
FINANCIAL ANALYSIS SUMMARY

17 APRIL 2026

ISSUER

AX REAL ESTATE P.L.C.

(C 92104)

Prepared by:



MZ INVESTMENTS



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The Directors

AX Real Estate p.l.c.

AX Group, AX Business Centre

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17 April 2026

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 Real Estate p.l.c. (the “**Issuer**”, “**Group**”, or “**AX Real Estate**”). 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 2023, 31 October 2024, and 31 October 2025 has been extracted from the respective audited consolidated annual financial statements.
- (b) The forecast financial information for the year ending 31 October 2026 has been provided by the Issuer.
- (c) Our commentary on the financial performance, cash flows, and financial position of AX Real Estate is based on explanations provided by the Group.
- (d) The ratios quoted in this Analysis have been computed by applying the definitions set out in Part 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.



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This Analysis is meant to assist investors by summarising the more important financial information of the Group. This Analysis does not contain all data that is relevant to investors. Furthermore, it 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, investors are encouraged to seek professional advice before investing in the Issuer's securities.

Yours faithfully,

Evan Mohnani

Head of Corporate Broking

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PART 1 – INFORMATION ABOUT AX REAL ESTATE

1. KEY ACTIVITIES

AX Real Estate is a subsidiary of AX Group p.l.c. (“**AX Group**”) and acts as the holding company of AX Group’s real estate division.¹ Through its various subsidiaries, the Issuer is involved in the letting of a diverse portfolio of real estate, primarily to subsidiary companies of AX Group but also to independent third parties.

Following a reorganisation exercise of its corporate structure, in February 2022, AX Group listed AX Real Estate on the Malta Stock Exchange, with just over 25% of the ordinary ‘A’ shares being taken up by the general public. Through this transaction, an amount of €13.6 million was raised. In conjunction, AX Real Estate also issued €40 million unsecured bonds redeemable in 2032. The general public subscribed to €18.35 million of the bonds whilst the remaining €21.65 million was assigned to AX Group as part conversion of the loan receivable from AX Real Estate. The balance of the Issuer’s bonds held by AX Group has been reduced to €7.86 million (nominal) as at 31 October 2025. It is the intention of AX Group to further dispose of such bonds held by it at the opportune time to ascertain sufficient liquidity for future projects.

2. DIRECTORS AND SENIOR MANAGEMENT

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

Angelo Xuereb	Chairman
Denise Xuereb	Executive Director and Chief Executive Officer
Claire Xuereb	Executive Director
Michael Warrington	Executive Director
Christopher Paris	Independent Non-Executive Director
Christian Farrugia	Independent Non-Executive Director
Joseph Lupi	Independent Non-Executive Director
Stephen Paris	Independent Non-Executive Director

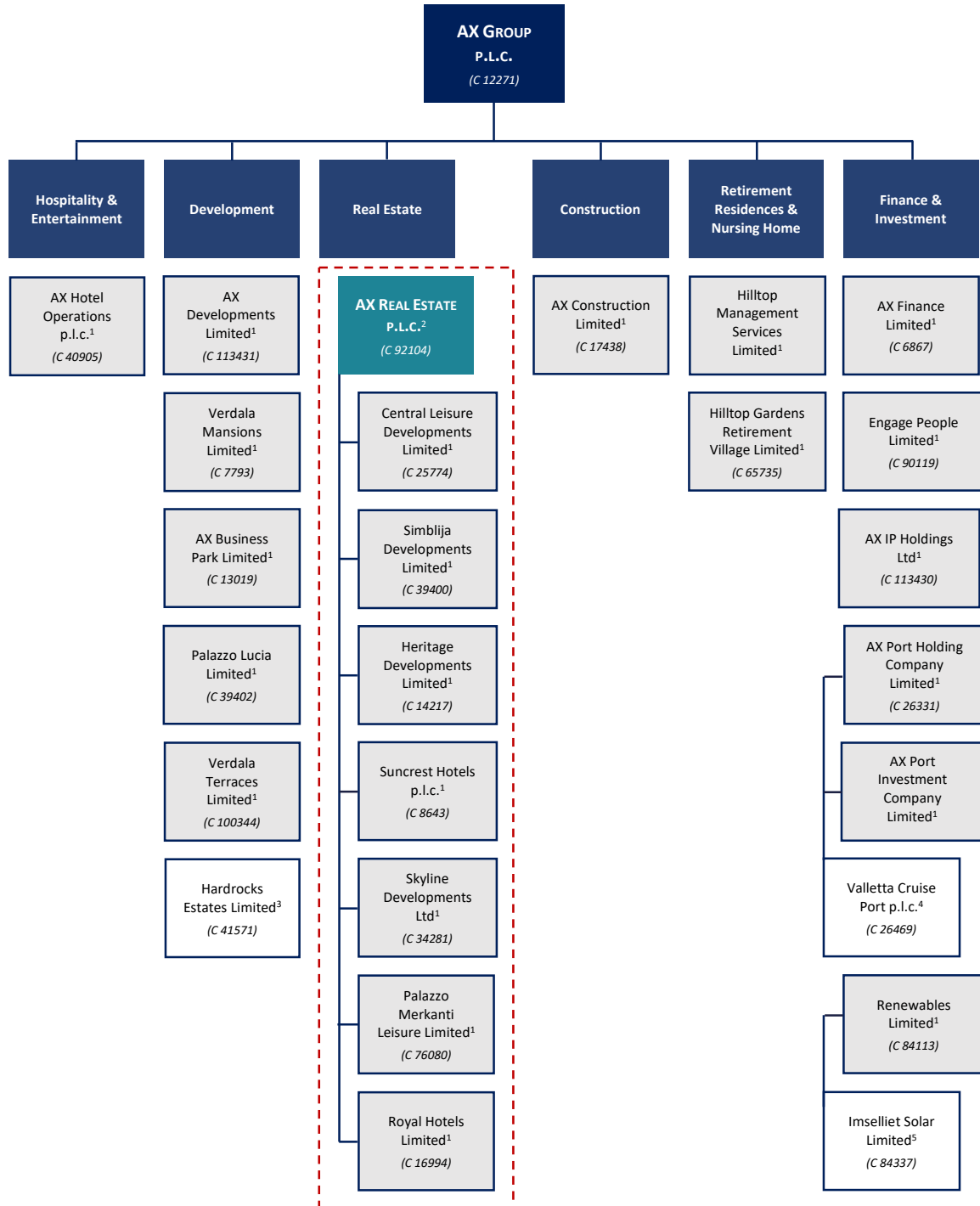
The Chief Executive Officer is entrusted with the day-to-day management of the Issuer and is supported by the Group’s Chief Financial Officer and several consultants, key personnel, and other officers of AX Group.

¹ A description and analysis of the operational activities and performance of AX Group is included in the most recent Analysis which is available at: <https://axinvestor-relations.mt/>.



3. ORGANISATIONAL STRUCTURE

The diagram below illustrates the organisational structure of AX Real Estate within AX Group.



¹ 100% ownership
² 91.13% ownership
³ 50% ownership
⁴ 36% ownership
⁵ 33.3% ownership



4. MAJOR ASSETS

The table below provides a summary of the Group's investment property portfolio which was valued at €337.95 million as at 31 October 2025, representing a year-on-year increase of 8.83% (or +€27.42 million). The Group's most valuable properties are the Qawra Hotels (valued at €156.80 million) and the Sliema Hotels (€76.20 million) which together represented just under 69% of the total value of AX Real Estate's investment property portfolio. In August 2025, the Group inaugurated the five-star Verdala Wellness Hotel in Rabat, Malta's first premier integrated wellness hotel, following the completion of a multi-million investment spanning almost four years. The property had a book value of €23.41 million as at the end of FY2025, representing 6.93% of the total value of AX Real Estate's investment property portfolio.

AX Real Estate p.l.c.				
Asset Value of Principal Properties				
As at 31 October				
	Note	2023 €'000	2024 €'000	2025 €'000
Qawra Hotels	1	130,300	144,255	156,798
Sliema Hotels	2	73,860	75,340	76,200
Hilltop Complex, Naxxar	3	37,290	37,200	38,060
Verdala Wellness Hotel, Rabat	4	10,190	11,121	23,407
Valletta Hotels	5	14,670	14,920	14,961
Targa Gap Complex, Mosta		13,800	14,124	14,630
		280,110	296,960	324,056
Other:				
Hardrocks Business Park, Burmarrad	6	7,675	8,019	8,215
Office space at Falcon House, Sliema		5,160	5,266	5,260
Blackstead Garage, Naxxar		285	285	330
Plot of land				85
		13,120	13,570	13,890
Total		293,230	310,530	337,946
Type of property:				
Commercial		283,740	300,047	332,371
Residential		9,490	10,483	5,575
		293,230	310,530	337,946

Notes:

1. AX ODYCY, AX Sunny Coast Resort & Spa, AX Sunny Coast Lido, Luzzu Complex, and Chaplin's Pub Diner.
2. AX The Palace and AX The Victoria Hotel.
3. Hilltop Gardens Retirement Village and Simblija Care Home.
4. Including 19 luxury guestrooms, known as Virtù Heights, annexed to the Verdala Wellness Hotel.
5. AX The Saint John and Rosselli AX Privilege.
6. Nine warehouses and an office block.



