COMPANY ANNOUNCEMENT

The following is a Company Announcement issued by AX Group p.l.c. (the "**Company**") pursuant to the Capital Market Rules, as issued by the Malta Financial Services Authority:

Quote

Financial Analysis Summary

The Board of Directors of the Company announces that the Financial Analysis Summary, as at 23 April 2025 and prepared by MZ Investment Services Ltd, is being attached hereto and can also be viewed on the following online link to the Company's web portal: https://axinvestor-relations.mt/ax-group/.

Unquote

Dr. Edmond Zammit Laferla
Company Secretary

23 April 2025

Company Announcement
AXG69/2025

FINANCIAL ANALYSIS SUMMARY

23 April 2025

ISSUER

AX GROUP P.L.C.

(C 12271)

Prepared by:

MZ INVESTMENTS

MZ INVESTMENTS

M.Z. Investment Services Limited
63, MZ House, St Rita Street, Rabat RBT 1523, Malta

E info@mzinvestments.com W mzinvestments.com

The Directors
AX Group p.l.c.
AX Business Centre
Triq id-Difiża Ċivili
Mosta MST 1741
Malta

23 April 2025

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 data appertaining to AX Group p.l.c. (the "**Issuer**", "**Group**", or "**AX 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 October 2022, 31 October 2023, and 31 October 2024 has been extracted from the respective audited consolidated annual financial statements.

(b) The forecast financial information for the year ending 31 October 2025 has been provided by the Group.

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

(d) The ratios quoted in this Analysis have been computed by applying the definitions set out in Part 4 – Explanatory Definitions.

(e) Relevant financial data in respect of the companies included in Part 3 – Comparative 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.

M.Z. Investment Services Limited is regulated by the Malta Financial Services Authority and licensed to conduct investment services business in terms of the Investment Services Act (Cap. 370 of the Laws of Malta). MZ Investments is a member of the Malta Stock Exchange and an enrolled Tied Insurance Intermediary for MAPFRE MSV Life p.l.c. under the Insurance Distribution Act (Cap. 487 of the Laws of Malta).

Company Registration Number: C 23936 | VAT Number: MT 1529 8424

MZ INVESTMENTS

M.Z. Investment Services Limited
63, MZ House, St Rita Street, Rabat RBT 1523, Malta

E info@mzinvestments.com W mzinvestments.com

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, potential investors are encouraged to seek professional advice before investing in the Issuer's securities.

Yours faithfully,

Evan Mohnani
Head of Corporate Broking

M.Z. Investment Services Limited is regulated by the Malta Financial Services Authority and licensed to conduct investment services business in terms of the Investment Services Act (Cap. 370 of the Laws of Malta). MZ Investments is a member of the Malta Stock Exchange and an enrolled Tied Insurance Intermediary for MAPFRE MSV Life p.l.c. under the Insurance Distribution Act (Cap. 487 of the Laws of Malta).

Company Registration Number: C 23936 | VAT Number: MT 1529 8424

TABLE OF CONTENTS

PART 1 – INFORMATION ABOUT THE GROUP

1. ABOUT AX GROUP

AX Group is engaged in the provision of hospitality services, leisure, and entertainment ("**AX Hotels**"); retirement residences and elderly care ("**AX Care**"); property development ("**AX Development**"); construction and building materials ("**AX Construction**"); as well as the ownership of real estate mainly through AX Real Estate p.l.c. ("**AXRE**").[1] In addition, the Group has a 50% shareholding in a joint venture that owns properties in an industrial park (Hardrocks Estates Limited) and has substantial shareholding in two associates that are involved in renewable energy projects (Imselliet Solar Limited – 33.3%) and the management of the Valletta Cruise Port (Valletta Cruise Port p.l.c. – 36.4%). The value of the Issuer's investment in associates and joint venture stood at €8.65 million as at 31 October 2024 (31 October 2023: €7.89 million).

The Group commenced its business in the 1970s, first as a property construction and development company before diversifying into the hotel industry in the 1980s through the launch of AX Sunny Coast Resort & Spa and AX ODYCY (formerly Seashells Resort at Suncrest), both located in Qawra. Thereafter, AX Group continued to grow its hospitality division with the development of AX The Victoria Hotel and AX The Palace in 1996 and 2007 respectively, both located in Sliema. These were followed by the acquisition and restoration of two upmarket boutique properties located in Valletta – AX The Saint John (2015) and Rosselli AX Privilege (2016) – which welcomed their first guests in August 2017 and May 2019 respectively.

Over the years, the **AX Hotels** brand has carved a unique status in the local hospitality market as a hotel operator that caters for a wide range of diverse tastes. Across its hotel properties, as well as its various highly distinguished food and beverage outlets, the Group's hospitality division is the largest operating segment of the Group.

AX Construction and **AX Development** are also very important operating arms of the Group having been entrusted with a number of major projects including the Valletta Cruise Port ("**VCP**"), the Group's own hotels, the Verdala Mansions, Capua Hospital, is-Suq tal-Belt, the Hilltop Complex (which comprises the Hilltop Gardens Retirement Village and the Simblija Care Home), and the Parliament Building amongst others. Furthermore, AX Construction gained specialisation in the restoration of various buildings which are also deemed to be among Malta's most valuable from a cultural and historical point of view.

In FY2014 and FY2015, the Group developed the Hilltop Complex which is operated under the **AX Care** brand. The complex offers independent living with access to a range of facilities and amenities, as well as a 24-hour care and nursing home for dependent elderly residents who require intensive health support.

[1] A description of the operational activities of AXRE, together with an analysis of the company's performance and forecasts, is included in the most recent Analysis which is available at https://axinvestor-relations.mt/ax-real-estate/.

In December 2019, AX Group successfully issued €25 million in unsecured bonds (the €15 million 3.25% 2026 and the €10 million 3.75% 2029), the net proceeds of which were used for: (i) the acquisition and development of Palazzo Lucia, Valletta (€9 million); (ii) the acquisition of a site located in Marsa (€7 million); the refinancing of existing debt (€4.5 million); as well as (iv) general corporate funding requirements (€4 million). The acquisitions of Palazzo Lucia and the site in Marsa were completed in May 2020. Furthermore, following extensive restoration and upgrading, Palazzo Lucia was completed in March 2024 as a prestigious office having 1,248 sqm of rentable area complemented by a suite of high-quality amenities and facilities. The building was leased to the Ministry for National Heritage, the Arts and Local Government for a ten-year period in FY 2024.

During FY2020, the Group was involved in the development of the Tarġa Gap Complex. The building houses the Group's head office and includes residential units, office space leased to independent third parties, as well as four levels of underground parking. All the 14 residential units that were placed on the market have been sold whilst the Group leases the remaining seven units to independent third parties. Similarly, during FY2022 and H1 2023, AX Group concluded the sale of all the remaining units within Falcon House, Sliema, and leased the available office space to independent third parties. Falcon House is located adjacent to the Falcon House Complex and comprises two levels of office space, eight luxury apartments, and a penthouse.

In FY2021, the Group commenced civil works on the site previously occupied by the 160-room five-star Grand Hotel Verdala. The site is located in a Special Designated Area in Tal-Virtù, Rabat, and was acquired by the Group in March 1997. Works are currently at the final stage of completion. The project comprises a 46-room, five-star, all-suite Verdala Wellness Hotel which will also feature 24 additional serviced/self-catering units, and two residential blocks with a total of 87 units for resale. Furthermore, the project involves the refurbishment of 19 existing apartments (known as Virtù Heights) which will be annexed to the Verdala Wellness Hotel.

In February 2022, AX Group listed **AXRE** on the Regulated Main Market of the Malta Stock Exchange, with just over 25% of the company's ordinary 'A' shares being taken up by the general public. Through this transaction, €13.65 million in new equity was raised. In conjunction, AXRE also issued €40 million unsecured bonds redeemable in 2032. The general public subscribed for €18.35 million of the bonds whilst the remaining €21.65 million was allocated to AX Group through the part conversion of an existing intra-group loan with AXRE. The balance of AXRE bonds held by the Issuer has been reduced to €9.58 million (nominal) as at 31 March 2025. It is the Issuer's intention to further dispose of such bonds held by it at the opportune time to ascertain sufficient liquidity for future large-scale projects.

Also in 2022, AX Group acquired the La Ferla Building, located at the corner of Tower Road and Tigné Street in Sliema, for a total consideration of €2.3 million. The transaction was financed through the Group's own accumulated cash reserves. More recently, the Group concluded the acquisition of an outlet measuring circa 130 sqm, situated beneath the La Ferla Building. In this respect, the Issuer is currently evaluating the most appropriate use for these areas.

In 2023, AX Group completed a multi-million project related to the extension and refurbishment of AX ODYCY. Furthermore, in Q4 2023, the Group issued new €40 million 5.85% unsecured bonds maturing in November 2033 which replaced the €40 million 6.00% AX Investments p.l.c. 2024 unsecured bonds. The new bonds were listed on the Official List of the Malta Stock Exchange on 7 November 2023.

2. DIRECTORS AND EXECUTIVE MANAGEMENT

2.1 BOARD OF DIRECTORS

The Board of Directors of AX Group comprises the following seven individuals who are responsible for the overall development, strategic direction, and risk management of the Group:

Angelo Xuereb	Executive Chairman
Michael Warrington	Director and Chief Executive Officer
Denise Xuereb	Executive Director (AX Construction and AX Development)[2]
Claire Zammit Xuereb	Executive Director (AX Hospitality and AX Care)
John Soler	Independent Non-Executive Director
Josef Formosa Gauci	Independent Non-Executive Director
Christopher Paris	Non-Executive Director

2.2 EXECUTIVE MANAGEMENT

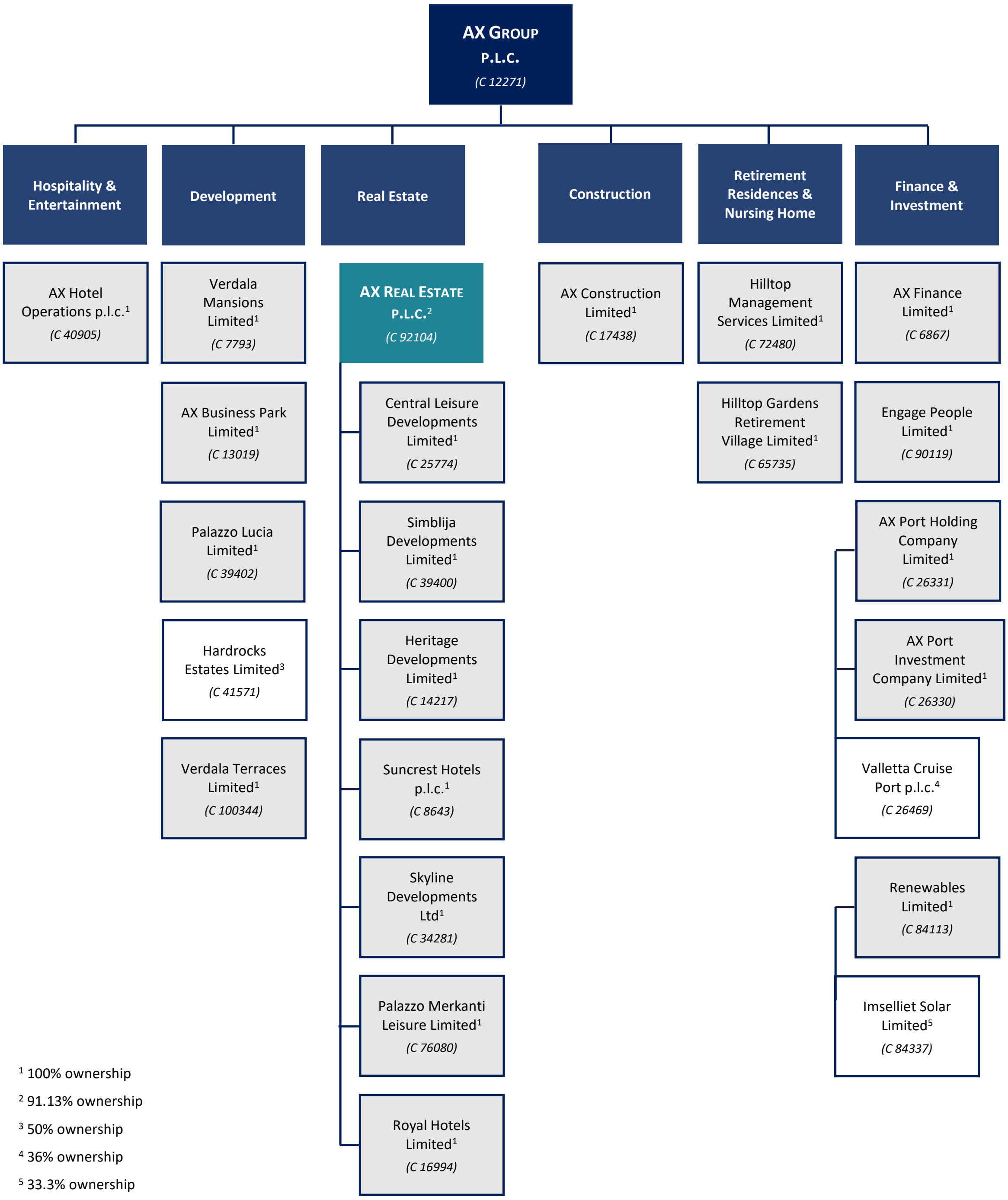
The Executive Management team of AX Group comprises the following individuals:

Michael Warrington	Chief Executive Officer
Kenneth Abela	Chief Executive Officer Designate
Albert Bonello	Managing Director – Finance and Administration
David Wain	Chief Legal Officer
Marthese Vella	Chief Technology Officer
Kevin Callus	Senior General Manager – Sliema, Valletta, and Rabat hotels
Jocelyn Cuomo	Head of Marketing and Public Relations
Joseph Vella	Senior General Manager – Qawra hotels
Andreas Aquilina	General Manager – AX Construction
Caroline Schembri	Head of Administration & Personal Assistant to the Chairman

[2] Denise Xuereb is also the Chief Executive Officer of AXRE.

3. ORGANISATIONAL STRUCTURE

The diagram below illustrates the organisational structure of AX Group. The Group is ultimately owned by Angelo Xuereb (55%), Claire Zammit Xuereb (15%)[3], Denise Xuereb (15%)[4], and Richard Xuereb (15%).



[3] Through The Lotus Co Ltd.
[4] Through DX Holdings Limited.

4. PRINCIPAL PROPERTY ASSETS

The table below provides a list of the principal properties of the Group and their respective asset values as at the end of each of FY2022, FY2023, and FY2024. The year-on-year movement in the carrying value of each property mainly reflects additions, disposals, depreciation and, or fair value adjustments. The table also shows the net movement in the revaluation of each property during the financial years under review.

