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

Today, the 26th June 2024, the Board of Directors of AX Group p.l.c. considered and approved the Company's half-yearly financial report as at 30th April 2024.

A copy thereof is attached to this company announcement, and is also available for viewing at the Company's registered office and on the following online link to the Company's investors' web portal: https://axinvestor-relations.mt/ax-group/.

Unquote

Dr. Edmond Zammit Laferla
Company Secretary

26th June 2024

Company Announcement
AXG65/2024

AX GROUP P.L.C.
C 12271

2024

INTERIM REPORT AND INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

30TH APRIL 2024

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INTERIM DIRECTORS' REPORT

The Directors present their report and the interim condensed consolidated financial statements ("Interim Condensed Financial Statements") of AX Group p.l.c. and its subsidiaries (collectively "the Group" or "AX Group") for the six-month period ended 30 April 2024.

PRINCIPAL ACTIVITIES

The AX Group is primarily engaged in four main business sectors namely, Hospitality, Healthcare, Construction, Real Estate and Development and is also involved in renewable energy. The Group comprises of 25 companies that own operate and manage property for its businesses and for rental and investment purposes.

REVIEW OF THE BUSINESS

The Group registered total revenue of EUR30.7 million, representing an increase of EUR14.7 million over the same period last year.

The primary growth was fuelled by the hospitality division, with revenues increasing by EUR 10.6 million compared to 2023. This growth is largely attributed to the AX ODYCY hotel and lido in Qawra, which opened in May 2023. Following extensive development and a full refurbishment, the hotel expanded significantly by adding four storeys to its structure, bringing the total number of guest rooms to 599. All of the Group's hotels have exceeded their projected revenues and profits, and management anticipates that this positive trend will continue throughout the rest of the year.

The Healthcare division registered an increase in revenue of 7.6% compared to the same period last year. The independent apartments at Hilltop Gardens were fully occupied throughout the period while occupancy at the care home exhibited a steady increase.

The Construction division has nearly tripled its revenue from third-party work compared to last year, reaching EUR 5 million over the reporting period. The division has successfully secured numerous contracts for the current year and beyond. In contrast last year, the division was heavily involved in the extension of the AX ODYCY hotel and the redevelopment of the lido in Qawra. The main third-party projects during the current period included construction works at the Malta International Airport, the St John Co-Cathedral Annex, Villa Lugisland in Rabat and restoration works on the St Paul's Pro-Cathedral in Valletta.

Other Group operating costs amounted to EUR12.7 million (30 April 2023: EUR6.2 million). Staff costs including directors' remuneration amounted to EUR15.2 million (30 April 2023: EUR10 million). This rise correlates with the increased revenue from hospitality and construction activities observed during the period.

The Group registered an EBITDA of EUR2.9 million in the current period (30 April 2023: negative EBITDA of EUR0.1 million), reflecting a strong performance by the Group, even during the shoulder months for the hospitality sector.

Net finance costs amounted to EUR3.8 million (30 April 2023: EUR2.2 million). This primarily includes interest on debt securities in issue and bank borrowings. The increase from the prior year is partially representing the interest on the loan facility drawn to complete the extension of the AX ODYCY hotel and redevelopment of the lido in Qawra. Furthermore, EUR 0.8 million of other interest expenses were capitalised to property, plant and equipment in the corresponding period last year in relation to the same development.

Works on the Verdala project in Rabat are progressing steadily. Finishing works on the residential blocks were underway whilst construction of the hotel was completed earlier this month. The target is to have the hotel operational by Q1 of 2025. The Verdala Terraces were officially launched on the market at the end of June 2023. Since then, the number of promise of sale agreements signed has increased steadily, reflecting continued confidence in the destination and concept.

The Development division continued with the redevelopment of Palazzo Lucia in Merchant Street in Valletta, transforming it into a premium office space. Construction and finishing works were recently completed, and a tenant has already been secured.

INTERIM DIRECTORS' REPORT – CONTINUED

REVIEW OF THE BUSINESS – CONTINUED

In November 2023, AX Group p.l.c. issued a EUR40 million bond with a 5.85% interest rate, to redeem the EUR40 million AX Investments p.l.c. ("AXI") bond which matured on 6 March 2024. The new bond attracted high demand, leading to an early closure of the offer period. The new bonds were admitted to listing on the Official List of the Malta Stock Exchange on 7 November 2023.

FINANCIAL KEY PERFORMANCE INDICATORS

€ millions	30 April 2024	30 April 2023
Revenue	€30.7	€16.1
Operating loss	(€2.1)	(€4.3)
Loss before tax	(€5.8)	(€6.4)
Adjusted EBITDA*	€2.9	(€0.1)
Operating loss margin (%)	(6.9%)	(26.7%)
Interest cover (times)	0.7	(0.1)

**The Group measures Adjusted Earnings before Interest, Tax, Depreciation and Amortisation ("Adjusted EBITDA") as operating profit/(loss) after adjusting for gains/(loss) on revaluation of investment properties and depreciation. This key performance indicator is not defined by International Financial Reporting Standards but can be directly calculated with reference to the Statement of Profit or Loss.*

Net assets at period end stood at EUR240 million compared to EUR244 million as at 31 October 2023. The Group's balance sheet remains sound with a gearing ratio of 48.7%.

OUTLOOK FOR THE REST OF THE FINANICAL YEAR AFTER THE REPORTING PERIOD

Management anticipates that the favourable performance observed during the initial six months of the year will continue throughout the remainder of the year. Specifically, the AX ODYCY hotel and lido has shown outstanding results. Both the revenue and profit from this property has significantly exceeded budgeted figures. This exceptional performance not only reflects the high quality of our hospitality offerings but also validates our strategic investments in these assets.