4.1 QAWRA HOTELS

AX ODYCY is a four-star hotel located on the Qawra seafront featuring 599 rooms designed in a contemporary style. The hotel suspended operations in Q4 2021 in order to undertake a major investment project comprising the addition of four floors, which increased the total number of rooms by a further 147. Furthermore, the extensive renovation included a substantial upgrade and extension of the hotel's public areas, as well as the addition of new pools, a small family waterpark, restaurants, bars, and other facilities.

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. 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.

2025 represented the second full calendar year of operations for AX ODYCY, and the first year in which all guest facilities and food and beverage outlets were fully operational throughout the year. This created the conditions for a year focused on consolidation and operational discipline which indeed led to record results underpinned by strengthened relationships with local and international operators, agencies, and increased presence on online booking platforms.

During 2025, AX ODYCY received further international and local recognition, reflecting its performance in architectural design, guest experience, and food and beverage operations. These included awards for Best Leisure Development and Best Masterplan in Europe at the International Property Awards, as well as recognition from the Malta Tourism Authority for the hotel's approach to responsible tourism development.

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 an indoor swimming pool, a spa, an outdoor pool, and other sports facilities which are leased to independent third parties.

AX Sunny Coast Resort and AX Sunny Coast Lido, together with the adjacent **Luzzu Complex**², are expected to temporarily halt operations in late August 2026, paving the way for the Group to proceed with the second phase of the **Qawra Project**, comprising: (i) the demolition and reconstruction of AX Sunny Coast Resort into **AX ODYCY Residences**, featuring 161 rooms; and (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 around €87 million is expected for the full completion of the project, which is anticipated to take 30 to 36 months. The project will further enhance the Group's properties in Qawra through improved quality and expanded service offerings, including additional underground parking, conference facilities and meeting halls, new food and beverage concepts, additional lagoon pools, as well as world-class spa and wellness facilities.

TERMS OF INTRA-GROUP LEASE AGREEMENT

The Qawra Hotels, except for Chaplin's Pub Diner and the outlets that are sub-leased to independent third parties as indicated above, are leased by Suncrest Hotels p.l.c. to AX Hotel Operations p.l.c. The lease agreement is subject to the following terms:

- (i) The lease is for 20 years and four months, effective from 1 July 2021 (save for the lease term of the agreement relating to AX ODYCY) with a right of first refusal granted in favour of AX Hotel Operations p.l.c. over any new lease to be entered into by the Suncrest Hotels p.l.c. upon the expiration of the term. The lease term of the agreement relating to AX ODYCY commenced in May 2023.
- (ii) A minimum fixed base rent plus a variable rent component.
- (iii) The obligation for ordinary and extraordinary repairs and maintenance rests with AX Hotel Operations p.l.c. while the costs for new developments or extraordinary repairs which are structural in nature are the responsibility of Suncrest Hotels p.l.c.
- (iv) AX Hotel Operations p.l.c. may only sub-lease outlets and facilities within the Qawra Hotels to independent third parties once it obtains consent from Suncrest Hotels p.l.c.

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. AX The Palace offers a wide range of facilities to its guests, including five restaurants, an

² The Luzzu Complex occupies a gross floor area of circa 2,250 sqm and today 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.



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 shared with AX The Victoria Hotel and, in 2025, benefited from a number of targeted improvements, including the installation of keyless Radio Frequency Identification door locks across all rooms and heating for the outdoor pool, ahead of an extensive refurbishment scheduled to commence in November 2026 and continue through to Q2 2027.

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 houses the Copperfield's Restaurant and the Penny Black Pub, and has an underground car park accessible from the entrance to the AX The Palace car park which 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.

TERMS OF INTRA-GROUP LEASE AGREEMENT

The Sliema Hotels are leased by Central Leisure Developments Limited to AX Hotel Operations p.l.c. The latter sub-leases the spa, gym, and a shop to independent third parties. The lease agreement is subject to the following terms:

- (i) The lease is for 20 years and four months, effective from 1 July 2021, with a right of first refusal in favour of AX Hotel Operations p.l.c. over any new lease to be entered into by Central Leisure Developments Limited upon the expiration of the term.
- (ii) A minimum fixed base rent plus a variable rent component.
- (iii) The obligation for ordinary and extraordinary repairs and maintenance rests with AX Hotel Operations p.l.c. while the costs for new developments or extraordinary repairs which are structural in nature rest with Central Leisure Developments Limited.
- (iv) AX Hotel Operations p.l.c. may only sub-lease outlets and facilities within the Sliema Hotels to independent third parties once it obtains consent from Central Leisure Developments Limited.

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 rooms exude an urban industrial feel with exposed stone 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 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, whose outdoor area was refurbished in the first half of 2025, whilst a new private room was also added.

Palazzo Merkanti Leisure Limited holds **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.

A notable milestone for Rosselli AX Privilege during FY2025 was its inclusion in the Virtuoso Preferred Network, an exclusive global community of luxury travel advisors, with membership granted following rigorous evaluation and independent audits. Moreover, Rosselli AX Privilege became one of the first hotels in Malta to receive a Michelin Key, a distinction recognising exceptional accommodation experiences defined by character, design, and service quality. Together with Under Grain retaining its Michelin Star for the sixth consecutive year, and Grain Street holding its Bib Gourmand distinction for the fourth consecutive year, Over Grain recorded its strongest performance ever, continuing to evolve as a key rooftop destination within Valletta’s hospitality landscape. Accordingly, Rosselli AX Privilege remained the only location in Malta to hold three Michelin distinctions under one roof.

TERMS OF INTRA-GROUP LEASE AGREEMENT

The Valletta Hotels are leased by Palazzo Merkanti Leisure Limited to AX Hotel Operations p.l.c. The lease agreements are subject to the following terms:

- (i) The lease is for 20 years and four months, effective from 1 July 2021, with a right of first refusal in favour of AX Hotel Operations p.l.c. over any new lease to be entered into by Palazzo Merkanti Leisure Limited upon the expiration of the term.
- (ii) A minimum fixed base rent plus a variable rent component.
- (iii) The obligation for ordinary and extraordinary repairs and maintenance rests with AX Hotel Operations p.l.c. while the costs for new developments or extraordinary repairs which are structural in nature are the responsibility of Palazzo Merkanti Leisure Limited.
- (iv) AX Hotel Operations p.l.c. may only sub-lease outlets and facilities within the Valletta Hotels to independent third parties once it obtains consent from Palazzo Merkanti Leisure Limited.



4.4 VERDALA WELLNESS HOTEL

The Group owns the 46-room, five-star, all-suite **Verdala Wellness Hotel**, which incorporates 19 fully renovated luxury guestrooms known as **Virtù Heights** targeted for completion in Q2 2026, as well as an additional 24 serviced apartments branded as **AX The Heights**. Offered as studio, one-bedroom, and two-bedroom units, AX The Heights provide flexibility for longer stays and independent travel, whilst still allowing access to selected hotel services. On the other hand, a key feature of the Verdala Wellness Hotel is the 1,800 sqm state-of-the-art spa, which offers tailor-made packages, wellness programmes, and retreats aimed at driving long-term positive change. The hotel is Malta’s first fully integrated wellness destination, targeting a niche within the luxury hospitality market that continues to gain global relevance, and built around a holistic and modular wellness model structured on five pillars of wellbeing, namely nutrition, movement, rest and recovery, emotional wellbeing, and community and connection.

TERMS OF INTRA-GROUP LEASE AGREEMENT

The Verdala Wellness Hotel is leased by Royal Hotels Limited and Heritage Developments Limited (the “Lessors”) to AX Hotel Operations p.l.c. The lease agreements are subject to the following terms:

- (i) The lease is for 20 years, effective from 1 August 2025, except in respect of the area occupied by Virtù Heights which will become effective upon assignment to AX Hotel Operations p.l.c., with a right of first refusal granted in favour of AX Hotel Operations p.l.c. over any new lease to be entered into by the Lessors upon the expiration of the term.
- (ii) A minimum fixed base rent plus a variable rent component.
- (iii) The obligation for ordinary and extraordinary repairs and maintenance rests with AX Hotel Operations p.l.c. while the costs for new developments or extraordinary repairs which are structural in nature rest with the Lessors.
- (iv) AX Hotel Operations p.l.c. may only sub-lease outlets and facilities within the Verdala Wellness Hotel to independent third parties once it obtains the Lessors’ consent.

4.5 HILLTOP COMPLEX

Hilltop Gardens Retirement Village (“Hilltop Gardens”) 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 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, with the reassurance that care is at hand should the need arise. Hilltop Gardens Retirement Village welcomed its first residents in January 2016, and the 133 apartments within the village have consistently remained fully leased for definite periods up to 50 years.

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.

Hilltop Gardens and Simblija Care Home have operated at or near full capacity for several years, clearly demonstrating sustained demand for quality care facilities and validating the long-term strength of the Group's investment.³ Accordingly, during FY2025, AX Real Estate entered into a preliminary agreement for the purchase of a site adjacent to these two properties. The acquisition was concluded in March 2026 and is intended to support both horizontal and vertical extensions to the existing facilities, thereby allowing the Group to expand capacity in a controlled and strategic manner. Furthermore, in March 2026, the Group entered into a preliminary agreement for the purchase of another site adjacent to Hilltop Gardens and Simblija Care Home, with this transaction expected to be concluded in due course.

