

## INTERNATIONAL HOTEL INVESTMENTS PLC

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### Minutes of the twenty third Annual General Meeting of International Hotel Investments p.l.c. held on Tuesday, 13 June 2023.

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#### In the Chair

Mr Alfred Pisani Chairman

#### Directors In Attendance

Mr Joseph Pisani	Director
Mr Frank Xerri de Caro	Director
Mr Douraid Zaghouani	Director
Mr Moussa Atiq Ali	Director
Mr Hamad Buamim	Director
Mr Richard Cachia Caruana	Director
Mr Alfred Camilleri	Nominee
Mr Jean-Pierre Schembri	Company Secretary

Mr Simon Naudi	CEO
Mr Neville Fenech	Group CFO
Ms Lucienne Pace Ross	PricewaterhouseCoopers - Auditors
Dr Louis de Gabriele	Camilleri Preziosi - Legal Advisors

Chairman made an introduction and declared the Meeting open. Chairman welcomed everyone to the 23<sup>rd</sup> Annual General Meeting of IHI.

Chairman introduced the members of the Board to the meeting.

Chairman informed the meeting that he has personally received proxies for 506,812,045 million shares which represent 82%. In other words, we have a quorum for the meeting as physically or by proxies, representation for 82% of the total paid up share capital of 615 million was reached, thus obtaining the necessary quorum to hold the 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 happy to be able to welcome shareholders once again, and pointed out that this was the Company's first AGM since the pandemic when we have no restrictions, for as you will remember in 2020 and 2021 we did not meet in person but provided an online update, whilst last year we limited the meeting to a small number of people. So, it is particularly heartening to once again meet without restrictions whilst also looking forward to see steady improvement in our business.

Chairman expressed his sincere gratitude and appreciation for the loyalty and commitment shareholders have shown towards the Company during these difficult times and also for their sustained investment. Chairman expressed confidence that in the years to come, they will remain part of the Company's success as we embark on the road to recovery.

The pandemic posed severe challenges to our business in 2020 and 2021 as also in the first quarter of last year. However, the various vaccination programmes in the different countries within which we operate, coupled with the lifting of travel restrictions, propelled a quick recovery in the second half of 2022, which saw a significant, speedy improvement in performance and an increasing demand for our hotels.

However, on the other hand, the pandemic was followed by rising inflation, in particular, the increase in costs of wages, fuel costs outside Malta and a wide variety of goods. To mention one area, in 2022, our energy cost increased by 93.48% year on year. Additionally, the increase in interest rates by the monetary authorities to combat inflation resulted in a significant rise in our cost of borrowing. In short, we saw rising costs at all levels.

Moreover, the situation in Russia negatively impacted our Hotel and Commercial Centre in St Petersburg while our project in Moscow, in which we have a 10% shareholding, has been put on hold. IHI's interest in St Petersburg represents approximately 5.6% of the Group's total revenue and 8% of the value of our assets. It is pertinent to point out that we did last year take the initiative to repay in advance and in full the €40 million loan that was on balance for the Hotel and Commercial centre in St Petersburg. In other words, we have no existing loans on this property.

We have reacted quickly to all the difficulties that came our way when we constantly reminded our management to curtail costs efficiently and recover as soon as possible our losses suffered during the pandemic, no doubt full recovery will require some time yet. The IHI Board issued clear instructions to keep constant watch on our manning levels, making sure that our personnel levels be reduced by at least 15 per cent less than in 2019. Moreover, we have asked management to keep constant watch and active control of our energy consumption, which combined efforts by Management have had a very positive result.

Despite these challenges, which we have persistently handled to the best of our ability, Corinthia has also sustained a healthy recovery since the middle of last year.

EBITDA that is Operating profit before interest, depreciation and fair value adjustments for 2022 amounted to €51.7 million, which when compared to 2021, shows an improvement of €25.2million. It is appropriate to note that in 2019 our EBITDA figure hit €69.8 million, indicating that we have still not reached the profitability levels of 2019, mainly due to rising costs all around.

When IHI was first set up as a public Company in 2000, our main business for the first ten years was developing our own hotels and real estate with the objective of concurrently operating them under the Corinthia Brand, meaning that we not only own the hotels but in so doing gave us the opportunity to grow the brand Corinthia.

Today, we can affirm that our brand has achieved global recognition, especially with the opening of our London Hotel in 2011. In the forthcoming year or two, IHI will be operating eight new properties, thus further consolidating the strength and image of our brand.

Whilst taking on board the management of third-party hotel properties is a faster and less capital-intensive way to display our Corinthia Flag, one must not, on the other hand, overlook the capital gain achieved when acting as a developer, where, after buying at a correct price and constructing at competitive rates, the opening of a new property would generally result in a minimum of 20% gain in additional value. We only have to look at the value of what our properties cost at the time of opening and the value that they hold today. We look at this as hidden profit which will one day be realised with the sale of our hotels. However, this can only be achieved once we have many more hotels under management flying the Corinthia flag.

