COMPANY ANNOUNCEMENT

The following is a Company Announcement issued by International Hotel Investments p.l.c. pursuant to the Capital Markets Rules as issued by the Malta Financial Services Authority.

Financial Analysis Summary

The Board of Directors of *International Hotel Investments p.l.c. hereby* announces that the Financial Analysis Summary dated 28 June 2024 has been approved for publication. A copy of the document is attached to this announcement and can also be accessed at https://www.corinthiagroup.com/investors/analysis-reports/.

Stephen Bajada
Company Secretary

28 June 2024

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Financial Analysis Summary

28 June 2024

Issuer

International Hotel Investments p.l.c.

(C 26136)

Prepared by:

MZ INVESTMENTS

MZ INVESTMENTS

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

28 June 2024

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 on the following pages and which is being forwarded to you together with this letter.

The purpose of this Analysis is that of summarising key financial information 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 information for the most recent three financial years ended 31 December 2021, 31 December 2022, and 31 December 2023 has been extracted from the respective audited consolidated annual financial statements.

(b) The forecast information for the financial year ending 31 December 2024 has been provided by the Issuer.

(c) Our commentary on the financial performance, cash flows, and financial position of the Issuer is based on explanations provided by the Group.

(d) The ratios quoted in this Analysis have been computed by applying the definitions set out in Part 5 – Explanatory Definitions of this report.

(e) Relevant financial data in respect of the companies included in Part 4 – Comparative Analysis of this Analysis has been extracted from public sources such as websites of the companies concerned, financial statements filed with the Malta Business Registry, as well as other sources providing financial information.

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This Analysis is meant to assist existing and potential investors in the Issuer's securities by summarising the more important financial information of the Group. This Analysis does not contain all data that is relevant to investors. This 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 or not invest in any of the Issuer's securities. We will not accept any liability for any loss or damage arising out of the use of this Analysis. As with all investments, existing and potential investors are encouraged to seek professional 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. 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 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 Limited ("**CDI**"), IHI's development company. QPM Limited ("**QP**"), an IHI subsidiary, is engaged as project manager to coordinate and supervise the reconstruction process. The project is now in the final stages of construction and finishing works have commenced. Opening is slated for Q4 2024.

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.

THE SURREY, 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 100 guest rooms and 14 luxury residences to be sold and serviced by the hotel. 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 by the property owners to provide support and project management on technical aspects. Design development of the regeneration of this listed property is complete and works are ongoing on site to be completed by Q4 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 ROME *(OPENING 2025)*

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 is contracted to support in the delivery of the project, whilst CHL is the operator and lessee.

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 100 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 to be completed in Q4 2024, a golf course completed and in operation, and a beach club, which will be managed, together with the afore-mentioned hotel, by CHL under the Corinthia brand umbrella. A yacht club built close by on The Pearl 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 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 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 100-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. 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 HOTEL DIRIYAH *(OPENING 2027)*

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 85 hotel rooms and suites and 10 residences for sale which will have access to hotel services. Under the hotel management agreement, the owner has undertaken to open during 2027.

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 2024.

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 is 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.

A new team, separate to that of the Corinthia Branded hotels, has been assembled and operations under this new brand are being rolled out. As such, the Group intends to reflag some of its 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.

The first Hotel Verdi is a LAFICO-owned 106-room hotel (the Verdi Gzira Promenade) and is situated opposite Manoel Island in Gzira, Malta. Furthermore, the Marina Hotel St George's Bay (IHI-owned) and the Aquincum Hotel Budapest (CPHCL-owned) have been rebranded and relaunched as Verdi hotels as Verdi St George's Bay, Marina and Verdi Budapest, Aquincum respectively.

2. DIRECTORS AND SENIOR MANAGEMENT

The Issuer is presently managed by a Board consisting of ten 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 Simon Naudi	Managing Director and Chief Executive Officer
Mr Frank Xerri de Caro	Non-Executive Director
Mr Joseph Pisani	Non-Executive Director
Mr Moussa Atiq Ali	Non-Executive Director
Mr Douraid Zaghouani	Non-Executive Director
Mr Richard Cachia Caruana	Senior Independent Non-Executive Director
Mr Alfred Camilleri	Independent Non-Executive Director
Mr Hamad Buamin	Independent Non-Executive Director
Mr Mohamed Mahmoud Shawsh	Independent Non-Executive Director

The Chief Executive Officer is responsible for the identification and execution of new investment opportunities. Simon Naudi is also responsible for managing the Company's assets and subsidiary businesses covering all aspects of investments, real estate developments and operations. The other key members of the Senior Management Team are Stephen Bajada (Company Secretary), Neville

Fenech (Group Chief Financial Officer), Michael Izzo (Chief Strategy 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 FY2023 amounted to 2,592 persons (FY2022: 2,249 persons).

3. PRINCIPAL ASSETS

The following table provides a list of the principal assets and operations of the Issuer:

International Hotel Investments p.l.c.
Principal Assets and Operations as at 31 December 2023

Name	**Location**	**Description**	**% ownership**	**No. of hotel rooms**
Former Corinthia Hotel Prague#	Czech Republic	Property owner	100	539
Corinthia Hotel Budapest	Hungary	Property owner	100	438
Corinthia Hotel Tripoli	Libya	Property owner	100	299
Commercial property Tripoli	Libya	Property owner	100	n/a
Corinthia Hotel St George's Bay	Malta	Property owner	100	248
Verdi St George's Bay, Marina	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
				3,776

 # The Corinthia Prague was leased to third parties on 1 April 2024 and has since been de-branded.
** 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 2021, 2022, and 2023 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	2021 €'000	2022 €'000	2023 €'000	
Investment Properties				
Commercial Centre St Petersburg	51,600	52,484	38,316	
Commercial Centre Tripoli	75,344	75,344	83,260	
Apartment Block Lisbon	4,705	5,908	6,386	
Site in Tripoli	29,500	29,500	29,500	
Office block in London	-	4,446	4,173	(1)
	161,149	**167,682**	**161,635**	
Hotel Properties and Offices				
Corinthia Hotel St George's Bay	36,951	36,384	56,039	
Radisson Blu Resort, St Julians	34,654	34,028	46,000	
Corinthia Hotel Lisbon	112,181	108,615	119,091	
Corinthia Hotel Prague	90,909	89,438	87,980	
Corinthia Hotel Tripoli	69,477	67,135	65,400	
Corinthia Hotel Budapest	120,396	119,632	116,025	
Corinthia Hotel St Petersburg	75,965	71,830	53,458	
Corinthia Hotel London	533,156	512,990	536,218	
Corinthia Palace Hotel and Spa	32,000	32,717	31,482	
Verdi St George's Bay, Marina	28,974	28,977	34,800	
Golden Sand Resort	60,076	62,455	68,000	
Office block in London	-	4,574	7,160	(1)
	1,194,739	**1,168,775**	**1,221,653**	
Joint Ventures and Associates				
Medina Towers J.S.C. *(25%)*	5,188	5,198	5,034	(2)
	5,188	**5,198**	**5,034**	
Assets in the Course of Development				
The Heavenly Collection Ltd *(Corinthia Oasis)*	24,444	28,657	29,912	
Corinthia Grand Astoria Hotel Brussels	31,943	47,897	82,050	
	56,387	**76,554**	**111,962**	
Total	**1,417,463**	**1,418,209**	**1,500,284**	

Notes:

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

(2) 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.

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 (FY2022: €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.

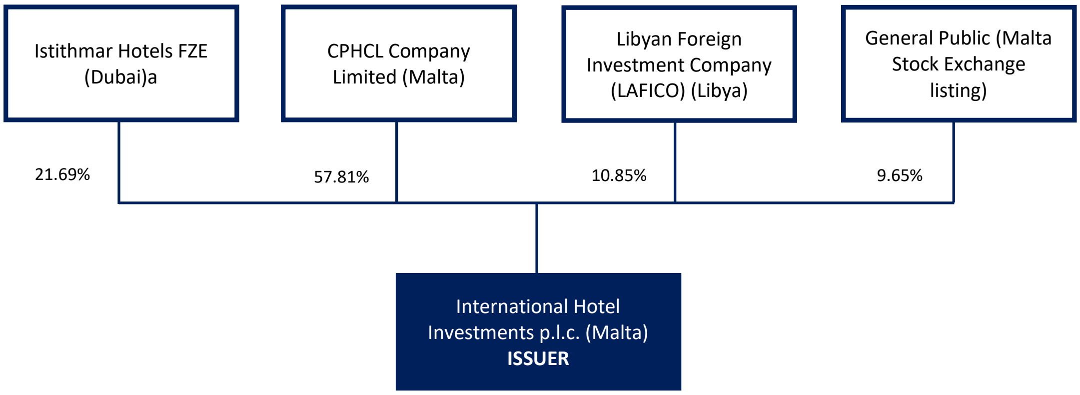
PROJECT MANAGEMENT

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 FY2023 amounted to €8.5 million compared to €7.2 million in FY2022 (18%). It is worth noting that over 66% 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 2023 Annual Report & Financial Statements.



PART 2 – OPERATIONAL DEVELOPMENT

6. HOTEL OPERATIONS

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 which is expected to be inaugurated in Q4 2024. The complete list is included in section 3 of this report.

The owned-room inventory of the Issuer as at 31 December 2023 amounted to 3,776 rooms (31 December 2022: 3,778 rooms).

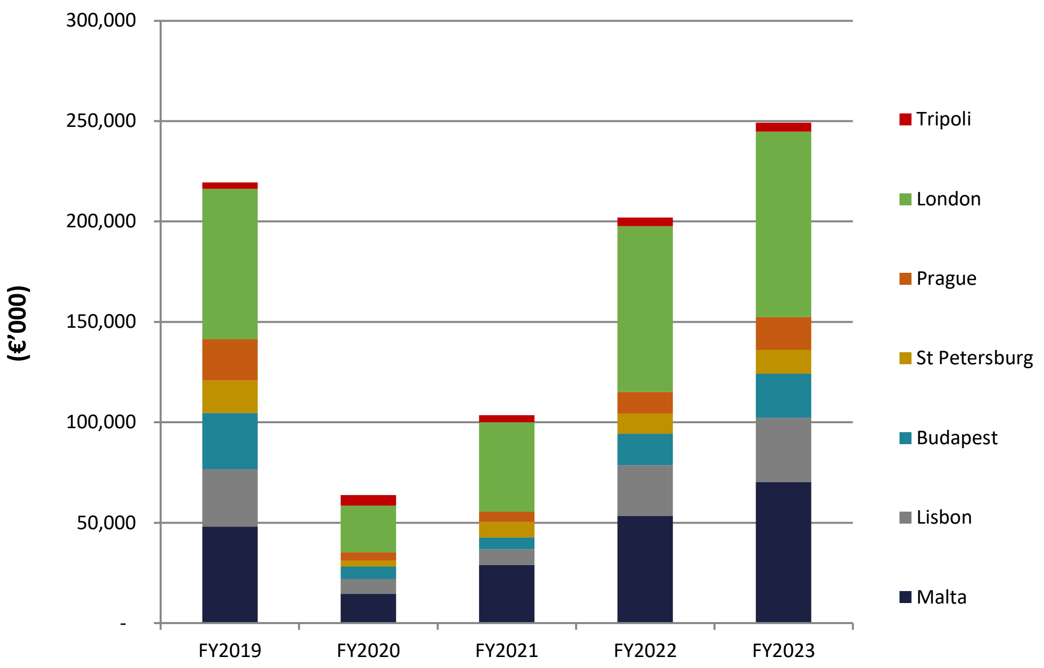
PERFORMANCE REVIEW

The table below summarises the financial performance of the Group's hotel operations over the five-year period between 2019 and 2023.