The Healthcare division has seen a surge in interest for both Hilltop Gardens Retirement Village, which now has a waiting list, and Simblija Care Home. The division is currently prioritizing cost control. Meanwhile, the Construction division has obtained enough third-party projects to sustain operations for the next twelve months.

The primary focus this year centres on completing the residential development at Verdala Terraces and the 5-star Verdala Wellness Hotel in Rabat. The Verdala Wellness Hotel signifies an important milestone for the Group, adding the eighth property to our hotel portfolio. This project promises exciting new rental opportunities crucial for enhancing the Group's revenues in the future. Additionally, the Group is actively working on new projects, such as, the reconstruction of the Sunny Coast Resort in Qawra and the vertical extension to the Hilltop Gardens Retirement Village in Naxxar, among others.

GOING CONCERN

Having made an appropriate assessment of going concern as discussed in Note 3 to these financial statements, the Directors, at the time of approving these Interim Condensed Financial Statements, have determined that there is reasonable expectation that the Group has adequate resources to continue operating for the foreseeable future. For this reason, these Interim Condensed Financial Statements have been prepared on a going concern basis which assumes that the Group will continue in operational existence for the foreseeable future and will meet its financial obligations as and when they fall due.

PRINCIPAL RISKS AND UNCERTAINTIES

The Group is exposed to risks inherent to its operations and can be summarized as follows:

1. Strategy risk

Risk management falls under the responsibility of the Board of Directors. The Board is continuously analysing its risk management strategy to ensure that risk is adequately identified and managed. The Audit Committee regularly reviews the risk profile adopted by the Board of Directors.

2. Operational risks

The Group's revenue is mainly derived from the performance of the four business segments in which the Group operates. The Group regularly reviews the financial performance of the AX Group of companies to ensure that there is sufficient liquidity to sustain its operations.

3. Legislative risks

The Group is governed by a number of laws and regulations. Failure to comply could have financial and reputational implications and could materially affect the Group's ability to operate. The Group has embedded operating policies and procedures to ensure compliance with existing legislation.

Angelo Xuereb	Michael Warrington
Chairman	Chief Executive Officer

By Order of the Board
26 June 2024

STATEMENT PURSUANT TO CAPITAL MARKETS RULE 5.75.3 ISSUED BY THE MALTA FINANCIAL SERVICES AUTHORITY

We confirm that to the best of our knowledge:

- The interim condensed consolidated financial statements give a true and fair view of the financial position of the Group as at 30 April 2024, and of its financial performance and its cash flows for the six-month period then-ended in accordance with International Financial Reporting Standards as adopted by the EU applicable to Interim Financial Reporting (IAS 34); and

- The interim Directors' Report includes a fair review of the information required in terms of Capital Markets Rules 5.81 to 5.84.

Angelo Xuereb	Michael Warrington
Chairman	Chief Executive Officer

By Order of the Board
26 June 2024

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Six-month period ended 30 April 2024

	Note	30 April 2024 (unaudited) EUR	30 April 2023 (unaudited) EUR
Revenue	8	30,711,745	16,050,849
Other operating income		67,118	83,399
Other operating costs		(12,737,414)	(6,191,826)
Staff costs		(15,180,146)	(10,045,744)
Depreciation		(4,794,257)	(4,180,898)
Loss on revaluation of investment properties	12	(200,000)	-
Operating loss		(2,132,954)	(4,284,220)
Share of results of associates and joint venture		174,529	113,062
Net finance costs		(3,843,788)	(2,234,609)
Loss before taxation		(5,802,213)	(6,405,767)
Taxation	10	2,493,923	2,403,433
Loss after tax		(3,308,290)	(4,002,334)
Other comprehensive income		-	-
Total comprehensive loss for the period		(3,308,290)	(4,002,334)
Attributable to:			
Owners of the parent		(3,539,163)	(4,115,995)
Non-controlling interest		230,873	113,661
Total comprehensive loss for the period		(3,308,290)	(4,002,334)
Basic loss per share	4	(2.84)	(3.44)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 April 2024

	Note	30 April 2024	31 October 2023
		(unaudited)	(audited)
ASSETS AND LIABILITIES		EUR	EUR
Non-current assets			
Property, plant and equipment	11	330,431,076	324,000,066
Investment property	12	58,756,082	61,703,333
Right-of-use assets		379,320	393,679
Investments in associates and joint ventures		8,063,538	7,889,009
Loans receivable		2,384,957	2,175,155
		400,014,973	396,161,242
Current assets			
Inventories		53,892,676	49,101,502
Trade and other receivables		16,031,639	15,142,002
Current tax asset		1,367,390	2,966,585
Cash at bank and in hand		7,310,022	10,656,902
		78,601,727	77,866,991
Investment property held for sale	12	3,700,000	-
Total assets		482,316,700	474,028,233
Current liabilities			
Trade and other payables		34,543,067	29,469,209
Bank borrowings		20,023,038	11,431,154
Other financial liabilities		10,957	5,973
Debt securities in issue	13	1,688,117	42,692,823
Current lease liabilities		22,217	22,217
		56,287,396	83,621,376
Non-current liabilities			
Trade and other payables		11,100,243	11,517,083
Bank borrowings		67,858,885	68,988,396
Debt securities in issue	13	88,205,386	45,629,109
Non-current lease liabilities		363,430	372,104
Deferred tax liabilities		18,625,029	20,359,867
		186,152,973	146,866,559
Total liabilities		242,440,369	230,487,935
Net assets		239,876,331	243,540,298

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION - CONTINUED

As at 30 April 2024

	Note	30 April 2024 (unaudited) EUR	31 October 2023 (audited) EUR
EQUITY			
Share capital		1,164,688	1,164,688
Revaluation reserve		210,368,682	209,785,089
Other reserves		616,095	616,095
Retained earnings		15,112,960	19,235,716
		227,262,425	230,801,588
Non-controlling interest		12,613,906	12,738,710
Total equity		239,876,331	243,540,298

