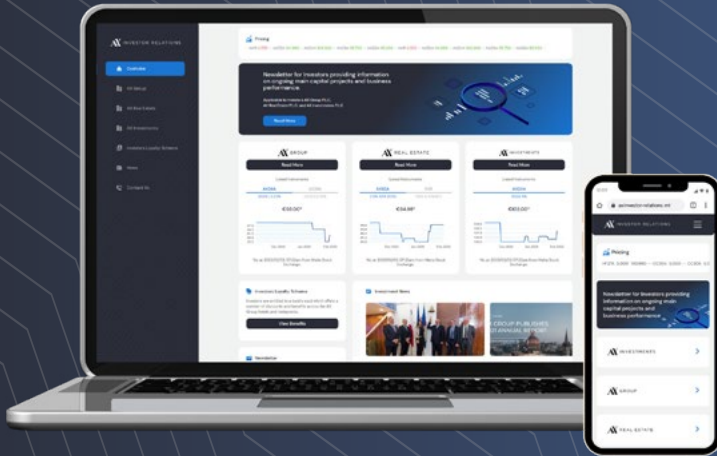


OUR NEW WEBSITE IS NOW LIVE!



At AX Group, we are committed to keeping all our investors updated with the latest and most reliable information about our various projects. We are proud to announce the launch of the AX Investor Relations website, which is a purposefully designed platform covering a wide range of investor-focused information.

www.axinvestor-relations.mt



Dear Investor,

We are reaching out to provide you with an update on the latest developments in our business. We are excited to report that 2023 is showing promising signs of success and we are confident about the exciting milestones ahead.

We are making substantial progress with several projects. Our top priority is the transformation and extension of the Suncrest hotel in Qawra, which has undergone a comprehensive renovation to provide an elevated experience for guests with premium amenities and stylish design.

Additionally, the restoration of Palazzo Lucia in Valletta is moving forward smoothly and we are eager to showcase the stunning transformation of this building into private offices, providing a unique and inspiring workspace.

We are also gearing up for a major sales and marketing campaign for our new, luxurious residences at the Verdala Terraces in Rabat. These residences boast

unparalleled comfort and elegance, with stunning views of the breathtaking surroundings.

We are confident that these projects will bring substantial value to our investors and we eagerly look forward to sharing our progress with you in the near future. As always, we are currently finalizing our audited accounts for publication in late February.

We would like to extend a heartfelt thanks on behalf of the Directors of AX Group p.l.c., AX Real Estate p.l.c. and AX Investment p.l.c., for your continued support and trust in AX Group. We hope you find this newsletter informative and encourage you to follow our channels, including our newly launched AX Investors Relations website for all the latest news and updates.


Angelo Xuereb
 Chairman


Michael Warrington
 Chief Executive Officer

MAIN CAPITAL PROJECTS

QAWRA

Works on the Suncrest hotel continue at a steady pace. Following the successful completion of the four-storey extension which increased the total number of guestrooms to over 600, the hotel is currently undergoing an extensive refurbishment across all rooms and public areas. The new back-of-house facilities are also at an advanced stage. Concurrently, construction works are drawing to an end on the new waterfront lido, which will feature extensive pools, an aquapark, and several new restaurants, bars and cafés.

With the scaffolding on the hotel façade recently dismantled, the hotel is being finalised to the highest standards ahead of its much-anticipated re-opening in Q2 of 2023. Marketing campaigns will soon be unveiled for the reimagined branding of the hotel, which will showcase our Qawra property as an exciting all year-round destination with much to offer both tourists and locals alike.



Suncrest – Artistic Impression

RABAT

Construction work of one of the Verdala residential blocks is now complete whilst work on the second residential block is at an advanced stage. In the meantime, works are also progressing on the structural foundations of the new hotel. Despite the technical challenges that this building has posed due to the uniqueness of its design, which features an intricate series of columns and overhangs that emulate the surrounding rock strata, the construction phase remains on target to be completed in 2023, with finishes targeting a July 2024 completion.

The project reached another significant milestone through its Special Designated Area (SDA) classification, which is set to add greater value and appeal to potential buyers and investors looking to own a highly luxurious property in Malta. A show apartment is currently being finalised to showcase unparalleled luxury through high levels of finishes, quality interiors, layout and design. We are expecting to launch sales in Q2.