International Hotel Investments p.l.c. Hotel Operations	FY2019 Actual €'000	FY2020 Actual €'000	FY2021 Actual €'000	FY2022 Actual €'000	FY2023 Actual €'000
Revenue					
Malta	48,000	14,692	28,898	53,466	70,298
Lisbon	28,635	7,358	7,800	25,189	31,977
Budapest	28,054	6,184	5,878	15,686	21,870
St Petersburg	16,243	3,020	7,876	10,053	11,954
Prague	20,454	4,001	5,056	10,735	16,287
London	74,862	23,354	44,582	82,472	92,326
Tripoli	3,156	5,148	3,505	4,293	4,413
Total revenue	**219,404**	**63,757**	**103,595**	**201,894**	**249,125**
Year-on-year % change in revenue		*-71%*	*62%*	*95%*	*23%*
EBITDA					
Malta	10,623	(2,333)	4,356	9,565	15,457
Lisbon	7,911	(534)	(434)	5,506	8,414
Budapest	8,181	110	1,491	2,885	4,128
St Petersburg	5,848	(1,693)	2,172	1,552	3,180
Prague	5,231	(2,328)	(288)	(90)	1,954
London	15,272	(1,895)	9,776	14,085	14,440
Tripoli	(2,141)	(548)	(852)	143	(389)
Total EBITDA	**50,925**	**(9,221)**	**16,221**	**33,646**	**47,184**
Depreciation and amortisation	(30,691)	(23,674)	(26,049)	(26,436)	(25,016)
Segment profit or loss	**20,234**	**(32,895)**	**(9,828)**	**7,210**	**22,168**
EBITDA margin *(%)*					
Malta	22.1	(15.9)	15.1	17.9	22.0
Lisbon	27.6	(7.3)	(5.6)	21.9	26.3
Budapest	29.2	1.8	25.4	18.4	18.9
St Petersburg	36.0	(56.1)	27.6	15.4	26.6
Prague	25.6	(58.2)	(5.7)	(0.8)	12.0
London	20.4	(8.1)	21.9	17.1	15.6
Tripoli	(67.8)	(10.6)	(24.3)	3.3	(8.8)
Overall EBITDA margin	**23.2**	**(14.5)**	**15.7**	**16.7**	**18.9**

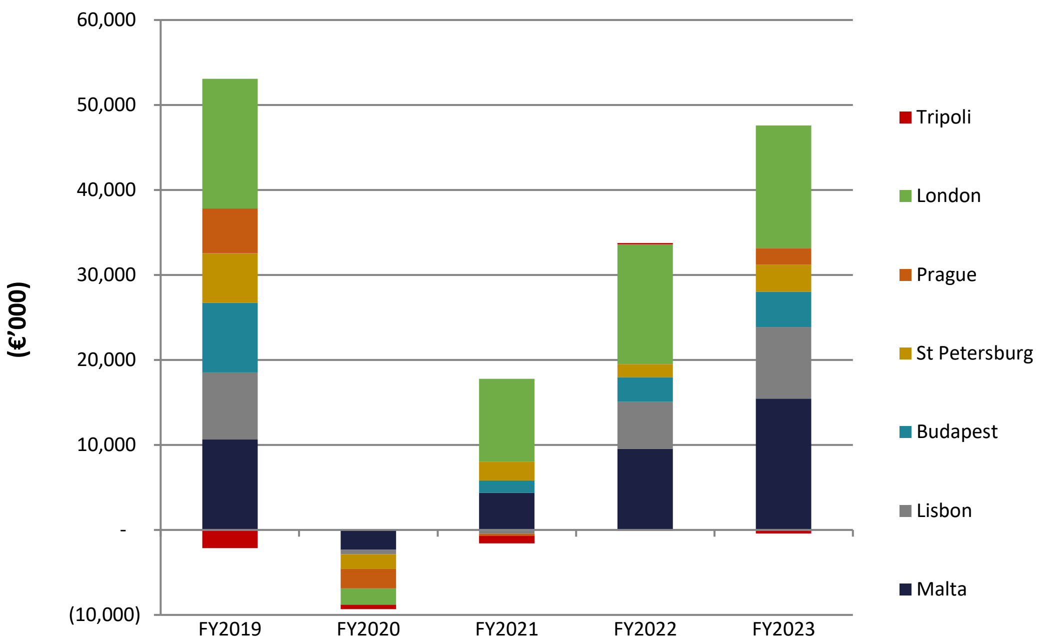
Source: Annual reports FY19 - FY23, management information, MZI analysis

Hotel Operations - Revenue



Source: Management information.

Hotel Operations - EBITDA



Source: Management information.

The COVID-19 pandemic in 2020 had a significant impact on the global hotel industry as well as on the Group's hotel operations. Year-on-year Group revenue decreased by €155.6 million (-71%) from €219.4 million in FY2019 to €63.8 million in FY2020. At the time, 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 and FY2022, as travel demand gradually increased to pre-pandemic levels, and FY2023 was characterised by a return to normality in the global travel markets. Despite the positive growth in revenue, the Group's hotel operations were impacted by adverse geopolitical developments and significant inflationary pressures on its operational costs.

Revenue from hotel operations in FY2023 increased y-o-y by €47.2 million (+23%) to €249.1 million, and +14% compared to FY2019 revenue, though the Radisson Blu Resort & Spa Golden Sands was not a subsidiary of the Group in FY2019. During FY2023, Corinthia Hotel London and Corinthia Malta (comprising 5 properties) generated 65% of total revenue (FY2022: 67%).

Total EBITDA in FY2023 amounted to €47.2 million, an increase of €13.5 million (+40%) from the prior year, but 7% 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 geopolitical tension have caused an increase in inflation - adversely impacting operating costs (mainly payroll, energy bills and cost of supplies).

Overall, the Group registered a segment profit in FY2023 of €22.2 million compared to €7.2 million in the previous financial year (FY2019: profit amounted to €20.2 million).

7. OTHER OPERATIONS

7.1 REAL ESTATE

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 FY2023, the Commercial Centre generated €7.4 million in revenue compared to €7.9 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 FY2023, rental income declined by €0.9 million (y-o-y) to €2.3 million (FY2022: €3.2 million). EBITDA in the last financial year amounted to €1.2 million compared to €1.7 million in FY2022.

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

International Hotel Investments p.l.c.					
Real Estate	**FY2019**	**FY2020**	**FY2021**	**FY2022**	**FY2023**
	Actual	**Actual**	**Actual**	**Actual**	**Actual**
	€'000	**€'000**	**€'000**	**€'000**	**€'000**
Tripoli					
Revenue	7,236	7,351	7,548	7,901	7,447
EBITDA	6,736	6,782	6,973	7,281	6,769
EBITDA margin (%)	93.1	92.3	92.4	92.2	90.9
St Petersburg					
Revenue	5,424	4,213	2,702	3,203	2,263
EBITDA	4,189	3,283	1,671	1,745	1,180
EBITDA margin (%)	77.2	77.9	61.8	54.5	52.1
London Penthouse					
Revenue	1,034	956	-	-	-
EBITDA	814	907	(731)	-	-
EBITDA margin (%)	78.7	94.9	n/a	n/a	n/a
TOTAL					
Revenue	**13,694**	**12,520**	**10,250**	**11,104**	**9,710**
EBITDA	**11,739**	**10,972**	**7,913**	**9,026**	**7,949**
EBITDA margin (%)	**85.7**	**87.6**	**77.2**	**81.3**	**81.9**

Source: Annual reports FY19 - FY23, management information, MZI analysis

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 2023

Name	**Location**	**% ownership**	**No. of hotel rooms**
Owned and managed properties (operational)			
Corinthia Hotel Budapest	Hungary	100	438
Corinthia Hotel St Petersburg	Russia	100	388
Corinthia Hotel Lisbon	Portugal	100	518
Former Corinthia Hotel Prague*	Czech Republic	100	539
Corinthia Hotel Tripoli	Libya	100	299
Corinthia Hotel St George’s Bay	Malta	100	248
Verdi St George’s Bay, Marina	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)			
Verdi Budapest, Aquincum	Hungary	-	310
Ramada Plaza	Tunisia	-	309
Panorama Hotel Prague	Czech Republic	-	440
Verdi Gzira Promenade	Malta	-	106
Corinthia Hotel Khartoum *(currently closed)*	Sudan	-	230
Managed properties (under development)			
Corinthia Hotel Bucharest *(opening 2024)*	Romania	-	35
The Surrey, a Corinthia Hotel in New York *(opening 2024)*	United States of America	-	100
Corinthia Hotel Residences Doha *(opening 2025)*	Qatar	-	100
Corinthia Hotel Rome *(opening 2025)*	Italy	-	60
Corinthia Hotel Maldives *(opening 2026)*	Maldives	-	77
Corinthia Hotel Diriyah *(opening 2027)*	Saudi Arabia	-	85
			5,628

** The Corinthia Prague was leased to third parties on 1 April 2024 and has since been de-branded.*

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.

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 five-year period FY2019 to FY2023:

International Hotel Investments p.l.c. **Hotel Management**	**FY2019** **Actual** **€'000**	**FY2020** **Actual** **€'000**	**FY2021** **Actual** **€'000**		**FY2022** **Actual** **€'000**	**FY2023** **Actual** **€'000**
Revenue						
Owned hotels	14,769	2,743	6,696		12,275	14,916
Third party owned hotels	1,868	418	497		1,383	1,808
Other	326	45	146		168	279
Total revenue	**16,963**	**3,206**	**7,339**		**13,826**	**17,003**
EBITDA	**8,107**	**(2,314)**	**7,045**	*	**2,652**	**2,759**
EBITDA margin *(%)*	**47.8**	**(72.2)**	**96.0**		**19.2**	**16.2**

** In FY2021, CHL received $5 million on account of the company's exit from the Meydan Beach Hotel Dubai project.*

Source: Annual reports FY19 - FY23, management information, MZI analysis

Revenue in FY2023 increased from the prior year by 23% and amounted to €17.0 million (FY2022: €13.8 million), thus marginally surpassing the revenue registered in FY2019 (pre-pandemic). Notwithstanding the growth in revenue, EBITDA in FY2023 was 66% lower compared to FY2019's reported figure (FY2023: €2.8 million; (FY2019: €8.1 million).

The much lower EBITDA in FY2023 and FY2022 compared to FY2019 was mainly due to the following: (i) an increase in employees and payroll costs as CHL had to ramp up their manning post-pandemic and in preparation for the new management agreements and planned openings in the near term; (ii) the return of certain activities such as quality audits, employee satisfaction surveys, health and safety and property audits; and (iii) set up costs in preparation for the new hotel openings in New York and Rome.

