with full details of the parents/legal guardians.

5. In the case of a body corporate, a valid Legal Entity Identifier ("**LEI**") needs to be inserted in Panel A. **Failure to include a valid LEI code, will result in the Application being cancelled by the Registrar**. Applications must be signed by duly authorised representatives indicating the capacity in which they are signing.

6. **PREFERRED APPLICANTS AND CORINTHIA GROUP PERSONNEL ARE TO NOTE THAT ANY SECURITIES ALLOTTED TO THEM WILL BE RECORDED BY THE MALTA STOCK EXCHANGE IN THE MSE ACCOUNT QUOTED ON THIS APPLICATION FORM EVEN IF THE DETAILS OF SUCH MSE ACCOUNT NUMBER, AS HELD BY THE CSD OF THE MALTA STOCK EXCHANGE, DIFFER FROM ANY OR ALL OF THE DETAILS APPEARING OVERLEAF. A SEPARATE REQUEST BY THE APPLICANT TO CHANGE THESE DETAILS AS RECORDED AT THE MSE, WILL HAVE TO BE EFFECTED.**

7. Where a decision to invest is taken by a third party authorised to transact on behalf of the Applicant (a "**decision maker**") such as an individual that holds a power of attorney to trade on the Applicant's account or applications under a discretionary account, details of the decision maker need to be included in Panel C.

8. Where an MSE account number is held subject to usufruct, Panel C needs to be completed and both the bare owner/s and the usufructuary/ies are to sign this Application Form.

9. Applications must be for a minimum subscription of €2,000 and thereafter in multiples of €100 and must be accompanied by the relevant subscription amount in Euro.

10. Only Applicants who hold a valid official Maltese Identity Card or companies registered in Malta will be treated as resident in Malta. In such a case the Applicant may elect to have final withholding tax, currently 15%, deducted from interest payments in which case such interest need not be declared in the Applicant's income tax return. The Applicant may elect to receive the interest gross (i.e. without deduction of final withholding tax), but will be obliged to declare interest so received in the tax return. The Company will render an account to the Maltese Commissioner for Revenue of all interest paid, all amounts of tax deducted by the payor in respect of the interest paid and of the identity of all such recipients. Interest received by non-resident Applicants is not taxable in Malta and non-residents will receive interest gross. Authorised entities applying in the name of a prescribed fund will have final withholding tax (currently 10%), deducted from interest payments.

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

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

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

12. Interest, refund and redemption proceeds will be credited to the account indicated in Panel G or as otherwise amended by the Bondholder/s during the term of the Bond.

13. The Offer Period will open at 08:30 hours on 5 October 2023 and will close at 14:00 hours on 26 October 2023. The Issuer reserves the right to close the Offer Period before 26 October 2023 with respect to any one or more classes of Applicants depending on the level of subscription in the Bond Issue. Application for Bonds may be lodged with Authorised Intermediary listed in Annex I of the Securities Note during normal office hours. Remittances by post are made at the risk of the Applicant and the Company disclaims all responsibility for any such remittances not being received by the date of closing of the subscription lists. If any Application is not accepted after the closure of the subscription lists or is accepted for fewer Bonds than those applied for, the monies equivalent to the number of Bonds not being accepted will be returned by direct credit into the IBAN specified in panel G.

14. By completing and delivering an Application Form you (as the Applicant(s)) acknowledge that:
    a. the Company or its duly appointed agents including the CSD and the Registrar, may process the personal data that you provide in the Application Form in accordance with the Data Protection Act (Cap. 586 of the laws of Malta) and the General Data Protection Regulation (GDPR) (EU) 2016/679 as amended from time to time;
    b. the Company may process such personal data for all purposes necessary for and related to the Bonds applied for; and
    c. you, as the Applicant, have the right to request access to and rectification of the personal data relating to you, as processed by the Company.

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

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

FINANCIAL ANALYSIS SUMMARY

26 September 2023

ISSUER

INTERNATIONAL HOTEL INVESTMENTS p.l.c.

Prepared by:

MZ INVESTMENTS

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

E info@mzinvestments.com W mzinvestments.com

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

26 September 2023

Dear Board Members,

Financial Analysis Summary

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

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

(a) Historical financial data for the three years ended 31 December 2020 to 31 December 2022 has been extracted from audited financial statements of the Issuer for the three years in question.

(b) The projected data for the years ending 31 December 2023 and 31 December 2024 has been provided by management.

(c) Our commentary on the results of the Issuer and its financial position is based on the explanations provided to us by management.

(d) The ratios quoted in the Analysis have been computed by us applying the definitions set out in Part 5 of the Analysis.

(e) Relevant financial data in respect of the companies included in Part 4 has been extracted from public sources such as websites of the companies concerned, financial statements filed with the Registrar of Companies or websites providing financial data.

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

Yours faithfully,

Evan Mohnani
Head of Corporate Broking

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PART 1 – INFORMATION ABOUT THE ISSUER

1. KEY ACTIVITIES

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

RECENT AND ONGOING PROJECTS

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

Corinthia Hotel Rome *(opening 2024)*

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

Corinthia Hotel Brussels *(opening 2024)*

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

The new hotel will have 126 luxury bedrooms and suites and will offer unrivalled amenities for the city of Brussels including a fully restored grand ballroom, an 850m^2 spa, various dining venues, meeting facilities and high-end retail shops.