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Six-month period ended 30 April 2024

(Unaudited)	Share capital EUR	Revaluation reserve EUR	Other reserves EUR	Retained earnings EUR	Attributable to equity holders of the parent EUR	Non-controlling interest EUR	Total EUR
At 1 November 2023	1,164,688	209,785,089	616,095	19,235,716	230,801,588	12,738,710	243,540,298
(Loss)/profit for the period	-	-	-	(3,539,163)	(3,539,163)	230,873	(3,308,290)
Total comprehensive (loss)/profit for the period	-	-	-	(3,539,163)	(3,539,163)	230,873	(3,308,290)
Dividends	-	-	-	-	-	(355,677)	(355,677)
Fair value movement of investment properties, net of tax	-	(180,000)	-	180,000	-	-	-
Other transfers	-	763,593	-	(763,593)	-	-	-
As at 30 April 2024	1,164,688	210,368,682	616,095	15,112,960	227,262,425	12,613,906	239,876,331

(Unaudited)	Share capital EUR	Revaluation reserve EUR	Other reserves EUR	Retained earnings EUR	Attributable to equity holders of the parent EUR	Non-controlling interest EUR	Total EUR
At 1 November 2022	1,164,688	208,812,536	616,095	24,317,401	234,910,720	13,311,927	248,222,647
(Loss)/profit for the period	-	-	-	(4,115,995)	(4,115,995)	113,661	(4,002,334)
Total comprehensive (loss)/profit for the period	-	-	-	(4,115,995)	(4,115,995)	113,661	(4,002,334)
Dividends	-	-	-	(1,100,000)	(1,100,000)	(304,209)	(1,404,209)
As at 30 April 2023	1,164,688	208,812,536	616,095	19,101,406	229,694,725	13,121,379	242,816,104

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

Six-month period ended 30 April 2024

	30 April 2024 (unaudited) EUR	30 April 2023 (unaudited) EUR
Net cash flows used in operating activities	(1,236,013)	(12,828,692)
Net cash flows used in investing activities	(11,669,354)	(21,154,680)
Net cash flows from financing activities	9,549,293	24,321,041
Net movement in cash and cash equivalents	(3,356,074)	(9,662,331)
Cash and cash equivalents at the beginning of the period	10,329,685	9,578,748
Cash and cash equivalents at end of the period	6,973,611	(83,583)

Cash and cash equivalents as at 30 April 2024 included in the cash flow statement comprise of cash at bank and in hand of EUR7,310,022 (30 April 2023: EUR6,099,203) net of bank overdrafts of EUR336,411 (30 April 2023: EUR6,182,786).

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Six-month period ended 30 April 2024

1. GENERAL INFORMATION

The interim condensed consolidated financial statements ("Interim Condensed Financial Statements") of AX Group p.l.c. and its subsidiaries (collectively "the Group") for the six-month period ended 30 April 2024 were authorised for issue in accordance with a resolution of the directors on 26 June 2024.

AX Group p.l.c. (C 12271) is a public limited liability company incorporated in Malta with its registered office at AX Business Centre, Triq id-Difiza Civili, Mosta MST 1741, Malta. The AX Group is primarily engaged in four main business sectors namely, Healthcare, Construction, Hospitality, Real Estate and Development and is also involved in renewable energy.

2. BASIS OF PREPARATION

The Interim Condensed Financial Statements for the period ended 30 April 2024 have been prepared in accordance with International Accounting Standard 34 *Interim Financial Reporting* and in terms of the Capital Markets Rules 5.81 to 5.84. These Interim Condensed Financial Statements are being published pursuant to Capital Markets Rule 5.74 issued by the Malta Financial Services Authority and the Prevention of Financial Markets Abuse Act, 2005. In terms of Capital Markets Rule 5.75.5, this interim report has not been audited or reviewed by the Group's independent auditors.

The financial information of the Group as at 30 April 2024 and for the six-month period then ended reflect the financial position and the performance of AX Group p.l.c. and all its subsidiaries. The comparative amounts reflect the position of the Group as included in the audited financial statements ended 31 October 2023 and the unaudited results for the six-month period ended 30 April 2023.

The Interim Condensed Financial Statements have been prepared under the historical cost convention, except for land and buildings and investment property which are stated at fair value. The same accounting policies, presentation and methods of computation have been followed in these Interim Condensed Financial Statements as were applied in the preparation of the Group's annual financial statements for the year ended 31 October 2023.

The Interim Condensed Financial Statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Group's annual financial statements as at 31 October 2023, which form the basis for these Interim Condensed Financial Statements. These Interim Condensed Financial Statements are intended to provide an update on the latest complete set of annual financial statements and accordingly they focus on new activities, events and circumstances.

3. GOING CONCERN

Profitability

During the six-month period ending 30 April 2024, the Group experienced an increase in revenue of 91% or EUR14,660,896 over the same period last year and has reported an Adjusted EBITDA of EUR2,861,303 (2023: negative Adjusted EBITDA of EUR103,322) which reconciles to the Group's operating profit/(loss) after adjusting for gain/(loss) on revaluation of investment properties and depreciation in the Condensed Consolidated Statement of Comprehensive Income.

The main driver of growth was the hospitality division, which saw revenues rise by EUR10,572,110 over 2023 figures. This increase is mainly due to the AX ODYCY hotel and lido in Qawra, which opened its doors in May 2023. Nonetheless, every hotel within the Group surpassed their forecasted revenues and profits for the period. The Construction division also reported an increase in revenues from third-party work of EUR3,317,678 compared to last year. The division has successfully secured numerous contracts for the current year and beyond. In contrast last year, the division was heavily involved on internal projects- mainly the extension of the AX ODYCY hotel and the redevelopment of the lido in Qawra.