TERMS OF INTRA-GROUP LEASE AGREEMENT

Simblija Developments Limited leases the Hilltop Complex for the long term to Hilltop Management Services Limited which, in turn, sub-leases most of the areas within the complex to Hilltop Gardens Retirement Village Limited. Hilltop Management Services Limited also leases certain outlets within the Hilltop Gardens Retirement Village to independent third parties.

The lease agreement entered into by and between Simblija Developments Limited and Hilltop Management Services Limited is subject to the following terms:

- (i) The lease is for 20 years and four months, effective from 1 July 2021, with a right of first refusal granted in favour of Hilltop Management Services Limited over any new lease to be entered into by Simblija Developments Limited upon the expiration of the term.
- (ii) A fixed rent with annual increments.
- (iii) The obligation for ordinary repairs and maintenance rests with Hilltop Management Services Limited while the costs for new developments or extraordinary repairs rest with Simblija Developments Limited.

³ Hilltop Gardens had a waiting list of more than 100 families at the end of FY2025.



- (iv) The right to sub-lease apartments within the Hilltop Gardens Retirement Village to residents who satisfy the residential criteria.
- (v) Hilltop Management Services Limited may only sub-lease outlets and facilities to independent third parties once it obtains consent from Simblija Developments Limited.

4.6 TARGA GAP COMPLEX

The **Targa Gap Complex**, situated in Mosta, houses AX Group's head office and includes residential units, office space leased to independent third parties, as well as four levels of underground parking.⁴ The complex is also equipped with a photovoltaic plant installed on its roof.

TERMS OF INTRA-GROUP LEASE AGREEMENT

The lease agreement by and between Skyline Developments Ltd, as lessor, and AX Group p.l.c., as lessee, is subject to the following terms:

- (i) The lease is for 20 years and four months, effective from 1 July 2021, with a right of first refusal granted in favour of AX Group p.l.c. over any new lease to be entered into by Skyline Developments Ltd upon the expiration of the term.
- (ii) A fixed rent with annual increments.
- (iii) The obligation for ordinary repairs and maintenance rests with AX Group p.l.c. while the costs for new developments or extraordinary repairs rests with Skyline Developments Ltd.

4.7 OTHER PROPERTIES

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 leased to AX Construction Limited and serve as the operating base of AX Group's construction arm. An independent third party leases the roofs of the warehouses.

The office space at **Falcon House** in Sliema comprises approximately 1,180 sqm spread over two levels, whilst in Naxxar, the Group owns the **Blackstead Garage**, a stand-alone industrial garage complemented by a loading bay, situated on a site with a footprint of around 257 sqm and currently leased to an independent third party.

⁴ All 14 residential units placed on the market have been sold, whilst the Group leases the remaining seven units to independent third parties. A number of garages were also sold to the owners of the residential units.



5. REVENUE ANALYSIS

The table below presents an analysis of the Group's revenue generated from its various property categories over the historical period from FY2023 to FY2025, together with the forecast for FY2026.

AX Real Estate p.l.c. Revenue Analysis For the financial year 31 October				2026
	2023	2024	2025	2026
	Actual	Actual	Actual	Forecast
	€'000	€'000	€'000	€'000
Rental income by segment:				
Hospitality	8,490	15,956	18,347	18,578
Care home	1,689	1,725	1,760	1,795
Offices	769	784	721	661
Residential	326	356	241	233
Warehousing	429	464	450	466
Total rental income	11,703	19,285	21,519	21,733
Proceeds from sale of property	51	120	125	-
Total revenue	11,754	19,405	21,644	21,733
Rental income by tenant:				
AX Group companies	10,729	18,223	20,652	20,921
Independent third parties	974	1,062	867	812
Total rental income	11,703	19,285	21,519	21,733

In **FY2025**, total revenue increased by 11.54% to €21.64 million from €19.41 million in FY2024, with this improvement driven almost entirely by stronger rental income from AX Real Estate's core hospitality properties, which remained by far the Group's most important revenue-generating unit. Indeed, revenue from this segment increased by €2.39 million, or 14.99%, to €18.35 million from €15.96 million in FY2024, representing a further expansion in its share of Group total rental income to 85.26% from 82.74%.

The growth in hospitality revenue was largely attributable to AX ODYCY, which continued to perform exceptionally well, thereby resulting in higher variable rent for the Group. Year-on-year, rental income generated by AX ODYCY increased by *circa* €1.3 million, highlighting the variable rent mechanism whereby improved operational performance results in enhanced property returns.

Similarly, the Group's hotels in Sliema delivered a combined increase in rental income of €0.47 million from the previous financial year, supported by solid occupancy, sustained demand, and effective positioning within their respective markets. Moreover the Valletta Hotels also exceeded expectations by outperforming their projected revenues and operating profits, thereby generating a higher level of rent through the variable rent component.



Another important driver of AX Real Estate's performance in 2025 was the completion and opening of the Verdala Wellness Hotel in August. With an investment of around €20 million, the project moved from development into income generation within the same financial year, delivering its first base rental income over the initial three months of operation. While modest in absolute terms, this early contribution was significant as it marked Verdala Wellness Hotel's transition from a capital investment to a revenue-generating asset, laying the foundation for sustained returns over time.

The rental income from the care home segment also registered growth, albeit at a much more moderate pace, with revenue increasing by 2.03% to €1.76 million from €1.73 million in FY2024. This segment represented 8.18% of total Group revenue in FY2025 compared to 8.94% in the prior year, and retained its position as the second-largest source of rental income for the Group after hospitality. In contrast, rental income from offices, residential units, and warehousing in aggregate fell by €0.19 million to €1.41 million from €1.60 million in FY2024, resulting in a further decline in the combined share of these three property categories to 6.56% in FY2025 from 8.32% in the prior financial year.

From a tenant perspective, rental income derived from AX Group companies increased by €2.43 million, or 13.33%, to €20.65 million from €18.22 million in FY2024. This lifted the proportion of total rental income attributable to related Group entities to 95.97% from 94.49% in FY2024. Conversely, rental income from independent third parties declined by €0.20 million to €0.87 million in FY2025 from €1.06 million in the prior financial year.

During FY2025, proceeds from the sale of property remained minimal at €0.13 million compared to €0.12 million in FY2024, largely reflecting income generated from the sale of garages at Targa Gap Complex.

Total revenue is forecast to increase marginally by 0.41% to €21.73 million in **FY2026**, with the expected growth in rental income from the hospitality and care home assets offsetting the lower contribution from offices, residential, and warehousing properties, whilst no proceeds from the sale of property are projected.

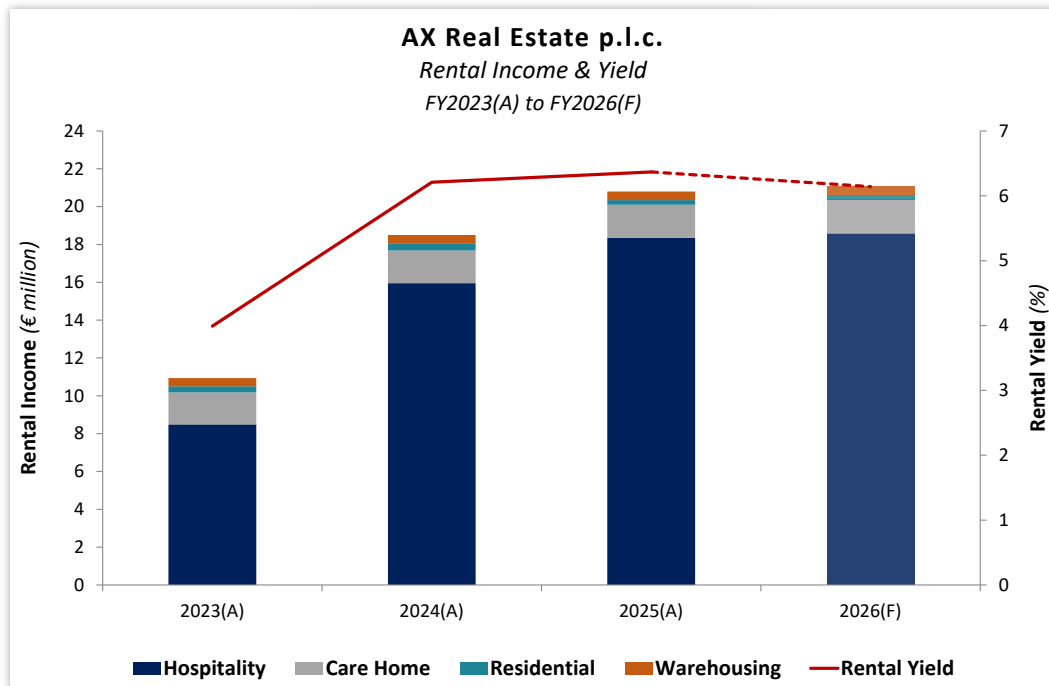
Within hospitality, the Group's financial performance is expected to benefit from the twelve-month contribution of Verdala Wellness Hotel, including the Virtù Heights luxury guestrooms targeted for completion in Q2 2026. On the other hand, rental income from the lease of AX Sunny Coast Resort, AX Sunny Coast Lido, and the Luzzu Complex will be temporarily suspended to enable AX Real Estate to proceed with the second phase of the Qawra Project. Nonetheless, hospitality is forecast to remain the dominant revenue driver of the Group in FY2026, with revenue from this segment projected to increase by 1.26% to €18.58 million. Moreover, its share of total rental income is also forecast to edge higher to 85.48%, thereby further consolidating its already dominant position within AX Real Estate's portfolio.

