Report of the 2021 Annual General Meeting of MIDI p.l.c.

The following is a report of the Annual General Meeting (the "**AGM**") of MIDI p.l.c. (C 15836) (the "**Company**") held remotely and live streamed on the 17 June 2021 at 1600 hours. The AGM was held at the studios of Studio 7, Birkirkara.

Present:

Members representing **170,482,919** votes were present by proxy.

The Meeting was chaired by Dr Alec A. Mizzi, Chairman of the Company.

In attendance:

Mark Portelli	Chief Executive Officer ("**CEO**") and Managing Director
Fabio Axisa	Partner, PwC – External Auditors
Catherine Formosa	Company Secretary

Since the meeting was held at Studio 7 and due to Covid-19 restrictions, the Directors of the Company followed the meeting remotely.

Introduction by the Chairman

The Chairman welcomed the Shareholders to the Meeting and stated that similarly to last year the AGM was held remotely due to the ongoing health risks and concerns associated with the COVID-19 pandemic, and in accordance with the relevant provisions set out in the Companies Act (Public Companies – Annual General Meeting) Regulations, 2020 (Legal Notice 288 of 2020) (the "**Regulations**"). The AGM was also livestreamed on the Company's website and Shareholders could follow the AGM. Shareholders were requested to send their proxy to the Chairman of the Meeting and could also indicate how they wished the Chairman of the Meeting to vote on their behalf. Shareholders were also asked to send any questions which they wished to be answered during the Meeting. No questions from shareholders were received.

The Chairman stated that, a quorum was reached and then explained how the Meeting was going to be conducted.

The Chairman invited the Company Secretary to read the notice convening the AGM.

Chairman's address

The Chairman gave a presentation based on the Chairman's address to Shareholders included in the Annual Report.

The Chairman stated that the year under review (2020) was certainly an extraordinary year, principally due to the challenging trading conditions caused by the ongoing COVID-19 pandemic. The Group has registered a loss after tax of €2.1 million for the financial year ended 31 December 2020. These financial

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results reflect the fact that no residential properties were sold by the Company. This is partly attributable to the limited stock available and partly attributable to the impact of the COVID-19 pandemic. In addition, MIDI's rental operations have also experienced a reduction in revenues during 2020. This reduction in revenues is a result of the Company taking decisive action to support the tenants of its commercial properties and to its car park operator by granting rent concessions. This was done to mitigate the tenants' cashflows challenges created by the measures taken by the Authorities to limit the spread of the COVID-19 virus.

The Chairman stated that MIDI's primary focus has continued to be on the Manoel Island project. On the 18 February 2021, the Company submitted a revised Masterplan to the Planning Authority together with a fresh Environmental Impact Assessment ("**EIA**") to the Environmental Resources Authority ("**ERA**"). The CEO will be explaining the planning process which led to this new submission in his address. The 2021 Masterplan makes a series of key improvements on the previous masterplans. MIDI feels that the 2021 Masterplan should meet the different and contrasting expectations of the various stakeholders, that is, the Company's shareholders, the Gżira Community, future residents and tenants at Manoel Island and the wider community in general. It is a balance which the Company feels that it is capable of achieving through careful planning.

The Chairman continued that on 16 April 2020, the Planning Authority granted the development permit for the final phase of the Tigné Point development. This development will comprise of a residential block, to be known as Q3, consisting of 63 apartments and 4 levels of car parking. This permit is now subject to an appeal. Nonetheless, the Company has commenced site preparatory works and construction is scheduled to commence towards the end of 2021.

The Chairman added that in response to the COVID-19 pandemic, the Company has taken a prudent approach to financial management and implemented a number of measures. Given the current market conditions, the Board has taken the decision not to declare a dividend for 2020. However, when he considers the current activity within the Company with regards to Manoel Island and the Q3 development, he is confident that the Company's future prospects are indeed promising.

The Chairman thanked his colleagues on the Board of Directors for their unwavering support and valid contribution during the last year. The Board would also like to express its appreciation to the CEO and the Management Team for their commitment and loyalty during the past year. Finally, the Chairman thanked all MIDI's shareholders, bondholders, clients and all other stakeholders who have continued to show trust and confidence in the Company.

The Chairman then invited the CEO to give his presentation.

CEO's presentation

The CEO stated that the presentation provides an overview of the financial performance for 2020 followed by an update on the development of the last residential block at Tigné Point and the development of Manoel Island.