Corinthia Hotel New York *(opening 2024)*

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

Corinthia Hotel Bucharest *(opening 2024)*

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

Corinthia Hotel & Residences Doha ***(opening 2025)***

CHL has entered into contractual arrangements with United Development Company (UDC), the Qatari master developer of The Pearl in Doha, to manage and operate a luxury Corinthia Hotel being built on UDC's newest flagship real estate development, named Gewan Island. The Corinthia Hotel Doha occupies an area of 13,000m^2 and will feature 110 guestrooms, a 1,000-person banquet hall, several restaurants and a luxurious spa facility. The project also includes 18 nearby luxury branded villas for sale or lease, a golf course, and a beach club, which will be managed, together with the afore-mentioned hotel, by CHL under the Corinthia brand umbrella. The yacht club is now operational and is affiliated to the Monaco Yacht Club. It features members' lounges and amenities as well as a signature restaurant from Mayfair, London.

Corinthia Hotel Riyadh ***(opening 2025)***

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

Corinthia Hotel Maldives ***(opening 2026)***

In May 2023, CHL entered into a technical and pre-opening services agreement and a 20-year hotel management agreement with Maarah Pvt Ltd, a Maldivian entity, forming part of Niro Investment Group, a Romanian investment company having operations in Romania, the Middle East and South Asia. Maarah exclusively holds the head lease to the lagoon known as Lagoon 19 located in Kaafu Atoll, Maldives. Works on the first phase of the reclamation of the development of the resort are underway. The resort, to be known as the Corinthia Maldives, will feature a 73-key resort structured as an island resort extending on a main island of *circa* 124,000m^2 and a second exclusive island of *circa* 15,000m^2 being reclaimed over a submerged atoll, in proximity to Male. CHL is retained to advise on the technical and pre-opening services prior to opening. Under the technical services agreement, the owner has undertaken to open by 2026 when the resort will open to the public managed and operated as a luxury Corinthia Hotel resort. The resort consists of an aquatic-inspired architecture designed by global firm HKS with the main pavilion and independent water-edge villas on the main island and wellness facilities on the smaller island. The resort will include multiple restaurants operated with internationally renowned brands, water sports and jetty access, staff accommodation and full ancillary supporting facilities.

Corinthia Oasis Project

IHI owns an 83,000m^2 brownfield beachfront site in the pristine, rural north of Malta. The Group completed in 2021 the re-zoning of the site at Golden Bay to permit 25 low-rise detached hotel-serviced villas alongside a 162-key luxury resort property. In same year, the Maltese Parliament ratified a change of zoning to allow the development of the residential component, versus an agreed incremental payment of €10.5 million over and above what was originally paid for the land when privatised several years ago. Architectural designs are largely completed in keeping with IHI's aim to create a luxury low-rise, highly landscaped resort that is sensitive to Malta's character, materiality and rural environment.

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

Other Developments

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

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

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

2. DIRECTORS AND KEY EMPLOYEES

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

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

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

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

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

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

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

3. PRINCIPAL ASSETS

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 *(to be developed)*	100	n/a
Costa Coffee	Malta	Retail catering	100	n/a
Corinthia Hotel Lisbon	Portugal	Property owner	100	518
Pinhiero 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 *(commercial property)*	United Kingdom	Property owner	100	n/a
Benghazi Development	Libya	Mixed-use property *(to be developed)*	55	n/a
Corinthia Grand Astoria Hotel Brussels*	Belgium	Property owner *(under development)*	50	126
Corinthia Hotel & Residences London*	United Kingdom	Property owner	50	283
Medina Tower	Libya	Mixed-use property *(to be developed)*	25	n/a
Corinthia Hotel & Residences Moscow	Russia	Property owner *(development on hold)*	10	n/a
				3,778

** under control and management of IHI*

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

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

Notes:

(1) In August 2022, CHL completed the acquisition of a central office block, Craven House. The Group occupies the top three floors whilst the remaining space is available for lease by third parties.

(2) The sale contract of the Penthouse at the Corinthia Residences, London was closed in 2021.

(3) During 2021, the Group acquired the other 50% of the Golden Sands Hotel. As a subsidiary company, the financial position and results of Golden Sands are consolidated with the financial position and results of the Issuer and its undertakings.

(4) IHI owns 25% of the share capital of Medina Tower Joint Stock Company, a company set up for the purpose of owning and developing the Medina Tower, in Tripoli. The parcel of land, over which the project will be developed, measures *circa* 11,000m^2 and is situated in Tripoli's main high street. The architectural concept stems from a 4-storey podium that will include a mix of residential, retail, commercial and conference space. A curved tower rises from the 6th level and peaks at the 40th level, where a double height restaurant will complete the property. The development will comprise a total gross floor area of *circa* 199,000m^2. The execution of this project is currently on hold. The year-on-year decrease in the carrying value of the Medina Towers investment, from €12.2 million in FY2020 to €5.2 million in FY2021, was due to the effects of a devaluation of the Libyan Dinar.