Verdala Terraces – Artistic Impression

VALLETTA

Restoration and construction works on Palazzo Lucia in Merchants Street, Valletta, are now complete. The scaffolding outside the building has been dismantled and the newly restored façade has been adorned with a newly constructed Maltese gallarija which extends around the curvature of the building and lends the property a charm that perfectly matches its historic setting.

With interior finishings underway, plans are in the pipeline to launch this property as a new private offices concept in the heart of the capital. This venture, to be launched later in 2023, is set to introduce a new standard for high-end private offices in Valletta.



Palazzo Lucia Façade

BUSINESS PERFORMANCE

The performance of the first months of the year show that all of our divisions operated in line with the set budgets.

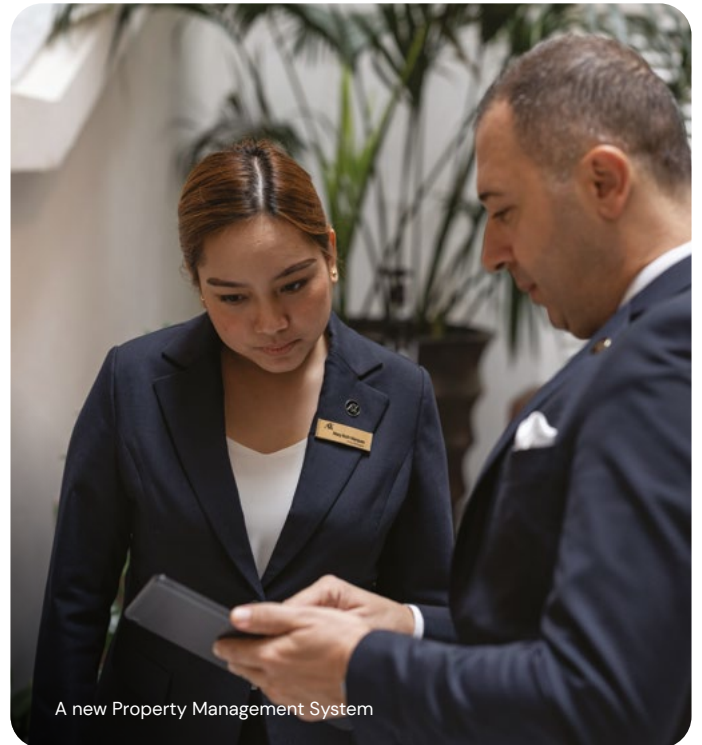
This result is a positive achievement given the difficult economic environment and persisting labour market challenges. The Group has been pro-active and has been working tirelessly to ensure that supplier relationships

are strengthened and that adequate labour resources are secured when required. This strategy has ensured that operations are properly sustained to cater for the growth in business whilst ensuring that the capital projects planned are delivered on time and in line with the set capital budgets.

AX HOTELS

The past few months have seen AX Hotels experience a significant boost reflecting renewed interest in travel and hospitality following the easing of pandemic restrictions throughout 2022. The Christmas period in particular proved extremely positive, further ensuring our operational hotels met annual budgets and, in some cases, exceeded forecasts.

A new Property Management System (PMS) is being installed across our hotels and is being implemented according to schedule. The system will streamline and standardise internal operating processes whilst providing valuable insights and metrics through extensive data analytics tools, which are sure to influence business decisions going forward. Our 5-star Rosselli AX Privilege hotel further cemented its stature within the international market through a recommended listing from Forbes Travel Guide, a global rating system which highlights exceptional hospitality experiences from across the world. Over the next months, our focus will remain on the Suncrest as we look towards unveiling its brand overhaul ahead of its reopening in time for 2023's peak season.