Financial Performance for 2020

The CEO stated that the Revenue for the year at €2.8 million was significantly less than the revenue of €27.7 million recorded in the prior year. This sharp decrease reflected the fact that no residential property was sold throughout 2020 due to the limited number of properties available for sale as

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well as to the subdued economic activity resulting from the COVID-19 pandemic. In fact, for the year the Company only had 3 residential units available for sale 2 of which were actually sold in the latter part of 2020, However as the deeds of sale were concluded in the first half of 2021, this revenue will be reflected in the financial statements for 2021. Additionally, property rental revenues have been in part impacted by the rent concessions given by the Company to provide support to the tenants of its commercial properties during the COVID-19 pandemic. The gross profit for the year of €1.1 million reflected the flow through of the limited revenue generated in 2021.

The CEO continued that administration expenses at €2.3 million compared favourably to the €3.0 million incurred in the prior year. The difference was in part due to cost cutting measures put in place in light of the ongoing pandemic. Consequently, the Company recorded an operating loss for the year of €1.2 million compared to the operating profit of €11.6 million recorded in the prior year. The finance costs of €2.3 million primarily related to the €50 million bond which matures in 2026 and the increase compared to the prior year reflects a reduction in finance income generated from a loan to Mid Knight Holdings Limited which has since been repaid. The share of the joint venture results related to the group's 50% share of the profit generated by Mid Knight Holdings Limited the company which owns and operates The Centre at Tigné Point. Overall, the company incurred a loss after tax of €2.1 million for the year ending 2020. Capital employed as at year end totalled €161 million, which was marginally lower than the prior year in view of the loss incurred. Gearing was up from 26% to 32% reflecting the reduction in cash balances. The cash in hand has reduced by €10 million which was partly applied to continued development costs and partly applied to settle creditors (principally the premia of €5.8 million payable to Government). As at year end the NAV per share totals €0.48 which marginally lower than the prior year.

<u>Tigné Point</u>

The CEO stated that the Company has now commenced the final stage of the development of Tigné Point. This includes the development of the Q3 residential block and the landscaping of the Garden Battery which will create a new open space for the enjoyment of the general public. Although the permit for Q3 is currently under appeal the Company is confident that works will commence during the last quarter of 2021 and MIDI is in the final stages of appointing a contractor to undertake this development. The Company has secured funding for the project through a ring-fenced banking facility being provided by a local bank. In the meantime, the Company is projecting to sell the remaining 3 apartments in the Q2 residential block during 2021 generating revenues of circa €6million. To-date two apartments have already been sold leaving one remaining apartment to be sold.

<u>Manoel Island</u>

The CEO stated that the Outline Development Permit for Manoel Island issued during the first quarter of 2019 was the subject of an appeal filed by the Flimkien Ghall-Ambjent Ahjar ("**FAA**"). The appeal was partially upheld by the EPRT this time last year and the decision required the EIA be re submitted to ERA (with a fresh cultural heritage report). The Company is glad to report that at the ERA public hearing meeting held two weeks ago the revised EIA was approved. The next step is for the Outline Planning Application to be reconsidered by the Planning Authority.

The CEO noted that throughout 2019 extensive site investigations were undertaken by MIDI under the supervision of an independent Archaeologist and the Superintendence of Cultural Heritage (the "**SCH**"). The investigations focused on a number of high-risk sites which were thought to be cleared during the 1970's. The investigations have concluded that a large part of the site, measuring 22,000sqm, is compromised as the area is deemed to be of archaeological importance. After consultation with the

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SCH, it was determined that this part of the site cannot be developed. In view of the requirement to revise the masterplan as a result of the archaeological finds MIDI took the opportunity, in consultation with Government, to address a number of concerns raised by NGOs and local residents. These concerns included the density of the development, the lack of significant open spaces and the impact of the proposed reclamation. Like the 2017 Masterplan, the revised Masterplan puts the heritage buildings at the centre of the development. During the first quarter of 2021 MIDI developed a reduced Masterplan which aims to protect the archaeological sites and ensures that the heritage buildings remain accessible.

The CEO noted that the revised Masterplan which has now been submitted to the Planning Authority provides for a significant reduction in the footprint of the site to be developed, a reduction in the new building and the elimination of the reclamation works. This has provided an opportunity to include a significant open space measuring 35,000sqm at the heart of the development. This new open space complements the Fort Manoel Glacis Public Park measuring 80,000 sqm. When comparing the revised Masterplan with the Deed the reduction in the development is immediately evident. New buildings will now occupy circa 10% of the site compared to 26% originally contemplated and open spaces will now total 192,000 sqm accounting for circa 70% of the site compared to 58% contemplated in the Deed. Significantly the built-up area of the new buildings will total 55,000 sqm compared to 95,000 sqm in the original masterplan.

The CEO concluded that although the reduction in the development negatively impacts the projected earnings associated with the project, this impact is partially mitigated by the transfer of 8,000sqm to Tigné Point for the development of Q3, the specific remedies provided in the Deed in respect of volumes surrendered due to archaeological finds and the savings associated with a reduction in the infrastructure obligations. In the meantime, the Company is confident that the revised Masterplan will be considered by the Planning Authority during the 3rd quarter of this year and the efforts to secure a strategic investor to undertake the project in partnership with MIDI are progressing.