7.3 CATERING

The following table summarises the financial performance of the Group's catering segment over the five-year period FY2019 to FY2023:

International Hotel Investments p.l.c. **Catering**	**FY2019** **Actual** **€'000**	**FY2020** **Actual** **€'000**	**FY2021** **Actual** **€'000**	**FY2022** **Actual** **€'000**	**FY2023** **Actual** **€'000**
Revenue					
Costa Malta	9,456	3,211	4,745	7,934	6,338
Costa Spain*	5,463	1,138	-	-	-
Corinthia Caterers Limited	6,174	2,230	3,464	8,198	11,075
Catermax Limited	3,988	1,889	1,912	2,401	2,355
Total revenue	**25,081**	**8,468**	**10,121**	**18,533**	**19,768**
EBITDA					
Costa Malta	1,839	(258)	627	806	51
Costa Spain*	(443)	(889)	-	-	-
Corinthia Caterers Limited	(597)	(1,085)	(307)	155	(576)
Catermax Limited	130	(18)	177	(42)	153
Total EBITDA	**929**	**(2,250)**	**497**	**919**	**(372)**
EBITDA margin *(%)*					
Costa Malta	19.4	(8.0)	13.2	10.2	0.8
Costa Spain*	(8.1)	(78.1)	n/a	n/a	n/a
Corinthia Caterers Limited	(9.7)	(48.7)	(8.9)	1.9	(5.2)
Catermax Limited	3.3	(1.0)	9.3	(1.7)	6.5
Overall EBITDA margin	**3.7**	**(26.6)**	**4.9**	**5.0**	**(1.9)**

** The Costa Coffee Spain operation was closed in 2020 and placed into voluntary liquidation.*

Revenue is gradually returning back to normal levels mainly on account of an increase in tourism which is having a positive effect on turnover. The catering segment registered a y-o-y growth in revenue of 7% in FY2023, from €18.5 million in FY2022 to €19.8 million. However, at EBITDA level, the Group reported a loss in catering operations of €0.4 million compared to a positive EBITDA of €0.9 million a year earlier.

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 BELGIUM[1]

Economic growth in Belgium is expected to remain broadly stable over the forecast horizon, at 1.3% in 2024 and 1.4% in 2025. The phase-out of government measures to limit price increases is set to push inflation up to 4.0% in 2024, before it falls to 2.3% in 2025. The government deficit is projected to stabilise at 4.4% of GDP in 2024, before increasing to 4.7% of GDP in 2025 driven by upward pressures on permanent current spending. Government debt is expected to remain stable at 105 % of GDP in 2024, and to increase to 107% of GDP in 2025.

Economic activity expanded by 1.4% in 2023 thanks to robust private consumption and a rebound in corporate investment. Real GDP is expected to continue to grow at similar pace in 2024 and in 2025. In the first quarter of 2024, real GDP growth reached 0.3%.

Private consumption is set to remain strong over the forecast horizon, as consumers purchasing power is supported by the automatic indexation of wages and social benefits. The high saving rate in 2023 is projected to decrease over the forecast horizon.

Throughout 2024, residential construction is set to continue to be held back by high financing costs. In contrast, adjustment to the energy transition and the implementation of the Recovery and Resilience Plan are set to support gross fixed capital formation. Public investment is also projected to accelerate in the run-up to the 2024 elections. Overall, investment is forecast to grow by 1.5% in 2024 and 2025.

Exports declined by 3.3% in 2023, notably due to weakening demand from trading partners. In 2024, exports are projected to further drop due to carry-over effects. However, the improving external environment is expected to result in a return to a robust positive yearly growth rate in 2025. Imports are also set to decline in 2024, but strong domestic demand and the loss of competitiveness are set to lead to a negative contribution of net exports to GDP growth of 0.2 percentage points. The contribution of net exports to GDP growth is forecast to be neutral in 2025, following the recovery of exports.

All in all, real GDP growth is expected to reach 1.3% in 2024, and 1.4% in 2025.

After attaining 0.8% in 2023, employment growth is forecast to slow down to 0.4% in 2024 and 0.6% in 2025 while the unemployment rate is expected to remain broadly stable in the forecast horizon at 5.6% in 2024 and 5.4% in 2025. Driven mostly by the automatic indexation of wages, compensation of employees per head is set to grow by 3.5% in 2024 and 2.6% in 2025.

Inflation fell to 2.3% in 2023, reflecting the fast transmission of declining wholesale gas and electricity prices to retail prices, along with the knock-on effect of government measures to mitigate the impact

[1] **Source:** Economic Forecast – Spring 2024 (European Commission Institutional Paper 286 May ’24).

of high energy prices. The phase-out of these measures is set to push headline inflation to 4.0% in 2024. In 2025, it is expected to drop again to 2.3%. As upward underlying cost pressures recede over the forecast horizon, headline inflation excluding energy and food is set to decline in 2024 to gradually return to values close to 2% in 2025.

8.2 CZECH REPUBLIC[2]

Following a 0.3% contraction in 2023, real GDP in Czech Republic is forecast to grow by 1.2% in 2024 and 2.8% in 2025 as declining inflation helps restore purchasing power. A broad-based moderation in goods and energy inflation and high base effects are expected to bring headline inflation down to 2.5% in 2024 and 2.2% in 2025. The phase-out of measures to mitigate the impact of high energy prices and the government's public finance consolidation package are set to lead to a decline in the budget deficit to 2.4% in 2024 and to 1.9% in 2025.

Czech Republic's real GDP declined by 0.3% in 2023, as high inflation eroded households' purchasing power and led to a contraction in private consumption. Investments reported a strong growth, boosted by equipment investments, but overall domestic demand declined as inventories were wound down. Exports grew, driven by machinery and transport equipment, while imports declined due to reduced domestic demand (including for energy) and the inventories cycle. Resumption of positive quarterly growth as from the last quarter of 2023 and the improving consumer confidence indicator from 2024-Q1 are expected to drive activity in the course of the year, with GDP growth forecast to rebound to 1.2% in 2024 and 2.8% in 2025.

After two years of decline in household consumption, a turnaround is expected in 2024. As inflation dropped significantly, real wages and purchasing power are again growing. Supported also by high accumulated savings, household consumption is set to re-emerge as the main GDP driver in 2024 and 2025. On the back of a public finance consolidation package, government consumption growth is forecast to slow down. Similarly, public investments and equipment investments are expected to grow less strongly, as they were exceptionally high in 2023, the last year when a drawdown of EU funds from the 2014-20 programming period was possible. Still, the easing of financing conditions and an increase in EU funds inflow should support construction investments going forward. The central bank started the easing cycle in December 2023, with the key rate gradually cut from 7% to 5.75% in March 2024 and a further relaxation is expected.

Exports are forecast to increase further, as supply chain bottlenecks have eased and demand from main trading partners recovers albeit at a relatively modest pace. Additionally, as from 2025, as domestic demand increases and the inventories destocking cycle ends, imports are likely to grow faster than exports, creating a drag on economic growth. Risks to this forecast include a rebound in energy prices that can impact the energy intensive industry or a slower growth in demand from trading partners considering the high degree of openness of the Czech industry.

[2] **Source:** Economic Forecast – Spring 2024 (European Commission Institutional Paper 286 May '24).

In 2023, the unemployment rate increased slightly to 2.6% due to weak economic activity. A further pick-up to 2.8% is expected in 2024. This is still one of the lowest levels in the EU and the labour market is set to remain tight in the years ahead, adding to pressures on wages. Shortages of skilled workers persist and population ageing adds additional pressure, limiting potential growth.

Headline inflation slowed down from 12.0% on average in 2023 to 2.4% in 2024-Q1. Energy contributed positively to inflation in the first quarter as government measures to mitigate the effects of high energy prices expired and led to an increase in network fees, more than offsetting the decline in wholesale prices. Meanwhile, processed and unprocessed food prices had a negative contribution to inflation, as wholesale agricultural prices decreased, and food VAT was lowered. While the impact of the commodity price shock on inflation has gradually waned, wage growth is expected to become the main driver of inflationary pressures. Headline inflation is thus forecast to decline to 2.5% in 2024 and 2.2% in 2025 and HICP inflation excluding energy, food, alcohol and tobacco is projected to be above headline inflation at 4.1% in 2024 and 2.8% in 2025.

8.3 HUNGARY[3]

Hungary's GDP[4] contracted in 2023 in a context of high inflation and interest rates and weaker external demand. A gradual recovery is expected over the forecast horizon as households' purchasing power rises and financing conditions ease. Inflation has fallen from very high levels, but the recovery of consumption and strong nominal wage growth are set to limit its further decrease. After a large deterioration in 2023 (6.7% of GDP), the general government deficit is projected to remain elevated (2024: 5.4% of GDP). The debt-to-GDP ratio is set to increase slightly from 73.5% in 2023 to 74.3% in 2024.

Hungary's real GDP contracted by 0.9% in 2023 as domestic demand adjusted to higher energy prices and financing costs, and exports were held back by a weakening global demand. Output fell in most sectors with the notable exception of agriculture, where the recovery from the severe droughts in 2022 contributed 2.1 percentage points to annual GDP growth in 2023. Economic activity began to recover in 2024-Q1, with GDP rising by an estimated 0.8% quarter-on-quarter.

GDP growth is forecast to reach 2.4% in 2024 and 3.5% in 2025. Consumption is set to be lifted by strong real income growth, supported by the resilient labour market and above-inflation hikes of pensions and minimum wages in 2024. The high saving rate is expected to gradually decrease as the financial buffers of households, previously eroded by high inflation, are being restored. Investment is set to be held back in 2024 by fiscal consolidation efforts and an overcapacity of commercial real estate. It is projected to rebound in 2025, driven by rising capacity utilisation, large foreign direct investment (FDI) financed projects, and government support schemes for the purchase and renovation of dwellings. Exports are set to be bolstered by the recovery of global demand and the ongoing FDI projects. However, rising domestic demand is expected to boost imports and revert the current account balance from a small surplus in 2023 to a deficit of 1.4% of GDP by 2025.

[3] **Source:** Economic Forecast – Spring 2024 (European Commission Institutional Paper 286 May '24).
[4] Gross Domestic Product ("**GDP**") is an estimate of the value of goods and services produced in the economy over a period of time.

In the face of declining output in 2023, companies mainly reduced working hours instead of laying off employees, but the unemployment rate still rose to 4.6% in 2024-Q1. The labour market remained tight overall, although this was somewhat eased by rising participation and an inflow of foreign workers. As the economic recovery gathers speed, working hours and eventually employment are set to rise, reducing the unemployment rate to 4.0% by 2025. Against a background of rising labour demand, real wages are projected to rise dynamically in 2024 and 2025. Nominal wage growth is set to ease in 2025, once the impact of the 15% minimum wage hike in December 2023 wears off.

HICP[5] inflation fell from its peak of 25.9% in 2023-Q1 to 3.6% in 2024-Q1, as the impact of earlier energy and food price increases faded, and consumer demand dropped. However, HICP excluding energy, food, alcohol and tobacco remained elevated at 6.1% in 2024-Q1. High wage growth, stronger consumer demand, and backward-looking price setting in certain sectors, are maintaining inflationary pressures in 2024. These are expected to ease only gradually in 2025. Excise duty hikes and a higher retail tax also contribute to inflation in 2024. Overall, HICP inflation is projected to ease from 17.0% in 2023 to 4.1% in 2024 and 3.7% in 2025.