4. OTHER ASSETS

CORINTHIA BRAND

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

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

BENGHAZI PROJECT

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

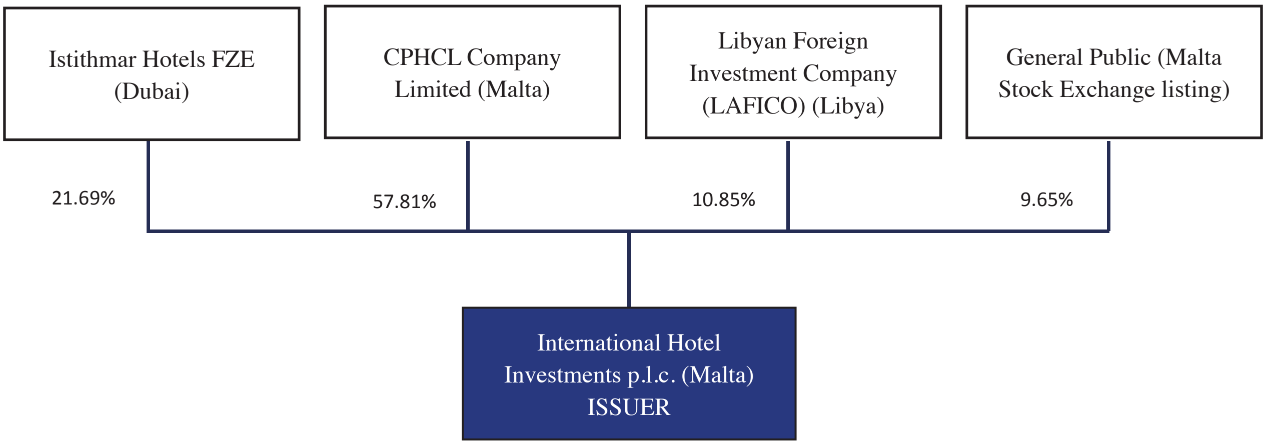
PROJECT MANAGEMENT

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

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

5. ORGANISATIONAL STRUCTURE

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



PART 2 – OPERATIONAL DEVELOPMENT

6. HOTEL OPERATIONS

6.1 ROOM INVENTORY

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

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

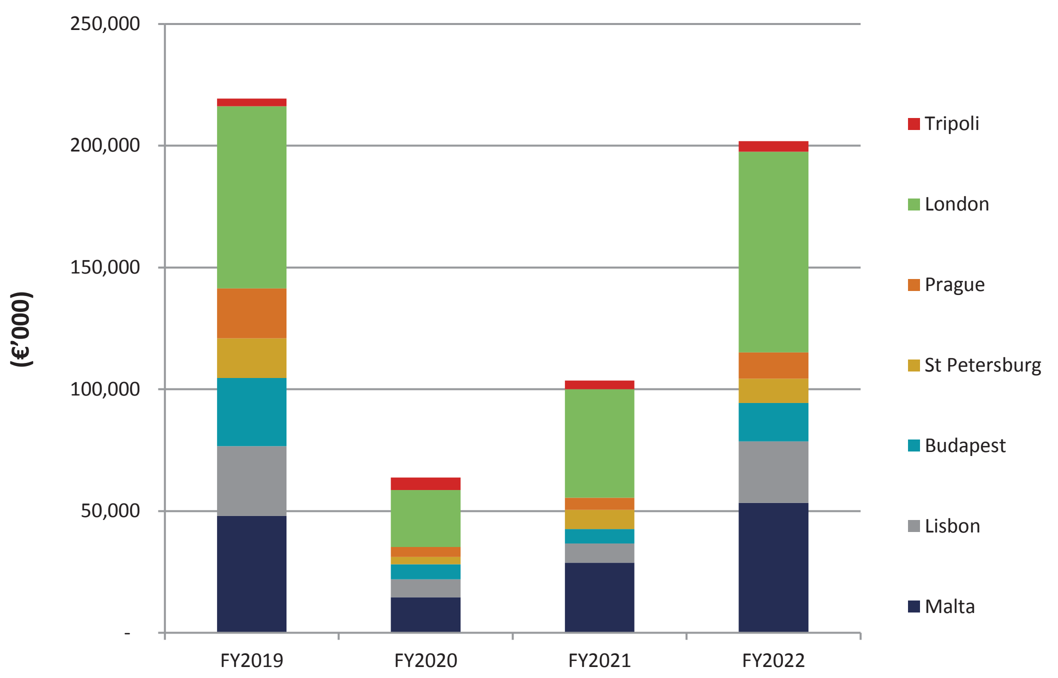
6.2 Performance Review

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

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

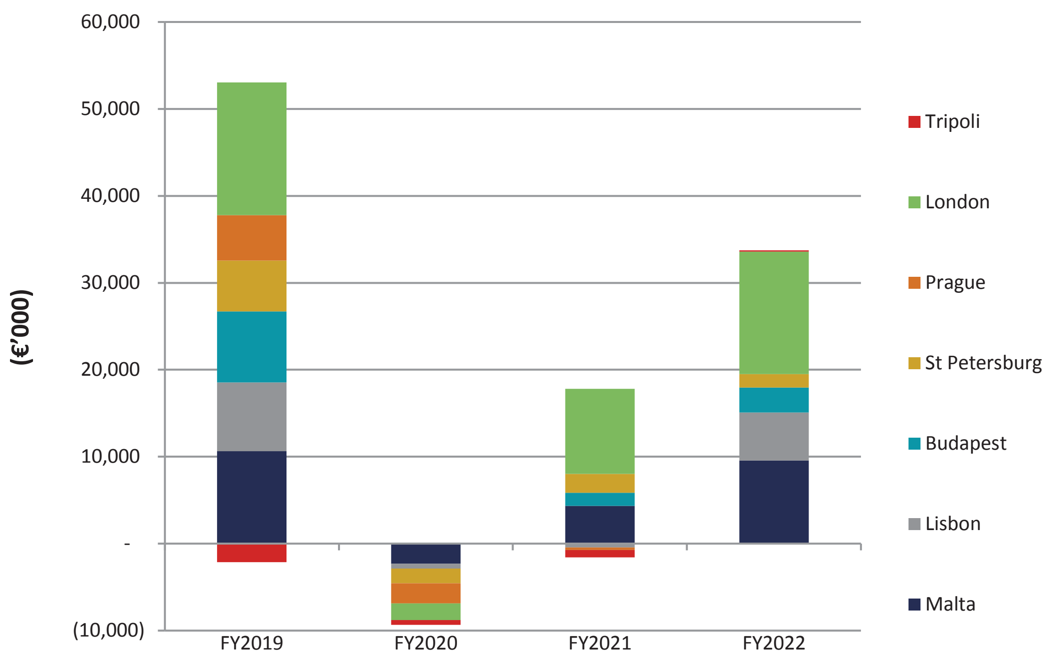
Source: Annual reports FY19 - FY22, management information, MZI analysis

Hotel Operations - Revenue



Source: Management information.