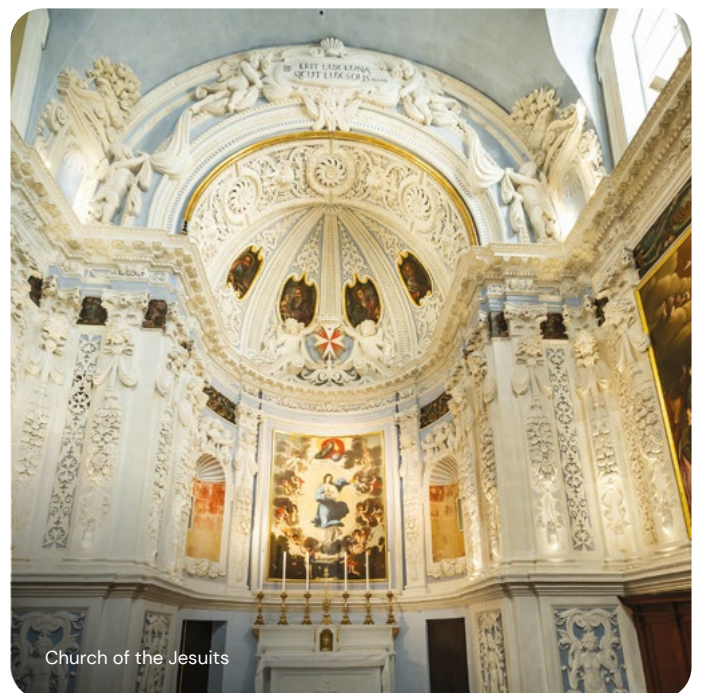


A new Property Management System

AX CONSTRUCTION

Following the construction works at Suncrest hotel and Verdala, as well as the ongoing third party construction and restoration jobs entrusted to AX Construction, the past year has seen our construction team go increase from under 200 employees to over 300 employees, with the majority coming from foreign countries. This ambitious recruitment initiative has provided us with adequate and sufficient resources to meet the project deadlines.

A three-year project to rehabilitate the prestigious Malta Maritime Museum in Birgu will come to an end in Q1 of FY2023, while highly sensitive restoration works on the oratories and sacristy inside the Jesuit's Church in Valletta have now reached an advanced stage. As with other divisions, AX Construction is well equipped to face challenges regarding the sourcing of adequate human resources in the local market, securing materials amid worldwide shortages, and rising inflation.



Church of the Jesuits

Interest and inquiries in AX Care’s services have improved significantly. In addition to strong residency rates, Simblija Care Home experienced an upswing in clients looking to avail themselves of the home’s respite and post-op rehabilitation services, which resulted in occupancy rates reaching an all-time high in Q1 FY2023.

Reinstating an active calendar of activities and events within both Hilltop Gardens Retirement Village and Simblija Care Home has resulted in a happier and more connected community atmosphere, once again for residents and staff alike. Moreover, newcomers were invited to experience Simblija Care Home’s community environment for themselves over two well-attended open days, which further boosted interest in the home’s offerings. Together with a brand refresh and the re-launch of The Orchard restaurant, our care operations are continuing to perform strongly despite the prevailing economic challenges.



Simblija Care Home

AX REAL ESTATE P.L.C.

Since its listing on the Malta Stock Exchange, the AX Real Estate group has exceeded the projected performance reported in the prospectus dated 6th December 2021. Furthermore, we are pleased that during 2022, all vacant property owned by AX Real Estate p.l.c was fully leased out. In July 2022 and January 2023, AX Real Estate p.l.c paid out a gross dividend of 6.4% to its shareholder’s in line with the said prospectus.

The real estate division of the Group is eagerly anticipating the launch of the new Suncrest hotel in Qawra and the Verdala hotel development in Rabat, which will enhance the Group returns and complement the real estate portfolio.



Annual General Meeting – 2022

ESG (ENVIRONMENTAL, SOCIAL, AND GOVERNANCE)

At AX Group we take ESG (Environmental, Social, and Governance) seriously. We are committed to implementing ambitious goals that will drive positive change. Last year, we took a significant step forward in this mission by joining the Malta ESG Alliance (MESGA), a private sector consortium that is working towards educating people on ESG concepts, advocating for better policies, and implementing measures that will result in a more sustainable and less-carbon intensive Malta. For more information on MESGA, kindly visit www.maltaesgalliance.com.