The economic outlook is surrounded by significant uncertainty. Fiscal consolidation efforts could weigh on GDP growth but they might also result in higher inflation. At the same time, a faster-than- expected rebound of private consumption or further large minimum wage increases could raise both GDP growth and inflation.

8.4 LIBYA[6]

Libya has been mired in conflict and political uncertainty since the fall of the Ghaddafi regime in 2011. Until recently, the country's fragmentation hampered policymaking and the collection of key economic data. However, the country has made significant efforts to move forward and overcome the economic challenges brought about by political conflict. Indeed, as Libya paves the way for its economic recovery, it has made improvements in data collection, sharing, and transparency that have enabled the IMF to resume its surveillance after a decade-long hiatus.

In its first economic health check in a decade, the IMF identified key strengths and opportunities that are expected to support Libya's recovery. The Central Bank of Libya has maintained a large stock of international reserves, supported by a fixed exchange rate, capital controls, and various temporary arrangements. This played an important role in helping the country overcome the exceptional swings in oil production and revenues that occurred post-revolution.

With vast oil and gas reserves, Libya has one of the highest GDP per capita levels in Africa. Hydrocarbon production is expected to continue to be a critical part of Libya's economic future, making up around 95% of exports and government revenue. However, the key challenge for the country will be to diversify away from oil and gas while fostering a stronger and more inclusive private sector.

[5] Harmonised Index of Consumer Prices measures the changes over time in the prices of consumer goods and services acquired by households.
[6] **Source:** IMF, '*After a Decade-Long Hiatus, IMF Surveillance Resumes in Libya*', available at https://www.imf.org/en/News/Articles/2023/06/12/cf-after-a-decade-long-hiatus-imf-surveillance-resumes-in-libya.

It is widely recognised that Libya needs an economic strategy that stipulates a way forward for itself. This would be an opportunity for the Libyan people to rally behind a plan that optimises the use of the country's energy resources with a view of diversifying the economy and break away from the Ghaddafi-era policies that fostered corruption. However, the success of any reforms will depend on creating a stable political and security environment as well as strong institutions.

The resilience and determination demonstrated by the Libyan people since 2011 serve as beacon of hope for a better future. Despite facing significant challenges, Libya has a high potential for economic reconstruction and diversification, backed by considerable financial resources. This potential resides on four pillars: i) achieving a sustainable political agreement for Libya's future, ii) devising a shared vision for economic and social advancement, iii) creating a modern public financial management system for equitable wealth distribution and transparent fiscal policies, iv) and developing a comprehensive social policy that facilitates public administration reform and differentiates between social transfers and public wages. These elements will set the foundation for Libya's prosperous future.

8.5 MALTA[7]

The Maltese economy continues to grow robustly driven by strong exports and domestic demand. Tourism flows bounced back to well above pre-pandemic levels and the strong inflow of workers is boosting domestic demand. After reaching 5.6% GDP growth in 2023, the Maltese economy is expected to achieve a growth rate of 4.6% in 2024 and 4.3% in 2025. The government deficit stood at 4.9% of GDP in 2023, and it is expected to only gradually decrease in 2024 and 2025. Thanks to robust nominal GDP growth, the public debt-to-GDP ratio is forecast to increase only slightly despite the still high primary deficit.

In 2023, real GDP growth reached 5.6%, 1.6 percentage points higher than projected in autumn. Both private consumption and exports came much stronger than expected, resulting from significantly higher immigration and tourism flows. Besides exceptionally strong immigration, Malta's economy continues to benefit from a low pass-through of monetary policy to retail interest rates and from government measures that have kept energy prices stable at 2020 levels.

Tourism reached pre-pandemic levels in 2023. The number of tourist arrivals increased by more than 26% in the first two months of 2024, although tourism expenditure grew at a slightly slower pace. Strong growth is also forecast in exports of electronics and entertainment, as well as professional and financial services.

Construction investment is expected to stabilise and recover moderately after a sharp fall in 2023, growing at 2.5% in 2024 and 3.9% in 2025. The increase of private consumption and activity in the service sector is expected to lead to higher imports of goods and services. Overall, the forecast for GDP growth was revised upward to 4.6% in 2024 and 4.3% in 2025.

[7] **Source:** Economic Forecast – Spring 2024 (European Commission Institutional Paper 286 May '24).

With employment growth at 6.5% in 2023, Malta's labour market exceeded expectations. Employment growth is set to remain strong at 4% also in 2024 and 2025 as the country continues to attract foreign workers. However, labour and skills shortages continue to be the main limiting factors for growth.

The unemployment rate was revised upwards from 2.9% to 3.5% in 2022 due to an updated demographic survey. In 2023, the unemployment rate fell to 3.1% and it is expected to drop marginally to 3% and 2.9% in 2024 and 2025. Nominal wages were, however, still growing at relatively weak rates in 2023 as employment expanded in the low wage sectors, resulting in negative real wage growth per head.

HICP inflation in 2023 reached 5.6% despite the government intervention to keep energy prices at 2020 levels. The Maltese authorities confirmed their commitment to limiting energy inflation in 2024 and 2025. Inflation in Malta slowed down in the first quarter of 2024 mainly due to lower services inflation. Headline inflation is forecast at 2.8% in 2024 and 2.3% in 2025, with food prices set to remain the fastest growing component.

In 2023, the debt-to-GDP ratio fell by 1.2 percentage points to 50.4% due to strong nominal growth and despite the high primary deficit. A positive stock-flow adjustment related to the equity injection in the national airline is expected to drive the increase of the public debt to 52% of GDP in 2024. For 2025, a smaller primary deficit and a favourable interest growth differential will lead to a smaller increase of public debt to 52.6 % of GDP.

8.6 PORTUGAL[8]

Economic growth in Portugal is set to further moderate in 2024 before picking up again in 2025, pushed by private consumption and investment. Headline inflation is projected to continue receding over the forecast horizon amid a steady increase in employment and a relatively stable unemployment rate. Portugal's general government balance recorded a surplus in 2023. It is projected to decrease in 2024 and 2025, albeit remaining in positive territory.

Economic growth slowed down to 2.3% in 2023, reflecting a broad-based deceleration across all main GDP components. The main slowdown took place in the second and third quarters of 2023, followed by a rebound in the final quarter of the year. Both private consumption and investment increased substantially in the final quarter of the year, helped by the stabilisation in interest rates. Net exports contributed positively to GDP growth for the year as a whole, mainly due to the strong performance in tourism. However, imports started outpacing exports in the second half of the year, in line with the rebound in domestic demand. According to Eurostat's flash estimate, GDP rose by 0.7% (q-o-q) in the first quarter of 2024, supported by private consumption and exports. Growth in tourism slowed down substantially in January 2024 but high-frequency indicators pointed to an acceleration in February and March.

[8] **Source:** Economic Forecast – Spring 2024 (European Commission Institutional Paper 286 May '24).

Taking into account the recent surge in households' income and the stabilisation in interest rates, economic growth is projected to move towards a more domestic-driven model over the forecast horizon. In full-year terms, growth is expected to moderate to 1.7% in 2024 and to rebound to 1.9% in 2025. Investment is projected to grow at a strong pace, helped by the implementation of the Recovery and Resilience Plan as well as by the recent improvement in economic sentiment. In the external sector, imports are set to outpace exports as investment, and to a lesser extent private consumption, are set to increase import demand. Foreign tourism is projected to remain an important growth factor albeit at a slower pace than in the last two years. Overall, Portugal's current-account balance is set to decrease but to remain in positive territory in 2024 and 2025.

The unemployment rate increased from 6.2% in 2022 to 6.5% in 2023 amid strong growth in both labour supply and employment. According to the labour force survey, employment growth remained robust also in the first months of 2024 but unemployment edged up slightly along with rising labour supply. Data shows a substantial increase in the working-age population in early 2024, which is explained by positive migration flows. Unemployment is expected to decline somewhat over the coming months as job creation is set to gradually absorb the increase in labour supply. In full-year terms, unemployment is projected at 6.5% in 2024 and 6.4% in 2025. As some sectors of the economy continue to experience tight hiring conditions, wages are set to grow somewhat faster than inflation, supported also by sound profit margins in the corporate sector.

Headline inflation decreased from 8.1% in 2022 to 5.3% in 2023, reflecting a substantial deceleration in prices of energy and other commodities. In quarterly terms, inflation reached 2.4% (y-o-y) in the last quarter of 2023 but edged up to 2.5% in the first quarter of 2024, mainly due to base effects in energy prices. However, services inflation moderated at a much slower pace to 5.0% (y-o-y) in the first quarter of 2024, pushed by strong wage growth and demand pressures from tourism-related activities. The projected increase in real wages and employment is set to keep some pressure on prices, leading to a much slower adjustment in services inflation. All in all, inflation is forecast to continue easing to 2.3% in 2024 and 1.9% in 2025.

8.7 RUSSIA[9]

After a surprisingly strong rebound in 2023, economic growth in Russia is projected to ease in 2024 and 2025, as tight monetary policy gradually weighs on economic activity. Inflation is expected to show persistence, amid sustained fiscal spending and tight labour market pushing up wages. Additional revenue measures are set to help financing war expenditure and keep public finances in check overall, with general government debt projected to remain below 21.5% of GDP in 2025.

Russian real GDP expanded by 3.6% in 2023, after having contracted by 1.2% in the previous year. The rebound was mainly driven by private consumption, supported by increased real wages in the context of a tight labour market and improved consumer confidence. Government expenditure also propped up private consumption, through increased payments and transfers to soldiers and their families, in addition to boosting public investment and consumption necessary for the ongoing war in Ukraine.

[9] **Source:** Economic Forecast – Spring 2024 (European Commission Institutional Paper 286 May '24).

Private investment picked up too in response to the steady growth in domestic demand for Russian products resulting from the departure of many foreign companies from Russia and the need to create a new transport and logistics infrastructure towards the East. In addition, government-supported measures aimed at substituting earlier imported goods and expanding the military-industrial sector played an important role.

The Russian economy started 2024 on a strong footing. High frequency indicators such as industrial production and business sentiment improved further in the initial months of the year. Retail sales and consumer confidence also increased, with the latter reaching its highest level since 2014. The labour market remained tight and is set to continue that way, as declining net inward migration and increased labour demand from the military sector are expected to persist as long as the war in Ukraine continues. Consequently, private consumption is forecast to expand this year on the back of the strong real wage growth, although at a slower pace than in 2023. Public consumption and investment are expected to continue to grow driven by war and diversion of trade routes towards Asia. The combination of these factors is projected to drive investment in 2024 before it weakens somewhat in 2025 as the impact of tight monetary conditions settle in.

Over the forecast horizon a limited pick up in exports is projected, as the feasibility of export partner substitution varies by sector. Among the goods facing export substitution challenges is the major item natural gas, which faces currently inadequate pipeline and LNG infrastructure for the reorientation of its export. The re-routing of other exports, such as crude oil, oil products and metals, can be facilitated with less frictions. On the back of sustained household consumption, a relatively strong growth of imports is expected. The contribution of net exports to GDP growth is hence projected to remain negative in 2024 and 2025.