Resolutions

The Chairman stated that since no questions had been received from shareholders, the Meeting would then proceed to the approval of the Resolutions as set out in the Notice to Shareholders.

Resolution 1: Ordinary Resolution

The Chairman introduced the First Ordinary Resolution which seeks approval of the Audited Financial Statements for the financial year ended 31 December 2020 and the Report of the Directors and the Auditors as set out in the Annual Report and which are being presented to the Meeting for its approval.

The Chairman continued that it was being proposed that the Directors' Report which was sent to the shareholders as part of the Annual Report is taken as read.

Fabio Axisa, Audit Partner read the auditors' unqualified opinion as found in the Annual Report.

The Company Secretary read the First Resolution:

That the Audited Financial Statements for the financial year ended 31 December 2020 and the Report of the Directors and the Auditors thereon as set out in the Annual Report be and are hereby approved.

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The Chairman stated that the following votes were received by proxy in relation to the First Resolution:

472,936 Against

5,135,417 Abstentions

164,874,566 In favour

IT WAS RESOLVED that the Audited Financial Statements for the financial year ended 31 December 2020 and the Report of the Directors and the Auditors thereon as set out in the Annual Report be and are hereby approved.

Resolution 2: Ordinary Resolution

The Chairman stated that the Second Resolution relates to the appointment of the auditors. Subject to the approval of the shareholders, PricewaterhouseCoopers will be re-appointed to undertake the audit of the MIDI Group for the year ending 31 December 2021.

The Company Secretary read the Second Resolution:

That the re-appointment of PricewaterhouseCoopers, of 78, Mill Street, Qormi, Malta as auditors of the Company be hereby approved and that the Directors are hereby authorised to fix their remuneration.

The Chairman stated that the following votes were received by proxy in relation to the Second Resolution:

472,936 Against

5,135,417 Abstentions

164,874,566 In favour

IT WAS RESOLVED that the re-appointment of PricewaterhouseCoopers, of 78, Mill Street, Qormi, Malta as auditors of the Company be hereby approved and that the Directors are hereby authorised to fix their remuneration.

Resolution 3: Ordinary Resolution

The Chairman stated the Third Resolution relates to the maximum annual aggregate remuneration for all Directors. No changes to the maximum amount are being proposed.

The Company Secretary read the Third Resolution.

That €75,000 be established as the maximum annual aggregate remuneration for all Directors in line with the previous year.

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The Chairman stated that the following votes were received by proxy in relation to the Third Resolution:

481,936 Against

5,135,417 Abstentions

164,865,566 In favour

IT WAS RESOLVED that €75,000 be established as the maximum annual aggregate remuneration for all Directors in line with the previous year.

Resolution 4: Ordinary Resolution – Special Business – Advisory Vote*

The Chairman stated that the Fourth Resolution relates to the approval of the Remuneration Report which is drawn up in terms of the Listing Rules and also on the basis of the Remuneration Policy approved at last year's AGM. This is effectively the first time that the Remuneration Report is being submitted to the Annual General Meeting for an advisory vote as required by the Listing Rules and will henceforth be submitted at every Annual General Meeting. *An advisory vote is a non-binding vote which allows shareholders to express their opinion regarding the issue at hand.

The Company Secretary read the Fourth Resolution.

That the Remuneration Report in terms of Chapter 12 of the Listing Rules as set out in the Annual Report be and is hereby approved.

The Chairman stated that the following votes were received by proxy in relation to the Fourth Resolution:

491,936 Against

5,135,417 Abstentions

164,855,566 In favour

IT WAS RESOLVED that the Remuneration Report in terms of Chapter 12 of the Listing Rules as set out in the Annual Report be and is hereby approved.

Election of Directors

The Chairman informed the Meeting that at the Annual General Meeting, all the Directors of the Company retire from office in terms of the Articles of Association of the Company. In line with the Articles, the Company issued adverts calling for the nomination of persons to be appointed directors. The Company received eight (8) valid nominations. Accordingly: (a) in terms of the Articles, since there were as many nominations as vacancies, namely eight (8) nominations for eight (8) vacancies, no election will take place and the eight (8) nominees will automatically take office as directors; and (b) no resolution is required at this Meeting as the directors are duly appointed pursuant to the Articles.

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The Board of Directors is therefore composed of 8 directors as follows:

Joseph Bonello

David Demarco

Joseph A. Gasan

Alan Mizzi

Alec A. Mizzi

Alfredo Muñoz Perez

Gordon Polidano

Joseph Said

There being no further business to discuss the Chairman declared the Meeting closed at 1640 hours.

Catherine Formosa
Company Secretary
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