3. GOING CONCERN - CONTINUED

Financial Position

As at 30 April 2024, the Group's current assets exceeded its current liabilities by EUR22,314,331 (31 October 2023: current liabilities exceeded its current assets by EUR5,754,385) whereas the Group's total assets exceeded its total liabilities by EUR239,876,331 (31 October 2023: EUR243,540,298). The current liability position as at 31 October 2023 was inclusive of the EUR40million "6% AX Investments p.l.c. 2024 Bond" which matured in March 2024.

As described below, management has prepared a cashflow forecast for the Group and has concluded that as a result of the strength of the Group's financial position, performance and availability of financing, the Group will be able to sustain its operations over the foreseeable future in a manner that is cash flow positive.

Accordingly, based on information available at the time of approving these interim condensed financial statements, the Directors have reasonable expectation that the Group will meet all its obligations as and when they fall due over the foreseeable future and therefore, that the going concern basis adopted for the preparation of these interim condensed financial statements is appropriate.

Liquidity and Capital Funding

During the period, management took various steps to retain adequate liquidity in line with the Group's policy. As at reporting date, the Group had aggregate sanctioned banking facilities of EUR119,027,843 (31 October 2023: EUR120,763,291) of which EUR30,140,529 (31 October 2023: EUR40,344,706) were undrawn banking facilities.

As at 30 April 2024, the Group's gearing ratio stood at 48.7% (31 October 2023: 46.3%) and is expected to increase following the full drawdown of the above mentioned banking facilities. The drawdown from these loan facilities is expected to occur over several months. It should be noted that the Group is not obligated to maintain a sinking fund in relation to its borrowings.

Cashflow Forecast

Management has prepared a cashflow forecast covering 18-months from reporting date, considering significant events and transactions that have occurred or are expected to occur subsequent to period end. The base case scenario contemplates the Group FY2024 rolling forecast prepared by the various divisions of the Group. A significant increase in revenue is expected from the hospitality division, primarily due to the first full year of operation of the AX ODYCY hotel, lido, and several food and beverage outlets in Qawra, which have consistently exceeded monthly targets since the year's start. Additionally, the construction division has secured numerous third-party contracts, further boosting revenue. During the forecast period, the Group is projected to continue receiving cash inflows from the Verdala residential development through new promise of sale agreements and contracts of sale. The cash flow forecast also prudently accounts for inflationary pressures on operating costs and includes capital expenditures related to the Verdala project and its financing, along with the development of a number of key long-term strategic projects.

Management also considered the servicing of current and projected debt, including debt at variable rates. Management has simulated stress-tested scenarios to assess the Group's resilience and ability to handle unforeseen challenges. Under all scenarios tested, the Group is expected to continue to have sufficient liquidity relative to the funding available to it.

The Group has also identified a contingency plan aimed to generate further liquidity should the events that are expected to occur do not materialize and, with the contingency plan in place, management is confident that the Group will continue to have sufficient liquidity to operate in the foreseeable future. The contingency plan includes the continued disposal of the 3.5% AX Real Estate p.l.c. 2032 bonds held by AX Group p.l.c. and the possibility of obtaining additional bank financing, guaranteed by unencumbered assets owned by the Group. Additionally, the Group has earmarked some non-core immovable property that can be disposed of.

4. EARNINGS PER SHARE

Earnings per share is based on the net result for the period divided by the weighted average number of ordinary shares in issue during the period. The weighted average number of shares in issue during the period amounted to 1,164,688 shares (30 April 2023: 1,164,688 shares).

5. APPLICATION OF NEW OR REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS

Standards, interpretations and amendments to published standards effective during the reporting period

During the financial period under review, the Group adopted new standards, amendments and interpretations to existing standards that are mandatory for the Group's accounting period beginning on 1 November 2023. The adoption of these revisions to the requirements of IFRSs as adopted by the EU did not result in changes to the Group's accounting policies.

Standards, interpretations and amendment to published standards that are not yet effective

Certain new standards, amendments and interpretations to existing standards have been published by the date of authorisation for issue of these interim condensed financial statements, that are mandatory for the Group's accounting periods beginning after 1 November 2023. The Group has not early adopted these revisions to the requirements of IFRSs as adopted by the EU and the Group's directors are of the opinion that there are no requirements that will have a possible significant impact on the Group's financial statements in the period of initial application.

6. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

In preparing these interim condensed financial statements, management has made judgements and estimates that affect the application of accounting policies and that can significantly affect the amounts recognised. The significant judgements made in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those described in the last annual financial statements.

Estimates and judgements are continually evaluated and are based on historical experience and other factors including expectations of future events that are believed to be reasonable under the circumstances.

7. FAIR VALUE MEASUREMENT

All assets and liabilities for which fair value is measured or disclosed are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1: Quoted (unadjusted) market prices in active markets for identical assets and liabilities
- Level 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised at fair value on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing the categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Group's policy is to recognise transfers into and out of fair value hierarchy levels as of the date of the event or change in circumstances that caused the transfer. There were no transfers between levels during the period.