The care home segment is likewise expected to continue growing in FY2026, with revenue forecast to increase by almost 2% to €1.80 million, representing 8.26% of total Group rental income. In contrast, the combined contribution from offices, residential property, and warehousing is projected to weaken



further in FY2026, with aggregate revenue expected to decline by €0.05 million to €1.36 million, representing 6.26% of total Group rental income.

From a tenant perspective, rental income from AX Group companies is forecast to increase by 1.30% to €20.92 million, thereby lifting its share of total rental income further to 96.26%. In contrast, income from independent third parties is projected to fall by €0.06 million to €0.81 million, thus reducing its share of total Group rental income to just 3.74%.



6. SECURITIES IN ISSUE

6.1 INFORMATION RELATING TO THE ISSUER'S EQUITY

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 Regulated Main Market (Official List) of 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.

AX Real Estate p.l.c.

Key Market Data

For the financial year 31 October 2025

Total number of ordinary 'A' shares in issue ('000)		97,194
Total number of ordinary 'B' shares in issue ('000)		177,143
Total number of shares in issue ('000)	[A]	274,337
Share price as at 1 April 2026 (€)	[B]	0.474
Market capitalisation (€'000)	[A multiplied by B]	130,036
Total equity (€'000)	[C]	151,740
Adjusted equity (€'000)	[C plus deferred tax liabilities]	180,870
Net debt (€'000)	[D]	159,135
Enterprise value (€'000)	[A multiplied by B] + [D]	289,171
EBITDA (€'000)	[E]	20,778
Net profit (€'000)	[F]	21,768
Earnings per share (€)	[F divided by A]	0.0793
Net asset value per share (€)	[C divided by A]	0.5531
Adjusted net asset value per share (€)	[C plus deferred tax liabilities] divided by [A]	0.6593
Price-to-earnings ratio (times)	[A multiplied by B] divided by [F]	5.97
Enterprise value-to-EBITDA (times)	([A multiplied by B] + [D]) divided by [E]	13.92
Price-to-net asset value (times)	[A multiplied by B] divided by [C]	0.86
Price-to-adjusted net asset value (times)	[A multiplied by B] divided by [C plus deferred tax liabilities]	0.72
Net dividend per share (€)	[G]	0.0372
Dividend cover (times)	[F divided by A] divided by [G]	2.13
Dividend payout ratio (%)	[G] divided by [F divided by A]	46.86
Net dividend yield based on share price as at 1 April 2026 (%)	[G] divided by [B]	7.84

The Group's dividend policy aims at paying out the majority of distributable profits earned during the year, provided that a minimum balance of €1 million in cash is retained at any given time. However, the extent of any dividend distribution depends upon, amongst other factors, the profit for the year, the Directors' view on the prevailing market outlook, financial projections and forecasts, any debt servicing and repayment requirements, financial covenants and other restrictions related to the



Group’s credit arrangements, cash flows, working capital requirements, capital investment commitments, other investment opportunities, and regulatory or statutory requirements.

For the 2025 financial year, AX Real Estate paid a gross interim dividend of €0.01788 per share⁵ on 15 September 2025 covering the six-month period from November 2024 to April 2025 (i.e., H1 FY2025). Furthermore, the Issuer intends to distribute a gross final dividend of €0.02586 per share⁶ following approval during the forthcoming Annual General Meeting to be held on 24 April 2026. The total net dividend for FY2025 therefore amounts to €0.03718 per share which translates into a yield of 7.84% on the share price of €0.474 as at 1 April 2026.

6.2 INFORMATION RELATING TO AX GROUP’S BONDS

The table below provides details of the debt securities of the Issuer’s parent company, AX Group p.l.c., which are listed and traded on the Regulated Main Market (Official List) of the Malta Stock Exchange.

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	97.50%
MT0002361229	5.85% AX Group p.l.c. unsecured bonds 2033	AX33A	€ 40,000,000	102.00%
			€ 65,000,000	

* As at 1 April 2026

⁵ Subject to a 15% tax where applicable.

⁶ Subject to a 15% tax where applicable.



7. ECONOMIC UPDATE⁷

According to the Central Bank of Malta's forecasts published in late February 2026, Malta's real GDP growth is set to moderate from 7.0% in 2024 to 3.6% in 2025 before edging up to 3.7% in each of 2026, 2027, and 2028.

Over the projection horizon, domestic demand is expected to remain the main driver of growth, primarily led by private consumption which is set to pick up to just over 4% in 2026, and stabilise at this level in 2027 and 2028 following the estimated easing in 2025. On the other hand, real government consumption is projected to ease going forward as certain one-off expenditures are not envisaged to re-occur. While moderating, however, growth in this component is expected to remain robust.

Net exports are also projected to contribute positively to GDP growth over the forecast horizon, albeit this contribution is set to be smaller than that of domestic demand. Export growth is set to moderate over the projection horizon, reflecting the expected easing of foreign demand and slower growth in services exports following an extended period of robust growth. Despite this, overall export growth is set to remain above growth in external demand. Growth in imports is expected to slow down in 2026 mainly due to services imports. Nonetheless, the current account of the balance of payments is expected to hover in a narrow range of around 6.7% over the projection horizon compared to 7.1% in 2024.

Growth in overall investment is projected to pick up to 4.1% in 2026, driven by both private and government investment, before moderating to 1.6% in 2027 as government investment is envisaged to decline strongly reflecting the completion of all projects financed through the EU's Recovery and Resilience Facility ("RRF") by 2026. Nonetheless, the fall in government investment in 2027 is expected to be offset by the growth in private investment. In 2028, overall gross fixed capital formation is expected to grow by 3.3%, upheld by private investment as government investment is set to record a further contraction.⁸

Demand for labour is envisaged to stay high, however the increase in employment is expected to moderate over the projection horizon, driven by the projected easing in economic growth and higher productivity. Inflows of foreign workers are also expected to slow down due to measures related to the implementation of the Malta Labour Migration Policy, which came into force in August 2025. As a result, employment growth is projected at 2.6% in 2026 before moderating gradually to 2.3% by 2028. The unemployment rate is forecast to edge down marginally to 2.8% over the projection horizon from 3.1% in 2024 and 2.9% in 2025. The unemployment gap is expected to remain negative, as the non-

⁷ Source: Central Bank of Malta, 'Outlook for the Maltese Economy 2025-2028', 25 February 2026, available at: <https://www.centralbankmalta.org/site/Publications/Outlook/2026/Outlook-2026-1.pdf?revcount=9727>. This section is based on information available at the time of publication of the source consulted and is subject to continuous developments as macroeconomic conditions, policies, and external factors evolve.

⁸ Gross fixed capital formation consists of resident producers' acquisitions, less disposals of fixed assets during a given period. It also includes certain additions to the value of non-produced assets realised by producers or institutional units. Fixed assets are tangible or intangible assets produced as outputs from production processes that are used repeatedly, or continuously, for more than one year [Source: Eurostat, available at: [https://ec.europa.eu/eurostat/statistics-explained/index.php?title=Glossary:Gross_fixed_capital_formation_\(GFCF\)](https://ec.europa.eu/eurostat/statistics-explained/index.php?title=Glossary:Gross_fixed_capital_formation_(GFCF))].



accelerating inflation rate of unemployment is projected at around 3.1% in 2028.⁹ Accordingly, growth in compensation per employee is set to remain strong from a historical perspective. Nevertheless, this is expected to edge further down to 4.4% and 4.0% in 2027 and 2028, respectively, in line with the projected narrowing of the unemployment gap.

Key Economic Indicators	2023	2024	2025	2026	2027	2028
	Actual	Actual	Forecast	Projection	Projection	Projection
Malta						
Real GDP growth (% change, year-on-year)	7.50	7.00	3.60	3.70	3.70	3.70
Inflation - HICP (% change, year-on-year)	5.60	2.40	2.40	2.30	2.10	2.00
Unemployment (% of labour supply)	3.50	3.10	2.90	2.80	2.80	2.80
General government balance (% of GDP)	(4.50)	(3.50)	(3.00)	(2.80)	(2.40)	(2.00)
General government debt (% of GDP)	47.40	46.00	47.00	47.10	46.90	46.20
Current account balance (% of GDP)	6.40	7.10	6.70	6.60	6.70	6.80

Sources: Central Bank of Malta, 'Outlook for the Maltese Economy 2024-2027', 16 December 2024.

Central Bank of Malta, 'Outlook for the Maltese Economy 2025-2028', 25 February 2026.

In 2025, Harmonised Index of Consumer Prices ("HICP") inflation averaged 2.4%, unchanged from the previous year. While the contribution of services inflation increased, mainly due to strong domestic demand and tourism, this was offset by a lower contribution from food inflation. HICP inflation is projected to decrease to 2.3% in 2026, reflecting a decline in services inflation. Overall inflation is expected to ease further to 2.1% in 2027 and 2.0% in 2028, also driven primarily by lower services inflation which is expected to drop to 2.4% by 2028 from 3.0% in 2026.