Hotel Operations - EBITDA



Source: Management information.

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

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

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

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

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

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

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

7. OTHER OPERATIONS

7.1 REAL ESTATE

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

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

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

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

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

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

7.2 HOTEL MANAGEMENT

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

The portfolio of hotels managed by CHL comprise the following:

CORINTHIA HOTELS LIMITED
Managed Hotel Portfolio as at 31 December 2022

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

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

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

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

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

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

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

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

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

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

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

7.3 CATERING

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

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

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

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

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

8. ECONOMIC ANALYSIS

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

8.1 HUNGARY[1]

Hungary's GDP[2] 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.

HICP[3] inflation appears to have peaked at 25.9% in 2023-Q1, following the phase-out of the motor fuel price cap in December 2022. The inflation rate is set to ease in the subsequent quarters, driven by base effects, lower commodity prices, the recent currency appreciation and weak consumer demand. The annual average inflation rate is projected to increase from 15.3% in 2022 to 16.4% in 2023, and then drop to 4.0% in 2024. The forecast assumes that the price cap on certain basic food items is not extended again beyond June 2023, and that residential utility prices remain unchanged.

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

[1] Economic Forecast – Spring 2023 (European Commission Institutional Paper 200 May '23).
[2] Gross Domestic Product (GDP) is an estimate of the value of goods and services produced in the economy over a period of time.
[3] Harmonised Index of Consumer Prices measures the changes over time in the prices of consumer goods and services acquired by households.

8.2 RUSSIA[1]

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

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

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

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

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

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

8.3 PORTUGAL[2]

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.

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

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

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

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

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

8.4 CZECH REPUBLIC[1]

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.

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

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

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

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

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

8.5 LIBYA

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

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

Political uncertainty in Libya will likely slow down economic recovery. If the country could sustain current levels of oil production and exports, it will benefit from increasing global oil prices, translating into higher fiscal revenues and more significant inflows of hard currency. This will positively impact its growth and its fiscal and external balances. Transparent and accountable management of Libya's oil revenues and public spending will be critical to ensure that the country's wealth benefits the population. However, positive economic performances depend on the improvement of political and security conditions. Other shocks to the global economy, or shocks to global commodity prices, would adversely affect Libya's economic activity and household welfare[1].

[1] https://www.worldbank.org/en/country/libya/overview#1

8.6 UNITED KINGDOM[1]

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

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

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

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

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

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

8.7 MALTA[2]

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%.

[1] Economic Forecast – Spring 2023 (European Commission Institutional Paper 200 May '23).
[2] Central Bank of Malta – 'Outlook for the Maltese Economy', 24 August 2023.

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

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

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

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

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

PART 3 – PERFORMANCE REVIEW

9. GROUP FINANCIAL INFORMATION

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

The Group's operations in Libya and Russia

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

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

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

Projections

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

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

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

Source: MZ Investment Services Ltd

The financial performance for **2020** was materially impacted by COVID-19 and the restrictions and limitations it imposed on the Group's businesses and everyday lives. Total revenue for the year under review amounted to €91.9 million, a reduction of €176.4 million from the revenue generated the year before on account of lockdowns and other restrictions imposed in all countries where the Group operates.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Source: MZ Investment Services Ltd

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

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

i) A net increase in inventories and trade & other receivables of €12.1 million reflecting the recovery in operating activities.

ii) A decrease in cash balances of €35.9 million mainly reflecting the repayment in advance and in full of the €40 million loan of the St Petersburg Hotel and Commercial Centre.

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

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

Net gearing ratio of the Group increased by 1.33 percentage points from 40.59% in 2021 to 41.92% in 2022. On the other hand, net debt-to-EBITDA improved considerably from 21.59 times in 2021 to 11.42 times in 2022 on account of the material y-o-y increase in EBITDA. The liquidity ratio weakened to 0.83 times compared to 1.52 times in 2021, impacted by a bank loan and bond issue due in 2023 amounting to €39.0 million (in aggregate) which have been classified as current liabilities.

In FY2023, total assets are expected to increase by €105.7 million mainly on account of the following:

i) investment property is expected to decrease y-o-y by €14.8 million, which reflects the disposal of the Lisbon apartments;

ii) an increase in property, plant & equipment of €51.8 million (net of depreciation charge) comprising various refurbishment programmes and projected development of Grand Hotel Astoria;

iii) an increase of €9.2 million in other investments, mainly contract assets which principally reflects the expected key money due on the New York hotel property;

iv) a net increase in inventories and trade & other receivables of €18.2 million is reflective of the continued increase in operating activities;

v) an increase in projected cash balances of €42.5 million as explained further in the commentary on the cash flow statement below.

