

INTERNATIONAL HOTEL INVESTMENTS PLC

Minutes of the twenty first Annual General Meeting of International Hotel Investments p.l.c. held on Thursday, 10 June 2021.

In the Chair

Mr Alfred Pisani Chairman

In Attendance

Mr Joseph Pisani	Director
Mr Joseph Fenech	Director
Mr Frank Xerri de Caro	Director
Mr Hamad Buamim	Director
Mr Douraid Zaghouani	Director (via video conference)
Mr Abdalnaser Ahmida	Director (via video Conference)
Mr David Curmi	Director
Mr Jean-Pierre Schembri	Company Secretary
Mr Simon Naudi	CEO
Mr Simon Flynn	PricewaterhouseCoopers - auditors
Dr Louis de Gabriele	Camilleri Preziosi - legal advisors

Chairman made an introduction and declared the Meeting open. Chairman welcomed everyone to the 21st Annual General Meeting of IHI, mainly those representing the Institutional Investors as also the General Public. Chairman held that it is unfortunate that once again as happened last year because of the pandemic, we cannot meet in the manner we have traditionally done when we all met together at the Corinthia Hotel St George's Bay and so, as last year, we are holding our meeting via video amongst the Board of Directors, which meeting we are recording to be uploaded on the Company website. Chairman introduced the Shareholders present for the AGM, namely:

Alfred Pisani, Chairman, Mr Abdalnaser Ahmida and Mr Joseph Pisani, representing CPHCL, holding 57.81%.

Mr Hamad Buamim and Mr Douraid Zaghouani representing Istithmar, holding 21.69%

And Mr Abdalnaser Ahmida also representing Lafico, holding 10.85%

Chairman informed the meeting that he has personally received proxies for 573,939,547 million shares which represent 93%

In other words, we have a quorum for the meeting as physically or by proxies we have representation for 93% of the total paid up share capital of 615 million.

With this representation attending today's meeting, Chairman held that he can now proceed with the business of the day as indicated on the Agenda. However, prior to this, he made a short introduction.

Chairman held that notwithstanding the pandemic, he was particularly happy to be still holding our 21st Annual General Meeting of IHI, although not in person, but via video. On the other hand, he has always particularly enjoyed welcoming and shaking hands with all the Shareholders that attended our Annual General Meeting. However, we trust that come next year we will meet altogether as has traditionally been the custom.

Whilst we are not able to meet in person, and deliberate as necessary, it's still the Chairman's duty to look back on last year's experiences, particularly the unexpected setback that we have had to face from mid-March of 2020 when the pandemic hit the world over, bringing about a complete change in our way of living and the total absence of business for our hotel industry.

It is of interest to remember that when we first heard of COVID in November / December 2019, we assumed that this will be one other problem that will remain far away from us in some distant location no less than what we had experienced with Ebola, Sars and a number of other viruses that it would pass without much bother to the rest of the world but how wrong we were from the truth.

In reality the very opposite happened, and come March 2020, we were hit with this virus, also in Europe and no less in Malta. Lockdowns were introduced in our country as also all over Europe, with each country shutting down one after the other.

At that stage none of us had any clue how long this dark cloud would hang above our heads. However, it gradually transpired that what started as a virus developed into a pandemic triggering a medium to a long-term recession.

Chairman held that we at Corinthia immediately acted to the call of duty, and I truly mean immediately for within the first week of Government announcing the shutdown in Malta as also in every other country where we operate, we immediately issued a number of instructions, mainly aimed at safeguarding our cashflow. It was clear from the very beginning that cashflow would be the determining factor of how long we could sustain a situation of little or no income.

Immediately we stopped the employment of all employees on probation.

We cancelled all arrangements with casual labour service providers for that labour which was outsourced. A decision which unfortunately meant losing some 500 employees within our local and international operations.

- We stopped all capital expenditure.
- We closed a number of hotels whilst leaving a 24- hour security on site plus a number of maintenance personnel.
- We negotiated with banks on a deferment of capital repayments and where possible also interest.
- We made full use of every support provided by the various Governments in the countries where we operate, which support varied from one country to another.
- We negotiated agreements with some Governments for the rescheduling of VAT payments and other payroll contributions.
- We communicated immediately with Middle and Senior Management and advised them that they have to take a reduction in their take home pay as from April 2020, a reduction in salary of 40%/50% and even 60%, depending on the grade, notwithstanding that they would remain working a five-day week. This was done with the promise that such salary cuts would be paid back in the future.
- We placed all the Group's cash reserves into one fund for use as necessary by any of these operations, whilst concurrently entering into a formal loan agreement carrying a 3% interest rate for any movement of funds between the respective companies.

We did all the above while scrupulously following all the health protocols announced in each of the countries where we operate.

It is evident from all the actions that Chairman mentioned that we did the maximum possible in the circumstances. These were actions which in the main were all carried out within two to three weeks of the lockdowns. The speed of these decisions gave us and our company a strong sense of purpose and determination.

The result of all these actions, translated in minimising our operating losses to within €4 million and that includes that portion of unpaid salaries, a loss which would have been substantially higher had we not acted decisively and immediately. In terms of cash flow, the operating loss is even lower in consequence of the support of all those

who agreed to take cuts in their salaries. For sure everyone appreciates that an operating loss of just under €4 million for a relatively large Company in such an extraordinary situation whilst still employing a substantial number of people and with minimal income from sales is next to a miracle.