The general government deficit-to-GDP ratio is projected to decline steadily over the forecast horizon, falling from an estimated 3.0% in 2025 to 2.8% in 2026 and 2.4% in 2027, before narrowing further to 2.0% by 2028. Likewise, the structural budget deficit is projected to narrow significantly, from 4.7% of GDP in 2024 to 2.2% by 2028, driven by the forecast impact of inflation-mitigation measures.¹⁰ This improvement in public finances is largely driven by an expected decline in the expenditure-to-GDP ratio whilst the ratio of current revenue-to-GDP is expected to remain stable throughout the forecast period. Capital expenditure as a share of GDP is projected to decline. Following the conclusion of the RRF programme in 2026, EU-funded outlays are expected to decline whilst domestically financed projects are projected to grow moderately but decrease gradually as a share of GDP over time. The general government debt-to-GDP ratio is expected to climb to 47.1% in 2026, from 46.0% in 2024 and 47.0% in 2025, before easing to 46.2% by 2028. This profile mainly reflects the continued – albeit gradually narrowing – fiscal deficits, increasingly offset by a favourable interest-growth differential.¹¹ Nonetheless, the debt-reducing contribution of this differential is projected to weaken over time, in line with a gradual rise in the effective interest rate on government debt.

⁹ The non-accelerating inflation rate of unemployment refers to the level of unemployment that prevails without generating upward inflationary pressures. A persistently negative unemployment gap implies that labour market tightness will be a key factor driving wage developments.

¹⁰ The structural balance is defined as the cyclically-adjusted balance, net of temporary government measures.

¹¹ The interest-growth differential refers to the difference between the effective interest rate the government pays on its debt and the nominal growth rate of the economy.



PART 2 – FINANCIAL REVIEW

8. FINANCIAL ANALYSIS

The historical information is extracted from the audited annual financial statements of AX Real Estate for the years ended 31 October 2023, 31 October 2024, and 31 October 2025.

The forecast information is based on future events and assumptions which the 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 for FY2026 assume that the carrying values of the Group's 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 Real Estate p.l.c. Statement of Comprehensive Income For the financial year 31 October	2023 Actual €'000	2024 Actual €'000	2025 Actual €'000	2026 Forecast €'000
Revenue	11,754	19,405	21,644	21,733
Net operating expenses	(1,157)	(963)	(866)	(996)
EBITDA	10,597	18,442	20,778	20,737
Investment property revaluation	(1,818)	(690)	13,483	-
Operating profit	8,779	17,752	34,261	20,737
Other income	1,000	-	-	-
Net finance costs	(5,201)	(6,423)	(6,516)	(6,774)
Profit before tax	4,578	11,329	27,745	13,963
Taxation	(4,167)	(3,730)	(5,977)	(3,613)
Profit for the year	411	7,599	21,768	10,350
Total comprehensive income	411	7,599	21,768	10,350



AX Real Estate p.l.c. Key Financial Ratios	FY2023 Actual	FY2024 Actual	FY2025 Actual	FY2026 Forecast
EBITDA margin (%) (EBITDA / revenue)	90.16	95.04	96.00	95.42
Operating profit margin (%) (Operating profit / revenue)	74.69	91.48	158.29	95.42
Net profit margin (%) (Profit after tax / revenue)	3.50	39.16	100.57	47.62
Return on equity (%) (Profit after tax / average equity)	0.30	5.57	15.07	6.75
Return on assets (%) (Profit after tax / average assets)	0.14	2.41	6.47	2.90
Return on invested capital (%) (Operating profit / average equity and net debt)	3.42	6.43	11.50	6.54
Interest cover (times) (EBITDA / net finance costs)	2.04	2.87	3.19	3.06

STATEMENT OF COMPREHENSIVE INCOME

In **FY2025**, the Group reported an 11.54% increase in revenue to €21.64 million from €19.41 million in FY2024, driven primarily by stronger rental income, particularly from the hospitality portfolio which generated substantially higher variable rental income.

Despite the increase in revenue, net operating expenses contracted by 10.07% to €0.87 million from €0.96 million in the prior year. As a result, EBITDA surged by 12.67% to €20.78 million from €18.44 million in FY2024, whilst the EBITDA margin strengthened to 96% from 95.04% in FY2024.

The Group's financial performance was boosted by a fair value gain on investment property of €13.48 million, compared to a fair value loss of €0.69 million in FY2024. This positive movement largely emanated from the Qawra properties, reflecting the outstanding performance of AX ODYCY since its reopening, and to a much lesser extent, the Sliema hotels and Verdala Wellness Hotel. Consequently, operating profit nearly doubled to €34.26 million from €17.75 million in FY2024.

Net finance costs increased by 1.45% to €6.52 million in FY2025 from €6.42 million in FY2024, primarily due to higher interest incurred on related party loans. Even so, given the much stronger increase in EBITDA, the interest cover ratio improved to 3.19 times from 2.87 times in the prior financial year.

After accounting for a tax charge of €5.98 million, profit for the year stood at €21.77 million.



Total revenue in **FY2026** is forecast to increase by 0.41% to €21.73 million. From an income perspective, the main highlight of the year will be the twelve-month contribution from Verdala Wellness Hotel, including the Virtù Heights luxury guestrooms which are targeted for completion in Q2 2026. In parallel, however, rental income from the lease of AX Sunny Coast Resort, AX Sunny Coast Lido, and the Luzzu Complex will be temporarily suspended to pave the way for AX Real Estate to enter the next stage of value creation in Qawra through the commencement of the second phase of the redevelopment project.

Net operating expenses are expected to increase to just under €1 million. As a result, EBITDA is projected to ease slightly by 0.20% to €20.74 million, translating into an EBITDA margin of 95.42%. Furthermore, in view of the forecast increase of 3.96% in net finance costs to €6.77 million, the interest cover is expected to ease to 3.06 times in FY2026 albeit still remain above the 3 times mark.

Taxation is forecast to amount to €3.61 million, resulting in a profit for the year of €10.35 million and translating into a net profit margin of 47.62%. Return on equity is projected at 6.75% whilst return on assets is expected at 2.90%, indicating that despite the absence of revaluation gains, the Group is still expected to deliver a solid level of profitability relative to its capital and asset base.

AX Real Estate p.l.c.				
Statement of Cash Flows				
For the financial year 31 October				
	2023	2024	2025	2026
	Actual	Actual	Actual	Forecast
	€'000	€'000	€'000	€'000
Net cash from operating activities	6,233	13,465	18,622	14,680
Net cash used in investing activities	(26,713)	(14,149)	(11,831)	(12,945)
Net cash from / (used in) financing activities	16,125	(2,742)	(8,317)	(3,431)
Net movement in cash and cash equivalents	(4,355)	(3,426)	(1,526)	(1,696)
Cash and cash equivalents at beginning of year	12,061	7,706	4,280	2,754
Cash and cash equivalents at end of year	7,706	4,280	2,754	1,058
Net capital expenditure*	26,713	14,149	11,831	12,945
Free cash flow	(20,480)	(684)	6,791	1,735

* Calculated as gross capital expenditure minus the proceeds from the disposal of fixed and, or intangible assets.

STATEMENT OF CASH FLOWS

In **FY2025**, the Group generated net cash from operating activities of €18.62 million, representing a substantial year-on-year increase of €5.16 million largely driven by the Group's improved operating performance and a significant release of working capital, partly offset by higher income tax payments.

Net cash used in investing activities decreased to €11.83 million from €14.15 million in FY2024, reflecting lower capital expenditure outflows. Coupled with the stronger operating cash inflows, the



Group moved from a negative free cash flow position of €0.68 million in FY2024 to a positive free cash flow of €6.79 million in FY2025.

Net cash used in financing activities widened materially to €8.32 million in FY2025 from €2.74 million in FY2024. The Group applied €4.95 million towards the repayment of bank borrowings, compared to a net inflow of €1.84 million in FY2024. Moreover, dividends paid increased to €7.22 million from just under €6 million in the prior year. On the other hand, cash inflows from shareholder loans rose to €4.05 million in FY2025 from €1.56 million in FY2024.

Overall, AX Real Estate reported a net decrease in cash and cash equivalents of €1.53 million in FY2025 compared to a decline of €3.43 million in FY2024. Cash and cash equivalents at the end of the year consequently stood at €2.75 million, down from €4.28 million at the start of the year.

In **FY2026**, net cash from operating activities is forecast to amount to €14.68 million, with the year-on-year decline attributable primarily to a lower release of working capital, which is expected to amount to just €0.19 million.

Net cash used in investing activities is forecast to increase to €12.95 million in FY2026, reflecting higher capital expenditure most notably in connection with the commencement of the second phase of the Qawra Project, the completion of Virtù Heights, and the acquisition of a parcel of land adjacent to Hilltop Gardens. As a consequence of the lower operating inflow and the slightly higher level of investment expenditure, free cash flow is forecast to decline sharply to €1.74 million in FY2026.

Financing activities are forecast to result in a net cash outflow of €3.43 million, mainly comprising €0.84 million in net cash used towards bank borrowings and €7.09 million in dividend payments, partly offset by a €4.66 million inflow from shareholder loans.