Total liabilities are projected to increase by €123.7 million (y-o-y), which movement is expected to emanate primarily from changes in borrowings and other financial liabilities.

Bank borrowings are projected to increase by €84.8 million to €419.1 million (FY2022: €334.3 million), while debt securities are expected to increase by €49.7 million to €332.7 million. In view of the increased borrowings, the Group's gearing ratio is projected to increase by *circa* 4 percentage points to 46%, while net debt-to-EBITDA is anticipated to increase from 11.4 times in 2022 to 12.5 times in 2023.

The liquidity ratio for FY2023 is expected to weaken to 0.68 times compared to 0.83 times in the prior year. In FY2023, bank borrowings and bonds amounting to €182.6 (in aggregate) are due within one year and therefore classified as current liabilities. These borrowings are expected to be refinanced by means of new bank facilities and proposed new bonds.

In FY2024, total assets are expected to increase by €78.1 million mainly on account of the following:

i) an increase in property, plant & equipment of €37.3 million (net of depreciation charge) comprising various renovation and refurbishment programmes and projected development of Grand Hotel Astoria;
ii) an increase of €79.2 million in right-of-use assets which principally reflects the lease agreement on the Rome hotel property. The property is being developed by the lessor and will be operated by CHL;
iii) a decrease in projected cash balances of €48.0 million as explained further in the commentary on the cash flow statement below.

Total liabilities are projected to increase by €78.1 million (y-o-y), which movement is expected to emanate primarily from the recognition of the lease liability for the lease of the Rome hotel property.

Bank borrowings and debt securities are projected to remain broadly unchanged at €452.1 million (FY2023: €453.9 million) and €298.3 million (FY2023: €297.8 million) respectively. Notwithstanding, due to the projected decrease in cash balances and higher lease liabilities, the Group's gearing ratio is expected to increase by *circa* 5 percentage points to 51%. In contrast, net debt-to-EBITDA is anticipated to improve from 12.5 times in 2023 to 10.8 times in 2024 on account of higher projected y-o-y EBITDA.

International Hotel Investments p.l.c. Consolidated Cash Flow Statement for the financial year 31 December	**2020 Actual €'000**	**2021 Actual €'000**	**2022 Actual €'000**	**2023 Forecast €'000**	**2024 Projection €'000**
Net cash from / (used in) operating activities	(2,965)	29,748	49,781	32,573	68,989
Net cash from / (used in) investing activities	(11,709)	8,694	(38,672)	(81,097)	(69,430)
Net cash from / (used in) financing activities	(14,860)	24,644	(46,789)	92,690	(68,488)
Net movement in cash and cash equivalents	**(29,534)**	**63,086**	**(35,680)**	**44,166**	**(68,929)**
Cash and cash equivalents at beginning of year	65,463	36,383	97,906	55,740	98,831
Effect of translation of presentation currency	454	(1,563)	(6,486)	(1,075)	-
Cash and cash equivalents at end of year	**36,383**	**97,906**	**55,740**	**98,831**	**29,902**

Net cash flows from operating activities principally relate to the operations of the Group, which are analysed in further detail in Part 2 of this report. In 2022, operations across the Group's properties were significantly higher compared to 2021, and this is reflected in higher net cash inflows from operating activities which amounted to €49.8 million (FY2021: inflows of €29.7 million). In the projected years (2023 and 2024), the Group expects to generate €32.6 million and €69.0 million respectively in net cash from operating activities. This is reflective of the anticipated growth in the Group's operating profit from existing properties as well as new owned and managed hotels.

In FY2022, net cash used in investing activities amounted to €38.7 million on account of the development of the Grand Hotel Astoria, re-purchase of timeshare weeks at the Golden Sands and further expenditure at Corinthia Oasis. On the other hand, the Group generated €6.3 million from sale of financial assets.

In the projected two financial years, the Group is projecting net cash used in investing activities to amount to €150.5 million. Capital expenditure predominantly relates to the development of the Grand Hotel Astoria and is estimated at €143.4 million. Furthermore, the Group will be settling key money amounting to €9.2 million in FY2023 for the signing of the management agreement relating to the New York hotel and €4.0 million in FY2024 as contribution to the development of the Corinthia Hotel Rome. Projected cash inflows of €6.1 million in FY2023 relate to the disposal of the Lisbon apartments.

Financing activities principally comprise movement in bank and other borrowings, payment of leases and interest paid. During FY2022, the Group made net repayment of bank loans of €37.4 million and received advances of €20.0 million from its ultimate parent. Interest paid during the year amounted to €26.9 million while lease payments amounted to €2.6 million.

Net cash from financing activities in FY2023 is projected to amount to €92.7 million and shall comprise net cash inflows from borrowings (mainly bank loan facilities) of €119.0 million. In addition, an amount of €14.3 million is expected to be raised from the proposed bond issue. Net cash outflows are projected to amount to €40.6 million, comprising mainly payment of lease obligations of €2.4 million and interest payable of €38.2 million.

In FY2024, the Group is projected to use €68.5 million for financing activities. Net repayment of borrowings is estimated to amount to €18.0 million while lease obligations and interest payable are projected at €3.5 million and €47.0 million respectively.

10. RELATED PARTY DEBT SECURITIES

CPHCL Company Limited ("CPHCL") is the parent company and owns 57.81% of the issued share capital of IHI. CPHCL, through its wholly owned subsidiary Corinthia Finance p.l.c., has the following outstanding debt securities listed on the Malta Stock Exchange:

Security ISIN	Amount Outstanding	Security Name
MT0000101262	€ 40,000,000	4.25% CPHCL Finance plc Unsecured & Guaranteed Bonds 2026

Source: Malta Stock Exchange

CPHCL also owns 50% of Mediterranean Investments Holding p.l.c. ("MIH"), a company principally involved in the Palm City Residences Project and the Medina Tower Project and which are both situated in Libya. Below is a list of outstanding debt securities as at the date of this report.