8. REVENUE

In the following table, revenue is disaggregated by revenue category. Revenue falling under IFRS15 Revenue from Contracts with Customers and IFRS16 Leases is recognised as follows:

	1 November 2023 to 30 April 2024 (unaudited) EUR	1 November 2022 to 30 April 2023 (unaudited) EUR
Revenue from contracts with customers		
Construction works and building materials	5,022,568	1,704,890
Hospitality and entertainment	20,123,056	9,550,946
Healthcare	3,402,524	3,162,805
Sale of property and real estate	1,119,628	600,000
Management services	202,028	206,642
	29,869,804	15,225,283
Leasing income		
Rental income	841,941	825,566
Total Revenue	30,711,745	16,050,849

Timing of revenue recognition from contracts with customers:

	1 November 2023 to 30 April 2024 (unaudited) EUR	1 November 2022 to 30 April 2023 (unaudited) EUR
At a point in time:		
Sale of property and real estate	1,119,628	600,000
Hospitality and entertainment	9,262,595	4,450,133
Healthcare	1,072,536	969,187
	11,454,759	6,019,320
Over time:		
Construction works and building materials	5,022,568	1,704,890
Hospitality and entertainment	10,860,461	5,100,813
Healthcare	2,329,988	2,193,618
Management services	202,028	206,642
	18,415,045	9,205,963
Total revenue from contracts with customers	29,869,804	15,225,283

9. SEGMENT INFORMATION

30 April 2024 (unaudited)	Hospitality	Construction	Healthcare	Real estate and developments	Admin, finance and investment	Adjustments and eliminations	Consolidated
	EUR	EUR	EUR	EUR	EUR	EUR	EUR
External customers	20,259,628	5,022,568	3,509,014	1,686,765	233,770	-	30,711,745
Inter-segment	-	4,679,725	-	6,163,389	4,771,530	(15,614,644)	-
Revenue	20,259,628	9,702,293	3,509,014	7,850,154	5,005,300	(15,614,644)	30,711,745
Other operating income	-	15,712	4,621	33,783	13,002	-	67,118
Other operating costs	(12,645,195)	(5,905,082)	(1,868,191)	(1,489,154)	(1,122,851)	10,293,059	(12,737,414)
Staff costs	(9,349,988)	(2,629,929)	(1,841,673)	(151,515)	(2,268,792)	1,061,751	(15,180,146)
Adjusted EBITDA	(1,735,555)	1,182,994	(196,229)	6,243,268	1,626,659	(4,259,834)	2,861,303
Depreciation	(1,348,623)	(148,110)	6,847	(266)	(104,201)	(3,199,904)	(4,794,257)
Loss on revaluation							(200,000)
Operating loss							(2,132,954)
Share of results of associates and joint ventures							174,529
Net finance costs							(3,843,788)
Loss before taxation							(5,802,213)
Tax credit							2,493,923
Loss for the period							(3,308,290)
Segment assets	165,368,164	13,504,943	55,699,811	491,576,199	197,834,486	(441,666,903)	482,316,700
Segment liabilities	(164,628,314)	(10,916,367)	(65,879,799)	(215,531,910)	(81,635,157)	296,151,178	(242,440,369)

9. SEGMENT INFORMATION - CONTINUED

30 April 2023 (unaudited)	Hospitality	Construction	Healthcare	Real estate and developments	Admin, finance and investment	Adjustments and eliminations	Consolidated
	EUR	EUR	EUR	EUR	EUR	EUR	EUR
External customers	9,697,945	1,704,892	3,272,355	1,104,261	271,396	-	16,050,849
Inter-segment	-	11,808,645	-	3,368,540	5,857,045	(21,034,230)	-
Revenue	9,697,945	13,513,537	3,272,355	4,472,801	6,128,441	(21,034,230)	16,050,849
Other operating income	-	206	17,007	62,242	3,944	-	83,399
Other operating costs	(6,356,849)	(8,326,875)	(1,741,666)	(690,052)	(905,150)	11,828,766	(6,191,826)
Staff costs	(5,638,559)	(3,934,932)	(1,653,262)	(137,759)	(1,742,880)	3,061,648	(10,045,744)
Adjusted EBITDA	(2,297,463)	1,251,936	(105,566)	3,707,232	3,484,355	(6,143,816)	(103,322)
Depreciation	(1,203,706)	(147,661)	(21,850)	(266)	(115,721)	(2,691,694)	(4,180,898)
Operating loss							(4,284,220)
Share of results of associates and joint ventures							113,062
Net finance costs							(2,234,609)
Loss before taxation							(6,405,767)
Tax credit							2,403,433
Loss for the period							(4,002,334)
Segment assets	93,482,620	12,279,876	59,919,299	453,666,935	256,550,105	(435,160,727)	440,738,108
Segment liabilities	(80,802,145)	(9,859,519)	(69,165,858)	(173,560,982)	(155,741,938)	291,208,438	(197,922,004)

10. INCOME TAX

The interim period income tax is based on the Maltese corporate tax rate of 35%. Income taxes for the interim reporting period represent a best estimate of the weighted average annual income tax rate expected for the full financial year.

11. PROPERTY, PLANT AND EQUIPMENT

During the reporting period, the Group acquired tangible fixed assets amounting to EUR11,210,908 (31 October 2023: EUR41,810,840).

Most of the Group's land and buildings were revalued as at 31 October 2023 and as a result, no new revaluations were obtained during this reporting period. The note below provides detailed information regarding the key assumptions used in performing such revaluations. The carrying amount of land and buildings, had they been measured at cost, would have amounted to EUR106,311,864 (31 October 2023: EUR101,518,322).

Valuation process
The Group's land and buildings are classified as either property, plant and equipment or investment property depending on their intended use. Land and buildings are revalued by independent professionally qualified architects or surveyors on a rotation basis. The architect is qualified and has experience in the category of investment properties being valued. The valuation models applied are in accordance with that recommended by the International Valuation Standards Committee and are consistent with the principles in IFRS13.

In the years in which an independent valuation is not obtained, management reperforms fair valuations of the properties by verifying and updating all major inputs to the last independent valuation report prepared by an external independent valuer. Internal methods are therefore aligned with those used by external valuers. On a yearly basis, management assesses each property's change in value to determine whether the change is reasonable and holds discussions with the independent valuer, as necessary.