AX Group p.l.c. Asset Value of Principal Properties As at 31 October	Note	2022 Actual €'000	2023 Actual €'000	2024 Actual €'000	Revaluation FY2022 - FY2024 €'000
Qawra Hotels	1	111,150	147,000	160,432	5,742
Sliema Hotels	2	75,864	75,050	76,410	(441)
Verdala Wellness Hotel and Verdala Terraces, Rabat		44,728	63,327	84,206	(5,011)
Verdala Wellness Hotel + Virtù Heights		*10,380*	*18,694*	*24,068*	-
Verdala Terraces		*34,348*	*44,633*	*60,138*	-
Hilltop Complex, Naxxar	3	48,585	47,891	47,809	4,572
Valletta Hotels	4	20,849	21,200	21,158	(144)
Tad-Dwiemes, Marsa	5	19,000	19,000	19,009	242
Tarġa Gap Complex, Mosta	6	10,715	12,255	14,124	1,934
Palazzo Capua, Sliema		9,300	9,300	9,200	500
Hardrocks Business Park, Burmarrad	7	7,600	7,678	8,019	769
Palazzo Lucia, Valletta		6,507	7,340	6,939	(1,937)
Villa Vistana, Mosta		5,250	5,279	5,291	-
Falcon House offices, Sliema		5,050	5,160	5,266	768
La Ferla Building, Sliema	8	2,417	2,417	2,417	-
Other		10,644	9,721	9,083	(581)
Total		**377,659**	**432,618**	**469,363**	**6,413**

Notes:

1. AX ODYCY, AX Sunny Coast Resort and Spa, and Luzzu Complex.

2. AX The Palace and AX The Victoria Hotel.

3. Hilltop Gardens Retirement Village and Simblija Care Home.

4. AX The Saint John and Rosselli AX Privilege.

5. Plot of land which is currently not in use.

6. Property principally serves as the Group's head office. Some office space and residential units are leased to third parties.

7. Nine warehouses and an office block in an industrial complex.

8. Property earmarked for future redevelopment.

4.1 QAWRA HOTELS

AX ODYCY (formally, Seashells Resort at Suncrest) is a four-star hotel located on the Qawra seafront featuring 599 rooms designed in a contemporary style. The hotel suspended its operations in Q4 2021 for the purpose of pursuing a major investment comprising the addition of four floors which increased the total number of rooms by a further 147 rooms. Furthermore, the extensive renovation included a substantial upgrade and extension of the hotel's public areas, as well as the creation of new pools, a small family waterpark, restaurants, bars, and other facilities at the hotel.

The hotel's amenities comprise various food and beverage outlets, from exquisite dining and laid-back seaside restaurants to family-friendly options and a convenient grab-and-go concept. AX ODYCY also has a panoramic lido and entertainment area overlying extensive car park facilities spanning the entire length of the property.

AX ODYCY had a soft opening in late May 2023 (in time to host participants and delegates for the 2023 Games of the Small States of Europe), thus only contributing *circa* five months to the Group's financial results in FY2023. During summer 2023, AX ODYCY operated at a reduced capacity as work on certain areas of the hotel and lido were still in progress, albeit the hotel still received outstanding feedback on several industry-leading booking sites.

During FY2024, AX ODYCY won four prestigious awards at the European Property Awards and was also honoured at the Malta Architecture and Spatial Planning Awards. Furthermore, the hotel was honoured with the Traveller Review Award 2024 and the TripAdvisor Travellers' Choice Award for 2024. During the year, AX ODYCY launched new food and beverage outlets designed to cater for a wide range of tastes, providing guests with a broader selection of culinary experiences and enriching the hotel's dining landscape.

The **AX Sunny Coast Resort & Spa ("AX Sunny Coast Resort")** is a 92-room four-star aparthotel that offers self-catering apartments with resort facilities on the Qawra coast. It occupies a gross floor area measuring approximately 6,000 sqm and operated in the vacation ownership market between 1983 and 2021. The aparthotel features a restaurant, indoor and outdoor pools, spa and leisure facilities, and a fitness centre. Furthermore, the adjacent lido ("**AX Sunny Coast Lido**") consists of a number of restaurants leased out to independent third parties, an indoor swimming pool, a spa, an outdoor pool, and other sports facilities which are leased to independent third parties. The hotel and the lido, as well as Luzzu Complex, are expected to close for business ahead of the commencement of the next phases of the 'Qawra Project' (see Section 4.1.1 below).

In May 2024, a concession agreement was entered into with the Commissioner of Lands, granting the Group temporary emphyteusis of the land in Qawra that includes parts of AX ODYCY and AX Sunny Coast Lido for a period of 65 years. A right-of-use asset arising from this agreement has been recognised at a cost of €3.12 million. The fair value of the right-of-use asset as at 31 October 2024 amounted to €2.36 million.

The **Luzzu Complex** occupies a gross floor area of *circa* 2,250 sqm and comprises a seaside restaurant, a beach club, and a conference centre which accommodates up to 300 delegates in theatre style and 450 guests in standing receptions.

4.1.1 QAWRA PROJECT

Following the substantial investment in transforming AX ODYCY, AX Group is currently planning for the next phases of the project which comprise:

(i) The demolition and reconstruction of AX Sunny Coast Resort & Spa into **AX ODYCY Residences** comprising 151 rooms.

(ii) The redevelopment of AX Sunny Coast Lido and Luzzu Complex to create a seamless 300-metre waterfront stretch, integrating AX ODYCY and AX ODYCY Residences into a single destination.

A total investment of between €70 million and €80 million is expected for the full completion of the project. This development will further enhance the Group's properties in Qawra, elevating quality and expanding service offerings with new underground parking, conference facilities, dining options, and lagoon pools.

4.2 SLIEMA HOTELS

AX The Palace is a luxurious 144-room five-star city hotel located in a prime location in Sliema that has a strong appeal to business travellers owing to its extensive conference and events facilities. The hotel, which opened its doors for business in 2007, marked AX Group's first investment in the five-star hotel segment. The Palace offers a wide range of facilities to its guests, including five restaurants, an outdoor infinity pool on the rooftop terrace, a generous sized freshwater indoor pool, a steam and sauna room, as well as spa, health and fitness centre. The hotel has an underground car park common with AX The Victoria Hotel. In Q4 2026, the Group is expected to initiate a €5 million to €7 million refurbishment programme aimed at upgrading the communal spaces and guest rooms as well as revitalise guest experience.

AX The Victoria Hotel is a 142-room Victorian-style hotel located in the heart of Sliema next to AX The Palace. The hotel, which is marketed as a classical five-star experience in a four-star accommodation, opened for business in 1997. It features elegant rooms, outdoor and indoor pools, a steam and sauna room, spa facilities, a health and fitness centre, as well as multi-purpose conference halls. AX The Victoria Hotel operates part of the adjacent **AX Palazzo Capua** which is also owned by AX Group[5] and houses the Copperfield's Restaurant and the Penny Black Pub. The hotel has an underground car park accessible from the entrance to the AX The Palace car park and can accommodate up to 108 cars.

The proximity between AX The Palace and AX The Victoria Hotel allows both hotels to centralise their management function and share many of the fixed cost elements to maximise efficiencies and returns.

4.3 VALLETTA HOTELS

AX The Saint John is a 19-room boutique hotel located in Merchants Street, Valletta. Once a former merchant's residence and shop, AX The Saint John was refashioned into a modern hospitable setting while preserving the building's rich historical fabric. Each of the 19 rooms exude an urban industrial feel with exposed brick and natural materials, combining on-trend style with luxury and modern in-room technology. The boutique hotel features two private meeting rooms accommodating 16 persons

[5] Currently, AX Palazzo Capua houses five luxurious guest suites, four of which are spread over two floors, and offers outstanding facilities for exclusive meetings, receptions, and banquets, targeting both business and social functions. The remaining part of the 200-year-old neoclassic building (i.e., the top floor, penthouse, and basement areas) is leased to independent third parties.

in-theatre style, or eight individuals in a board room set up, which are ideal for the frequent business traveller who needs to make use of desk space in an office-like setting. AX The Saint John is also home to the catering establishment Cheeky Monkey Gastropub.

AX Group holds the **Rosselli AX Privilege** under the title of temporary emphyteusis. The 25-room five-star boutique hotel opened for business in May 2019 and is one of the most prestigious old palazzos in Valletta. The Rosselli AX Privilege is housed in a luxurious property displaying a fusion of traditional and contemporary design complemented by an advanced suite of technology services for guests. Apart from a three-level restaurant with varied cuisine genres – namely Under Grain, Grain Street, and Over Grain which offer patrons refined culinary experiences – the boutique hotel has a rooftop terrace and a swimming pool. Additionally, hotel concierge service is available at providing a tailor-made experience for guests staying at the hotel.

4.4 VERDALA WELLNESS HOTEL & VERDALA TERRACES

In 2021, AX Group started works on the transformation of the area previously occupied by the former Grand Hotel Verdala. The Verdala Project comprises the development of:

(i) A 46-room five-star all-suite **Verdala Wellness Hotel** which will also include the 19 fully renovated luxury apartments known as Virtù Heights, as well as an additional 24 serviced/self-catering units. An important aspect of the Verdala Wellness Hotel will be its 1,800 sqm state-of-the-art spa that will offer tailor-made packages, wellness programmes, and retreats that drive long-term positive change. The hotel is expected to be inaugurated in Q2 2025 and will target a new niche market in luxury wellness hospitality in Malta apart from continue diversifying the Group's hotel products to cater towards new and untapped segments.

(ii) An exclusive residential component made up of a total of 87 units earmarked for resale spread over two blocks – Royal Mansions and Grand Mansions (the "**Verdala Terraces**).

The 38 residential units within Royal Mansions overlook 2,350 sqm of landscaped gardens and public piazzas that encircle the residential complexes, whilst the 49 units making up the Grand Mansions block offer panoramic views of Malta. New unparalleled vistas can be enjoyed by the public from Triq San Bastjan and Triq ir-Rgħajja, whilst a multi-level pyramidal atrium includes all the communal facilities with a view of creating a physical and visual corridor from Triq ir-Rgħajja to the ridge views overlooking Malta. Furthermore, by reducing the overall height from the demolished building by almost two storeys, the Verdala Project has been developed in such a way as to blend more harmoniously with the promontory. A system of terraces and voids on the ridge side of the building mimics the natural forms of the rock strata, whilst the back elevations have greater solidity to tie into the traditional façade typology found in the surrounding streets.

The Verdala Terraces were officially launched on the market at the end of June 2023. Since then, several promise of sale agreements have been signed, some of which have been concluded with the units handed over to their new owners.

Primarily as a result of high inflation, the increase in professional fees and development costs, the continuous enhancing and refining of the overall design to align with the wellness concept of the hotel, as well as the high-end product and service offering of both the Verdala Wellness Hotel and the Verdala Terraces, the total expenditure for the Verdala Project is now expected to be around €83 million compared to the initial projection of €66 million.

4.4.1 THE WELLNESS TOURISM CONCEPT[6]

Wellness tourism refers to the notion of travelling with the goal of improving or maintaining personal well-being. This travel phenomena represents a growing sub-sector of the overall wellness industry, projected to reach USD8.5 trillion in 2027 from USD5.5 trillion in 2022, reflecting a heightened global awareness of health and well-being as well as travellers' desire for personalised experiences that cater to both physical health and mental rejuvenation.

Wellness tourism forms parts of the global 'self-care movement' which emphasises on preventative wellness as individuals seek to combat burnout and proactively manage their well-being. Practices such as meditation, breathwork, and hot and cold therapies have gained widespread popularity, with more people integrating these routines into their lifestyles.

Wellness travellers can generally be categorised into two groups:

(1) *Primary wellness travellers:* These individuals choose their trip or destination with wellness as their main focus and purpose that reflect the spirit of the destination.

(2) *Secondary wellness travellers:* These travellers prioritise maintaining their wellness routines or exploring wellness activities while on a trip, whether it is for leisure or business purposes.

This perspective highlights that with the growth of wellness tourism, the appeal has broadened to a more mainstream audience beyond the stereotyped segment confined to affluent individuals. The type of demand for wellness accommodation is also becoming more holistic, beyond the more traditional wellness services (such as health, fitness, nutrition, sleep, appearance, and mindfulness) and more towards journeys that resonate with broader values like long-term sustainability, eco-friendliness, and social responsibility. At the same time, a renewed focus on authenticity is emerging, driven by a strong generational shift towards innovative wellness solutions that crave for authenticity and distinctiveness.

4.5 HILLTOP COMPLEX

Hilltop Gardens Retirement Village is the first luxury retirement village developed in Malta, consisting of private residences in the form of one or two-bedroom self-catering apartments and penthouses, finished to high standards, surrounded by landscaped gardens. The complex also includes a spa, hair salon, swimming pool, restaurant, crafts centre, indoor and outdoor kids play areas, library, common room and hall, chapel, and underground parking. A reception desk and 24-hour security personnel

[6] **Source:** EHL Hospitality Business School, '*How the Growth of Wellness Tourism Market Is Transforming Travel*', 26 January 2025.

complement the residences. Residents may also request certain additional services which are provided at an extra cost, including cleaning, repairs and maintenance of apartments, as well as the preparation and delivery of meals.

The setup of the residences allows residents to live independently within a secure community knowing that care is at hand should the need arise. The Hilltop Gardens Retirement Village welcomed its first residents in January 2016 and by August 2018, all 133 apartments in the village had been occupied on leases for definite periods ranging from one month to 50 years by individuals who at the time of taking up residence must be over 55 years of age.

In light of the continued strong demand, AX Real Estate plans to vertically extend the Hilltop Gardens Retirement Village by adding two additional floors, comprising 50 residential units, across the entire building. To date, the Group has obtained the necessary development permit to add one floor.

The **Simblija Care Home** is a 155-bed care home providing nursing care to the more dependent elderly residents. It also operates the Revive Physiotherapy Centre which has its own fully equipped state-of-the-art hydrotherapy pool. In addition, Simblija Care Home offers dedicated services and amenities for short term respite care, convalescence and post-operative recovery, as well as a specialised dementia ward offering specialist support and assistive technology specifically selected and installed for residents with dementia.

4.6 OTHER OPERATING PROPERTIES

The **Targa Gap Complex**, which is situated in Mosta, includes a mix of residential units spread across two blocks (Clover and Springfield), office space, and several car spaces/garages. Most of the residential units forming part of Clover block were sold whilst two units were retained by the Group for lease to independent third parties. On the other hand, the residential units forming Springfield block were all retained by the Group and are currently leased to independent third parties.

Targa Gap Complex also includes the AX Business Centre which houses the head office of AX Group, as well as three separate offices at ground floor level which are currently leased to independent third parties. The complex has a photovoltaic plant installed on its roof and has four floors of parking in the underground. A number of garages were sold to the owners of the residential units.

Separately, the Group owns nine warehouses and an office block at the **Hardrocks Business Park** located in Burmarrad. Six of the warehouses are leased to independent third parties for a period between four to fifteen years whilst three warehouses and the office block, together with the underlying basement areas, are primarily utilised as the operating base of the Group's construction arm. An independent third party leases the roofs of the warehouses.

Meanwhile, the office space at **Falcon House** in Sliema consists of an area of *circa* 1,180 sqm spread over two levels which is entirely leased to independent third parties. The development of office space was completed in October 2021. Furthermore, the Group owns the **Blackstead Garage** in Naxxar which consists of a stand-alone industrial garage and is complimented by a loading bay. The total site area is circa 257 sqm and is leased to an independent third party.

5. SEGMENT INFORMATION

The Group has four principal reportable segments: (i) hospitality; (ii) construction; (iii) healthcare; and (iv) real estate and property rentals.