Overall, GDP growth is expected to slow over the forecast horizon to 2.9% in 2024 and 1.7% in 2025.

The risks to Russia’s growth outlook are tilted on the downside. Additional sanctions and their stricter enforcement could limit Russia's exports and hinder production in import-dependent domestic sectors. Furthermore, a new wave of mobilisation could further exacerbate labour shortages contributing to protracted high inflation and thus tight monetary policy.

Inflation has been back on the rise since summer 2023, fuelled by high real wage growth and a weakening rouble. It averaged 5.9% for the year. In reaction to these developments the Central Bank of Russia hiked its benchmark policy rate by 850 basis points to 16% by December. Despite this effort, inflation remained elevated in the first months of 2024, exceeding 7%, well above the official inflation target of 4%. Given continued wage pressures amid a tight labour market, and ongoing war-driven government spending, inflation is projected to moderate only gradually over the forecast horizon, to reach 6.6% in 2024 and 4.5% in 2025.

8.8 UNITED KINGDOM[10]

The UK economy grew marginally in 2023, under the impact of tighter fiscal and monetary policy and with weak consumer confidence constraining demand. The outlook for 2024 is a little brighter, with inflation continuing to fall back, and momentum is expected to pick-up into 2025 as monetary policy eases and the pace of fiscal consolidation slows. At the same time, investment is set to remain weak, and trade to show only modest improvement. Risks to the growth outlook are broadly balanced.

The UK economy weakened further in the second half of 2023 as it contracted by 0.3% q-o-q in the fourth quarter of 2023, more than the 0.1% decline in the third quarter. Overall GDP grew by just 0.1% in 2023. Household incomes in 2023 were boosted by lower energy prices, offset to some extent by a withdrawal of temporary fiscal support measures and a higher tax burden, and grew by over 1%. Consumption was muted by a rise in the savings ratio and grew by just 0.3%. Gross fixed capital formation rose 2%, despite a steep fall in residential investment, with tax changes on depreciation likely having pulled some private investment forward, while public investment grew by over 5%. A large fall in inventories contributed negatively to growth. Goods imports and exports both contracted sharply in 2023, while trade in services grew strongly. In aggregate, a larger decline in imports in 2023 led to a small positive contribution from net exports to growth.

UK economic data improved in early 2024, with the services PMI moving well into expansionary territory, though the manufacturing PMI (purchasing managers index) still indicates contraction. Monthly GDP data suggest a modest expansion in 2024-Q1. Consumer confidence has improved over the past six months, though from very low levels. Household consumption is expected to remain sluggish in 2024, with slow employment growth and some tightening in fiscal policy, picking up gradually into 2025 as the pace of fiscal consolidation slows and monetary policy eases. Public consumption is projected to grow strongly in 2024 and then to moderate somewhat in 2025. Investment is expected to contract in 2024 given the ongoing weakness in manufacturing and a fall in public investment, and to remain subdued in 2025, with a further fall in public investment and residential investment remaining weak. The slowdown in goods trade seen in 2023, when volumes contracted by around 8%, is expected to bottom out, while the rapid growth in services trade seen in 2023 is expected to level off in 2024 and resume a modest pace in 2025. Overall, trade volumes are expected to contract marginally in 2024 and then recover a little in 2025. In total, UK GDP is forecast to expand by 0.5% in 2024 and by 1.4% in 2025.

Labour market indicators have softened in recent months - by February 2024 vacancies had fallen to 30% below the peaks reached in early 2022 - though remaining well above pre-pandemic levels. Employment growth was negative over the 3 months to February 2024, while the unemployment rate rose from 3.8% in December 2023 to 4.2% in February. Growth in average weekly earnings has also moderated, though remained high at 6.2% in February. High levels of immigration, largely from non-EU countries, have added to the labour force and eased pressures for wage growth. Nevertheless, the high pace of recent immigration, falling Labour Force Survey response rates, and the impact of the

[10] **Source:** Economic Forecast – Spring 2024 (European Commission Institutional Paper 286 May '24).

pandemic on levels of long-term illness, have made the extent of labour market slack hard to assess. A small rise in employment is projected for 2024, but with a rise in labour force implying a limited further increase in the unemployment rate, which is set to stabilise in 2025 as growth in demand and employment picks up.

Headline inflation has fallen sharply over the past year from 10.1% in March 2023 to 3.2% in March 2024, driven largely by falling goods and food inflation and lower energy prices. Core inflation (i.e. excluding energy and food) has fallen more gradually and was at 4.2% in March 2024, and services inflation at 6%. Base effects for energy are expected to push headline inflation lower in the coming months, which may in turn allow for further moderation in nominal wage growth, and a reduction in underlying inflationary pressures. However, the high pace of services inflation is projected to subside only gradually, potentially with some stickiness in core inflation ahead.

PART 3 – PERFORMANCE REVIEW

9. FINANCIAL ANALYSIS

The financial information provided hereunder is extracted from the audited consolidated financial statements of IHI for each of the years ended 31 December 2021 to 31 December 2023. The projected financial information for the year ending 31 December 2024 has been provided by management of the Company.

THE GROUP'S OPERATIONS IN LIBYA AND RUSSIA

Note 5 to the 2023 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 2023 were carried at €183.2 million and €2.4 million respectively (2022: €177.1 million and €2.1 million respectively).

The same note to the 2023 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 have remained operational, but the future effects on operational incomes are difficult to determine and depend on the duration of this conflict. 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 2023, the Group's assets in Russia were carried at €97.9 million (2022: €130.8 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.

International Hotel Investments p.l.c. Consolidated Statement of Comprehensive Income for the financial year 31 December	2021 Actual €'000	2022 Actual €'000	2023 Actual €'000	2024 Forecast €'000
Revenue	129,266	238,207	287,773	306,981
Costs of providing services	(65,620)	(125,586)	(151,241)	(172,490)
Gross profit	**63,646**	**112,621**	**136,532**	**134,491**
Marketing costs and administrative expenses	(32,153)	(44,545)	(58,825)	(56,942)
Other operating costs	(4,965)	(16,370)	(17,382)	(18,665)
EBITDA	**26,528**	**51,706**	**60,325**	**58,884**
Depreciation and amortisation	(30,613)	(29,164)	(27,592)	(27,758)
Adjustments in value of property and intangible assets	(4,032)	(7,927)	5,018	-
Other operational exchange losses	(1,564)	(304)	(1,246)	-
Changes in value of liabilities and indemnification assets	(6,228)	-	-	-
Results from operating activities	**(15,909)**	**14,311**	**36,505**	**31,126**
Share of profit / (loss): equity accounted investments	1,124	(61)	(25)	-
Finance income	506	440	1,266	743
Finance costs	(24,984)	(28,160)	(38,754)	(43,931)
Other	(321)	12,376	(3,118)	(206)
Loss before tax	**(39,584)**	**(1,094)**	**(4,126)**	**(12,268)**
Taxation	9,256	(1,248)	(7,177)	1,713
Loss for the year	**(30,328)**	**(2,342)**	**(11,303)**	**(10,555)**
Other comprehensive income / (expense)				
Gross surplus / (impairment) - revaluation of hotel properties	78,385	2,959	62,495	-
Other effects, currency translation diff. and tax	16,983	(20,941)	(32,736)	8,405
	95,368	**(17,982)**	**29,759**	**8,405**
Total comprehensive income / (expense) for the year net of tax	**65,040**	**(20,324)**	**18,456**	**(2,150)**

Key Financial Ratios	FY2021 Actual	FY2022 Actual	FY2023 Actual	FY2024 Forecast
EBITDA margin *(%)* *(EBITDA / revenue)*	20.52	21.71	20.96	19.18
Operating profit margin *(%)* *(Operating profit / revenue)*	(12.31)	6.01	12.69	10.14
Net profit margin *(%)* *(Profit after tax / revenue)*	(23.46)	(0.98)	(3.93)	(3.44)
Return on equity *(%)* *(Profit after tax / average equity)*	(3.76)	(0.28)	(1.37)	(1.28)
Return on assets *(%)* *(Profit after tax / average assets)*	(1.87)	(0.14)	(0.66)	(0.61)
Return on invested capital *(%)* *(Operating profit / average equity and net debt)*	(1.16)	1.02	2.54	2.09
Interest cover *(times)* *(EBITDA / net finance costs)*	1.08	1.87	1.61	1.36

Source: MZ Investment Services Ltd

INCOME STATEMENT

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 Group generated revenue of €287.8 million in **FY2023**, an increase of €49.6 million (+21%) from the prior year (FY2022: €238.2 million) and +7% over FY2019's reported turnover. Notable y-o-y increases were reported by the Malta Hotels, Corinthia Hotel Budapest, Corinthia Hotel Lisbon and Corinthia Hotel Prague. Revenue generated from the Corinthia Hotel St Petersburg was 12% higher than the prior year, while Corinthia Hotel Tripoli's revenue remained unchanged from FY2022. The geopolitical situation between Russia and the west has adversely impacted international business at the Corinthia Hotel St Petersburg but domestic tourism has remained stable.

In consequence of the y-o-y increase in Group revenue, EBITDA increased by 17% from €51.7 million in FY2022 to €60.3 million. As such, EBITDA margin decreased by 1 percentage point to 21%. Interest cover for the reviewed year was 1.61 times compared to 1.87 times in FY2022. EBITDA conversion was impacted by inflationary pressures on payroll and other costs such as energy, and additional expenses from CHL's operations. CHL has been 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 2023, the Group incurred one-off pre-opening costs amounting to €1.9 million relating to the opening in Rome and Brussels. In the comparative financial year (FY2022), the Group was positively impacted by wage subsidies.

In 2023, the Group recognised net positive movements in the carrying value on its investment properties amounting to €5.0 million. These related mainly to an uplift of €7.9 million on the Tripoli Commercial Centre, on account of consistent cashflows based on long term agreements, offset by a decrease in fair value of the St Petersburg investment property of €1.7 million (FY2022: impairments of €7.9 million).

Finance costs increased by €10.6 million, from €28.2 million in FY2022 to €38.8 million, 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. The repayment of the bank loan on the St Petersburg property was affected in May 2022, thus eliminating future exchange rate volatility from the income statement on this loan. In FY2023, the Group reported a net loss of €3.1 million on account of exchange differences on borrowings, movements in fair value of financial assets and other items.

The Group registered a loss for the year of €11.3 million compared to a loss of €2.3 million in FY2022.

During FY2023, the Group also recognised uplifts on the London hotel amounting to €17.3 million, on the Corinthia Hotel Lisbon amounting to €12.2 million and €37.5 million on its Malta properties, on account of continued recovery and improved operational performance. These uplifts were offset by a fair value loss recognised on the property in Hungary amounting to €4.5 million, following the delay in recovery for this operation due to inflationary pressures including a hike in energy prices (in aggregate, €62.5 million).

In FY2023, the Group recorded a combined currency translation loss of €20.8 million in "Other effects, currency translation diff. and tax". The weakening of the Rouble in 2023 relative to the reporting currency of the Group, which is the Euro, resulted in a loss on translation of the investment in Russia. This was partially offset by gains on the Pound Sterling in relation to the Group's operations in London. Also included in "Other effects, currency translation diff. and tax" is deferred tax of €15.5 million on surplus arising on revaluation of hotel property.