Climate-related considerations
For investment properties measured at fair value and land and buildings at revalued amount, the Group considers the effect of physical and transition climate-related risks and whether these could impact the value of the Group's properties.

Management has evaluated potential climate-related risks that could impact the value of the Group's land and buildings and investment properties, and these considerations have been included within the valuation process. These include possible physical risks from climate-change such as potential damage from extreme weather events, or transitional risks such as changes in property attractiveness due to shifting climate conditions and increasing requirement for energy efficiency of buildings.

Management has concluded that, based on the information currently available as factored in the cashflow forecasts, these potential climate-related risks are not expected to have a material impact on the value of the Group's land and buildings and investment properties.

The Group remains vigilant and committed to continuously monitoring these climate-related considerations and will adjust the land and buildings and investment property valuations as necessary to reflect any significant changes in these risks or in their potential impact on the Group.

Highest and best use
The current use of the Group's properties measured at fair value is considered to be the highest and best use except for part of the Verdala site which management intends to function as part of the hotel, and Palazzo Capua which management intends to refurbish and lease as office space. The Group has no restrictions on the realisability of its properties and no contractual obligations to purchase, construct or develop investment properties or for repairs, maintenance and enhancements.

11. PROPERTY, PLANT AND EQUIPMENT - CONTINUED

Details of the land and buildings and information about their most recent fair value and level within the hierarchy as at the end of the period:

Type of Property	Level 3 EUR	Total EUR	Date of Valuation
Commercial property	287,940,107	287,940,107	31/10/2023
Total	287,940,107	287,940,107	

The Group's land and buildings have been determined to fall within level 3 of the fair value hierarchy.

Description of valuation techniques used and key inputs to valuation of lands and buildings
For land and buildings categorized under Level 3 of the fair value hierarchy, the valuation was determined by a combination of the market approach, the replacement cost approach and the income capitalization approach as applicable.

Type of Property	Valuation Technique	Inputs	Sensitivity
Commercial property amounting to EUR8,124,822 (31 October 2023: EUR8,124,822)	Income capitalisation approach	The inputs used to calculate the total value of the property is an annual return in the range of EUR40 and EUR270 per square meter (2023: same) at a capitalisation rate in the range of 5.75% to 6% (2023: same).	The higher the capitalisation rate, the lower the fair value. The higher the rental income and growth rate the higher the fair value.
Commercial property amounting to EUR42,111,483 (31 October 2023: EUR42,009,911)	Average of profits method; income capitalisation approach and replacement cost approach	Profits method: stabilised EBIDTA of EUR2,136,690 (2023: same), capitalisation yield of 5.5% (2023: same), land appreciation of 4.5% per annum (2023: same), discount rate for commercial property sale at termination 5% (2023: same) and EBITDA multipliers ranging between 11.6X to 16.4X (2023: same).	Profits method: The higher the EBITDA multiples and capitalisation yield, the higher the fair value.
		Income capitalization approach: stabilised EBIDTA of EUR2,136,690 (2023: same), capitalisation yield of 5.5% (2023: same), land appreciation of 4.5% per annum (2023: same), discount rate for commercial property sale at termination 5% (2023: same) and discount rate for future income ranging 7.5%-11.83% (2023: same).	Income capitalization approach: The higher the EBITDA and capitalisation yield, the higher the fair value.
		Replacement cost approach: This method takes into account the actual physical building fabric constituting the facility, together with an estimated land value. The valuation relies on estimated going rates of the various components of the existing building.	Replacement cost approach: The higher the rates for construction, finishings, services and fittings, the higher the fair value
Commercial property amounting to EUR8,321,902 (31 October 2023: EUR6,420,000)	Income capitalisation approach	Income capitalization approach: total projected stabilised EBITDA of EUR1,952,779 (2023: same) using an average growth of 2% (2023: same), discount rate of future income of 12.83% (2023: same), estimated terminal land value, capitalisation yield of 5.75% (2023: same) and discount rate of 5% (2023: same).	The higher the capitalisation rate, the lower the fair value. The higher the rental income and growth rate the higher the fair value.
Commercial property amounting to EUR123,829,701 (31 October 2023: EUR121,570,575)	Income capitalisation approach	Income capitalization approach: total projected stabilised EBITDA of EUR13,474,000 (2023: same) using an average growth of 3% (2023: same), discount rate of 10%-11.35% (2023: same).	The higher the EBITDA and capitalisation yield, the higher the fair value.

11. PROPERTY, PLANT AND EQUIPMENT - CONTINUED

Description of valuation techniques used and key inputs to valuation of lands and buildings - continued

Type of Property	Valuation Technique	Inputs	Sensitivity
Commercial property amounting to EUR10,072,995 (31 October 2023: EUR8,504,376)	Residual Method	The valuation of the property was based on market rates for comparable advertised properties using the residual method, taking into account the size, fit out of the subject units, location of the property and current situation of the residential and commercial property market. The gross development value is deducting all projected development costs as well as a developer's profit.	The higher the market rates, the higher the fair value.
Commercial property amounting to EUR88,889,760 (31 October 2023: EUR88,988,158)	Average of income capitalisation approach and replacement cost approach	Income capitalization approach: a stabilised EBIDTA range between EUR1,162,600 (2023: same) and EUR7,826,338 (2023: same) taking a 2% yearly growth rate (2023: same), capitalisation yield ranging from 6% to 8.33% (2023: same), land appreciation of 4.5% (2023: same) per annum, discount rate for commercial property sale at termination of 5.25% (2023: same) and discount rate for future income of 11.83% (2023: same). Replacement cost approach: This method takes into account the actual physical building fabric constituting the facility, together with an estimated land value. The valuation relies on estimated going rates of the various components of the existing building.	Income capitalization approach: The higher the EBITDA and capitalisation yield, the higher the fair value. Replacement cost approach: The higher the rates for construction, finishings, services and fittings, the higher the fair value.
Commercial property amounting to EUR6,589,444 (31 October 2023: EUR6,587,037)	Income capitalisation approach	The valuation relies on estimated commercial rental rates and yearly return of the various components of the existing building capitalized at a rate of 7% (2023: same). Rental rate of EUR425 per sqm (2023: same) assumed for the Palazzo and annual return of EUR320,000 (2023: same) for the ancillary property.	The higher the capitalisation rate, the lower the fair value. The higher the rental income and growth rate the higher the fair value.