AX Group p.l.c. Segment Information For the financial year 31 October	2022 Actual	2023 Actual	2024 Actual	2025 Forecast
Revenue (€'000)	**38,443**	**50,293**	**83,550**	**131,588**
Hospitality	22,793	36,529	61,301	64,912
Construction	7,025	4,148	11,596	13,666
Healthcare	6,143	6,865	7,239	7,493
Real estate	2,309	1,680	2,400	44,451
Other	173	1,071	1,014	1,066
Gross operating profit (€'000)	**10,556**	**12,746**	**28,110**	**43,585**
Hospitality	7,961	10,292	24,593	23,462
Construction	630	212	1,030	1,145
Healthcare*	1,471	1,037	1,587	1,622
Real estate and property rentals	494	1,205	900	17,356
Gross operating profit margin (%)	**27.46**	**25.34**	**33.64**	**33.12**
Hospitality	34.93	28.17	40.12	36.14
Construction	8.97	5.11	8.88	8.38
Healthcare*	23.95	15.11	21.92	21.65
Real estate and property rentals	21.39	71.73	37.50	39.05

** Gross operating profit ("**GOP**") for the healthcare segment is equivalent to EBITDA.*

5.1 HOSPITALITY

Revenues generated from the hospitality segment include income from accommodation, food and beverage services, as well as other ancillary services.

An important aspect of the Group's strategy for its hotel properties is to be present in strategic locations and in proximity to one other. AX Group believes that this manner of operating hotels in clusters yields various value-adding advantages such as the allocation of single management teams per location, as well as the creation of internal efficiencies through the reduction of overlap in areas such as marketing, maintenance, accounting, and procurement.

The first signs of the recovery in business following the COVID-19 started to emerge in **FY2022** as despite the closure of AX ODYCY in Q4 FY2021, total turnover generated by the Group's hotels rebounded by 58.48% year-on-year to €22.79 million. Revenues generated by the hotels located in Sliema and Valletta doubled to €14.24 million and €3.23 million respectively, reflecting sharp increases in RevPAR (€136 for the Sliema Hotels and €201 for the Valletta Hotels) and GOPAR (€54 for the Sliema Hotels and €39 for the Valletta Hotels). In contrast, income generated from the Qawra Hotels eased by 8.07% to €5.32 million due to the temporary closure of AX ODYCY.

The uplift in business translated into a marked improvement in GOP which surged by 62.97% to €7.96 million. The main contributors were the Sliema Hotels which generated a GOP of €5.66 million. The Valletta Hotels also recorded significant growth in GOP to €0.62 million despite their minimal contribution to the overall profitability of the Group’s hospitality division. On the other hand, the Qawra Hotels registered a 16.50% decline in GOP to €1.68 million as despite the considerable growth in RevPAR and GOPAR, the number of available rooms dropped drastically reflecting the temporary close of AX ODYCY.

AX Group p.l.c. **Segment Information – Hospitality** **For the financial year 31 October**	**2022** **Actual**	**2023** **Actual**	**2024** **Actual**	**2025** **Forecast**
Revenue (€’000)	**22,793**	**36,529**	**61,301**	**64,912**
Qawra Hotels	5,319	14,854	37,596	39,322
Sliema Hotels	14,242	17,245	18,678	19,018
Valletta Hotels	3,232	4,430	5,027	5,396
Verdala Wellness Hotel				1,176
Gross operating profit (€’000)	**7,961**	**10,292**	**24,593**	**23,462**
Qawra Hotels	1,675	3,841	16,574	17,057
Sliema Hotels	5,663	5,743	7,099	7,227
Valletta Hotels	623	708	920	1,085
Verdala Wellness Hotel				(1,907)
Gross operating profit margin (%)	**34.93**	**28.17**	**40.12**	**36.14**
Qawra Hotels	31.49	25.86	44.08	43.38
Sliema Hotels	39.76	33.30	38.01	38.00
Valletta Hotels	19.28	15.98	18.30	20.11
Verdala Wellness Hotel				(162.16)
Revenue per available room (RevPAR)* (€)				
Qawra Hotels	157	138	149	156
Sliema Hotels	136	165	179	182
Valletta Hotels	201	276	313	336
Verdala Wellness Hotel				110
Gross operating profit per available room (GOPAR) (€)**				
Qawra Hotels	49	36	66	68
Sliema Hotels	54	55	68	69
Valletta Hotels	39	44	57	68
Verdala Wellness Hotel				(178)

** Calculated by dividing a hotel's total revenue by the total number of available rooms.*

*** Calculated by dividing a hotel's gross operating profit by the total number of available rooms.*

FY2023 was marked by the further recovery in business to a level almost at par with the activity prior to the COVID-19 pandemic. Total revenues amounted to €36.53 million compared to the all-time high of €38.94 million recorded in FY2018. The Sliema Hotels were again the main contributors in terms of revenue (€17.25 million) and GOP (€5.74 million), followed by the Qawra Hotels which in aggregate generated revenues of €14.85 million and a GOP of €3.84 million. The AX ODYCY reopened in late May 2023, but operated at a reduced capacity as works on certain areas of the hotel and lido were still in progress. Meanwhile, the Valletta Hotels also contributed positively to the performance of the Group's hospitality division as the two boutique properties generated €4.43 million in revenues and a GOP of €0.71 million.

FY2024 was a record year for the Group's hospitality segment, with total revenues surging by 67.81% to €61.30 million and GOP more than doubling to €24.59 million (FY2023: €10.29 million). The Qawra Hotels emerged as the largest contributor, both in terms of revenue (€37.60 million) and GOP (€16.57 million), largely reflecting the impact of the twelve-month performance of AX ODYCY. In parallel, the Sliema Hotels and the Valletta Hotels also registered solid growth in income, rising to €18.68 million (+8.31%) and €5.03 million (+13.48%) respectively, while their respective GOP increased by well over 20% to €7.10 million and €0.92 million. RevPAR and GOPAR trended notably higher across all hotels, driving the Group's hospitality segment to improve its overall GOP margin by almost 12 percentage points, reaching 40.12% compared to 28.17% in FY2023.

For **FY2025**, the Group is expecting further growth in income to €64.91 million (+5.89%), reflecting increased business across all hotels as well as an initial revenue contribution of €1.18 million from the Verdala Wellness Hotel covering *circa* four months. However, GOP is projected to decline by 4.60% to €23.46 million, resulting in a reduction of nearly four percentage points in the relative margin to 36.14%, as the forecast operating loss of €1.91 million from the Verdala Wellness Hotel (until the property completes its ramp-up phase) is expected to outweigh the improved profitability of all other hotels. In particular, the Valletta Hotels are expected to register the sharpest year-on-year increase in income (+7.34% to €5.40 million) and GOP (+17.93% to €1.09 million), driven by a corresponding upsurge in RevPAR (€336 compared to €313 in FY2024) and GOPAR (€68 compared to €57 in FY2024).

5.2 CONSTRUCTION

The activities related to construction, building materials, and property management have historically been the second largest business segment of the Group in terms of revenue generation. This division also comprise civil engineering, turnkey assignments, project management, as well as the restoration of buildings. Any related party revenue is eliminated upon accounting consolidation and is not included in the Group financial statements.

Turnover increased by 8.65% to €7.03 million in **FY2022**, reflecting higher level of activity within both the construction and restoration units. In particular, revenue from the latter rose by 35.36% to €1.78 million, driven by additional works related to the Senglea bastions and the Maritime Museum in Vittoriosa.

AX Group p.l.c. Segment Information – Construction For the financial year 31 October	2022 Actual €'000	2023 Actual €'000	2024 Actual €'000	2025 Forecast €'000
Construction	5,241	3,257	10,789	11,530
Restoration	1,784	891	807	2,136
Total Revenue	**7,025**	**4,148**	**11,596**	**13,666**
Gross operating profit	630	212	1,030	1,145
Gross operating profit margin (%)	8.97	5.11	8.88	8.38

In **FY2023**, the construction division continued works on the two main internal developments of the Group (i.e., the Verdala Project and the extension and refurbishment of AX ODYCY) apart from the redevelopment of Palazzo Lucia. Year-on-year, revenues from external sources dropped markedly to €4.15 million. Most of this income amounting to €3.26 million (FY2022: €5.24 million) was generated by construction activity including works on the new visitors' centre at the St John's Co-Cathedral in Valletta. The remaining portion of the income amounting to €0.89 million emanated from restoration activity. The latter included works to the Oratories at the Jesuits' Church in Valletta, the restoration of Villa Luginsland in Rabat, as well as the restoration of the façade of the VCP.

Overall, the construction division registered a GOP of €0.21 million in FY2023 compared to €0.63 million in FY2022. Furthermore, the GOP margin contracted to 5.11% compared to close to 9% in the previous two financial years.

Following the completion of the AX ODYCY project, the construction division redirected its efforts towards third-party works, resulting in a marked increase in revenue to €10.79 million in **FY2024** as the Group secured two large contracts. One of these was the extension of the Schengen arrival terminal and the arrivals lounge for non-Schengen passengers at the Malta International Airport. Another important project related to the Marnisi Wine Estate in Marsaxlokk, owned by Marsovin Group, whereby AX Construction is combining modern construction techniques with the traditional features of a winery. Separately, AX Construction also collaborated with Quintano Foods, a subsidiary of Simonds Farsons Cisk p.l.c., on a joint project for the construction of a new logistics centre in Ħandaq.

Income from restoration activity dropped by €0.08 million to €0.81 million amid steady progress in the works related to St John's Co-Cathedral. Furthermore, following the successful completion of works on the Oratories of the Jesuits' Church in Valletta, AX Construction was awarded a follow-up tender to restore the main nave of the Jesuits' Church. Another major restoration project was related to Villa Lunginsland, a Grade I historic property in Rabat dating back to the 19th century. Restoration efforts preserved the villa's historic masonry and intricate details as AX Construction applied advanced techniques to maintain the building's structural integrity while honouring its historical significance.

Total income from construction and restoration activity is expected to increase by a further 17.85% to €13.67 million in **FY2025** compared to €11.60 million in FY2024. In addition to the revenue from new contracts, such as the civil works at the Ministry for Home Affairs, Security and Employment, ongoing works from contracts secured in FY2024 are expected to continue, with a particular increase in restoration activity. GOP is projected to increase by 11.17%, reaching €1.15 million (FY2024: €1.03 million), which would translate into a margin of 8.38% compared to the level of 8.88% registered in FY2024. Overall, restoration activity is projected to make up 15.63% of the forecast revenues of AX Construction, a significant increase from the near 7% share in FY2024.

5.3 HEALTHCARE

The Hilltop Gardens Retirement Village and the Simblija Care Home offer tailor-made packages covering different levels of long and short-term care. Revenue from Hilltop Gardens Retirement Village derive from the self-catering apartments and penthouses that are occupied by tenants for definite periods. On the other hand, income from Simblija Care Home consist of revenue from stays for short term respite care, convalescence, and post-operative recovery, as well as intensive nursing care to the more dependent elderly residents. This is recognised over time on a systematic basis, reflecting the period consumed as a proportion of the total contractual period.

AX Group p.l.c. Segment Information – Healthcare For the financial year 31 October	**2022 Actual €'000**	**2023 Actual €'000**	**2024 Actual €'000**	**2025 Forecast €'000**
Residences & other income	2,796	3,445	3,656	3,993
Nursing home	3,347	3,420	3,583	3,500
Total Revenue	**6,143**	**6,865**	**7,239**	**7,493**
Direct costs	(3,414)	(3,940)	(4,126)	(4,300)
Other costs	(1,258)	(1,888)	(1,526)	(1,571)
EBITDA	**1,471**	**1,037**	**1,587**	**1,622**
EBITDA margin (%)	23.95	15.11	21.92	21.65

The independent units at **Hilltop Gardens Retirement Village** were virtually fully occupied throughout the historical period under review. Income increased by 16.50% to just under €2.80 million in **FY2022**. This was followed by further growth of 23.21% to €3.45 million in **FY2023**, as the retirement village experienced heightened interest and ended the year with a waiting list of over 60 families. In **FY2024**, income rose again by 6.12% to €3.66 million, supported by sustained strong demand for high-quality retirement living. By the end of FY2024, the Group had a waiting list of over 90 families for the Hilltop Gardens Retirement Village.

The **Simblija Care Home** recorded growth in income each year between FY2022 and FY2024. The negative effects of the various restrictions and measures imposed by the health authorities to contain the spread of the COVID-19 pandemic diminished considerably in **FY2022**. Occupancy levels that year moved closer to pre-pandemic figures, resulting in a 2.17% increase in revenue to €3.35 million. In **FY2023**, the care home registered a marginal improvement in income to €3.42 million (+2.18%), supported by a steady increase in occupancy to 88% and improved performance at the Revive physiotherapy centre. In **FY2024**, Simblija Care Home maintained high occupancy levels, even reaching a record high of 100 residents in August 2024. Furthermore, the Group adopted strategies to balance long-term and short-term stays, including within respite care, which contributed to a strong conversion rate. These dynamics led to a 4.77% increase in income to €3.58 million, representing 49.50% of the total revenue generated by the healthcare segment in FY2024.

In aggregate, revenue generated by the Group's healthcare division amounted to €6.87 million in **FY2023** compared to €6.14 million in **FY2022**. However, despite the year-on-year growth in income, EBITDA declined to €1.04 million (equivalent to an EBITDA margin of 15.11%) from €1.47 million in FY2022 (margin of 23.95%), primarily due to an increase in overheads. Notably, in FY2023, the Group introduced an employee retention scheme aimed at rewarding loyalty among the division's staff complement. Excluding the impact of this new incentive, the year-on-year decrease in EBITDA would have been less than 2%.

In **FY2024**, EBITDA for the healthcare division surged by 53.04% to a record of €1.59 million as the Group undertook a comprehensive review of direct costs, payroll, and other operational expenses. This assessment enabled the Issuer to implement additional internal control procedures and refine approval processes, with the aim of enhancing operational efficiency. As a result, the EBITDA margin improved by 680 basis points year-on-year to 21.92%.

For **FY2025**, the Group is forecasting a strong increase of 9.22% in income from the Hilltop Gardens Retirement Village, reaching €3.99 million. In contrast, the Simblija Care Home is expected to deliver a relatively stable performance, generating income of €3.50 million. Overall, EBITDA is projected to increase by 2.21% to €1.62 million, resulting in a steady margin of 21.65%.

5.4 REAL ESTATE AND RENTAL INCOME

The real estate division contributed modestly to the Group's financial results during the historical period under review (**FY2022**, **FY2023**, and **FY2024**). In total, income from the sale of real estate amounted to €3.06 million, as the Group had limited stock available for sale. Conversely, rental income totalled €3.33 million, which included the leasing of Palazzo Lucia to the Ministry for National Heritage, the Arts, and Local Government in FY2024. This followed an extensive refurbishment of the 18th-century palazzo in Valletta, transforming it into premium office space.

FY2025 will be mostly characterised by the recognition of the sales of the first units forming part of Verdala Terraces. These were officially launched on the market at the end of June 2023, and since then, the number of promise of sale agreements signed has increased steadily whilst the first deed of sale was signed in November 2024. In view of this, AX Group is expecting revenues from the sale of property to surge to €43.02 million, thus boosting overall income and GOP from the real estate division to €44.45 million (FY2024: €2.40 million) and €17.36 million (FY2024: €0.90 million) respectively.