Therefore, Chairman firmly believes that we should not lose sight of the importance of continuing to invest in hotels and real estate development. So, whilst aggressively pursuing the management of third-party hotels, we must nonetheless continue to pursue the possibility of further investments in hotel and real estate. In fact, our management is currently evaluating several proposals for investments in Europe and beyond. However, to achieve this objective of development it is necessary to sell some of our properties as also consider increasing the share capital of the Company.

With this in mind, we have, once again, put the Corinthia Hotel in Prague on the market. You will recall that before the pandemic, we had almost completed the sale of this property however, the deal had come to a halt because of the pandemic. We trust that we can be successful this time round.

We do have in the pipeline a number of hotel openings under management, as also new developments. These developments are all in key locations, namely in Brussels, Rome, New York, Doha, the Maldives, Riyadh and Bucharest. Our plans on the Corinthia Oasis, formerly known as Hal Ferh, are well advanced as the planning application was submitted some weeks back and minor works of site preparation are in progress.

The impact these openings will have on our brand will undoubtedly be substantial, whilst new opportunities will also come our way as a consequence of these new hotel openings.

We are also actively working on expanding our brand in the Gulf region.

The many challenges and opportunities ahead are most exciting and will intensify our determination to move forward. We have never considered challenges as hurdles but view them as opportunities. By playing our cards correctly, we will indeed become a global leader in our industry.

Chairman referred to the overall strategy of the Group. He said that if anyone had to ask about our vision when we started our Company, he would have never imagined that Corinthia would one day become an international player providing a multi-pronged capability to function as a developer, as an investor and also as a project manager and ultimately, a hotel operator. As shareholders know, we now offer the following services:

- Property ownership through IHI;
- Developers through CDI;
- Project Management through QP;
- Hotel Management through CHL; and
- Industrial catering through Corinthia Caterers.

This multi-faceted approach has proved very beneficial, especially when certain difficulties may hinder some activities but allow others to operate profitably. We are today quite a unique organisation as few companies worldwide offer such diverse services of a one-stop shop. And Chairman is confident that this evolution will continue to progress further.

Looking forward, our business strategy is based on a number of pillars, namely:

- Maximising revenue and profitability from our hotel operations and other businesses;
- Disposing of non-core properties, properties which are mature in terms of market value and others, like the Corinthia in Prague, which is more suitable to be operated as a four-star brand; and
- Putting our Corinthia flag on luxury third-party-owned properties and possibly considering having a minority investment in such properties when the right opportunity presents itself.

We are also actively working on setting up a second brand, positioned to include upscale hotels which cannot be serviced by the Corinthia brand, covering upper four-star and lower five-star levels, of which there are many more on the market.

This second brand will be called Verdi Hotels, and we plan to launch it later this year and expand internationally in the next 12-15 months, managing hotels which are both internally owned as also others owned by existing partners and / or other third parties.

When looking forward, Chairman has in the past given you a clear commitment that at the right time, we will go for a second listing in a liquid market and increase the free float to a minimum of 25 per cent. This will involve raising a substantial number of new shares in order to achieve this objective. One can only imagine the Company's potential growth with such funds in hand.

However, going for a second listing is not a short-term project. Much preparation is needed with the support of our international brokers as also awaiting the right timing to launch.

In the meantime, our discussions with UDC have slowed down, in view of the unfavourable current climate in the World's financial markets. However, these discussions are still ongoing and we will keep you updated with any future developments.

Chairman said that he cannot emphasise enough the Corinthia Family in our growth process, we must always ensure to retain a firm hold on our foundations which are our values of integrity, family, commitment, and passion, as these elements ultimately give us a cutting edge over our competition.

Much has changed in the world since our humble beginnings, but the family values that have guided our behaviour over the years remain the beacons that guide us to navigate successfully through our challenges and opportunities. This Spirit of Corinthia is our pulsating heart, which distinguishes us from the rest.

Shareholders were shown a short video clip which explains the situation in the past years and shows the various developments underway.

Chairman than 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 2022, together with the Directors' Report and the Auditors' Report thereon be and are hereby approved.**

Ms Lucienne Pace Ross on behalf of PricewaterhouseCoopers, Certified Public Accountants and Auditors to read the Auditors' opinion which is found on the Annual Report. She confirmed that the auditors have delivered a clean audit opinion.

Chairman asked for the Shareholders' approval for the financials.

**IT WAS RESOLVED that the consolidated financial statements as at 31<sup>st</sup> December 2022 and the Directors' and Auditors' Reports thereon be hereby approved.**

The Company Secretary 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 the Auditors.

## **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 Alfred Pisani

Mr Moussa Atiq Ali

Mr Hamad Buamim

Mr Joseph Pisani

Mr Douraid Zaghouni

Mr Richard Cachia Caruana

Mr Frank Xerri de Caro

Mr Alfred Camilleri

Mr Mohamed Shawsh

Mr Jean-Pierre Schembri is the Company Secretary.

Since the nominations received are less than the number of vacancies, 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 expressed his appreciation to the members of the Board, management and the general staff and to above all to the shareholders for keeping their belief in the Company despite the challenges which the industry faced in recent years.