In aggregate, the Group is expecting a net decrease in cash and cash equivalents of €1.70 million in FY2026. Cash and cash equivalents at year end are therefore forecast to fall further to €1.06 million from €2.75 million at the start of the year.



AX Real Estate p.l.c.				
Statement of Financial Position				
As at 31 October	2023	2024	2025	2026
	Actual	Actual	Actual	Forecast
	€'000	€'000	€'000	€'000
ASSETS				
Non-current assets				
Intangible assets	2	1	1	-
Investment property	293,230	310,530	337,946	353,874
	293,232	310,531	337,947	353,874
Current assets				
Inventories	421	275	242	242
Trade and other receivables	6,783	8,562	8,646	8,255
Cash and cash equivalents	7,706	4,280	2,754	1,058
	14,910	13,117	11,642	9,555
Total assets	308,142	323,648	349,589	363,429
EQUITY				
Ordinary 'A' shares	12,149	12,149	12,149	12,149
Ordinary 'B' shares	22,143	22,143	22,143	22,143
Share premium	41,374	41,374	41,374	41,374
Revaluation reserve	38,809	38,375	50,498	50,498
Other reserves	331	331	331	331
Retained earnings	20,779	22,816	25,245	28,501
	135,585	137,188	151,740	154,996
LIABILITIES				
Non-current liabilities				
Bonds	39,556	39,612	39,640	39,700
Bank borrowings	41,873	43,005	38,980	38,129
Lease liabilities	-	3,268	3,317	3,368
Amounts due to AX Group companies	48,403	52,859	62,277	69,994
Trade and other payables	88	307	269	3,931
Deferred tax liabilities	25,653	26,662	29,130	29,130
	155,573	165,713	173,613	184,252
Current liabilities				
Bank borrowings	4,267	4,970	4,044	4,056
Lease liabilities	-	32	30	28
Amounts due to AX Group companies	5,451	8,234	13,601	13,838
Trade and other payables	6,788	5,571	5,846	4,467
Current tax liabilities	478	1,940	715	1,792
	16,984	20,747	24,236	24,181
Total liabilities	172,557	186,460	197,849	208,433
Total equity and liabilities	308,142	323,648	349,589	363,429
<i>Total debt</i>	<i>139,550</i>	<i>151,980</i>	<i>161,889</i>	<i>169,113</i>
<i>Net debt</i>	<i>131,844</i>	<i>147,700</i>	<i>159,135</i>	<i>168,055</i>
<i>Invested capital (total equity plus net debt)</i>	<i>267,429</i>	<i>284,888</i>	<i>310,875</i>	<i>323,051</i>



AX Real Estate p.l.c. Key Financial Ratios	FY2023 Actual	FY2024 Actual	FY2025 Actual	FY2026 Forecast
Net debt-to-EBITDA (<i>times</i>) (<i>Net debt / EBITDA</i>)	12.44	8.01	7.66	8.10
Net debt-to-equity (<i>times</i>) (<i>Net debt / total equity</i>)	0.97	1.08	1.05	1.08
Net gearing (%) (<i>Net debt / net debt and total equity</i>)	49.30	51.84	51.19	52.02
Debt-to-assets (<i>times</i>) (<i>Total debt / total assets</i>)	0.45	0.47	0.46	0.47
Leverage (<i>times</i>) (<i>Total assets / total equity</i>)	2.27	2.36	2.30	2.34
Current ratio (<i>times</i>) (<i>Current assets / current liabilities</i>)	0.88	0.63	0.48	0.40

STATEMENT OF FINANCIAL POSITION

The Group had total assets of €349.59 million as at the end of **FY2025**, representing an increase of 8.02% over the corresponding figure of €323.65 million as at 31 October 2024. This growth was mainly driven by investment property, which rose by €27.42 million to €337.95 million and remained by far the dominant asset of the Group.

On the funding side, total equity increased by 10.61% to €151.74 million from €137.19 million as at the end of FY2024. This uplift was mainly attributable to the strengthening in the revaluation reserve, which rose by €12.12 million to €50.50 million, together with a €2.43 million increase in retained earnings to €25.25 million.

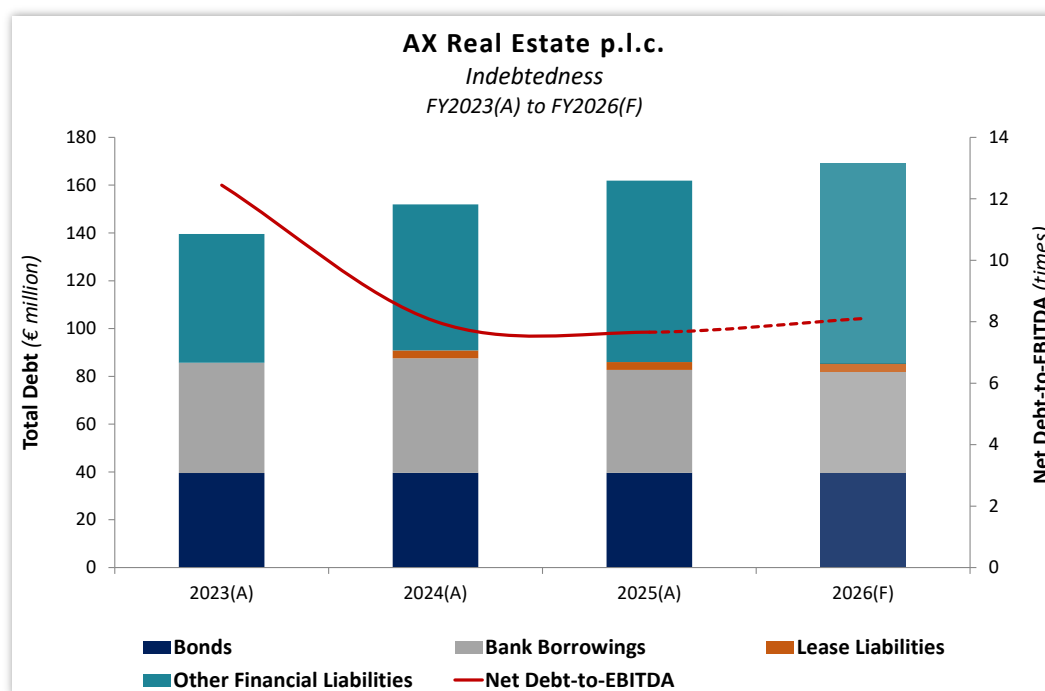
Total liabilities also moved higher, increasing by 6.11%, or €11.39 million, to €197.85 million from €186.46 million a year earlier. This was driven primarily by higher indebtedness, which rose by €9.91 million, or 6.52%, to €161.89 million, largely reflecting a €14.79 million increase in amounts due to AX Group companies to €75.88 million, partly offset by a €4.95 million reduction in bank borrowings to €43.02 million. Net debt increased by €11.44 million, or 7.74%, to €159.14 million from €147.70 million as at the end of FY2024. Nevertheless, all of the Group's key debt metrics improved on a year-on-year basis. Indeed, net debt-to-EBITDA strengthened to 7.66 times from 8.01 times in FY2024, whilst net debt-to-equity and net gearing trended lower to 1.05 times and 51.19%, from 1.08 times and 51.84%, respectively. Likewise, debt-to-assets and leverage eased to 0.46 times and 2.30 times, from 0.47 times and 2.36 times, respectively.



In **FY2026**, total assets are forecast to increase by nearly 4% to €363.43 million. This growth is expected to be driven primarily by investment property, which is projected to rise by €15.93 million to €353.87 million, partly offset by a reduction in cash balances to €1.06 million.

Total equity is forecast to increase more modestly, rising by 2.15% to just under €155 million, reflecting higher retained earnings which are forecast to increase by €3.26 million to €28.50 million.

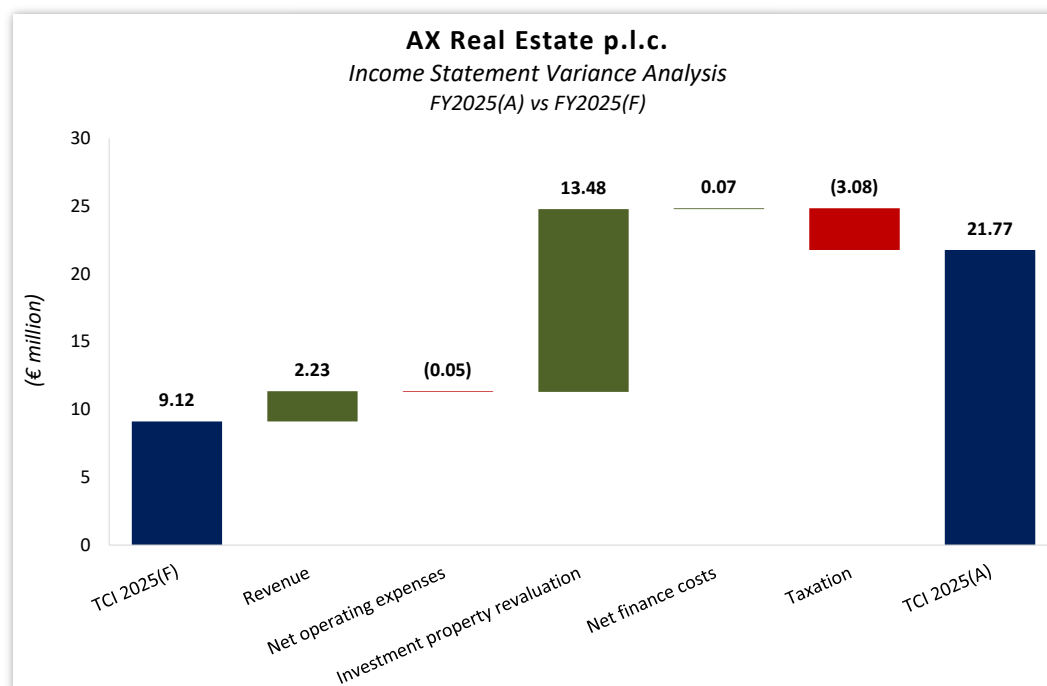
Total liabilities are forecast to increase by 5.35% to €208.43 million in FY2026. The most significant movement is expected in total debt, which is projected to rise by a further €7.22 million to €169.11 million on account of the €7.95 million increase in amounts due to AX Group companies to €83.83 million. As net debt is expected to rise by 5.61% to €168.06 million, coupled with broadly stable EBITDA generation year-on-year, the net debt-to-EBITDA multiple is forecast to weaken to 8.10 times. Similarly, net debt-to-equity is projected to return to 1.08 times, net gearing is expected to rise to 52.02%, debt-to-assets is forecast to edge up to 0.47 times, and leverage is projected to increase to 2.34 times.