However, in addition to this we have to account for certain other costs which come below the EBITDA level, that is interest on bonds and bank loans, which in the case of IHI amounted to approximately €23.5 million, to which we also need to add depreciation and also the devaluation effect of those currencies that lost against the Euro since the Euro is our functional currency particularly, the devaluation we experienced in the Rouble and Sterling.

To support the operating cash loss as also the payment of interest, we applied for a loan of €25 million with the Malta Development Bank, even though this amount was not fully drawn down by the end of last year.

Notwithstanding all these pressures, we were also faced with the opportunity and the need to purchase the other 50% shareholding at Golden Sands Resort, since our foreign partners went into liquidation. We secured this transaction in order to safeguard the operation and its stakeholders, that is our employees, the banks, our bondholders and shareholders. This acquisition was concluded at the price of €13 million, against a significantly higher asking price in 2015, when at that time we purchased the Island Hotel Group.

In other words, we not only safeguarded the workplace of the employees, but also acquired an additional 162 apartments, being the 50% of the total inventory of Golden Sands Resort, previously owned by the other shareholder. Chairman held that he believes that in the future we shall look back at this acquisition and be proud that we not only safeguarded the operation, but appreciate the bargain achieved, notwithstanding that this acquisition was carried out during very difficult times. For the record, Chairman mentioned that in August 2015, when we acquired the Island Hotels Group, the deal included the 100% of the Radisson Blu Hotel in St Georges Bay, the 100% of the 85,000 sqm of land at Hal Ferh plus the franchise for Costa Coffee in Malta and the East side of Spain. Whilst on the other hand we only acquired 50% of Golden Sands Resort, and so Chairman looks at this acquisition as possibly the silver lining to the dark cloud that has persisted over this pandemic period.

Furthermore, and likewise another silver lining, is that whilst our workforce has reduced by 52% over the past 18 months in consequence of the actions we took and also that a number of our colleagues resigned to seek work elsewhere, the Board, together with Management, has taken the decision, and in fact has given instructions to all our Hotel Managers, that no GM can re-employ the full complement that existed

prior to the pandemic. We trust that this direction will translate into higher efficiency in the operations within the Group, with the purpose of reclaiming losses incurred in 2020 and 2021 from future profitable years, and not necessarily against the regular future profits that we would anticipate to generate.

Chairman held that he firmly believes that come 2023, when hopefully the world is back to normality, we will not only achieve the 2019 results, but surpass these by additional profits from the efficiency resulting by operating with a leaner complement.

I trust that you all appreciate that notwithstanding the difficult time we have had to face, we have nonetheless acted responsibly, turning setbacks to our advantage for the coming years.

On closing, Chairman once again thanked all shareholders for giving us the opportunity to share our thoughts regarding the difficult period we have faced over these past 18 months and our trust for a better future. Thank you.

The situation is still unclear. There is now a small trickle of business coming in. We hope that Q3 and Q4 will be better than the first two quarters this year.

Chairman then moved on to the business of the AGM as indicated on the Agenda:

A. ORDINARY BUSINESS:

The Company Secretary read the first Resolution on the Agenda:

- 1. That the consolidated financial statements of the Company for the year ended 31 December 2020, together with the Directors' Report and the Auditors' Report thereon be and are hereby approved.**

Mr Simon Flynn on behalf of PricewaterhouseCoopers, Certified Public Accountants and Auditors to read the Auditors' opinion which is found on page FS19 of the Annual Report.

Chairman asked for the Shareholders' approval for the financials.

IT WAS RESOLVED that the consolidated financial statements as at 31st December 2020 and the Directors' and Auditors' Reports thereon be hereby approved.

The Company Secretary to read the second Resolution on the Agenda.

2. That PricewaterhouseCoopers be and are hereby appointed as auditors of the Company and that the Directors be and are hereby authorized to fix their remuneration.

Chairman asked Shareholders for approval.

IT WAS RESOLVED that the appointment of PricewaterhouseCoopers as auditors of the Company, be hereby approved and that the Directors be hereby authorised to fix their remuneration.

Chairman than proceeded to approving the appointment of Directors.

B. APPOINTMENT OF DIRECTORS

The Company Secretary informed the Meeting that nine valid nominations had been received, consequently the Company Secretary read out the names:

Mr Abdalnaser Ahmida
Mr Hamad Buamim
Mr Salem Hnesh
Mr Alfred Pisani
Mr Joseph Pisani
Mr David Curmi
Mr Frank Xerri de Caro
Mr Douraid Zaghouani
Mr Joseph Fenech

Since the nominations received are within the number available, each of the persons nominated shall take up office as director and no election shall take place. Accordingly, no resolution is required at this meeting as the directors are duly appointed pursuant to the articles of association.

In the light of having covered the points on the Agenda Chairman proceeded to bring the meeting to a close. However, before closing, Chairman held that he felt duty bound that as Chairman of the Company, he has to express his heartfelt thanks not only to his colleagues on the Board of Directors but also to the Management, who acted so faithfully and faced all challenges, for it has been this unified support that gave us the strength to see us through this difficult period of the pandemic. Therefore, Chairman once again thanked his fellow Board Members as also thanked Management and the General Staff and finally, and not least, thanked all our Shareholders. Thank you all.

Chairman held that he looks forward to meeting shareholders in a year's time.