AX Group p.l.c. Segment Information – Real Estate For the financial year 31 October	**2022 Actual €'000**	**2023 Actual €'000**	**2024 Actual €'000**	**2025 Actual €'000**
Real estate	1,292	651	1,120	43,017
Rental income	1,017	1,029	1,280	1,434
Turnover	**2,309**	**1,680**	**2,400**	**44,451**
Gross operating profit	494	1,205	900	17,356
Gross operating profit margin (%)	21.39	71.73	37.50	39.05

6. SECURITIES IN ISSUE

6.1 INFORMATION RELATING TO THE ISSUER'S BONDS

AX Group has three 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*
MT0002361203	3.25% AX Group p.l.c. unsecured bonds 2026 Series I	AX26A	€ 15,000,000	100.00%
MT0002361211	3.75% AX Group p.l.c. unsecured bonds 2029 Series II	AX29A	€ 10,000,000	100.00%
MT0002361229	5.85% AX Group p.l.c. unsecured bonds 2033	AX33A	€ 40,000,000	107.50%
			€ 65,000,000	

** As at 28 March 2025.*

6.2 INFORMATION RELATING TO AXRE'S SECURITIES

The authorised share capital of AX Real Estate p.l.c. is €500 million divided into 2 billion ordinary 'A' shares and 2 billion ordinary 'B' shares of a nominal value of €0.125 each. The issued share capital is €34.29 million divided into 97,193,600 ordinary 'A' shares (representing 35.43% of the issued share capital) which are listed on the Malta Stock Exchange, and 177,143,100 ordinary 'B' shares (representing 64.57% of the issued share capital) which are not listed on an exchange and are entirely owned by AX Group. Of the ordinary 'A' shares, 72,856,900 shares are owned by AX Group whilst the remaining 24,336,700 shares (or 25.04% of the total number of ordinary 'A' shares) are considered as free float. Further information about AXRE's shares is included in the company's most recent Analysis which is available at https://axinvestor-relations.mt/ax-real-estate/.

Meanwhile, AXRE also has €40 million 3.50% unsecured bonds 2032 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*
MT0002571215	3.50% AX Real Estate p.l.c. unsecured bonds 2032	AX32A	€ 40,000,000	94.50%

** As at 28 March 2025.*

7. MARKET OVERVIEW

7.1 ECONOMIC UPDATE[7]

Malta's real GDP growth is projected to ease from 6.0% in 2024 to 4.0% in 2025, further moderating to 3.3% by 2027. The slight upward revision from the previous forecast of 3.9% for 2025 is due to increased contributions from domestic demand and net exports, while the downward revision from the prior forecast of 3.4% for 2027 reflects weaker net exports. Overall, growth is expected to be primarily driven by domestic demand, particularly private consumption and investment, with net exports making a smaller contribution.

Private consumption growth is expected to slow but remain strong due to increased household disposable income from tax band widening. However, some of this income is expected to be saved rather than spent, albeit the saving ratio is projected to decline marginally in later years but remain stable relative to 2024 levels. Government consumption growth is estimated to dip to 2.8% in 2025 before rising above 4.0% in 2026 and 2027, mostly due to the impact of public sector wages and collective agreements.

Investment is forecast to grow by 1.5% in 2025 before rising to 3.8% in 2026. Growth in private investment is projected to above the 3.0% level up to 2027. On the other hand, growth in residential construction is projected to remain muted, while non-dwelling private investment is estimated to stabilise at around the 4.0% level. Government investment, however, is expected to decline by 6.8% in 2025 due to lower domestically financed projects, albeit is anticipated to recover in 2026 before dropping again in 2027 as EU-funded projects under the Recovery and Resilience Facility conclude.

Export growth is projected to decelerate from 4.0% in 2025 to 3.6% by 2027 as the expansion of service exports slows and goods exports recover modestly. Import growth is anticipated to moderate, influenced significantly by investment trends. The current account surplus is projected to remain above 6.0% of GDP up to 2027, driven by a strong trade balance and net secondary income inflows.

Potential output growth is estimated to decline gradually from 5.3% in 2024 to 3.7% in 2027, reflecting weaker contributions from capital, labour, and productivity amid slower net migration and labour participation growth. The output gap is expected to close by 2027 as GDP growth slows. Labour productivity growth is also anticipated to slow, reflecting structural shifts in the economy and weaker capital deepening. Meanwhile, demographic trends, including an ageing workforce and changes in migration policies, are projected to impact long-term labour supply dynamics.

The labour market remains robust, with strong demand for workers. However, employment growth is expected to decline from 5.1% in 2024 to 2.3% in 2026 and 2027 due to slowing economic activity and policy measures affecting foreign labour inflows. The unemployment rate is expected to edge down slightly to 3.0% by 2026 and 2027 from 3.2% in 2024. Wage growth is projected to moderate from 3.6%

[7] **Source:** Central Bank of Malta, '*Outlook for the Maltese Economy 2025-2027*', 11 March 2025.

in 2025-2026 to 3.5% in 2027, influenced by easing labour market tightness and lower inflation. Nevertheless, real wage growth is expected to remain positive, supported by productivity gains.

Inflation, measured by the Harmonised Index of Consumer Prices, fell to 2.4% in 2024 from 5.6% in 2023 and is projected to decline further to 2.1% in 2025 and reach 2.0% in 2026 and 2027. Core inflation (excluding energy and food) is anticipated to remain below 2.0%, primarily driven by services inflation. Food inflation is projected to ease gradually, reflecting global commodity price trends, while non-energy industrial goods inflation to stabilise. Services inflation, which declined to 2.8% in 2024, is anticipated to moderate to 2.7% in 2025 and continue easing thereafter. Energy prices are expected to remain stable, aligned with government commitments. However, external factors such as global supply chain disruptions, commodity price volatility, and changes in energy policies could influence inflation trends in the medium term.

The fiscal deficit is projected to decline steadily, from 3.7% of GDP in 2024 to 2.6% in 2027, driven by a shrinking share of expenditure relative to GDP. Revenue as a share of GDP is set to remain stable, though income tax revenues are estimated to dip in 2025 due to tax band adjustments. The structural budget deficit is anticipated to narrow, reaching 2.6% of GDP by 2027, largely due to lower spending on inflation-mitigation measures. The debt-to-GDP ratio is expected to rise to 50.1% by 2026 and remain at this level in 2027 (compared to 48.9% in 2024), influenced by primary deficits and other fiscal adjustments. Fiscal policy is likely to continue focusing on infrastructure investments, social spending, and digital transformation initiatives aimed at enhancing long-term productivity.

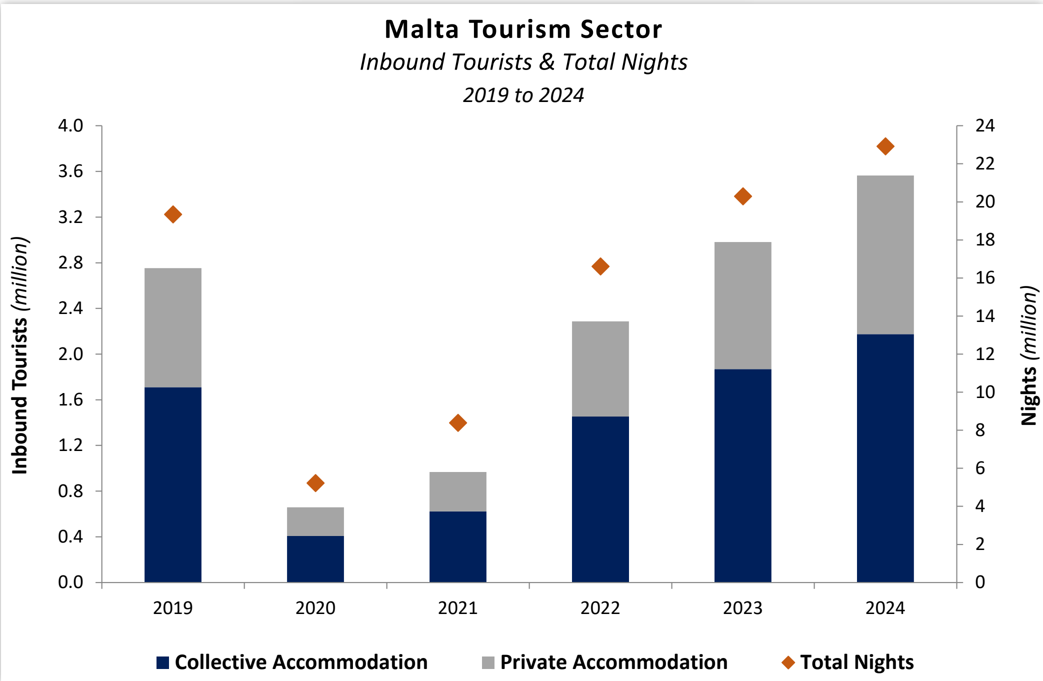
Risks to economic activity are deemed to be balanced. Downside risks stem from potential geopolitical tensions, additional US tariffs, and prolonged economic uncertainty. Upside risks include stronger-than-expected labour market performance, private consumption, and investment. The Central Bank of Malta also views as balanced the risks to inflation, with potential upward pressures from supply chain disruptions and trade policy changes, while weaker euro area growth could exert downward pressure. Fiscal risks are mainly deficit-increasing, with potential spending overruns in energy subsidies and social benefits, including higher-than-expected pensions and wages. Moreover, structural challenges, such as housing affordability and skills mismatches in the labour market, could present long-term risks to economic stability and growth.

Key Economic Indicators	**2023 Actual**	**2024 Actual**	**2025 Forecast**	**2026 Projection**	**2027 Projection**
Real GDP growth *(% change, year-on-year)*	7.50	6.00	4.00	3.60	3.30
Inflation *(% change, year-on-year)*	5.60	2.40	2.10	2.00	2.00
Unemployment (% of labour force)	3.50	3.20	3.10	3.00	3.00
General Government budget balance *(% of GDP)*	(4.50)	(3.70)	(3.40)	(2.90)	(2.60)
Gross public debt *(% of GDP)*	47.40	48.90	49.60	50.10	50.10

7.2 HOSPITALITY[8]

The Maltese tourism sector continued its strong recovery in 2024, recording a total of 3,563,618 inbound tourists. This represents a significant increase of 19.53% compared to 2023, when arrivals stood at 2,981,476, and a remarkable 29.43% rise over 2019, the last pre-pandemic benchmark year, which saw 2,753,240 visitors. This sharp increase in arrivals highlights Malta's appeal as a travel destination, supported by increased connectivity and a resurgence in global travel demand.

Despite this growth in arrivals, the total number of nights spent by tourists did not increase at the same rate. In 2024, tourists spent a total of 22,916,616 nights, up by 12.95% from 20,289,051 nights in 2023 and 18.50% from 19,338,860 nights in 2019. The average length of stay per tourist continued to decline, dropping to 6.43 nights in 2024 from 6.81 nights in 2023 and 7.02 nights in 2019. This trend suggests that while more tourists are visiting Malta, their stays are becoming shorter.

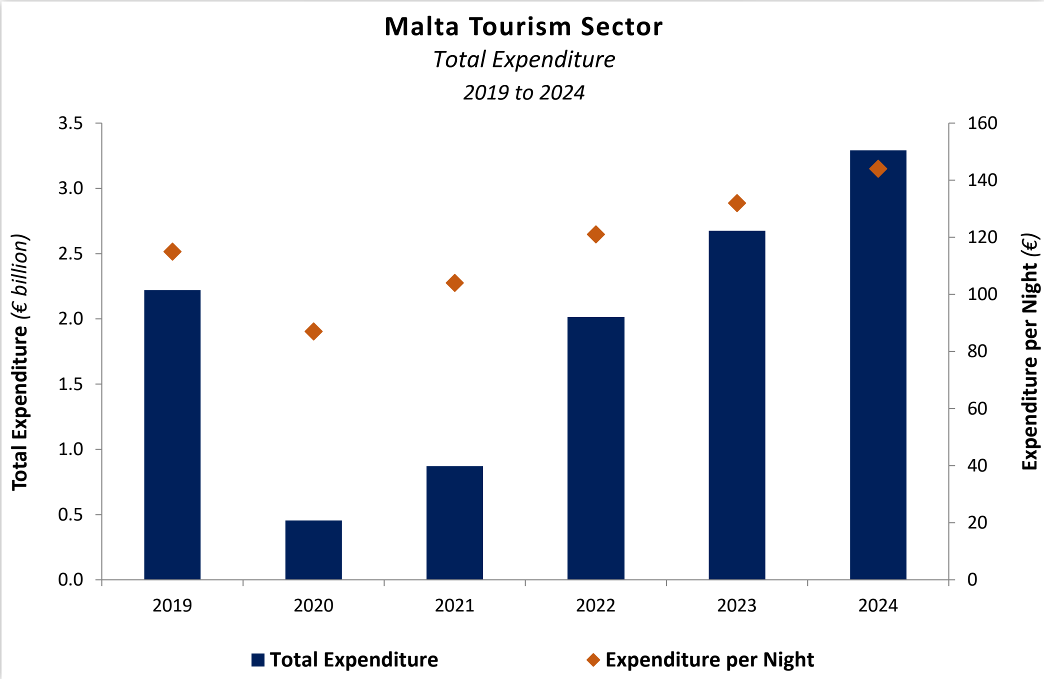


Total tourist expenditure in 2024 reached €3.29 billion, marking a substantial 23.05% increase from the €2.67 billion recorded in 2023 and a 48.22% rise from €2.22 billion in 2019. Expenditure per tourist also increased to €924 in 2024, compared to €897 in 2023 and €807 in 2019. Additionally, expenditure per tourist per night rose to €144, compared to €132 in 2023 and €115 in 2019. These figures indicate that although tourists are spending fewer nights in Malta, their overall spending per visit has increased, possibly due to rising travel costs, inflation, or a shift towards higher-value tourism experiences.

Accommodation preferences showed minor shifts in 2024. The percentage of tourists opting for collective accommodation[9] decreased slightly to 61.01% from 62.65% in 2023 and 62.11% in 2019.

[8] **Source:** National Statistics Office.
[9] Comprising hotels, guesthouses, hostels, tourist villages, holiday complexes, bed and breakfast, and campsites.

Accordingly, private accommodation[10] usage increased to 38.99%, up from 37.35% in 2023 and 37.89% in 2019. However, when considering the share of total nights spent, collective accommodation accounted for 52.58% of all stays, a marginal increase from 52.17% in 2023 and 52.06% in 2019, indicating that while more tourists are choosing private accommodation, the duration of stays in collective accommodation remains stable.



Demographic trends in 2024 reveal a continued shift towards a younger tourist base. The proportion of visitors aged up to 24 years increased to 24.18%, up from 22.12% in 2023 and 19.78% in 2019. Meanwhile, the percentage of tourists aged between 25 years and 44 years declined to 36.60% compared to 38.98% in 2023 and 40.02% in 2019. Similarly, the share of visitors aged between 45 years and 64 years saw a slight decline to 29.54% from 29.80% in 2023 and 30.03% in 2019. The proportion of tourists aged 65 years and over increased slightly to 9.68% in 2024, up from 9.10% in 2023 but still lower than the 10.17% recorded in 2019. This suggests that Malta is attracting a growing number of younger travellers, potentially influenced by an increase in budget airline connectivity, digital nomad incentives, or events targeting younger demographics.

The composition of tourist arrivals by country of origin also evolved. The share of tourists from the European Union declined slightly to 67.19% in 2024 from 67.83% in 2023 and 83.60% in 2019.[11] Within this group, the proportion from the euro area decreased to 52.49% from 54.69% in 2023, but it remains higher than the 48.51% recorded in 2019. Meanwhile, the share of tourists coming from non-EU countries continued to rise, reaching 32.81% in 2024, compared to 32.17% in 2023 and 16.40% in 2019.