9. VARIANCE ANALYSIS

The following is an analysis of the major variances between the forecast financial information for the year ended 31 October 2025, as included in the Analysis dated 23 April 2025, and the audited annual financial statements for the same period, published on 20 February 2026.

AX Real Estate p.l.c. Statement of Comprehensive Income For the financial year 31 October		2025 Actual €'000	2025 Forecast €'000
Revenue		21,644	19,416
Net operating expenses		(866)	(815)
EBITDA		20,778	18,601
Investment property revaluation		13,483	-
Operating profit		34,261	18,601
Net finance costs		(6,516)	(6,588)
Profit before tax		27,745	12,013
Taxation		(5,977)	(2,895)
Profit for the year		21,768	9,118
Total comprehensive income		21,768	9,118



STATEMENT OF COMPREHENSIVE INCOME

Revenue for FY2025 amounted to €21.64 million compared with the forecasted €19.42 million, representing a positive variance of 11.48%. This favourable performance reflects stronger-than-anticipated rental income generated from the lease of the Group's hotel properties, which boosted the variable rent component.

Despite the marginal adverse variance in net operating expenses, EBITDA exceeded expectations by 11.70%, or €2.18 million. Furthermore, the Group's financial performance was further strengthened by a €13.48 million gain on the revaluation of investment property, which had not been included in the forecasts. Consequently, operating profit amounted to €34.26 million compared with the forecasted €18.60 million, representing a considerable favourable variance of €15.66 million.

Net finance costs amounted to €6.52 million compared with the forecasted €6.59 million, representing a modest favourable variance of 1.09%. Taxation, however, was higher than anticipated by €3.08 million, leading to a profit for the year of €21.77 million compared with the forecasted €9.12 million.

AX Real Estate p.l.c. Statement of Cash Flows For the financial year 31 October	2025 Actual €'000	2025 Forecast €'000
Net cash from operating activities	18,622	10,082
Net cash used in investing activities	(11,831)	(13,663)
Net cash from / (used in) financing activities	(8,317)	1,303
Net movement in cash and cash equivalents	(1,526)	(2,278)
Cash and cash equivalents at beginning of year	4,280	4,280
Cash and cash equivalents at end of year	2,754	2,002

STATEMENT OF CASH FLOWS

Net cash from operating activities for FY2025 amounted to €18.62 million compared with the forecasted €10.08 million, representing a favourable variance of €8.54 million. Furthermore, net cash used in investing activities was lower than anticipated by €1.83 million. However, a significant portion of these favourable variances was offset by the higher-than-expected level of net cash used in financing activities, which amounted to €8.32 million compared with the forecasted net cash inflow of €1.30 million.

Overall, the Group registered a net decrease in cash and cash equivalents of €1.53 million compared with the forecasted decrease of €2.28 million, representing a favourable variance of €0.75 million. Accordingly, the Issuer ended the 2025 financial year with a higher cash balance of €2.75 million compared with the forecasted level of €2 million.



AX Real Estate p.l.c. Statement of Financial Position As at 31 October	2025 Actual €'000	2025 Forecast €'000
ASSETS		
Non-current assets		
Intangible assets	1	1
Investment property	337,946	322,608
	337,947	322,609
Current assets		
Inventories	242	242
Trade and other receivables	8,646	7,933
Cash and cash equivalents	2,754	2,002
	11,642	10,177
Total assets	349,589	332,786
EQUITY		
Ordinary 'A' shares	12,149	12,149
Ordinary 'B' shares	22,143	22,143
Share premium	41,374	41,374
Revaluation reserve	50,498	38,375
Other reserves	331	331
Retained earnings	25,245	25,937
	151,740	140,309
LIABILITIES		
Non-current liabilities		
Bonds	39,640	39,667
Bank borrowings	38,980	38,960
Lease liabilities	3,317	3,316
Amounts due to AX Group companies	62,277	65,129
Trade and other payables	269	-
Deferred tax liabilities	29,130	26,662
	173,613	173,734
Current liabilities		
Bank borrowings	4,044	4,044
Lease liabilities	30	30
Amounts due to AX Group companies	13,601	8,483
Trade and other payables	5,846	3,987
Current tax liabilities	715	2,199
	24,236	18,743
Total liabilities	197,849	192,477
Total equity and liabilities	349,589	332,786
<i>Total debt</i>	<i>161,889</i>	<i>159,629</i>
<i>Net debt</i>	<i>159,135</i>	<i>157,627</i>
<i>Invested capital (total equity plus net debt)</i>	<i>310,875</i>	<i>297,936</i>



STATEMENT OF FINANCIAL POSITION

Total assets as at 31 October 2025 amounted to €349.59 million compared with the forecasted €332.79 million. The positive variance of €16.80 million was driven primarily by a higher-than-expected level of investment property, reflecting an uplift in the valuation of AX ODYCY.

Total equity amounted to €151.74 million compared with the forecasted €140.31 million, representing a favourable variance of €11.43 million, primarily driven by a higher level of revaluation reserve. The remaining equity components were in line with forecasts, except for retained earnings which stood at €25.25 million as at 31 October 2025 compared with the forecasted level of €25.94 million.

The Group ended FY2025 with total liabilities of €197.85 million, €5.37 million higher than anticipated. Amounts due to AX Group companies and trade and other payables exceeded forecasted levels by over €2 million, whilst tax liabilities were also higher by almost €1 million.

From a capital structure perspective, the Group had total debt of €161.89 million at year-end compared with the forecasted €159.63 million. Net debt amounted to €159.14 million compared with the forecasted €157.63 million, representing an increase of €1.51 million. Meanwhile, invested capital, defined as total equity plus net debt, stood at €310.88 million, €2.27 million higher than estimated.