Security ISIN	Amount Outstanding	Security Name
n/a	€ 11,000,000	6.00% Mediterranean Investments Holding plc Unsecured Notes 2023-2025 *(unlisted)*
MT0000371303	€ 30,000,000	5.25% Mediterranean Investments Holding plc Unsecured & Guaranteed Bonds 2027
MT0000371311	€ 20,000,000	5.85% Mediterranean Investments Holding plc Unsecured & Guaranteed Bonds 2028
	€ 61,000,000	

Source: Malta Stock Exchange

11. INFORMATION RELATING TO THE ISSUER'S EQUITY

The 615,684,920 ordinary shares of the Issuer, having a nominal value of €1.00 per share, are listed on the Regulated Main Market of the Malta Stock Exchange. The key market data relating to these ordinary shares is provided hereunder:

International Hotel Investments p.l.c. **Key Equity Market Data**		
Total number of shares in issue *('000)*	*[A]*	615,685
Share price as at 31 August 2023 *(€)*	*[B]*	0.505
Market capitalisation *(€'000)*	*[A multiplied by B]*	310,921
FY2022 net loss attributable to shareholders *(€'000)*	*[C]*	(5,442)
Loss per share *(€)*	*[C dividend by A]*	(0.009)
Price-to-earnings ratio *(times)*	*[A multiplied by B] divided by [C]*	(57.13)
Shareholders' funds as at 30 June 2023 *(€'000)*	*[D]*	583,371
Net asset value per share *(€)*	*[D divided by A]*	0.948
Price-to-net asset value *(times)*	*[A multiplied by B] divided by [D]*	0.53

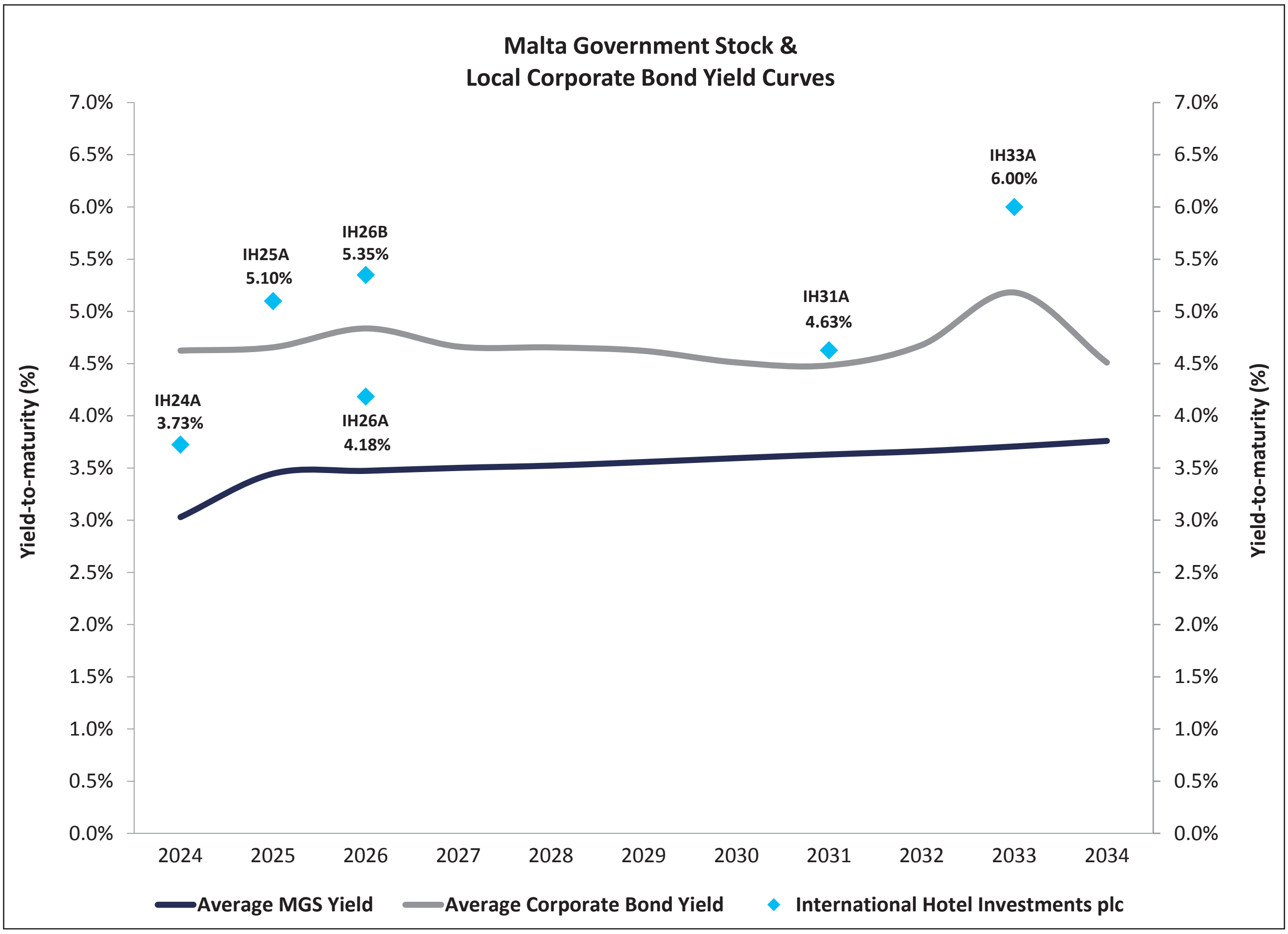
PART 4 – COMPARATIVE ANALYSIS

The table below provides a comparison between the Group and its bonds with other debt issuers listed on the Malta Stock Exchange and their respective debt securities. Although there are significant variances between the activities of the Company and other issuers (including different industries, principal markets, competition, capital requirements etc.), and material differences between the risks associated with the Company's business and that of other issuers, the comparative analysis serves as an indication of the financial strength and creditworthiness of the Group.