During the period, the Group used the same valuation techniques used in the previous year.

12. INVESTMENT PROPERTY

In April 2024, the Group entered into a promise of sale agreement for the sale of AX House in Lija. Consequently, the property was classified as held for sale. Prior to this classification, the property was remeasured at its fair value.

During the interim period, the Group registered additions to its investment property amounting to EUR952,749 (31 October 2023: EUR3,289,228). No further movement in investment property occurred during the reporting period.

Valuation process

The Group's investment properties are revalued by independent professionally qualified architects or surveyors on a rotation basis. The architect is qualified and has experience in the category of investment properties being valued. The valuation models applied are in accordance with that recommended by the International Valuation Standards Committee and are consistent with the principles in IFRS13.

In the years in which an independent valuation is not obtained, management reperforms fair valuations of the properties, by verifying and updating all major inputs to the last independent valuation report prepared by an external independent valuer. Internal methods are therefore aligned with those used by external valuers. On a yearly basis, management assesses each property's change in value to determine whether the change is reasonable and holds discussions with the independent valuer, as necessary. At each interim reporting date, management assesses whether events or conditions require the major inputs to the last valuation report to be updated. During the current interim period, no such events or conditions were identified by management.

The Group has no restrictions on the realisability of its investment properties and no contractual obligations to purchase, construct or develop investment properties or for repairs, maintenance and enhancements.

The Group's investment property has been determined to fall within level 3 of the fair value hierarchy.

Details of the investment property and information about their fair value hierarchy as at the end of the period:

Type of Property	Level 3 EUR	Total EUR	Date of Valuation
Land	19,003,070	19,003,070	31/10/2022
Commercial property	2,712,963	2,712,963	31/10/2022
	21,623,031	21,623,031	31/10/2023
Residential	5,309,277	5,309,277	31/10/2021
	10,107,741	10,107,741	31/10/2023
Total	58,756,082	58,756,082	

The Group's policy is to recognise transfers into and out of fair value hierarchy levels as of the date of the event or change in circumstances that caused the transfer. There were no transfers between levels during the period.

Description of valuation techniques used and key inputs to valuation of investment properties

For investment property categorized under Level 3 of the fair value hierarchy, the valuation was determined by a combination of the market approach, the replacement cost approach and the income capitalization approach as applicable.

12. INVESTMENT PROPERTY – CONTINUED

Description of valuation techniques used and key inputs to valuation of investment properties - continued

Type of Property	Valuation Technique	Inputs	Sensitivity
Residential property amounting to EUR3,771,061 (31 October 2023: EUR3,769,000)	Income capitalisation approach	Income capitalization approach: total projected stabilised EBITDA of EUR746,476 (2023: same) using an average growth of 2% (2023: same), discount rate of future income of 12.83% (2023: same), estimated terminal land value, capitalisation yield of 4.5% (2023: same) and discount rate of 5% (2023: same).	The higher the capitalisation rate, the lower the fair value. The higher the rental income and growth rate the higher the fair value.
Commercial property amounting to EUR2,712,963 (31 October 2023: EUR2,712,963)	Income capitalisation approach	The valuation relies on estimated commercial rental rates and yearly return of the various components of the existing building capitalized at a rate of 7% (2023: same). Annual rental rate of EUR425 per sqm (2023: same) is assumed and EUR320,000 (2023: same) for the ancillary property.	The higher the capitalisation rate, the lower the fair value. The higher the rental income and growth rate the higher the fair value.
Commercial property amounting to EUR13,719,301 (31 October 2023: EUR13,340,619)	Income capitalisation approach	The inputs used to calculate the total value of the property is an annual return in the range of EUR40 and EUR268 per square meter (2023: same) at a capitalisation rate of 6% (2023: same).	The higher the capitalisation rate, the lower the fair value. The higher the rental income and growth rate the higher the fair value.
Land amounting to EUR19,003,070 (31 October 2023: EUR19,000,000)	Income capitalisation approach	The inputs used to calculate the total value of the property on completion is an annual return of EUR 145 per square meter (2023: same) at a capitalisation rate of 7% (2023: same) less costs to implement.	The higher the capitalisation rate, the lower the fair value. The higher the annual return per square meter the higher the fair value.
Land amounting to EUR7,903,730 (31 October 2023: EUR7,340,014)	Income capitalisation approach	The inputs used to calculate the total value of the property on completion is an annual return of EUR550 per square meter (2023: same) multiplied by a quality factor depending on the area, at a capitalisation rate of 6.25% less costs to implement (2023: same).	The higher the capitalisation rate, the lower the fair value. The higher the annual return per square meter the higher the fair value.
Residential property amounting to EUR612,000 (31 October 2023: EUR612,000)	Market approach	Market transaction.	The higher the market rates, the higher the fair value
Residential property amounting to EUR5,309,277 (31 October 2023: EUR5,308,737)	Replacement Cost Approach	This method takes into account the actual physical building fabric constituting the facility, together with an estimated land value. The valuation relies on estimated going rates of the various components of the existing building.	The higher the rates for construction, finishings, services and fittings the higher the fair value.
Residential property amounting to EUR5,724,680 (31 October 2023: EUR5,720,000)	Market approach	The valuation of investment property was based on market rates for comparable advertised properties taking into account the size, fit out of the subject units, location of the property and current situation of the residential and commercial property market.	The higher the market rates, the higher the fair value.