PART 3 – COMPARATIVE ANALYSIS

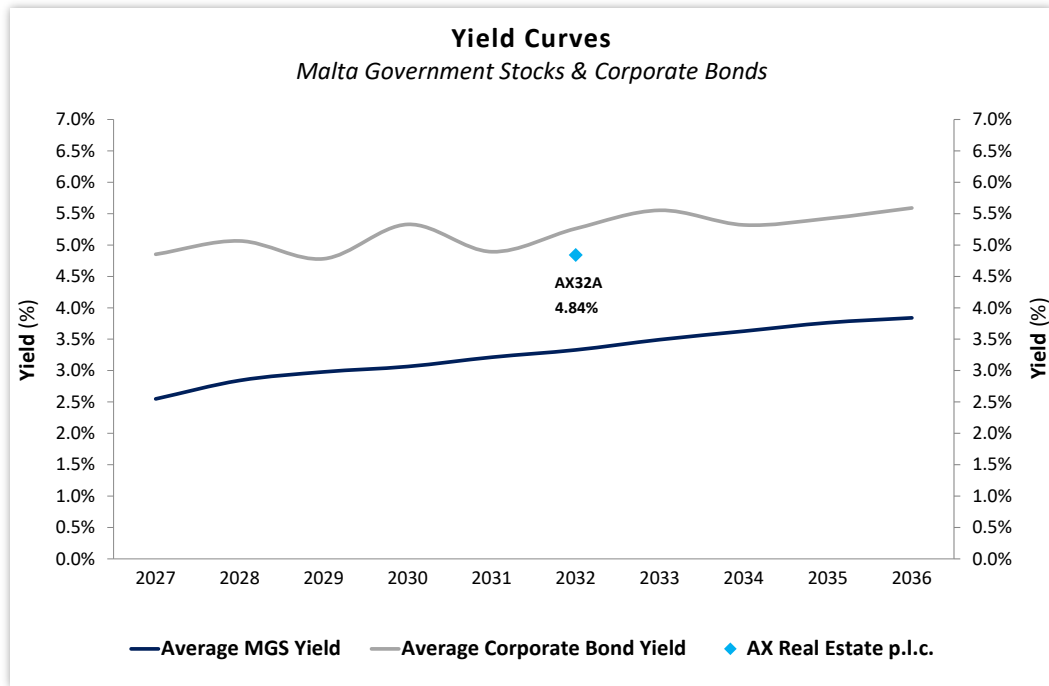
The table below provides a comparison between the Group and its bonds with other debt issuers and their respective debt securities listed on the Regulated Main Market (Official List) of the Malta Stock Exchange. Although there are significant variances between the activities of the Group and those of 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 (€'000)	Yield-to-Maturity / Worst (%)	Interest Cover (times)	Net Debt-to-EBITDA (times)	Net Gearing (%)	Debt-to-Assets (times)
4.00% International Hotel Investments p.l.c. Secured 2026	55,000	10.10	1.46	11.17	43.36	0.40
5.00% Dizz Finance p.l.c. Unsecured & Guaranteed 2026	8,000	17.36	1.96	9.84	84.18	0.55
3.75% Premier Capital p.l.c. Unsecured 2026	32,696	7.74	12.23	2.16	69.41	0.59
4.00% International Hotel Investments p.l.c. Unsecured 2026	60,000	4.11	1.46	11.17	43.36	0.40
3.25% AX Group p.l.c. Unsecured 2026	15,000	3.22	3.81	4.88	39.07	0.35
4.00% Hili Finance Company p.l.c. Unsecured & Guaranteed 2027	50,000	3.99	4.88	4.34	67.75	0.57
4.35% SD Finance plc Unsecured & Guaranteed 2027	65,000	7.00	5.41	2.98	30.68	0.33
4.00% Eden Finance p.l.c. Unsecured & Guaranteed 2027	40,000	4.98	4.55	6.93	28.64	0.26
5.25% Mediterranean Investments Holding p.l.c. Unsecured & Guaranteed 2027	30,000	5.23	5.81	2.45	20.10	0.19
4.00% Stivala Group Finance p.l.c. Secured & Guaranteed 2027	45,000	4.16	4.46	5.18	21.99	0.20
4.75% Best Deal Properties Holding p.l.c. Secured & Guaranteed 2025-2027	9,639	4.73	110.36	8.31	74.19	0.73
4.75% Gap Group p.l.c. Secured & Guaranteed 2025-2027	12,656	4.74	n/a	1.04	26.65	0.33
3.85% Hili Finance Company p.l.c. Unsecured & Guaranteed 2028	40,000	5.49	4.88	4.34	67.75	0.57
5.85% Mediterranean Investments Holding p.l.c. Unsecured & Guaranteed 2028	20,000	5.83	5.81	2.45	20.10	0.19
5.75% PLAN Group p.l.c. Secured & Guaranteed 2028	12,000	4.95	2.48	14.28	51.39	0.46
5.75% Best Deal Properties Holding p.l.c. Secured & Guaranteed 2027-2029	15,000	4.84	110.36	8.31	74.19	0.73
5.00% Hili Finance Company p.l.c. Unsecured & Guaranteed 2029	80,000	4.51	4.88	4.34	67.75	0.57
3.65% Stivala Group Finance p.l.c. Secured & Guaranteed 2029	15,000	4.91	4.46	5.18	21.99	0.20
3.80% Hili Finance Company p.l.c. Unsecured & Guaranteed 2029	80,000	5.10	4.88	4.34	67.75	0.57
3.75% AX Group p.l.c. Unsecured 2029	10,000	4.49	3.81	4.88	39.07	0.35
6.25% GPH Malta Finance p.l.c. Unsecured & Guaranteed 2030	18,144	6.25	3.04	5.78	92.42	0.82
5.25% ACMUS p.l.c. Secured 2028-2030	19,000	5.24	4.49	22.77	72.48	0.70
5.10% PLAN Group p.l.c. Secured & Guaranteed 2030	28,200	4.85	2.48	14.28	51.39	0.46
5.20% SD Finance plc Unsecured & Guaranteed 2031 S1 T1	33,000	4.93	5.41	2.98	30.68	0.33
5.35% MM Star Malta Finance p.l.c. Secured & Guaranteed 2029-2031	35,000	5.34	1.48	9.51	70.42	0.65
3.65% International Hotel Investments p.l.c. Unsecured 2031	80,000	5.00	1.46	11.17	43.36	0.40
3.50% AX Real Estate p.l.c. Unsecured 2032	40,000	4.84	3.19	7.66	51.19	0.46
5.35% Best Deal Properties Holding p.l.c. Unsecured 2032	7,000	5.35	110.36	8.31	74.19	0.73
5.50% MM Triton Malta Finance p.l.c. Secured & Guaranteed 2032	45,000	5.30	1.40	9.39	71.50	0.67
5.80% GPH Malta Finance plc Unsecured & Guaranteed 2032	15,000	5.80	3.04	5.78	92.42	0.82
5.00% Mariner Finance p.l.c. Unsecured 2032	36,930	4.82	4.00	5.48	45.91	0.45
5.00% Hili Finance Company p.l.c. Unsecured & Guaranteed 2033	60,000	5.35	4.88	4.34	67.75	0.57
5.85% AX Group p.l.c. Unsecured 2033	40,000	5.51	3.81	4.88	39.07	0.35
6.00% International Hotel Investments p.l.c. Unsecured 2033	60,000	5.66	1.46	11.17	43.36	0.40
4.50% The Ona p.l.c. Secured & Guaranteed 2028-2034	16,000	5.10	2.35	12.72	77.11	0.69
5.35% Hal Mann Vella Group p.l.c. Secured 2031-2034	23,000	5.12	2.69	7.13	47.59	0.42
5.30% International Hotel Investments p.l.c. Unsecured 2035	35,000	4.95	1.46	11.17	43.36	0.40
5.50% Luel Group p.l.c. Secured & Guaranteed 2035	32,000	5.47	15.06	23.23	58.68	0.48
5.35% CPCL Finance p.l.c. Unsecured & Guaranteed 2035	45,000	5.39	1.35	11.96	43.62	0.40
5.50% Finestday Malta p.l.c. Secured & Guaranteed 2036	25,000	5.50	1.69	8.85	58.21	0.55

*As at 01 April 2026

Sources: (i) Malta Stock Exchange; (ii) M.Z. Investment Services Limited; and (iii) the most recent audited annual financial statements of the respective Issuers and, or Guarantors, except for ACMUS p.l.c. and MM Star Malta Finance p.l.c. (FY2025[F]), MM Triton Malta Finance p.l.c. (FY2026[F]), and Finestday Malta p.l.c. (FY2027[P]).





The closing market price of the **3.50% AX Real Estate p.l.c. unsecured bonds 2032 (AX32)** as at 1 April 2026 was 93.30%. This translated into a yield-to-maturity (“YTM”) of 4.84%, representing a discount of 42 basis points to the average YTM of 5.26% of other local corporate bonds maturing in the same year. The spread over the corresponding average Malta Government Stock yield of 3.33% stood at 151 basis points.



PART 4 – EXPLANATORY DEFINITIONS

Income Statement

<i>Revenue</i>	Total income generated from business activities.
<i>EBITDA</i>	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.
<i>Adjusted operating profit / (loss)</i>	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.
<i>Operating profit / (loss)</i>	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.
<i>Share of results of associates and joint ventures</i>	Share of profit (or loss) from entities in which the company does not have a majority shareholding.
<i>Profit / (loss) after tax</i>	Net profit (or loss) registered from all business activities.

Profitability Ratios

<i>EBITDA margin</i>	EBITDA as a percentage of revenue.
<i>Operating profit margin</i>	Operating profit (or loss) as a percentage of total revenue.
<i>Net profit margin</i>	Profit (or loss) after tax as a percentage of total revenue.
<i>Return on equity</i>	Measures the rate of return on net assets and is computed by dividing the net profit (or loss) for the year by average equity.
<i>Return on assets</i>	Measures the rate of return on assets and is computed by dividing the net profit (or loss) for the year by average assets.
<i>Return on invested capital</i>	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

<i>Net cash from / (used in) operating activities</i>	The amount of cash generated (or consumed) from the normal conduct of business.
<i>Net cash from / (used in) investing activities</i>	The amount of cash generated (or consumed) from activities related to the acquisition, disposal, and/or development of long-term assets and other investments.
<i>Net cash from / (used in) financing activities</i>	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.
<i>Free cash flow</i>	Represents the amount of cash generated (or consumed) from operating activities after considering any amounts of net capital expenditure.



Statement of Financial Position

<i>Non-current assets</i>	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.
<i>Current assets</i>	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.
<i>Non-current liabilities</i>	These represent long-term financial obligations which are not due within the next twelve months, and typically include long-term borrowings and debt securities.
<i>Current liabilities</i>	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.
<i>Total equity</i>	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

<i>Interest cover</i>	Measures the extent of how many times a company can sustain its net finance costs from EBITDA.
<i>Net debt-to-EBITDA</i>	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.
<i>Net debt-to-equity</i>	Shows the proportion of net debt (including lease liabilities) to the amount of equity.
<i>Net gearing</i>	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.
<i>Debt-to-assets</i>	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.
<i>Leverage</i>	Shows how many times a company is using its equity to finance its assets.
<i>Current ratio</i>	Measures the extent of how much a company can sustain its short-term liabilities from its short-term assets.