Comparative Analysis*	Amount Issued	Yield-to-Maturity	Interest Cover	Net Debt-to-EBITDA	Net Gearing	Debt-to-Assets
	(€'000)	*(%)*	*(times)*	*(times)*	*(%)*	*(times)*
6.00% AX Investments plc Unsecured & Guaranteed 2024	40,000	4.84	1.75	14.74	30.01	0.28
6.00% International Hotel Investments plc Unsecured 2024	35,000	3.73	1.87	11.42	41.92	0.40
5.30% Mariner Finance plc Unsecured 2024	17,684	5.29	4.72	5.95	49.91	0.49
5.00% Hal Mann Vella Group plc Secured 2024	30,000	4.88	2.42	9.45	51.80	0.44
5.10% 1923 Investments plc Unsecured 2024	36,000	5.07	4.81	2.94	47.79	0.40
4.25% Best Deal Properties Holding plc Secured & Guaranteed 2024	6,365	3.58	13.29	4.71	63.61	0.65
5.75% International Hotel Investments plc Unsecured 2025	45,000	5.10	1.87	11.42	41.92	0.40
5.10% 6PM Holdings plc Unsecured 2025	13,000	5.09	10.95	0.38	11.16	0.17
4.50% Hili Properties plc Unsecured & Guaranteed 2025	37,000	4.49	1.80	12.53	45.87	0.46
3.70% Gap Group plc Secured & Guaranteed 2023/2025	12,308	3.69	33.21	4.85	56.20	0.69
4.35% Hudson Malta plc Unsecured & Guaranteed 2026	12,000	4.34	6.11	4.89	71.67	0.57
4.25% CPHCL Finance plc Unsecured & Guaranteed 2026	40,000	4.24	1.66	12.42	42.45	0.40
4.00% International Hotel Investments plc Secured 2026	55,000	4.18	1.87	11.42	41.92	0.40
5.00% Dizz Finance plc Unsecured & Guaranteed 2026	8,000	4.78	1.91	10.70	79.93	0.59
3.75% Premier Capital plc Unsecured 2026	65,000	5.11	11.25	2.09	61.67	0.56
4.00% International Hotel Investments plc Unsecured 2026	60,000	5.35	1.87	11.42	41.92	0.40
3.25% AX Group plc Unsecured 2026	15,000	4.24	1.75	14.74	30.01	0.28
3.90% Gap Group plc Secured & Guaranteed 2024/2026	21,000	4.22	33.21	4.85	56.20	0.69
4.00% Hili Finance Company plc Unsecured & Guaranteed 2027	50,000	4.62	4.64	4.84	69.79	0.63
4.35% SD Finance plc Unsecured & Guaranteed 2027	65,000	4.80	4.68	1.74	22.08	0.26
4.00% Eden Finance plc Unsecured & Guaranteed 2027	40,000	5.54	4.24	5.37	25.33	0.23
5.25% Mediterranean Investments Holding plc Unsecured & Guaranteed 2027	30,000	5.24	3.79	3.30	22.75	0.21
4.00% Stivala Group Finance plc Secured & Guaranteed 2027	45,000	4.00	5.61	4.81	28.97	0.26
4.75% Best Deal Properties Holding Plc Secured & Guaranteed 2025/2027	15,000	4.55	13.29	4.71	63.61	0.65
4.75% Gap Group plc Secured & Guaranteed 2025/2027	23,000	4.49	33.21	4.85	56.20	0.69
3.85% Hili Finance Company plc Unsecured & Guaranteed 2028	40,000	4.78	4.64	4.84	69.79	0.63
5.85% Mediterranean Investments Holding plc Unsecured & Guaranteed 2028	20,000	5.26	3.79	3.30	22.75	0.21
3.65% Stivala Group Finance plc Secured & Guaranteed 2029	15,000	3.84	5.61	4.81	28.97	0.26
3.80% Hili Finance Company plc Unsecured & Guaranteed 2029	80,000	4.58	4.64	4.84	69.79	0.63
3.75% AX Group plc Unsecured 2029	10,000	3.75	1.75	14.74	30.01	0.28
6.25% GPH Malta Finance plc Unsecured & Guaranteed 2030	18,144	5.87	1.73	7.63	94.01	0.75
3.65% International Hotel Investments plc Unsecured 2031	80,000	4.63	1.87	11.42	41.92	0.40
3.50% AX Real Estate plc Unsecured 2032	40,000	4.29	2.31	13.83	42.36	0.41
5.00% Mariner Finance plc Unsecured 2032	36,930	5.00	4.72	5.95	49.91	0.49
6.00% International Hotel Investments plc Unsecured 2033	60,000	6.00	1.87	11.42	41.92	0.40
4.50% The Ona plc Secured & Guaranteed 2028/2034	16,000	4.51	44.17	9.76	64.11	0.59
5.50% Juel Group plc Secured & Guaranteed 2035	32,000	5.16	3.35	11.26	55.24	0.51

As at 31 August 2023

Sources: Malta Stock Exchange
M.Z. Investment Services Limited
Most recent audited annual financial statements except for Juel Group plc (FY2024 – forecast)



The **6.00% IHI unsecured bonds 2024** had a yield-to-maturity (“**YTM**”) of 3.73% as at 31 August 2023, which was 90 basis points lower than the average YTM of 4.62% of other local corporate bonds maturing in the same year. The premium over the corresponding Malta Government Stock yield of equivalent maturity stood at 70 basis points.