[10] Comprising other rented accommodation (such as holiday furnished premises, host families, marinas, paid-convents, rented yachts, and student dormitories) and non-rented accommodation (mainly private residences).
[11] As of 1 February 2020, the United Kingdom is no longer part of the European Union.

Holiday tourism remained the dominant reason for travel, increasing further in 2024, with 92.34% of visitors citing leisure as their primary purpose compared to 90.91% in 2023 and 88.92% in 2019. In contrast, the proportion of tourists visiting Malta for business and professional purposes declined to 4.84%, down from 5.26% in 2023 and 6.87% in 2019. These figures reinforce the idea that Malta's tourism recovery has been primarily leisure-driven, with the business travel segment not yet returning to pre-pandemic levels.

Patterns in travel organisation showed a continued decline in package holidays, with 24.91% of tourists opting for pre-arranged packages in 2024, compared to 25.21% in 2023 and 29.71% in 2019. This indicates an ongoing shift towards independent travel, likely facilitated by the ease of online bookings and an increasing preference for personalised experiences.

Another notable trend has been the continued rise in first-time visitors who accounted for 79.08% of arrivals in 2024, up from 77.44% in 2023 and 74.68% in 2019. Conversely, repeat visitors declined to 20.92%, compared to 22.56% in 2023 and 25.32% in 2019. While this suggests that Malta is attracting new audiences, the decreasing share of repeat visitors may indicate a need for strategies to enhance visitor retention and encourage return visits.

The duration of stay patterns continued to shift towards shorter trips. The share of tourists staying for one to three nights increased slightly to 23.76% in 2024, up from 23.28% in 2023 and 21.82% in 2019. Similarly, stays of four to six nights rose to 37.46%, compared to 35.11% in 2023 and 29.83% in 2019. In contrast, the proportion of visitors staying for seven nights or more declined to 38.78%, down from 41.61% in 2023 and 48.35% in 2019. These shifts highlight a growing trend of shorter but more frequent trips, aligning with broader global travel patterns.

Overall, Malta's tourism sector performed very well in 2024, surpassing both 2023 and pre-pandemic levels in key metrics such as total arrivals, expenditure, and diversification of source markets. However, the sector is also experiencing changes in traveller behaviour, with shorter stays, an increasing reliance on private accommodation, and a shift towards younger demographics. While these trends indicate resilience and adaptability, sustaining long-term growth may require strategies to encourage longer stays, increase repeat visitation, and maintain competitiveness in an evolving global tourism landscape.

7.3 PROPERTY MARKET[12]

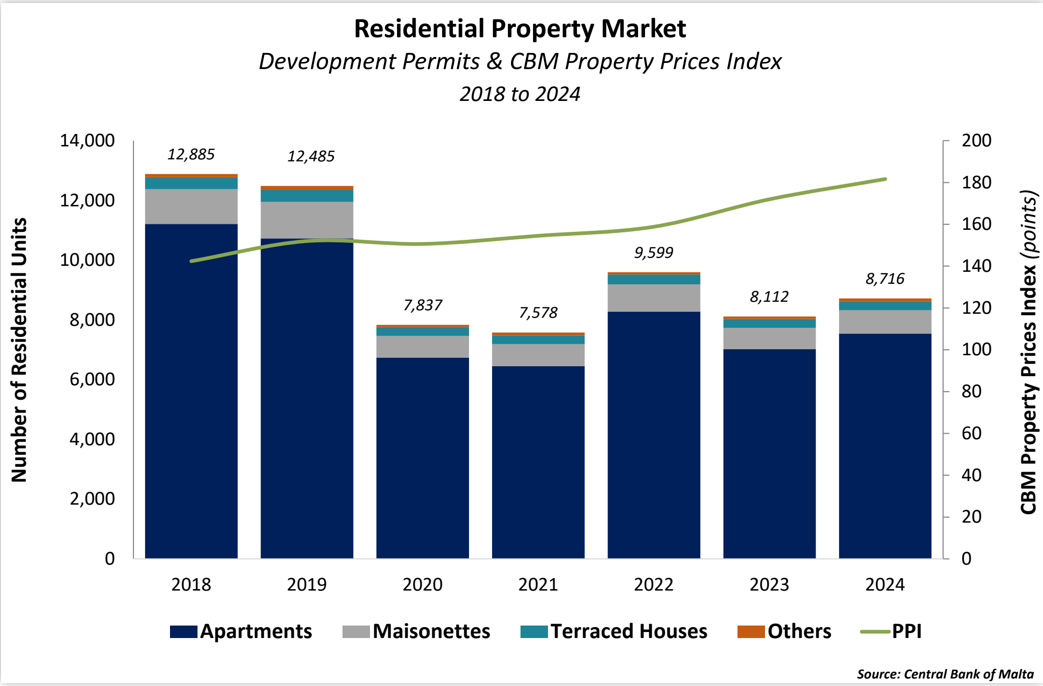
DEVELOPMENT PERMITS FOR DWELLINGS

Data provided by the Central Bank of Malta ("**CBM**") and the National Statistics Office ("**NSO**") shows that in 2024, the total number of permits for the construction of new dwellings eased by 3.22% to 1,535 permits compared to 1,586 permits issued in 2023. However, the total number of approved new residential units increased by 7.45% year-on-year to 8,716 units (2023: 8,112 units), mostly comprising apartments which totalled 7,543 units (2023: 7,026 apartments) representing 86.54% of the total

[12] **Sources:** Central Bank of Bank and National Statistics Office.

number of approved new units in 2024. The sharpest year-on-year percentage increase in the number of approved residential units was for the construction of other type of dwellings including villas, bungalows, and farmhouses, which increased by 30.49% to 107 units (2023: 82 units). These were followed by maisonettes (+9.97% to 783 units compared to 712 units in 2023), and apartments (+7.36%). On the other hand, the total number of approved terraced houses declined by 3.08% in 2024 to 283 units compared to 292 units in 2023.

The highest number of approved new residential units in a single year since Malta adopted the euro was recorded in 2018, with 2,363 permits issued for the construction of a total of 12,885 residential units. In 2019, although the number of permits had increased by 6.69% to 2,521 permits, these were for the construction of 12,485 units which represented a year-on-year decline of 3.10%. Between 2019 and 2021, the total number of approved new residential units trended lower each year, reaching a five-year low of 7,578 units in 2021 before rebounding strongly by 26.67% to 9,599 new units in 2022.

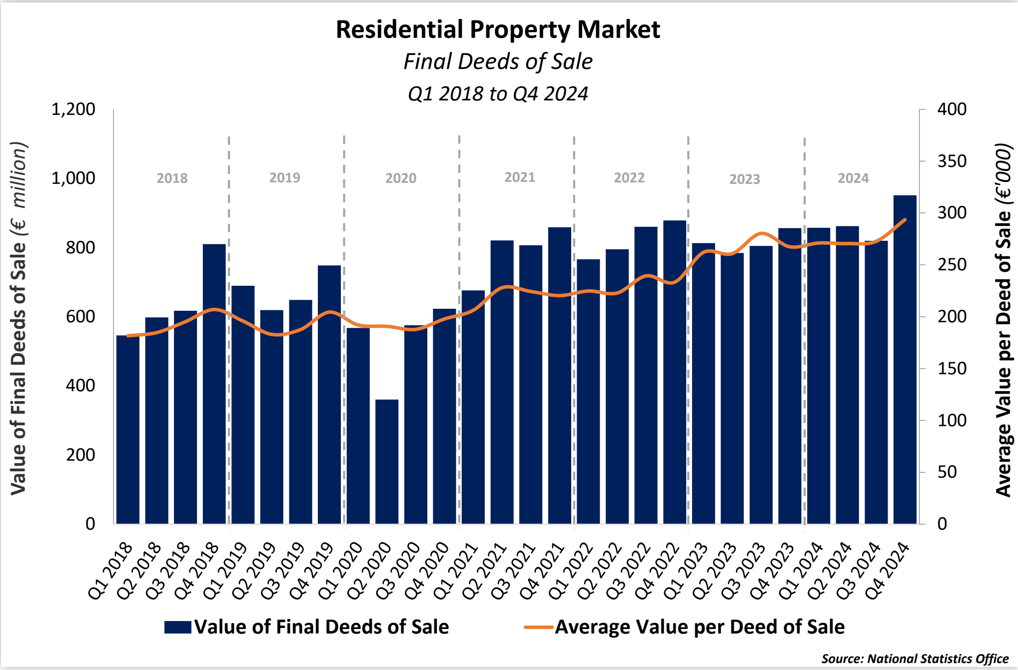


PROPERTY PRICES & TRANSACTIONS

In nominal terms, the CBM Property Prices Index – which is based on the advertised sale prices of apartments, maisonettes, terraced houses, and other types of dwellings – increased by 5.62% in 2024 to 181.68 points compared to 172.01 points for 2023. The sharpest year-on-year percentage increase took place in the prices of 'other property' comprising town houses, houses of character, and villas, which advanced by 9.45%. The advertised prices of terraced houses and apartments increased by over 8%, whilst maisonettes which saw their advertised prices increase by 7.49%.

The NSO Property Price Index – which is based on actual transactions involving apartments, maisonettes, and terraced houses – reached an all-time high of 163.31 points in 2024 – representing a year-on-year increase of 6.44% in nominal terms. Apartment prices rose by 6.32%, while the year-on-year increase in maisonette prices stood at 6.10%.

A total of 12,594 final deeds of sale relating to residential property were registered in 2024 compared to 12,180 deeds in 2023 and 14,331 deeds in 2022. The total value of final deeds of sale increased by 7.12% in 2024 to a new record of €3.49 billion compared to €3.26 billion in 2023 and €3.30 billion in 2022. Furthermore, the average value per deed of sale increased to €277,132 compared to €267,504 in 2023 and €230,242 million in 2022. Meanwhile, the total number of promise of sale agreements for residential property in 2024 increased by 3.06% year-on-year to 13,588 compared to 13,185 in 2023.



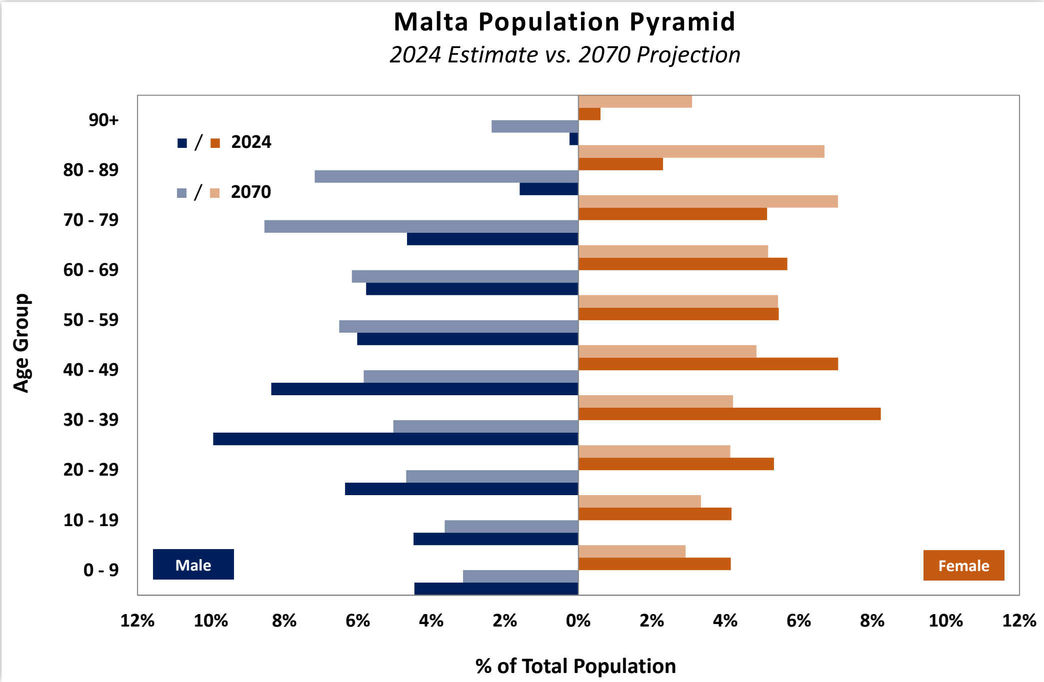
7.4 LONG-TERM CARE

Long-term care covers a broad range of services. It is usually defined as a set of services required by persons with a reduced degree of functional capacity (whether physical or cognitive) and who, as a consequence of this, are dependent for an extended period of time on help with their activities of daily living. These services are often provided in tandem with basic medical services such as nursing care, prevention, rehabilitation, or services of palliative care.[13]

Long-term care provided as 'in-kind' refers to home care or institutional care. The former is delivered in the private home of the care recipient and is most appropriate for cases with lower levels of dependency, aiming to slow down the progression of dependency as recipients age. On the other hand, institutional care is delivered in a specialised institution in which the care recipient lives. It is most appropriate for cases with relatively high degrees of dependency with high care needs.[13]

[13] **Source:** European Commission – Directorate-General for Economic and Financial Affairs, '*2024 Ageing Report: Economic & Budgetary Projections for the EU Member States (2022-2070)*', Institutional Paper 279, 18 April 2024.

Projections prepared by the United Nations Population Division show that the age structure of the Maltese population is expected to continue changing dramatically in the years and decades ahead. The share of the population aged up to 29 years is projected to decrease from 28.93% in 2024 to 23.12% in 2050 and 21.85% in 2070. Similarly, the share of the population aged between 30 years and 69 years is projected to decrease from 56.52% in 2024 to 54.20% in 2050 and 43.21% in 2070. In contrast, the share of the population over 69 years is projected to increase from 14.55% in 2024 to 22.68% in 2050 and 34.94% in 2070.[14]



From an economic perspective, the most important change in demography concerns the working-age population (aged 20-64 years), which reflects the share of the population that will bear the financial 'burden' of the elderly. From a share of 62.52% in 2024, this ratio is projected to fall to 56.20% by 2050, and to 46.49% by 2070.[14]

The dynamics of the ageing process can also be analysed by examining changes in the relative share of the elderly population compared to the working-age population. These dependency ratios relate to the number of individuals that are likely to be dependent on the support of others for their daily living – youths and the elderly – to the number of those individuals who can provide such support. Key indicators of age dependency are the:

- *Old-age dependency ratio* – calculated for both: (i) persons aged 65 years and over relative to the number of individuals aged between 20 and 64 years; and (ii) for persons aged 75 years and over relative to the number of individuals aged between 20 years and 74 years.

[14] **Source:** United Nations, Department of Economic and Social Affairs – Population Division, '*World Population Prospects 2024*', 11 July 2024.