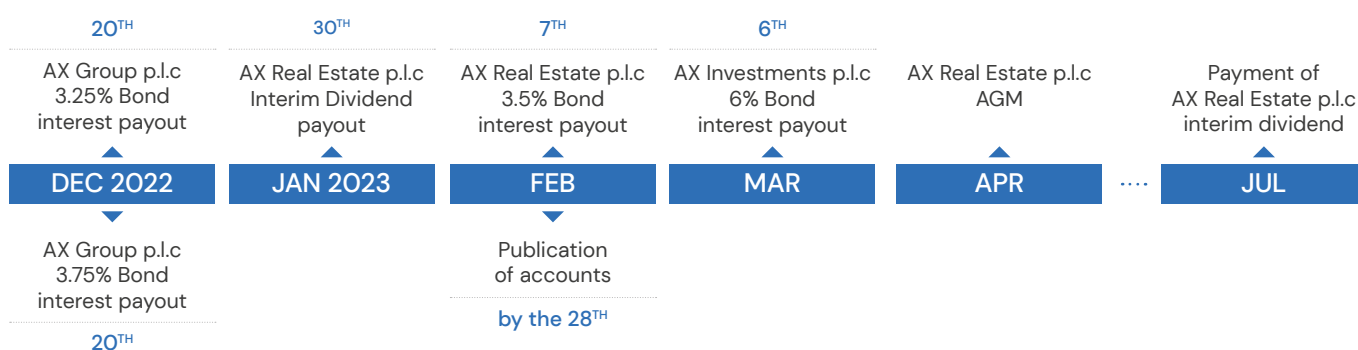
We have also set up a dedicated ESG committee within the Group, which has been tasked with setting out a long-term strategy that will foster a culture of responsibility, accountability, and awareness across all of our business units.



Malta ESG Alliance

TIMELINE

Timeline showing statutory reporting dates, expected dividend payouts and interest payments to investors.



OUTLOOK

Several years of planning and hard work for AX Group will culminate with the launch of three exciting projects over the coming months: the re-opening of the redeveloped Suncrest hotel in Qawra, the launch of the sales and marketing of the Verdala Terraces residential units, and the launch of Palazzo Lucia in Valletta. Collectively, these projects are set to expand, strengthen, and further diversify the Group's operations, while raising the bar for unique developments that are set to be enjoyed by clients and the neighbouring communities.

Now that the construction phase on the vertical extension of the Suncrest Hotel and the lido redevelopment are coming to an end, our development team is focusing its energies on ensuring that this project achieves a high level of finish in line with the AX Group standards, whilst ensuring that energy efficient and sustainable technologies are implemented. A similar exercise has started on the first residential block at Verdala Terraces in Rabat wherein our development team is committed to deliver a high end luxurious residential development.

EXECUTIVE FOCUS



Albert Bonello
MANAGING DIRECTOR OF
FINANCE AND ADMINISTRATION

Albert Bonello is a Certified Public Accountant (CPA) and is a fellow member of MIA and a member of ACCA.

Mr Bonello began his career in the banking industry with BOV International Ltd and BOV p.l.c. He joined AX Group in 2007 as Financial Controller, before advancing to the role of CFO in 2016. He was responsible for ensuring the financial security of the Group, adding new digital solutions for increased efficiency and growth. He played a key role in three bond issues and one share issue listing on the MSE and is an executive member of the Investor's Relations Office.

He has been recently appointed Managing Director of Finance and Administration where he is responsible for shaping the overall business strategy and aligning the finance and administration functions with the Group's long-term vision.



Joseph Vella
GENERAL MANAGER OF
AX HOTELS - QAWRA

Joseph Vella is a hospitality veteran with over 20 years' experience working in senior posts in major hotels across Malta. In 2009, he was appointed Area General Manager for AX Hotels' Qawra properties, which include the 4-star AX Seashells Resort at Suncrest and the 4-star AX Sunny Coast as well as a vast collection of facilities and food and beverage outlets.

With a strong commitment to delivering exceptional guest experiences, Vella has established a reputation for successfully leading hotel teams and driving positive results.

Additionally, Vella has been instrumental in the redevelopment of the Suncrest hotel, which is set to re-launch in spring 2023, a vibrant all-year-round hospitality destination.

DEVELOPMENT IN PROGRESS ● ● ● ● ● ○ ○

Suncrest, Qawra



Verdala, Rabat



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