



INTERNATIONAL HOTEL INVESTMENTS P.L.C.

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22nd Annual General Meeting

9 June 2022

Q&A

- 1. The Company is planning to issue and allot up to 300,000,000 new shares. This means that the issued share capital of the Company will increase significantly. Will this mean that the value of the current shares will decrease, as a result of the increase in supply of shares?**

No. The new share issue will not dilute the value of the existing shares. The new shares are being issued for a consideration with all proceeds remaining in the company to be utilised exclusively for growth and new developments, thus expanding the profit potential of the group. The Company plans to issue these new shares to an institutional shareholder and has entered into Heads of Terms with the United Development Company of Qatar (UDC) to subscribe to a shareholding in the Company. The agreement provides that subject to the attainment of all necessary approvals, UDC will subscribe to 100,000,000 new shares to be issued by the Company at a subscription price of €1.22 per share and furthermore, be granted an option to subscribe to an additional 200,000,000 new shares within one year at a price of €1.28 per share. In reality this is a much higher price than what is currently stated in the stock market, indicating that this transaction could uplift the share price.

- 2. Should UDC join IHI, what percentage shareholding will it have in the Company?**

Upon subscription by UDC of the 100,000,000 new shares, UDC equity interest in the Company shall constitute 13.97% of the total then issued share capital. In the event that the option is exercised and UDC subscribes for the full 300,000,000 Shares, then it shall hold circa 33% of the then total issued share capital.

- 3. Why are the Director's emoluments being increased?**

The aggregate emoluments that may be paid to directors is being increased from the current limit of €850,000 approved at the annual general meeting of the 13 June 2017, to the sum of €1,300,000.

This increase in the aggregate emoluments denotes an overall maximum provision amount that the directors may receive in terms of remuneration, whether directly or indirectly. It takes into account increased costs that may need to be paid to directors and makes room for emoluments to be paid in the event that additional directors are appointed to the board, in line with the proposal made for the maximum number of directors to be increased to 12.

4. What are the Company's plans for the Corinthia Palace Hotel?

The Company is planning a refurbishment of the Corinthia Palace Hotel, which is the birthplace of the Company. This refurbishment will include a refurbishment of the Villa, upgrading of a number of rooms into suites and in parallel reduce the rooms inventory to 135 rooms, a full refurbishment of the remaining rooms, and an uplift of the lobby and pool area. It is our plan to make the Corinthia Palace Hotel the best hotel of the Group and to act as a benchmark for all our other properties.

5. What are the Company's plans for the Saint George's Peninsula hotels?

The Company has parked its plans for a mixed use development on the Saint George's peninsula. For the near future, we have concrete plans to refurbish the San George Hotel and ensure proper upkeep of all our properties in the peninsula. It is pertinent to note that our overall vision for the properties we have in Malta, is that we need to be conscious and in tune with the direction of how the island intends to position itself in the tourist industry for the years ahead.

6. When will the Company be in a position to issue dividends?

While it is premature to comment on future dividends, one needs to keep in mind that dividends can only be distributed if there are accumulated profits.

It should be noted that the losses incurred in 2020 and 2021 were substantial in consequence of the COVID-19 pandemic. However, since the larger part of the losses incurred in 2020 and 2021 resulted from depreciation, an item that does not have a cash impact, the liquidity position of the Company remained strong which is positive in that IHI can face the future with confidence until there is a full recovery in the hospitality industry.

7. The percentage of free float shares is small. Is there a plan to increase this?

The Company is aware that the amount of shares considered as 'free float' is low and below 10%. It is next to impossible, given the company's equity base, to increase this percentage through a new issue on the local market because the amount of shares that would have to be issued are substantial. It is for this reason that the Company has been looking for a secondary listing on an

international market, where it would be easier to issue new shares and increase the free float to a minimum of 25% of total shares in issue.

8. What is the impact of the situation in Ukraine and Russia on the Company?

We are also following closely the events in Russia. IHI's interest in St Petersburg represents approximately 8% of the Group's total revenue and assets.

9. At this year's AGM, shareholders are being asked to authorise the Directors to issue and allot up to 300,000,000 new shares to an investor or investors, without first offering the same shares to the existing shareholders, and therefore waiver their pre-emptive rights. Is this a one-time waiver or a permanent waiver?

This is a one time waiver, limited to the issue of 300.000.000 new shares.

10. What are IHI's plans for secondary listing and what will be the benefits?

IHI, as it has done in the past, intends to pursue a second listing, at the right moment, on an international market as this gives a long term solution to both the small shareholders and the institutional investors to trade in a more liquid market where hopefully the true value of its shares are reflected particularly as different to the Malta Stock Exchange, the foreign exchanges are supported by market makers who give an ongoing opinion of the Company's share value. The timing and the market that will be considered for this secondary listing is under constant review and will be timed towards the full recovery of the hospitality industry. Attempts to approach this earlier could be detrimental to the shareholders of IHI in not obtaining an adequate price for the new shares that will be issued which in themselves would then set the platform for future trading on all the listed shares in the Company.