- *Ageing of the aged ratio* – which measures the proportion of the 'oldest old' (people aged 80 years and over) within the elderly population (i.e. those aged 65 years and over).[15]

The old-age dependency ratio for persons aged 65 years and over is projected to increase from 32.33% in 2024 to 54.52% in 2050 and 87.08% in 2070. The old-age dependency ratio for persons aged 75 years and over is projected to increase from 12.92% in 2024 to 22.31% in 2050 and 47.65% in 2070. Meanwhile, the ageing of the aged ratio is projected to increase from 23.48% in 2024 to 34.02% in 2050 and 47.75% in 2070.[15]

Against this background, it is expected that both the quantity and the quality of demand for long-term care will continue to intensify, particularly for the services provided by community care centres and other state-run institutions, as well as facilities operated by the Church and the private sector. Indeed, expenditure on long-term care is forecast to rise significantly over the coming decades as spending is projected to increase from 1.2% of GDP in 2022 to 1.8% in 2050 and 3.4% in 2070. The vast majority of this expenditure is expected to remain concentrated on institutional care, which on its own is projected to absorb 3.1% of GDP by 2070, compared to just 1% in 2022.[16]

This estimated increase in spending aligns with the anticipated growth in the number of dependent individuals requiring formal care. The number of people receiving institutional care is set to rise from 5,000 in 2022 to 10,000 by 2050 (representing 1.87% of the total population) and almost double again to 18,000 by 2070 (accounting for 3.75% of the population). At the same time, the demand for home care services is also projected to expand significantly. In 2022, around 21,000 dependent individuals received home care, but this figure is expected to reach 38,000 by 2050 and further increase to 63,000 by 2070. By that time, home care beneficiaries will represent 13.11% of the total population compared to around 4% in 2022.[16]

These developments point towards a dual challenge for policymakers and service providers: firstly, to expand capacity and improve efficiency in institutional care settings, and secondly, to strengthen the infrastructure and workforce supporting home-based and community-oriented care. Investment in both areas will be critical to ensure that future demand is met in a sustainable and equitable manner, while also maintaining high standards of care and supporting the dignity and autonomy of an increasingly ageing population.

[15] **Source:** Ministry for Finance and Employment, Economic Policy Department, '*2024 Ageing Report: Malta – Country Fiche*', November 2023.
[16] **Source:** European Commission – Directorate-General for Economic and Financial Affairs, '*2024 Ageing Report: Economic & Budgetary Projections for the EU Member States (2022-2070)*', Institutional Paper 279, 18 April 2024.

PART 2 – PERFORMANCE REVIEW

8. FINANCIAL INFORMATION

The historical information is extracted from the audited annual financial statements of AX Group for the financial years ended 31 October 2022, 31 October 2023, and 31 October 2024.

The forecast information is based on future events and assumptions which AX Group believes to be reasonable. Accordingly, the actual outcome may be adversely affected by unforeseen situations and the variation between forecasts and actual results may be material.

The estimates presented in this Analysis assume that the carrying values of the Group's hotels and investment properties will not be revalued upwards or impaired, and therefore no adjustments have been made as to possible uplifts or impairments in value of assets which can materially affect the values in the Income Statement and the Statement of Financial Position.

AX Group p.l.c. **Income Statement** **For the financial year 31 October**	**2022** **Actual** **€'000**	**2023** **Actual** **€'000**	**2024** **Actual** **€'000**	**2025** **Forecast** **€'000**
Revenue	38,443	50,293	83,550	131,588
Net operating expenses	(31,223)	(42,847)	(59,517)	(93,189)
EBITDA	**7,220**	**7,446**	**24,033**	**38,399**
Depreciation	(6,916)	(9,338)	(10,078)	(11,119)
Adjusted operating profit / (loss)	**304**	**(1,892)**	**13,955**	**27,280**
Investment property revaluation	1,669	103	(2,478)	-
Operating profit / (loss)	**1,973**	**(1,789)**	**11,477**	**27,280**
Share of results of associates and joint venture	849	976	2,105	1,391
Net finance costs	(4,125)	(6,004)	(7,770)	(8,902)
Profit / (loss) before tax	**(1,303)**	**(6,817)**	**5,812**	**19,769**
Taxation	1,054	2,996	(745)	(6,475)
Profit / (loss) after tax	**(249)**	**(3,821)**	**5,067**	**13,294**
Other comprehensive income				
Gain / (loss) on property revaluation	(3,587)	3,633	7,073	-
Taxation	2,055	(2,785)	(1,319)	-
Total comprehensive income / (expense)	**(1,781)**	**(2,973)**	**10,821**	**13,294**

AX Group p.l.c. Key Financial Ratios	FY2022 Actual	FY2023 Actual	FY2024 Actual	FY2025 Forecast
EBITDA margin (%) *(EBITDA / revenue)*	18.78	14.81	28.76	29.18
Operating profit margin (%) *(Adjusted operating profit / revenue)*	0.79	(3.76)	16.70	20.73
Net profit margin (%) *(Profit after tax / revenue)*	(0.65)	(7.60)	6.06	10.10
Return on equity (%) *(Profit after tax / average equity)*	(0.10)	(1.55)	2.06	5.21
Return on assets (%) *(Profit after tax / average assets)*	(0.06)	(0.85)	1.03	2.62
Return on invested capital (%) *(Adjusted operating profit / average equity and net debt)*	0.09	(0.50)	3.35	6.32
Interest cover (times) *(EBITDA / net finance costs)*	1.75	1.24	3.09	4.31

INCOME STATEMENT

In **FY2022**, total revenues increased by 7.36% to €38.44 million largely reflecting the encouraging rebound in tourism throughout the year despite the sharp rise in the number of cases related to the Omicron variant which peaked in late 2021 and early 2022. Indeed, revenues from the hospitality division surged by 58.48% to €22.79 million. Furthermore, the Group recorded higher revenues from its healthcare and construction divisions to €6.14 million and €7.03 million respectively. In contrast, the real estate and property rentals division recorded a considerable drop in revenues to €2.31 million in view of the material one-time property sales accounted for in the prior financial year.

The EBITDA of €7.22 million translated into a margin of 18.78% whilst the interest cover improved to 1.75 times despite the slight increase in net finance costs to €4.13 million. Nonetheless, the Group still recorded a pre-tax loss of €1.30 million as the increase in EBITDA and the higher contribution from associates and joint venture (which amounted to €0.85 million) were dented by the marginal increase in depreciation charges to €6.92 million and the lower amount of fair value gains of €1.67 million when compared to the prior year. Overall, AX Group posted a net loss of €0.25 million and a total comprehensive expense of €1.78 million.

Revenues surged by 30.80% in **FY2023** to just above €50 million, mainly driven by the contribution of the hospitality division which generated revenues of €36.53 million and representing 72.63% of total income. The healthcare division also registered growth year-on-year (+11.75% to €6.87 million), whilst the construction, and the real estate and property rentals divisions recorded drops in income to €4.15 million and €1.68 million respectively.

Despite the strong double-digit growth in revenues, EBITDA only edged up by 3.13% to €7.45 million which translated into a margin of 14.81%. The notable increase in operating costs took place amid the expansion of the Group's operations. Furthermore, staff costs experienced a substantial year-on-year increase of 59% to €25.89 million (FY2022: €16.28 million) as during FY2022 the Group benefitted from the COVID-19 related wage supplement scheme (€1.48 million), whilst during FY2023 AX Group hired numerous staff members months ahead of the opening of AX ODYCY. This early recruitment strategy allowed sufficient time for comprehensive training of the new staff to meet the AX Hotels standards. Meanwhile, the Group also introduced a retention bonus scheme applicable to all staff members which aims to reward loyal and committed employees for their performance and extended tenure with the Group.

In view of the sharper increase in net finance costs to €6 million than the growth in EBITDA, the interest cover retracted to 1.24 times. Elsewhere, the Group's financial performance was also dented by a substantial increase of 35.02% in depreciation charges to €9.34 million primarily driven by the multi-million investments in the extension and refurbishment of AX ODYCY. On the other hand, the share of results of associates and joint venture increased to €0.98 million, largely reflecting the contribution from the Group's investment in VCP which, during 2023, hosted almost 0.9 million passengers from a total of 312 cruise ship calls.

Overall, AX Group registered a net loss of €3.82 million whilst the total comprehensive expense amounted to €2.97 million as the net loss for the year and a deferred tax charge of €2.79 million were offset by a €3.63 million gain on property revaluations.

FY2024 was a record year for the Group in terms of revenue and EBITDA generation. Total revenues surged by 66.13% to €83.55 million, reflecting an increase in activity across business lines especially hospitality (+€24.77 million to €61.30 million) and construction (+€7.45 million to €11.60 million). Moreover, EBITDA grew by more than three times to €24.03 million whilst the relative margin trended notably higher to 28.76% (+13.95 percentage points) despite the expansion of the Group's operations following the extension of AX ODYCY which resulted in higher operating and staff costs.

Depreciation charges increased further by 7.92% to €10.08 million whilst net finance costs edge higher by €1.77 million to €7.77 million. Notwithstanding, in view of the strong growth in EBITDA, the interest cover improved markedly to 3.09 times.

The financial performance of AX Group was partially dented by a loss of €2.48 million arising on the revaluation of investment properties, most of which was related to the value of Palazzo Lucia following a shift in the strategy for the lease of this building. In contrast, the share of results from associates and joint ventures increased significantly to €2.11 million, driven by the positive financial performance of all related entities particularly VCP. In aggregate, VCP, Imselliet Solar Limited, and Hardrocks Estates Limited generated €19.66 million in revenues in FY2024 compared to €14.42 million in FY2023. Additionally, they recorded a combined net profit of €5.58 million, more than double the €2.42 million figure achieved in FY2023.

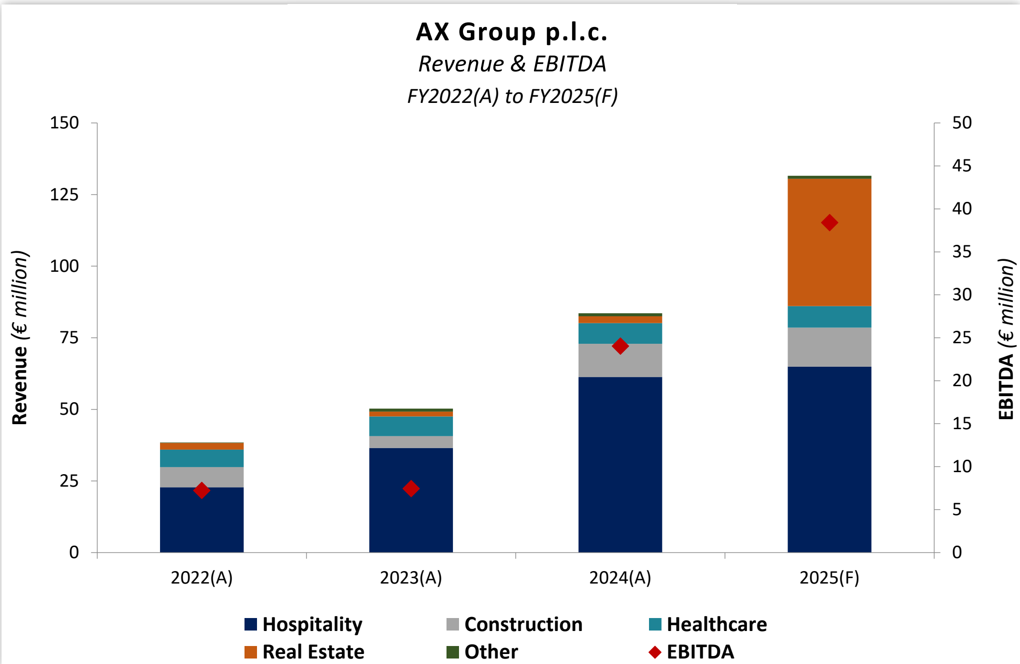
After accounting for tax charges of €0.75 million, the Group posted a net profit of €5.07 million, resulting in a margin of 6.06%. The return on equity and return on assets stood at 2.06% and 1.03%, respectively. Meanwhile, total comprehensive income amounted to €10.82 million and was boosted by a €7.07 million gain on property revaluation, which was partly offset by a tax charge of €1.32 million.

For **FY2025**, the Group is projecting total revenues to increase by 57.50% to €131.59 million, primarily due to the recognition of the sale of residential units within the Verdala Terraces development. However, the Issuer also expects improved contributions across all business lines, including hospitality, construction, and healthcare, which are projected to generate revenues of €64.91 million (+5.89%), €13.67 million (+17.85%), and €7.49 million (+3.51%), respectively.

In light of the significant revenue growth, EBITDA is expected to increase by nearly 60% to €38.40 million, resulting in a margin of 29.18% (+42 basis points). Despite a further anticipated rise in net finance costs to €8.90 million (+14.57%), reflecting the Group's higher financing needs to support its substantial investment programme, interest cover is still projected to strengthen to 4.31 times.

Depreciation charges are also expected to rise year-on-year, reaching €11.12 million (+10.33%), driven by the commencement of operations at the Verdala Wellness Hotel. Nevertheless, adjusted operating profit is forecast to nearly double to €27.28 million (FY2024: €13.96 million), leading to significant improvements in both the relative margin and return on invested capital which are expected to rise to 20.73% (FY2024: 16.70%) and 6.32% (FY2024: 3.35%), respectively.

The share of results of associates and joint venture is expected to amount to €1.39 million. Moreover, after accounting for tax charges of €6.48 million, the Issuer is expecting to register a net profit of €13.29 million. This would translate into a margin of 10.10%, and a return on equity and on assets of 5.21% and 2.62% respectively.



AX Group p.l.c. Statement of Cash Flows For the financial year 31 October	2022 Actual €'000	2023 Actual €'000	2024 Actual €'000	2025 Forecast €'000
Net cash from / (used in) operating activities	(4,489)	(12,334)	6,521	29,972
Net cash used in investing activities	(32,363)	(37,409)	(24,057)	(20,076)
Net cash from financing activities	42,719	50,494	16,551	(17,890)
Net movement in cash and cash equivalents	**5,867**	**751**	**(985)**	**(7,994)**
Cash and cash equivalents at beginning of year	3,712	9,579	10,330	9,345
Cash and cash equivalents at end of year	**9,579**	**10,330**	**9,345**	**1,351**
Capital expenditure:				
Purchase of PPE	31,327	36,069	23,188	25,323
Acquisition / (sale) of investment property	1,036	2,677	2,217	(4,155)
Free cash flow	**(36,852)**	**(51,080)**	**(18,884)**	**8,804**

STATEMENT OF CASH FLOWS

In **FY2022**, the Group used €4.49 million for its operating activities, largely reflecting the material negative movement in inventories which offset the favourable movement in trade and other payables. However, AX Group raised €42.72 million from its financing activities which outweighed the outflows of €32.36 million in relation to its investing activities. Accordingly, the Group ended the 2022 financial year with a higher cash balance of €9.58 million.