The Group registered total comprehensive income of €18.5 million in 2023 against a loss of €20.3 million registered in 2022.

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 projections for **FY2024** assume continued improvement in operational performance of Corinthia Hotels and commencement of operations in Q4 2024 of the newly developed Corinthia Hotel Brussels. 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 €307.0 million, an increase of 7% over FY2023's revenue of €287.8 million.

Direct costs are expected to increase by 14% (or €21.3 million) to €172.5 million and thus fully absorb the anticipated increase in revenue. The Group's EBITDA is expected to decrease from the prior year by 2% to €58.9 million and as such, EBITDA margin is set to decline by 2 percentage points to 19% on account of *circa* €7.2 million in pre-opening costs which are one-off in nature. These costs consist of expensed payroll and marketing costs incurred by the Group in anticipation of the hotels' launch in Brussels and Rome in the coming months, at which point revenue and profits will start to be generated. EBITDA adjusted for one-time pre-opening costs is €66.1 million, resulting in an EBITDA conversion of 21%. Due to an increase of 13% (or €5.1 million) in finance costs to €43.9 million, interest cover is projected to weaken from 1.61 times in FY2023 to 1.36 times.

After accounting for a positive translation difference of €8.4 million (accounted for in other comprehensive income) (FY2023: loss of €20.8 million), the Group is projected to report total comprehensive expense of €2.2 million in FY2024 compared to total comprehensive income of €18.5 million in the prior year.

International Hotel Investments p.l.c. Consolidated Statement of Financial Position as at 31 December	2021 Actual €'000	2022 Actual €'000	2023 Actual €'000	2024 Forecast €'000
ASSETS				
Non-current assets				
Intangible assets (including indemnification)	65,384	63,953	63,563	62,368
Investment property	161,149	167,682	161,635	243,929
Property, plant and equipment	1,259,688	1,254,715	1,341,845	1,325,232
Right-of-use assets	11,203	11,626	14,810	13,302
Investments accounted for using the equity method	5,188	5,198	5,034	5,035
Other investments	6,898	5,373	3,411	3,411
Other fin. assets at amortised cost and receivables	6,897	7,995	6,536	13,987
Deferred tax assets	19,028	18,019	20,761	20,960
	1,535,435	1,534,561	1,617,595	1,688,224
Current assets				
Inventories	12,531	14,606	14,535	17,915
Other fin. assets at amortised cost and receivables	61	152	110	110
Trade and other receivables	35,315	45,337	48,707	70,700
Taxation	745	50	228	32
Financial assets at fair value through profit or loss	8,978	1,018	-	-
Cash and cash equivalents	102,087	66,231	87,084	42,706
Assets placed under trust management	77	77	77	77
	159,794	127,471	150,741	131,540
Total assets	**1,695,229**	**1,662,032**	**1,768,336**	**1,819,764**
EQUITY				
Capital and reserves				
Called up share capital	615,685	615,685	615,685	615,685
Reserves and other equity components	44,014	31,596	48,317	53,300
Retained earnings (accumulated losses)	(34,940)	(40,382)	(50,728)	(57,943)
Minority interest	213,457	210,993	223,074	223,155
	838,216	**817,892**	**836,348**	**834,197**
LIABILITIES				
Non-current liabilities				
Bank borrowings	348,528	277,490	332,844	340,037
Bonds	282,591	273,062	297,769	253,421
Lease and other financial liabilities	16,037	37,256	37,844	45,336
Other non-current liabilities	104,507	102,345	119,126	115,553
	751,663	690,153	787,583	754,347
Current liabilities				
Bank overdrafts	4,181	10,491	8,551	9,509
Bank borrowings	20,767	46,299	29,845	80,301
Bonds	-	9,985	10,362	45,000
Lease and other financial liabilities	2,714	2,056	2,806	2,262
Other current liabilities	77,688	85,156	92,841	94,148
	105,350	153,987	144,405	231,220
	857,013	**844,140**	**931,988**	**985,567**
Total equity and liabilities	**1,695,229**	**1,662,032**	**1,768,336**	**1,819,764**
Total debt	*674,818*	*656,639*	*720,021*	*775,866*
Net debt	*572,654*	*590,331*	*632,860*	*733,083*
Invested capital (total equity plus net debt)	*1,410,870*	*1,408,223*	*1,469,208*	*1,567,280*

Key Financial Ratios	FY2021 Actual	FY2022 Actual	FY2023 Actual	FY2024 Forecast
Net debt-to-EBITDA *(times)* *(Net debt / EBITDA)*	21.59	11.42	10.49	12.45
Net debt-to-equity *(times)* *(Net debt / total equity)*	0.68	0.72	0.76	0.88
Net gearing *(%)* *(Net debt / net debt and total equity)*	40.59	41.92	43.07	46.77
Debt-to-asset *(times)* *(Total debt / total assets)*	0.40	0.40	0.41	0.43
Leverage *(times)* *(Total assets / total equity)*	2.02	2.03	2.11	2.18
Current ratio *(times)* *(Current assets / current liabilities)*	1.52	0.83	1.04	0.57

Source: MZ Investment Services Ltd

STATEMENT OF FINANCIAL POSITION

As at 31 December **2023**, total assets of the Group increased by €106.3 million mainly on account of the following:

i) Investment property decreased y-o-y by €6.1 million, on account of currency translation losses amounting to €12.4 million mainly due to a weaker Russian Rouble versus the Euro, which was partly mitigated by net fair value uplifts of €6.4 million (primarily Tripoli Commercial Centre +€7.9 million; St Petersburg Commercial Centre -€1.7 million).

ii) Property, plant & equipment increased by €87.1 million (net of depreciation charge) and consisted of various refurbishment programmes and development expenditure on the Corinthia Hotel Brussels project. Also included is a net uplift in fair value of hotel properties of €62.5 million.

iii) Cash balances were higher compared to FY2022 by €20.9 million as explained further in the commentary on the cash flow statement below.

Total liabilities increased by €87.9 million (y-o-y), which movement emanated primarily from changes in borrowings and other financial liabilities.

Bank borrowings increased by €36.9 million to €371.2 million (FY2022: €334.3 million), while debt securities increased by €25.1 million to €308.1 million. In view of the increased borrowings, the Group's gearing ratio increased by 1 percentage point to 43%, while net debt-to-EBITDA decreased from 11.4 times in 2022 to 10.5 times in 2023.

During the year, other current liabilities (mainly comprising trade & other payables) increased on a comparable basis by €7.6 million. The current ratio for FY2023 improved to 1.04 times compared to 0.83 times in the prior year.

Deferred tax liabilities (in non-current liabilities) increased y-o-y by €19.4 million on account of the net uplifts in carrying value of Group properties.

In **FY2024**, total assets are expected to increase by €51.5 million mainly on account of the following:

i) Investment property is expected to increase y-o-y by €82.3 million, which reflects the reclassification of the Prague hotel (formerly Corinthia Hotel Prague) as an investment property and disposal of the Lisbon apartments assumed to be completed during the projected financial year.

ii) Property, plant and equipment is projected to decrease y-o-y by €16.6 million. In FY2024, development costs in connection with Corinthia Hotel Brussels and improvements to other properties (comprising renovation and refurbishment programmes) are estimated to amount to €95.6 million. On the other hand, the Prague hotel, having a carrying value of €87.9 million, will be reclassified from property, plant and equipment to investment property. The remaining balance reflects mainly annual depreciation charge.

iii) An increase of €7.5 million in "other financial assets at amortised costs and receivables", principally represents key money due on the New York property.

iv) An increase in trade & other receivables of €22.0 million is reflective of the continued increase in operating activities.

v) A decrease in projected cash balances of €44.4 million as explained further in the commentary on the cash flow statement below.

Total liabilities are projected to increase by €53.6 million (y-o-y), which movement is expected to emanate primarily from a net increase in total debt.

Bank borrowings are projected to increase by €58.6 million from €371.2 million in FY2023 to €429.8 million, while debt securities are expected to decrease y-o-y by €9.7 million to €298.4 million. Furthermore, an increase of €6.9 million is anticipated in lease and other financial liabilities. In consequence, the Group's net gearing ratio is expected to increase by *circa* 4 percentage points to 47%, and net debt-to-EBITDA is anticipated to weaken from 10.5 times in 2023 to 12.5 times in 2024.

In FY2024, bank borrowings and bonds amounting to €125.3 (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.

International Hotel Investments p.l.c. Consolidated Cash Flow Statement for the financial year 31 December	2021 Actual €'000	2022 Actual €'000	2023 Actual €'000	2024 Forecast €'000
Net cash from / (used in) operating activities	29,748	49,781	54,593	44,160
Net cash from / (used in) investing activities	8,694	(38,672)	(54,066)	(83,340)
Net cash from / (used in) financing activities	24,644	(46,789)	19,180	(4,652)
Net movement in cash and cash equivalents	**63,086**	**(35,680)**	**19,707**	**(43,832)**
Cash and cash equivalents at beginning of year	36,383	97,906	55,740	78,533
Effect of translation of presentation currency	(1,563)	(6,486)	3,086	(1,504)
Cash and cash equivalents at end of year	**97,906**	**55,740**	**78,533**	**33,197**

STATEMENT OF CASH FLOWS

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 **2023**, operations across the Group's properties continued to improve compared to 2022, and this is reflected in higher net cash inflows from operating activities which amounted to €54.6 million (FY2022: inflows of €49.8 million). In the projected year (2024), the Group expects to generate €48.4 million in net cash from operating activities, a decrease of €6.2 million mainly due to adverse working capital movements.

In FY2023, net cash used in investing activities amounted to €56.5 million on account of the development of the Corinthia Hotel Brussels and other expenditure. On the other hand, the Group generated €1.1 million from sale of financial assets and received interest of €1.3 million.

In **FY2024**, the Group is projecting net cash used in investing activities to amount to €83.3 million. Capital expenditure predominantly relates to the development of the Grand Hotel Astoria and various renovation and refurbishment programmes amounting to €86.4 million. Furthermore, the Group will be settling key money amounting to €7.0 million for the signing of the management agreement relating to the New York hotel and contribution to the development of the Corinthia Hotel Rome. Projected cash inflows of €10.1 million mainly relate to the disposal of the Lisbon apartments (€6.4 million) and interest receivable (€3.3 million).

In FY2024, the Group is projected to use €4.6 million for financing activities. Net drawdowns from borrowing facilities are estimated to amount to €54.8 million while €10.4 million of listed bonds will be repaid. Lease obligations and interest payable are projected to amount to €2.4 million and €46.9 million respectively. The remaining movements in financing activities relate to advances to related parties, taxation and movement on sinking fund deposits.

10. VARIANCE ANALYSIS

The following financial information relates to the variance analysis between the forecast financial information for the year ended 31 December 2023 included in the prior year's Financial Analysis Summary dated 26 September 2023 and the actual financial information for the year ending 31 December 2023.