The **5.75% IHI unsecured bonds 2025** had a yield-to-maturity YTM of 5.10% as at 31 August 2023, which was 44 basis points higher than the average YTM of 4.66% of other local corporate bonds maturing in the same year. The premium over the corresponding Malta Government Stock yield of equivalent maturity stood at 165 basis points.

The **4.00% IHI secured bonds 2026** had a yield-to-maturity YTM of 4.18% as at 31 August 2023, which was 65 basis points lower than the average YTM of 4.84% of other local corporate bonds maturing in the same year. The premium over the corresponding Malta Government Stock yield of equivalent maturity stood at 71 basis points.

The **4.00% IHI unsecured bonds 2026** had a yield-to-maturity YTM of 5.35% as at 31 August 2023, which was 51 basis points higher than the average YTM of 4.84% of other local corporate bonds maturing in the same year. The premium over the corresponding Malta Government Stock yield of equivalent maturity stood at 188 basis points.

The **3.65% IHI unsecured bonds 2031** had a yield-to-maturity YTM of 4.63% as at 31 August 2023, which was 14 basis points higher than the average YTM of 4.48% of other local corporate bonds maturing in the same year. The premium over the corresponding Malta Government Stock yield of equivalent maturity stood at 100 basis points.

The new **6.00% IHI unsecured bonds 2033** have been priced at 82 basis points above the average YTM of 5.18% of other local corporate bonds maturing in the same year. The premium over the corresponding Malta Government Stock yield of equivalent maturity as at 31 August 2023 is 229 basis points.

PART 5 - EXPLANATORY DEFINITIONS

INCOME STATEMENT	
Revenue	Total income generated from business activities.
EBITDA	Earnings before interest, taxes, depreciation, and amortisation. It is a metric used for gauging a company's operating performance, excluding the impact of its capital structure, and is usually interpreted as a loose proxy for operating cash flow generation.
Operating profit	Profit from core operations excluding interest and tax.
Profit after tax	Net profit generated from all business activities.
PROFITABILITY RATIOS	
EBITDA margin	EBITDA as a percentage of revenue.
Operating profit margin	Operating profit as a percentage of total revenue.
Net profit margin	Profit after tax as a percentage of total revenue.
Return on equity	Measures the rate of return on the company's net assets and is computed by dividing the net profit by average equity.
Return on assets	Measures the rate of return on the company's assets and is computed by dividing the net profit by average assets.
Return on invested capital	Measures the rate of return from core operations and is computed by dividing operating profit by the average amount of equity and net debt.
CASH FLOW STATEMENT	
Net cash flow from / (used in) operating activities	The amount of cash generated (or consumed) from the normal conduct of business.
Cash flow from / (used in) investing activities	The amount of cash generated (or consumed) from activities related to the acquisition, disposal, and/or development of long-term assets and other investments.
Cash flow from / (used in) financing activities	The amount of cash generated (or consumed) that have an impact on the company's capital structure and thus result in changes to share capital and borrowings.
BALANCE SHEET	
Non-current assets	These represent long-term investments which full value will not be realised within the next twelve months. Such assets, which typically include property, plant, equipment, and investment property, are capitalised rather than expensed, meaning that a company amortises the cost of the asset over the number of years for which the asset will be in use instead of allocating the entire cost to the accounting year in which the asset was acquired.
Current assets	All assets which could be realisable within a twelve-month period from the balance sheet date. Such amounts may include development stock, accounts receivable, cash and bank balances.

Non-current liabilities	These represent long-term financial obligations which are not due within the next twelve months, and typically include long-term borrowings and debt securities.
Current liabilities	Liabilities which fall due within the next twelve months from the balance sheet date, and typically include accounts payable and short-term debt.
Total equity	Represents the residual value of the business (assets minus liabilities) and typically includes the share capital, reserves, as well as retained earnings.
FINANCIAL STRENGTH/CREDIT RATIOS	
Interest cover	Measures the extent of how many times a company can pay its net finance costs from EBITDA.
Net debt-to-EBITDA	Measures how many years it will take a company to pay off its net interest-bearing liabilities (including lease liabilities) from its EBITDA generation capabilities, assuming that net debt and EBITDA are held constant.
Net debt-to-equity	Shows the proportion of net debt (including lease liabilities) to the amount of equity.
Net gearing	Shows the proportion of equity and net debt used to finance a company's business and is calculated by dividing a company's net debt by net debt plus equity.
Debt-to-asset	Shows the degree to which a company's assets are funded by debt and is calculated by dividing all interest-bearing liabilities by total assets.
Leverage	Shows how much equity a company is using to finance its assets.
Current ratio	Measures whether or not a company has enough resources to pay its short-term liabilities from its short-term assets.

INTERNATIONAL HOTEL INVESTMENTS p.l.c.