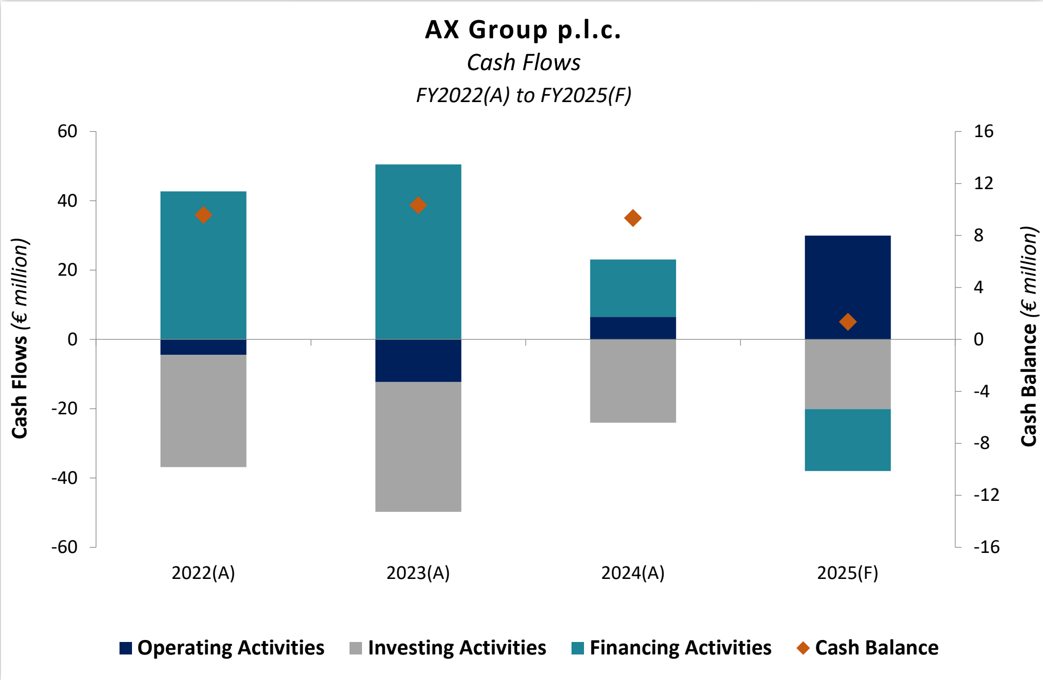
The net movement in cash and cash equivalents amounted to €0.75 million in **FY2023** compared to €5.87 million in FY2022. During the year, the Group raised €50.49 million in cash from financing activities (mostly through bank borrowings) which marginally offset the amounts of net cash used in operating (€12.33 million) and investing activities (€37.41 million).

Of significance, cash flows before changes in working capital amounted to €10.53 million compared to €7.84 million in FY2022. However, the Group's operating cash flows were negatively impacted by unfavourable movements in working capital (€16.01 million) as well as the payment of interest (€5.74 million) and tax (€1.11 million). Meanwhile, AX Group also intensified its capital investments as these amounted to €38.75 million in FY2023 compared to €31.33 million in the prior year.

The Issuer ended **FY2024** with a cash balance of €9.35 million compared to €10.33 million as at 31 October 2023. The negative movement of €0.99 million was primarily attributable to the continued high level of investment undertaken by the Group, particularly in the Verdala Wellness Hotel and the Verdala Terraces. Net cash used in investing activities amounted to €24.06 million, which marginally exceeded the combined net cash generated from operating (€6.52 million) and financing (€16.55 million) activities. The latter included net proceeds of €12.21 million from bank borrowings, as well as a net inflow of €5.05 million resulting from the reduction in the amount of debt securities held, issued by AX Real Estate p.l.c.

For **FY2025**, the Group is projecting an aggregate negative movement in cash and cash equivalents of €7.99 million, resulting in a year-end balance of €1.35 million. Net cash inflows from operating activities are expected to increase substantially to €29.97 million, largely driven by the continued strong performance of the hospitality segment and the conclusion of the sale of a number of residential units forming part of the Verdala Terraces.

However, the Issuer has significant capital expenditure commitments, primarily related to the Verdala Wellness Hotel and the Verdala Terraces, which are expected to result in a net cash outflow of €20.08 million. In addition, the Group is projecting a net cash outflow of €17.89 million used in financing activities, primarily reflecting its objective of reducing bank borrowings by over €20 million.



AX Group p.l.c. Statement of Financial Position As at 31 October	2022 Actual €'000	2023 Actual €'000	2024 Actual €'000	2025 Forecast €'000
ASSETS				
Non-current assets				
Property, plant and equipment	281,437	324,000	343,800	356,478
Investment property	57,887	61,703	61,443	57,288
Inventories	37,023	-	-	-
Investments in associates and joint ventures	8,251	7,889	8,646	8,946
Loans receivable	1,763	2,175	389	389
Right-of-use assets	-	394	3,707	3,707
	386,361	**396,161**	**417,985**	**426,808**
Current assets				
Inventories	3,506	49,102	66,234	53,329
Trade and other receivables	17,981	15,142	17,707	19,264
Current tax asset	1,030	2,966	616	-
Cash at bank and in hand	13,881	10,657	10,569	1,351
	36,398	**77,867**	**95,126**	**73,944**
Total assets	**422,759**	**474,028**	**513,111**	**500,752**
EQUITY				
Share capital	1,165	1,165	1,165	1,165
Reserves	209,429	210,401	214,622	209,712
Retained earnings	24,317	19,236	20,929	38,324
Non-controlling interest	13,312	12,739	12,113	12,391
	248,223	**243,541**	**248,829**	**261,592**
LIABILITIES				
Non-current liabilities				
Debt securities	82,424	45,629	90,672	94,691
Bank borrowings	27,126	68,988	63,622	39,039
Lease liabilities	-	372	3,622	3,670
Trade and other payables	13,038	11,517	12,518	10,925
Deferred tax liabilities	19,745	20,360	20,549	20,549
	142,333	**146,866**	**190,983**	**168,874**
Current liabilities				
Debt securities	2,798	42,693	3,810	3,811
Bank borrowings	7,976	11,431	29,903	32,027
Lease Liabilities	-	22	55	53
Other financial liabilities	81	6	8	8
Trade and other payables	21,348	29,469	39,523	34,387
	32,203	**83,621**	**73,299**	**70,286**
Total liabilities	**174,536**	**230,487**	**264,282**	**239,160**
Total equity and liabilities	**422,759**	**474,028**	**513,111**	**500,752**
Total debt	*120,405*	*169,141*	*191,692*	*173,299*
Net debt	*106,524*	*158,484*	*181,123*	*171,948*
Invested capital (total equity plus net debt)	*354,747*	*402,025*	*429,952*	*433,540*

AX Group p.l.c. Key Financial Ratios	FY2022 Actual	FY2023 Actual	FY2024 Actual	FY2025 Forecast
Net debt-to-EBITDA (times) *(Net debt / EBITDA)*	14.75	21.28	7.54	4.48
Net debt-to-equity (times) *(Net debt / total equity)*	0.43	0.65	0.73	0.66
Net gearing (%) *(Net debt / net debt and total equity)*	30.03	39.42	42.13	39.66
Debt-to-assets (times) *(Total debt / total assets)*	0.28	0.36	0.37	0.35
Leverage (times) *(Total assets / total equity)*	1.70	1.95	2.06	1.91
Current ratio (times) *(Current assets / current liabilities)*	1.13	0.93	1.30	1.05

STATEMENT OF FINANCIAL POSITION

Total assets increased by 13.01% to €422.76 million during **FY2022**, largely reflecting higher levels of property, plant, and equipment ("**PPE**") (+4.80% to €281.44 million); investment property (+19.49% to €57.89 million); inventories (+59.62% to €37.02 million); and trade and other receivables (+75.80% to €17.98 million). During the year, the Group continued with the execution of the projects in Qawra and Rabat, and also pursued the renovation of Palazzo Lucia apart from concluding the acquisition of the La Ferla Building in Sliema.

Total liabilities also increased markedly to €174.54 million mainly on the back of the higher level of debt which grew by 37.22% (or +€32.64 million) to €120.32 million. Despite the further expansion in the Group's equity base to €248.22 million (+4.67%), the net gearing ratio climbed to just over 30% whilst the net debt-to-equity and debt-to-assets ratios increased to 0.43 times and 0.28 times respectively. Furthermore, the net debt-to-EBITDA multiple rose to 14.75 times despite the 6.51% increase in EBITDA generated during the year.

The Group's asset base expanded further in **FY2023** to €474.03 million (+€51.27 million) reflecting the increase in property (+€54.96 million to €432.62 million) which offset the lower balance of trade and other receivables (-€2.84 million to €15.14 million) and cash balances (-€3.22 million to €10.66 million). The impact of property revaluation during the year only amounted to €3.74 million whilst the sharpest year-on-year movement in the value of property related to the Qawra Hotels (+€35.85 million to €147 million), the Verdala Terraces (+€10.29 million to €44.63 million), and the Verdala Wellness Hotel (+€8.31 million to €18.69 million).

Total liabilities increased in line with the growth in assets and amounted to €230.49 million as at 31 October 2023. Of significance, total debt approached the €170 million level largely due to the higher level of bank borrowings which increased by €45.32 million to €80.42 million compared to €35.10 million as at the end of FY2022. In this regard, in January 2023, the Group obtained bank funding amounting to €48.50 million for the completion of the project related to the extension and refurbishment of AX ODYCY. Furthermore, in February 2023, the Group also obtained a €36 million bank loan to finance the development of the Verdala Terraces.

The Group's equity base contracted by 1.89% to €243.54 million. Coupled with the increase in debt, all principal credit metrics deteriorated during the year as the net gearing ratio moved to 39.42% whilst the net debt-to-equity ratio reached 0.65 times. Likewise, the debt-to-assets ratio and the leverage ratio trended higher to 0.36 times and 1.95 times respectively. Furthermore, despite the higher level of EBITDA generated during the year, the net debt-to-EBITDA multiple increased considerably to 21.28 times.

Total assets increased by 8.24% (or +€39.08 million) to €513.11 million in **FY2024**, mostly reflecting the increase in the value of the Qawra Hotels (+€13.43 million to €160.43 million), the Verdala Terraces (+€15.51 million to €60.14 million), and the Verdala Wellness Hotel (+€5.37 million to €24.07 million). The aggregate impact of property revaluation during the year only amounted to €4.60 million.

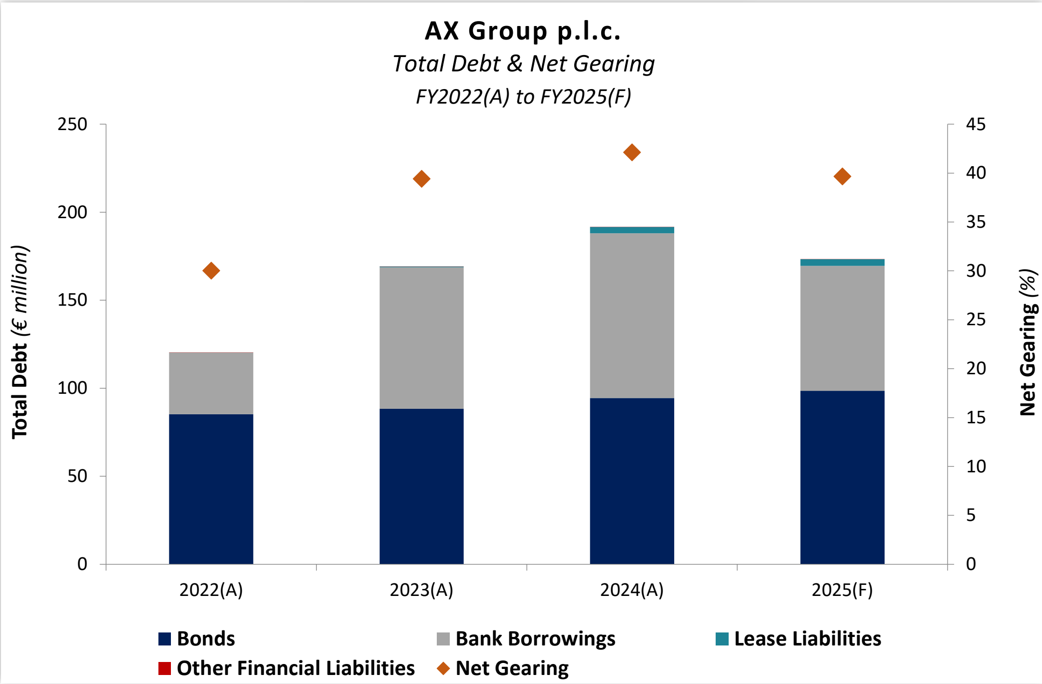
Total liabilities rose by 14.66% (or +€33.80 million) to €264.28 million amid a notable increase in trade and other payables (+€10.05 million to €39.52 million) and debt (+€22.55 million to €191.69 million). The former was mostly impacted by upfront receipts from retirement home residents which will be recognised in future years, as well as the deposits received on the residential units for sale forming part of Verdala Terraces. Meanwhile, the increase in total debt was driven by the higher level of bank borrowings which increased by €13.11 million during the year to €93.53 million.

The Group's equity base expanded by 2.17% to €248.83 million in FY2024, amid higher levels of reserves and retained earnings. Nonetheless, in view of the sharper increase in debt, the net gearing ratio moved to 42.13% whilst the net debt-to-equity ratio reached 0.73 times. Likewise, the debt-to-assets ratio and the leverage ratio trended higher to 0.37 times and 2.06 times respectively. In contrast, the net debt-to-EBITDA multiple dropped significantly to 7.54 times reflecting the upsurge in EBITDA generation during the year.

Total assets are expected to contract by 2.41% (or -€12.36 million) in **FY2025** to €500.75 million as the projected increase of 3.69% (or +€12.68 million) in PPE is expected to be outweighed by the reduction in cash balances as well as the drop in the value of property. The latter mostly reflects the contracted sale of a number of residential units forming part of Verdala Terraces.

Total liabilities are estimated to drop by 9.51% (or -€25.12 million) to €239.16 million, mostly due to the forecasted reduction in trade and other payables (-€6.73 million to €45.31 million) and bank borrowings (-€22.46 million to €71.07 million) which was originally taken on for the purpose of financing the Group's multi-million investments. As the Group's equity base is anticipated to expand by 5.13% (or +€12.76 million) to €261.59 million, and given the anticipated reduction in indebtedness, the Issuer's debt metrics are expected to improve year-on-year including the net debt-to-equity ratio and the net gearing ratio which are forecasted to trend lower to 0.66 times and 39.66% respectively.

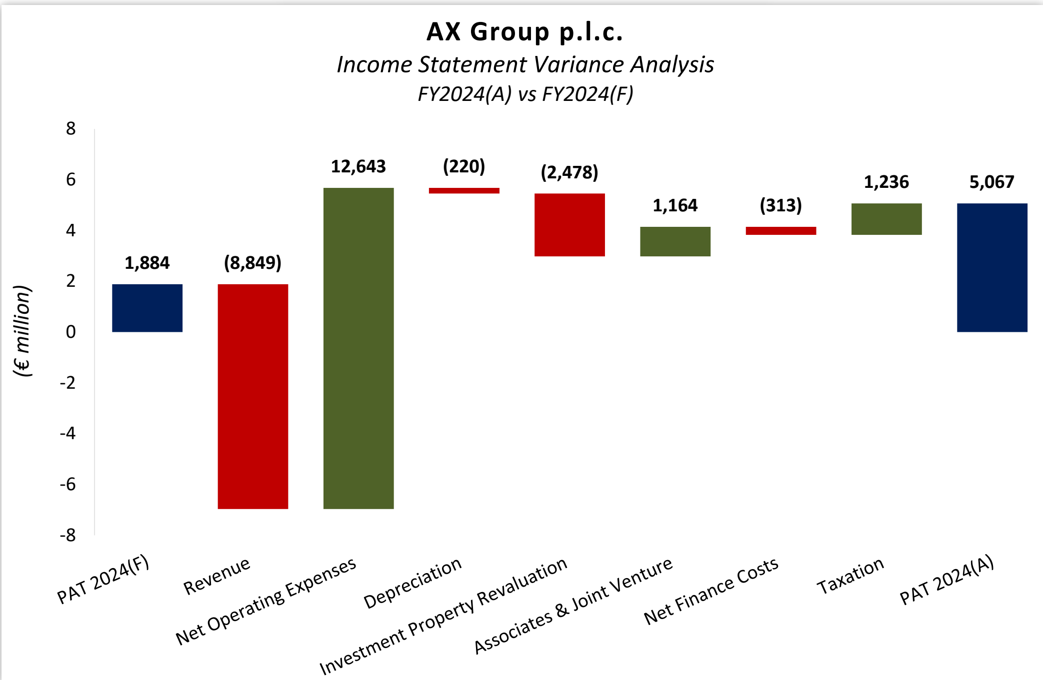
Likewise, the debt-to-assets ratio and the leverage ratio are estimated to retract to 0.35 times and 1.91 times respectively. Furthermore, the net debt-to-EBITDA multiple is expected to fall further to 4.48 times reflecting also the boost in profitability mainly resulting from the continued strong performance of the hospitality division, as well as the profits to be made on the sale of a number of residential units forming part of the Verdala Terraces.