International Hotel Investments p.l.c. Consolidated Statement of Comprehensive Income for the financial year 31 December 2023	**Actual €'000**	**Forecast €'000**	**Variance €'000**
Revenue	287,773	277,763	10,010
Costs of providing services	(151,241)	(157,872)	6,631
Gross profit	**136,532**	**119,891**	**16,641**
Marketing costs and administrative expenses	(58,825)	(48,166)	(10,659)
Other operating costs	(17,382)	(16,846)	(536)
EBITDA	**60,325**	**54,879**	**5,446**
Depreciation and amortisation	(27,592)	(28,655)	1,063
Adjustments in value of property and intangible assets	5,018	-	5,018
Other operational exchange losses	(1,246)	-	(1,246)
Results from operating activities	**36,505**	**26,224**	**10,281**
Share of profit / (loss): equity accounted investments	(25)	-	(25)
Finance income	1,266	251	1,015
Finance costs	(38,754)	(38,356)	(398)
Other	(3,118)	(1,824)	(1,294)
Loss before tax	**(4,126)**	**(13,705)**	**9,579**
Taxation	(7,177)	2,007	(9,184)
Loss for the year	**(11,303)**	**(11,698)**	**395**
Other comprehensive income / (expense)			
Gross surplus / (impairment) - revaluation of hotel properties	62,495	-	62,495
Other effects, currency translation diff. and tax	(32,736)	401	(33,137)
	29,759	**401**	**29,358**
Total comprehensive income / (expense) for the year net of tax	**18,456**	**(11,297)**	**29,753**

In 2023, the Group performed better than expected at the operational level – in particular, actual revenue was higher by 4% (or €10.0 million) while EBITDA was higher than projected by 10% (or €5.4 million). A net gain in value of property and intangible assets of €5.0 million, which was not reflected in the forecast financial information, had a positive impact on the Group's results. However, due to an unfavourable variance of €9.2 million in tax expense (principally deferred taxation), the loss for the year was broadly in line with the forecasted figure.

The Group reported total comprehensive income of €18.5 million compared to a forecast total comprehensive expense of €11.3 million, thus resulting in a positive variance of €29.8 million. When the projections were compiled, the Group had not anticipated a net uplift in fair value of hotel properties (net of deferred tax) and a net currency translation loss (due to a weaker Russian Rouble in 2023 against the Euro).

International Hotel Investments p.l.c. Consolidated Statement of Financial Position as at 31 December 2023	Actual €'000	Forecast €'000	Variance €'000	
ASSETS				
Non-current assets				
Intangible assets (including indemnification)	63,563	63,431	132	
Investment property	161,635	152,860	8,775	(i)
Property, plant and equipment	1,341,845	1,306,523	35,322	(ii)
Right-of-use assets	14,810	11,675	3,135	
Investments accounted for using the equity method	5,034	5,198	(164)	
Other investments	3,411	14,567	(11,156)	(iii)
Other fin. assets at amortised cost and receivables	6,536	7,996	(1,460)	
Deferred tax assets	20,761	18,452	2,309	
	1,617,595	1,580,702	36,893	
Current assets				
Inventories	14,535	17,353	(2,818)	(iv)
Other fin. assets at amortised cost and receivables	110	-	110	
Trade and other receivables	48,707	60,745	(12,038)	(iv)
Taxation	228	32	196	
Financial assets at fair value through profit or loss	-	152	(152)	
Cash and cash equivalents	87,084	108,698	(21,614)	(v)
Assets placed under trust management	77	-	77	
	150,741	186,980	(36,239)	
Total assets	**1,768,336**	**1,767,682**	**654**	
EQUITY				
Capital and reserves				
Called up share capital	615,685	615,685	-	
Reserves and other equity components	48,317	18,644	29,673	
Retained earnings (accumulated losses)	(50,728)	(51,677)	949	
Minority interest	223,074	217,280	5,794	
	836,348	**799,932**	**36,416**	(ix)
LIABILITIES				
Non-current liabilities				
Bank borrowings	332,844	261,462	71,382	
Bonds	297,769	297,845	(76)	
Lease and other financial liabilities	37,844	40,106	(2,262)	
Other non-current liabilities	119,126	94,679	24,447	(vii)
	787,583	694,092	93,491	
Current liabilities				
Bank overdrafts	8,551	9,867	(1,316)	
Bank borrowings	29,845	182,597	(152,752)	
Bonds	10,362	-	10,362	
Lease and other financial liabilities	2,806	2,152	654	
Other current liabilities	92,841	79,042	13,799	(viii)
	144,405	273,658	(129,253)	
	931,988	**967,750**	**(35,762)**	
Total equity and liabilities	**1,768,336**	**1,767,682**	**654**	
Total debt	*720,021*	*794,029*	*(74,008)*	(vi)
Net debt	*632,860*	*685,331*	*(52,471)*	
Invested capital (total equity plus net debt)	*1,469,208*	*1,485,263*	*(16,055)*	

The amount of total assets as at 31 December 2023 was broadly in line with management's forecast. Below are the main variances in total assets:

(i) Investment property was higher than projected by €8.8 million. Management had assumed in the projections the sale of the Lisbon apartments and therefore a decrease of €14.8 million in investment property. This disposal did not materialise in 2023. Furthermore, the projections had not anticipated a net uplift in fair value of commercial property by €6.4 million and an adverse currency translation difference (Russian Rouble vs Euro) of €12.4 million.

(ii) Property, plant and equipment was higher than projected by €35.3 million. The forecast amount had not included a net uplift in fair value of hotel properties of €62.5 million. On the other hand, the projected expenditure on various refurbishment programmes and development of Corinthia Hotel Brussels was lower than anticipated, which has been deferred to the subsequent financial year/s.

(iii) Other investments were lower than forecasted by €11.1 million, mainly due to the fact that the key money due on the New York hotel property was not settled in 2023 as originally expected. This amount will be paid in the coming two years.

(iv) Inventories and trade & other receivables were lower than expected by €14.9 million (in aggregate).

(v) Actual cash balances amounted to €87.1 million compared to a projected amount of €108.7 million (net adverse difference of €21.6 million).

Total liabilities were lower than forecast by €35.8 million, mainly due to:

(vi) Total debt (bank borrowings, bonds, lease obligations and other financial liabilities) was lower than projected by €74.0 million;

(vii) Other non-current liabilities, primarily being deferred tax liabilities, were higher than expected by €24.4 million on account of the uplifts in fair value of Group assets;

(viii) Other current liabilities, which comprise trade & other payables and accruals, were higher than anticipated by €13.8 million.

Capital and reserves (note ix) were higher than projected by €36.4 million on account of net uplifts in carrying value of Group properties which was partly offset by an adverse movement in currency translation reserves.

International Hotel Investments p.l.c. Consolidated Cash Flow Statement for the financial year 31 December 2023	Actual €'000	Forecast €'000	Variance €'000
Net cash from / (used in) operating activities	54,593	32,573	22,020
Net cash from / (used in) investing activities	(54,066)	(81,097)	27,031
Net cash from / (used in) financing activities	19,180	92,690	(73,510)
Net movement in cash and cash equivalents	**19,707**	**44,166**	**(24,459)**
Cash and cash equivalents at beginning of year	55,740	55,740	-
Effect of translation of presentation currency	3,086	(1,075)	4,161
Cash and cash equivalents at end of year	**78,533**	**98,831**	**(20,298)**

Actual net movement in cash and cash equivalents was lower than projected by €24.5 million.

Cash inflows from operating activities were higher than projected by €22.0 million on account of better-than-expected performance by the Group's hotels.

Development costs and other capital expenditure were lower than forecasted and the payment of key money for the New York property did not materialise in 2023. On the other hand, the Lisbon apartments were not sold in 2023 as initially projected which would have resulted in a cash inflow to the Group. As such, net cash used in investing activities was lower than expected by €27.0 million.

In financing activities, actual cash inflows amounted to €19.2 million compared to a projected net cash inflow of €92.7 million, thus resulting in a negative variance of €73.5 million.

11. RELATED PARTY DEBT SECURITIES

CPHCL Company Limited ("**CPHCL**") is the parent company and owns 57.82% 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	Security	Symbol Code	Amount Outstanding	Market Price*
MT0000101262	4.25% CPHCL Finance p.l.c. Unsecured 2026	CF26A	€ 40,000,000	100.00%
			€ 40,000,000	

** As at 15 March 2024.*

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, both of which are situated in Libya. Below is a list of outstanding debt securities as at the date of this report.

Security ISIN	Security	Symbol Code	Amount Outstanding	Market Price*
n/a	6.00% Mediterranean Investments Holding p.l.c. Unsecured 2023-2025**	n/a	€ 11,000,000	n/a
MT0000371303	5.25% Mediterranean Investments Holding p.l.c. Unsecured & Guaranteed 2027	MI27A	€ 30,000,000	100.00%
MT0000371311	5.85% Mediterranean Investments Holding p.l.c. Unsecured & Guaranteed 2028	MI28A	€ 20,000,000	102.40%
			€ 61,000,000	

** As at 15 March 2024.*
*** Unlisted*

12. INFORMATION RELATING TO THE ISSUER'S SECURITIES

The Group has five bonds which are listed on the Regulated Main Market (Official List) of the Malta Stock Exchange. The key information relating to these bonds is provided in the table below:

Security ISIN	Security	Symbol Code	Amount Outstanding	Market Price*
MT0000111295	5.75% International Hotel Investments p.l.c. Unsecured 2025	IH25A	€ 45,000,000	100.00%
MT0000111303	4.00% International Hotel Investments p.l.c. Secured 2026	IH26A	€ 55,000,000	100.00%
MT0000111311	4.00% International Hotel Investments p.l.c. Unsecured 2026	IH26B	€ 60,000,000	96.81%
MT0000111337	3.65% International Hotel Investments p.l.c. Unsecured 2031	IH31A	€ 80,000,000	93.50%
MT0000111345	6.00% International Hotel Investments p.l.c. Unsecured 2033	IH33A	€ 60,000,000	104.80%
			€ 300,000,000	

** As at 15 March 2024.*

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

International Hotel Investments p.l.c. **Key Market Data** **for the financial year 31 December**		**2023** **Actual**	**2024** **Forecast**
Total number of shares in issue ('000)	*[A]*	615,685	615,685
Share price as at 15 May 2024 (€)	*[B]*	0.500	0.500
Market capitalisation (€'000)	*[A multiplied by B]*	307,842	307,842
Shareholders' funds (€'000)	*[C]*	613,274	609,381
Net asset value per share (€)	*[C divided by A]*	0.9961	0.9898
Price-to-net asset value (times)	*[A multiplied by B] divided by [C]*	0.50	0.51