9. VARIANCE ANALYSIS

The following is an analysis of the major variances between the forecast financial information for the year ended 31 October 2024, as included in the Analysis dated 19 April 2024, and the audited annual financial statements for the same period, published on 24 February 2025.

AX Group p.l.c. **Income Statement** **For the financial year 31 October**	**2024** **Actual** **€'000**	**2024** **Forecast** **€'000**	
Revenue	83,550	92,399	*(1)*
Net operating expenses	(59,517)	(72,160)	*(2)*
EBITDA	**24,033**	**20,239**	
Depreciation	(10,078)	(9,858)	
Adjusted operating profit	**13,955**	**10,381**	
Investment property revaluation	(2,478)	-	*(3)*
Operating profit	**11,477**	**10,381**	
Share of results of associates and joint venture	2,105	941	*(4)*
Net finance costs	(7,770)	(7,457)	
Profit before tax	**5,812**	**3,865**	
Taxation	(745)	(1,981)	*(5)*
Profit after tax	**5,067**	**1,884**	
Other comprehensive income			
Gain on property revaluation	7,073	-	
Taxation	(1,319)	-	
Total comprehensive income	**10,821**	**1,884**	



Although the Group missed its target revenue figure of €92.40 million by €8.85 million ***(1)***, its profitability for the year was much higher than anticipated. The lower-than-expected revenue was mostly due to delays in the signing of the final deeds of sale relating to Verdala Terraces. This was partly compensated by the superior performance of the hospitality segment which generated revenues of €61.30 million compared to the forecasted figure of €54.47 million.

On the other hand, despite the revaluation loss of €2.48 million recorded in FY2024 – most of which related to the value of Palazzo Lucia following a strategic shift in the lease approach for this building ***(3)*** – the Group achieved better-than-expected profitability for the year, mainly due to:

- Lower net operating expenses reflecting strong internal cost control measures and operational efficiencies, as well as the recognition of the costs related to the construction of the Verdala Terraces for which the execution of the final deeds of sale was postponed to FY2025 ***(2)***.
- Higher contribution from associates and joint venture, mostly related to the superior performance of VPC ***(4)***.
- Lower tax charge of €0.75 million compared to the estimated figure of €1.98 million ***(5)***.

AX Group p.l.c. **Statement of Cash Flows** **For the financial year 31 October**	**2024** **Actual** **€'000**	**2024** **Forecast** **€'000**	
Net cash from operating activities	6,521	3,977	*(1)*
Net cash used in investing activities	(24,057)	(23,498)	
Net cash from financing activities	16,551	13,935	*(2)*
Net movement in cash and cash equivalents	**(985)**	**(5,586)**	
Cash and cash equivalents at beginning of year	10,330	10,330	
Cash and cash equivalents at end of year	**9,345**	**4,744**	*(3)*
Capital expenditure:			
Purchase of PPE	23,188	20,948	
Acquisition of investment property	2,217	2,550	
Free cash flow	**(18,884)**	**(19,521)**	

AX Group ended the 2024 financial year with a much higher cash balance of €9.35 million compared to the forecasted figure of €4.74 million ***(3)***. This was due to the higher level of cash generated from operating activities ***(1)***, mostly reflecting the better-than-expected underlying performance of the Group's hospitality segment, as well as the €2.62 million in additional cash inflows from financing activities ***(2)***.

AX Group p.l.c. Statement of Financial Position As at 31 October	2024 Actual €'000	2024 Forecast €'000	
ASSETS			
Non-current assets			
Property, plant and equipment	343,800	337,105	
Investment property	61,443	59,003	
Investments in associates and joint ventures	8,646	11,005	
Loans receivable	389		
Right-of-use assets	3,707	365	
	417,985	**407,478**	
Current assets			
Inventories	66,234	64,471	
Trade and other receivables	17,707	20,165	
Current tax asset	616		
Cash at bank and in hand	10,569	4,744	
	95,126	**89,380**	
Total assets	**513,111**	**496,858**	*(1)*
EQUITY			
Share capital	1,165	1,165	
Reserves	214,622	211,165	
Retained earnings	20,929	19,764	
Non-controlling interest	12,113	12,671	
	248,829	**244,765**	*(2)*
LIABILITIES			
Non-current liabilities			
Debt securities	90,672	85,086	
Bank borrowings	63,622	72,411	
Lease liabilities	3,622	354	
Trade and other payables	12,518	10,350	
Deferred tax liabilities	20,549	20,425	
	190,983	**188,626**	
Current liabilities			
Debt securities	3,810	3,649	
Bank borrowings	29,903	22,814	
Lease Liabilities	55	23	
Other financial liabilities	8	-	
Trade and other payables	39,523	36,981	
	73,299	**63,467**	
Total liabilities	**264,282**	**252,093**	*(3)*
Total equity and liabilities	**513,111**	**496,858**	
Total debt	*191,692*	*184,337*	
Net debt	*181,123*	*179,593*	
Invested capital (total equity plus net debt)	*429,952*	*424,358*	

The material variances between the actual and forecast Statement of Financial Position as at 31 October 2024 were as follows:

(1) Total assets amounted to €513.11 million compared to the forecasted figure of €496.86 million. The positive variance of €16.25 million (or +€3.27%) was mainly due to the higher level of property, plant, and equipment (+€6.70 million), cash (+€5.83 million), investment property (€2.44 million), and inventories (+€1.76 million).

(2) The Group's equity position stood at €248.83 million as at 31 October 2024 compared to the forecasted figure of €244.77 million. The positive variance of €4.06 million (or +1.66%) was mainly due to the higher amount of reserves (+€3.46 million) and retained earnings (+€1.17 million) which outweighed the marginal drop of €0.56 million in the value of non-controlling interest.

(3) AX Group had total liabilities of €264.28 million as at the end of FY2024 compared to the estimated figure of €252.09 million. The positive variance of €12.19 million (or +4.84%) was mainly the result of higher debt (+€7.36 million) and trade and other payables (+€4.71 million). The former was due to the higher-than-expected level of borrowings as well as additional lease liabilities reflecting a new long-term agreement for the right-of-use of the land encompassing parts of AX ODYCY and AX Sunny Coast Lido.

PART 3 – COMPARATIVE ANALYSIS

The table below provides a comparison between the Group and its bonds with other debt issuers and their respective debt securities listed on the Regulated Main Market (Official List) of the Malta Stock Exchange. Although there are significant variances between the activities of the Group and those of other debt issuers (including different industries, principal markets, competition, capital requirements etc.), and material differences between the risks associated with the Group's business/es and those of other debt issuers, the comparative analysis illustrated in the table below serves as an indication of the relative 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)*
5.10% 6PM Holdings p.l.c. Unsecured 2025**	13,000	4.93	13.36	0.04	1.31	0.09
4.50% Hili Properties p.l.c. Unsecured & Guaranteed 2025	37,000	4.43	1.80	8.70	46.06	0.45
3.25% AX Group p.l.c. Unsecured 2026	15,000	3.24	3.09	7.54	42.13	0.37
4.25% CPHCL Finance p.l.c. Unsecured & Guaranteed 2026	40,000	4.25	1.45	11.49	43.52	0.41
5.00% Dizz Finance p.l.c. Unsecured & Guaranteed 2026	8,000	4.98	2.27	8.24	80.39	0.57
4.35% Hudson Malta p.l.c. Unsecured & Guaranteed 2026	12,000	4.35	5.64	6.37	77.20	0.60
4.00% International Hotel Investments p.l.c. Secured 2026	55,000	4.78	1.61	10.49	43.07	0.41
4.00% International Hotel Investments p.l.c. Unsecured 2026	60,000	3.99	1.61	10.49	43.07	0.41
3.75% Premier Capital p.l.c. Unsecured 2026	65,000	4.22	10.89	2.16	65.14	0.57
4.00% Eden Finance p.l.c. Unsecured & Guaranteed 2027	40,000	4.00	5.43	4.21	26.73	0.24
4.00% Hili Finance Company p.l.c. Unsecured & Guaranteed 2027	50,000	4.00	4.60	4.44	69.59	0.61
5.25% Mediterranean Investments Holding p.l.c. Unsecured & Guaranteed 2027	30,000	4.76	5.42	2.67	20.40	0.19
4.35% SD Finance p.l.c. Unsecured & Guaranteed 2027	65,000	4.61	5.86	2.93	30.32	0.34
4.00% Stivala Group Finance p.l.c. Secured & Guaranteed 2027	45,000	4.00	5.67	4.17	22.93	0.21
4.75% Best Deal Properties Holding p.l.c. Secured & Guaranteed 2025-2027	14,670	4.74	57.57	7.98	65.66	0.64
4.75% Gap Group p.l.c. Secured & Guaranteed 2025-2027	23,000	4.34	n/a	3.47	55.05	0.56
3.85% Hili Finance Company p.l.c. Unsecured & Guaranteed 2028	40,000	4.51	4.60	4.44	69.59	0.61
5.85% Mediterranean Investments Holding p.l.c. Unsecured & Guaranteed 2028	20,000	4.52	5.42	2.67	20.40	0.19
5.75% Plan Group p.l.c. Secured & Guaranteed 2028	12,000	5.28	7.37	9.26	54.58	0.48
3.75% AX Group p.l.c. Unsecured 2029	10,000	3.75	3.09	7.54	42.13	0.37
3.80% Hili Finance Company p.l.c. Unsecured & Guaranteed 2029	80,000	4.43	4.60	4.44	69.59	0.61
5.00% Hili Finance Company p.l.c. Unsecured & Guaranteed 2029	80,000	4.94	4.60	4.44	69.59	0.61
3.65% Stivala Group Finance p.l.c. Secured & Guaranteed 2029	15,000	3.65	5.67	4.17	22.93	0.21
5.75% Best Deal Properties Holding p.l.c. Secured & Guaranteed 2027-2029	15,000	4.91	57.57	7.98	65.66	0.64
6.25% GPH Malta Finance p.l.c. Unsecured & Guaranteed 2030	18,144	5.35	1.81	6.89	96.76	0.83
3.65% International Hotel Investments p.l.c. Unsecured 2031	80,000	4.18	1.61	10.49	43.07	0.41
5.35% Best Deal Properties Holding p.l.c. Unsecured 2032	7,000	4.83	57.57	7.98	65.66	0.64
3.50% AX Real Estate p.l.c. Unsecured 2032	40,000	4.45	2.87	8.01	51.84	0.47
5.00% Mariner Finance p.l.c. Unsecured 2032	36,930	4.22	4.89	6.08	50.77	0.50
5.85% AX Group p.l.c. Unsecured 2033	40,000	4.76	3.09	7.54	42.13	0.37
6.00% International Hotel Investments p.l.c. Unsecured 2033	60,000	5.24	1.61	10.49	43.07	0.41
5.35% Hal Mann Vella Group p.l.c. Secured 2031-2034	23,000	4.74	2.21	9.47	51.49	0.43
4.50% The Ona p.l.c. Secured & Guaranteed 2028-2034	16,000	4.50	3.09	16.34	74.89	0.65
5.30% International Hotel Investments p.l.c. Unsecured 2035	35,000	5.30	1.61	10.49	43.07	0.41
5.50% Juel Group p.l.c. Secured & Guaranteed 2035	32,000	4.99	1.13	39.37	60.27	0.55

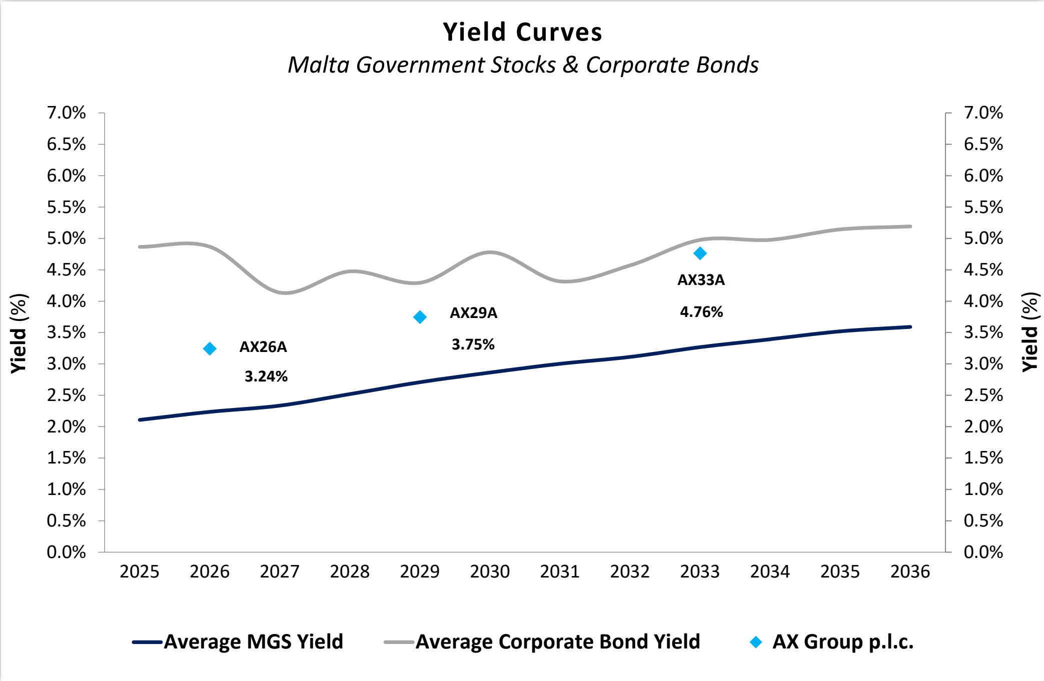
As at 28 March 2025

***** 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 28 June 2024).



The closing market price as at 28 March 2025 for the **3.25% AX Group p.l.c. unsecured bonds 2026** (AX26A) was 100.00%. This translated into a yield-to-maturity ("**YTM**") of 3.24% which was 163 basis points below the average YTM of 4.87% of other local corporate bonds maturing in the same year. The premium over the corresponding average Malta Government Stock yield of equivalent maturity (2.24%) stood at 100 basis points.

The closing market price as at 28 March 2025 for the **3.75% AX Group plc unsecured bonds 2029** (AX29A) was 100.00%. This translated into a YTM of 3.75% which was 54 basis points below the average YTM of 4.29% of other local corporate bonds maturing in the same year. The premium over the corresponding average Malta Government Stock yield of equivalent maturity (2.71%) stood at 104 basis points.

The closing market price as at 28 March 2025 for the **5.85% AX Group plc unsecured bonds 2033** (AX33A) was 107.50%. This translated into a YTM of 4.76% which was 22 basis points below the average YTM of 4.98% of other local corporate bonds maturing in the same year. The premium over the corresponding average Malta Government Stock yield of equivalent maturity (3.27%) stood at 149 basis points.

PART 4 – 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.