PART 4 – COMPARATIVE ANALYSIS

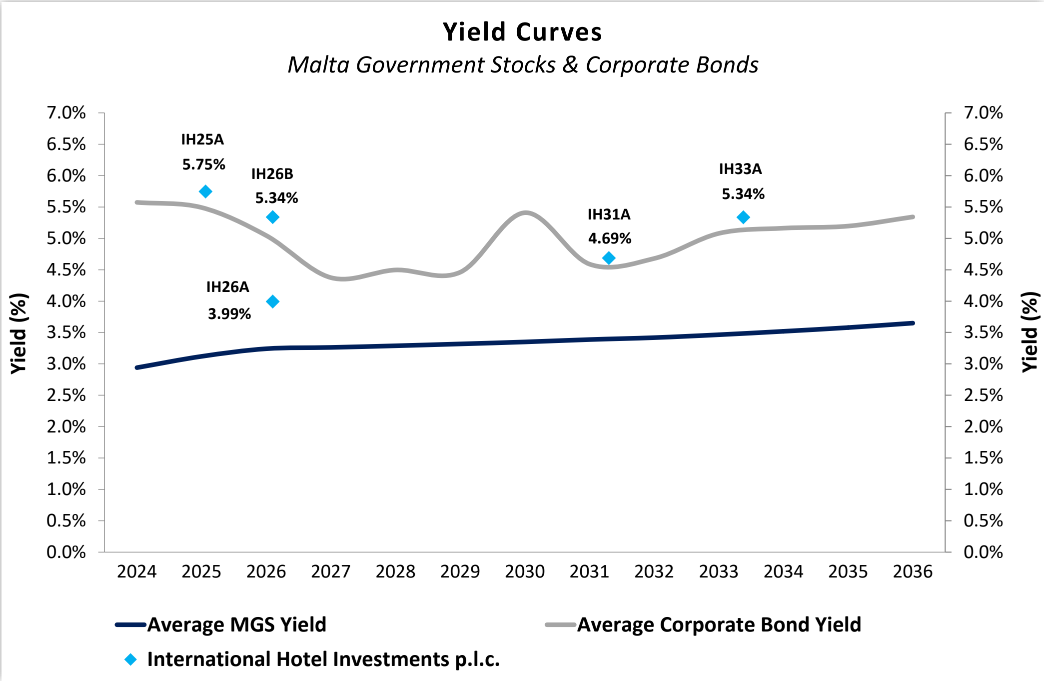
The table below provides a comparison between the Group and its bonds with other debt issuers listed on the Malta Stock Exchange and their respective debt securities. Although there are significant variances between the activities of the Group and other issuers (including different industries, principal markets, competition, capital requirements etc.), and material differences between the risks associated with the Group'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 / Worst	Interest Cover	Net Debt-to-EBITDA	Net Gearing	Debt-to-Assets
	(€'000)	*(%)*	*(times)*	*(times)*	*(%)*	*(times)*
5.00% Hal Mann Vella Group p.l.c. Secured 2024	30,000	3.81	2.21	9.47	51.49	0.43
4.25% Best Deal Properties Holding p.l.c. Secured & Guaranteed 2024	1,267	4.17	57.57	9.38	69.21	0.64
5.75% International Hotel Investments p.l.c. Unsecured 2025	45,000	5.75	1.61	10.49	43.07	0.41
5.10% 6PM Holdings p.l.c. Unsecured 2025**	13,000	6.86	16.04	0.65	17.79	0.20
4.50% Hili Properties p.l.c. Unsecured & Guaranteed 2025	37,000	4.11	1.80	8.70	46.06	0.45
4.35% Hudson Malta p.l.c. Unsecured & Guaranteed 2026	12,000	4.63	5.64	6.37	77.20	0.60
4.25% CPHCL Finance p.l.c. Unsecured & Guaranteed 2026	40,000	4.25	1.45	11.49	43.52	0.41
4.00% International Hotel Investments p.l.c. Secured 2026	55,000	3.99	1.61	10.49	43.07	0.41
5.00% Dizz Finance p.l.c. Unsecured & Guaranteed 2026	8,000	4.99	2.27	8.24	80.39	0.57
3.75% Premier Capital p.l.c. Unsecured 2026	65,000	4.38	10.89	2.16	65.14	0.57
4.00% International Hotel Investments p.l.c. Unsecured 2026	60,000	5.34	1.61	10.49	43.07	0.41
3.25% AX Group p.l.c. Unsecured 2026	15,000	3.33	1.24	21.28	39.42	0.36
3.90% Gap Group p.l.c. Secured & Guaranteed 2024-2026	16,702	3.89	n/a	3.15	52.66	0.56
4.00% Hili Finance Company p.l.c. Unsecured & Guaranteed 2027	50,000	3.62	4.60	4.44	69.59	0.61
4.35% SD Finance p.l.c. Unsecured & Guaranteed 2027	65,000	4.26	4.68	1.74	22.08	0.26
4.00% Eden Finance p.l.c. Unsecured & Guaranteed 2027	40,000	4.04	5.43	4.21	26.73	0.24
5.25% Mediterranean Investments Holding p.l.c. Unsecured & Guaranteed 2027	30,000	5.24	5.42	2.67	20.40	0.19
4.00% Stivala Group Finance p.l.c. Secured & Guaranteed 2027	45,000	3.99	5.67	4.17	22.93	0.21
4.75% Best Deal Properties Holding p.l.c. Secured & Guaranteed 2025-2027	15,000	5.06	57.57	9.38	69.21	0.64
4.75% Gap Group p.l.c. Secured & Guaranteed 2025-2027	23,000	4.74	n/a	3.15	52.66	0.56
3.85% Hili Finance Company p.l.c. Unsecured & Guaranteed 2028	40,000	4.27	4.60	4.44	69.59	0.61
5.85% Mediterranean Investments Holding p.l.c. Unsecured & Guaranteed 2028	20,000	5.19	5.42	2.67	20.40	0.19
5.75% PLAN Group p.l.c. Secured & Guaranteed 2028	12,000	4.62	7.37	9.26	54.58	0.48
3.65% Stivala Group Finance p.l.c. Secured & Guaranteed 2029	15,000	3.78	5.67	4.17	22.93	0.21
3.80% Hili Finance Company p.l.c. Unsecured & Guaranteed 2029	80,000	4.87	4.60	4.44	69.59	0.61
3.75% AX Group p.l.c. Unsecured 2029	10,000	3.75	1.24	21.28	39.42	0.36
5.25% Best Deal Properties Holding p.l.c. Secured & Guaranteed 2024	15,000	4.98	57.57	9.38	69.21	0.64
6.25% GPH Malta Finance p.l.c. Unsecured & Guaranteed 2030	18,144	6.24	1.73	7.63	94.01	0.75
3.65% International Hotel Investments p.l.c. Unsecured 2031	80,000	4.69	1.61	10.49	43.07	0.41
3.50% AX Real Estate p.l.c. Unsecured 2032	40,000	5.10	2.04	12.44	49.30	0.45
5.00% Mariner Finance p.l.c. Unsecured 2032	36,930	4.85	4.89	6.08	50.77	0.50
5.85% AX Group p.l.c. Unsecured 2033	40,000	5.19	1.24	21.28	39.42	0.36
6.00% International Hotel Investments p.l.c. Unsecured 2033	60,000	5.34	1.61	10.49	43.07	0.41
4.50% The Ona p.l.c. Secured & Guaranteed 2028-2034	16,000	4.63	3.09	16.34	74.89	0.65
5.50% Juel Group p.l.c. Secured & Guaranteed 2035	32,000	5.20	3.35	11.26	55.24	0.51

As at 15 May 2024

***** The financial ratios pertain to Idox p.l.c..***

Sources: Malta Stock Exchange
M.Z. Investment Services Limited
Most recent audited annual financial statements except for Juel Group p.l.c. (FY2024 forecast, as included in the Financial Analysis Summary dated 6 June 2023).



The closing market price as at 15 May 2024 for the **5.75% International Hotel Investments p.l.c. unsecured bonds 2025** (IH25A) was 100.00%. This translated into a yield-to-maturity ("YTM") of 5.75% which was 26 basis points above the average YTM of 5.49% of other local corporate bonds maturing in the same year. The premium over the corresponding average Malta Government Stock ("**MGS**") yield of equivalent maturity stood at 263 basis points.

The closing market price as at 15 May 2024 for the **4.00% International Hotel Investments p.l.c. secured bonds 2026** (IH26A) was 100.00%. This translated into YTM of 3.99% which was 106 basis points below the average YTM of 5.05% of other local corporate bonds maturing in the same year. The premium over the corresponding average MGS yield of equivalent maturity stood at 75 basis points.

The closing market price as at 15 May 2024 for the **4.00% International Hotel Investments p.l.c. unsecured bonds 2026** (IH26B) was 96.81%. This translated into a YTM of 5.34% which was 29 basis points above the average YTM of 5.05% of other local corporate bonds maturing in the same year. The premium over the corresponding average MGS yield of equivalent maturity stood at 210 basis points.

The closing market price as at 15 May 2024 for the **3.65% International Hotel Investments p.l.c. unsecured bonds 2031** (IH31A) was 93.50%. This translated into a YTM of 4.69% which was 10 basis points above the average YTM of 4.59% of other local corporate bonds maturing in the same year. The premium over the corresponding average MGS yield of equivalent maturity stood at 130 basis points.

The closing market price as at 15 May 2024 for the **6.00% International Hotel Investments p.l.c. unsecured bonds 2025** (IH33A) was 104.80%. This translated into a YTM of 5.34% which was 26 basis points above the average YTM of 5.08% of other local corporate bonds maturing in the same year. The premium over the corresponding average MGS yield of equivalent maturity stood at 187 basis points.

PART 5 – EXPLANATORY DEFINITIONS

Income Statement	
Revenue	Total income generated from business activities.
EBITDA	Earnings before interest, tax, depreciation, and amortisation. It is a metric used for gauging operating performance excluding the impact of capital structure. EBITDA is usually interpreted as a loose proxy for operating cash flows.
Adjusted operating profit / (loss)	Profit (or loss) from core operations, excluding movements in the fair value of investment property, share of results of associates and joint ventures, net finance costs, and taxation.
Operating profit / (loss)	Profit (or loss) from operating activities, including movements in the fair value of investment property but excluding the share of results of associates and joint ventures, net finance costs, and taxation.
Share of results of associates and joint ventures	Share of profit (or loss) from entities in which the company does not have a majority shareholding.
Profit / (loss) after tax	Net profit (or loss) registered from all business activities.

Profitability Ratios	
EBITDA margin	EBITDA as a percentage of revenue.
Operating profit margin	Operating profit (or loss) as a percentage of total revenue.
Net profit margin	Profit (or loss) after tax as a percentage of total revenue.
Return on equity	Measures the rate of return on net assets and is computed by dividing the net profit (or loss) for the year by average equity.
Return on assets	Measures the rate of return on assets and is computed by dividing the net profit (or loss) for the year by average assets.
Return on invested capital	Measures the rate of return from operations and is computed by dividing operating profit (or loss) for the year by the average amount of equity and net debt.

Statement of Cash Flows	
Net cash from / (used in) operating activities	The amount of cash generated (or consumed) from the normal conduct of business.
Net cash 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.
Net cash from / (used in) financing activities	The amount of cash generated (or consumed) that have an impact on the capital structure, and thus result in changes to share capital and borrowings.
Free cash flow	Represents the amount of cash generated (or consumed) from operating activities after considering any amounts of capital expenditure.

Statement of Financial Position	
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 the amortisation of the cost of the asset takes place over the number of years for which the asset will be in use. This is done 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 date of the Statement of Financial Position. 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 date of the Statement of Financial Position, 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 sustain 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 EBITDA, 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 net debt by the level of invested capital.
Debt-to-assets	Shows the degree to which a company's assets are funded by debt and is calculated by dividing all interest-bearing liabilities (including lease liabilities) by total assets.
Leverage	Shows how many times a company is using its equity to finance its assets.
Current ratio	Measures the extent of how much a company can sustain its short-term liabilities from its short-term assets.