During the period, the Group used the same valuation techniques used in the previous year.

13. DEBT SECURITIES IN ISSUE

In November 2023, AX Group p.l.c. issued an aggregate principal amount of EUR40,000,000 bonds (2023-2033), having a nominal value of EUR100 each, bearing interest at the rate of 5.85% per annum. These bonds are unsecured and subject to the terms and conditions in the prospectus dated 26 September 2023. The bonds are listed on the Official Companies List of the Malta Stock Exchange. The quoted market price as at 30 April 2024 for the 5.85% bonds (2023 – 2033) was EUR104.02. The fair value of the bond as at 30 April 2024 amounted to EUR41,608,000. The carrying value of the bond as at 30 April 2024 amounted to EUR39,344,998. Interest on the bonds is due and payable annually in arrears on 7 November of each year at the above-mentioned rate.

During 2022, AX Real Estates p.l.c., a subsidiary of the Group, issued an aggregate principal amount of EUR40,000,000 bonds (2022 -2032), having a nominal value of EUR100 each, bearing interest at the rate of 3.5% per annum. The general public subscribed to EUR18,354,600 bonds whilst the remaining EUR21,645,400 bonds were allocated to AX Group p.l.c. through the part conversion of the existing intra-group loan with AX Real Estate p.l.c. These bonds are unsecured and subject to the terms and conditions in the prospectus dated 6 December 2021. The bonds are listed on the Official Companies List of the Malta Stock Exchange. The quoted market price as at 30 April 2024 for the 3.5% bonds (2022 – 2032) was EUR93.40 (31 October 2023: EUR92.98). The fair value of the bond as at 30 April 2024 amounted to EUR37,360,000 (31 October 2023: EUR37,192,000). The carrying value of the bond as at 30 April 2024 amounted to EUR39,583,799 (31 October 2023: EUR39,556,055). Interest on the bonds is due and payable annually in arrears on 7 February of each year at the above-mentioned rate.

During 2020, AX Group p.l.c. issued an aggregate principal amount of EUR25,000,000 bonds, split in two tranches of EUR15,000,000 (2020 – 2026) and EUR10,000,000 (2020 – 2029), having a nominal value of EUR100 each, bearing interest at the rate of 3.25% and 3.75% respectively per annum. These bonds are unsecured and subject to the terms and conditions in the prospectus dated 22 November 2019. The bonds are listed on the Official Companies List of the Malta Stock Exchange. The quoted market price as at 30 April 2024 for the 3.25% bonds (2020 – 2026) was EUR99.8 (31 October 2023: EUR98.50) and for the 3.75% bonds (2020 – 2029) was EUR96.50 (31 October 2023: EUR95.01). The fair value of the bonds as at 30 April 2024 amounted to EUR14,970,000 (31 October 2024: EUR14,775,000) and EUR9,650,000 (31 October 2023: EUR9,501,000) respectively, which amounts to an aggregated fair value of EUR24,620,000 (31 October 2023: EUR24,276,000). The carrying value of the bonds as at 30 April 2024 amounted to EUR24,791,644 (31 October 2023: EUR24,773,154).

In addition to the above, during 2014, AX Investments p.l.c., a subsidiary company, issued an aggregate principal amount of EUR40,000,000 bonds (2014 -2024), having a nominal value of EUR100 each, bearing interest at the rate of 6% per annum. These bonds matured in March 2024 and were fully settled. The quoted market price as at 31 October 2023 for the 6% bonds (2014 – 2024) was EUR101.25. The fair value of the bond as at 31 October 2023 amounted to EUR40,500,000. The carrying value of the bond as at 31 October 2023 amounted to EUR39,976,264.

As at interim period end, the Group has a balance of EUR88,205,386 from the bonds issued. The amount is made up of the total bonds issued amounting to EUR105,000,000 net of bond issue costs which are being amortised over the respective term of the bonds and bonds subscribed by Group companies.

13. DEBT SECURITIES IN ISSUE – CONTINUED

	30 April 2024	31 October 2023
	EUR	EUR
	(unaudited)	(audited)
At beginning of period	85,442,763	82,423,921
Bonds issued during the period (net of bond issue costs)	2,661,619	2,863,916
Bond issue costs amortisation for the period	101,004	154,926
	88,205,386	85,442,763
Accrued interest	1,688,117	2,879,169
At period year end	89,893,503	88,321,932
Current	1,688,117	42,692,823
Non-current	88,205,386	45,629,109
	89,893,503	88,321,932

14. FINANCIAL ASSETS AND FINANCIAL LIABILITIES

The Group's financial assets and financial liabilities comprise trade and other receivables, and cash and cash equivalents, as well as trade and other payables, bank borrowings, lease liabilities and debt securities in issue. All financial assets and financial liabilities are classified as measured at amortised cost.

Fair values

The fair value of non-current trade and other payables, and bank borrowings, is not materially different from their carrying amounts particularly due to re-pricing. The fair values of non-current debt securities in issue can be defined by reference to the quoted market price on the Malta Stock Exchange.

At 30 April 2024 and 31 October 2023 carrying amounts of the Group's current financial assets and current financial liabilities approximated their fair values due to the short-term nature of these financial instruments.

15. CONTINGENCIES AND CAPITAL COMMITMENTS

There were no major changes in contingent assets and liabilities, and they remain in essence as reported in the Group's annual financial statements of 31 October 2023.

Commitments for capital expenditure with respect to the development and completion of a number of projects stood as follows:

	30 April 2024
	EUR
Authorised and contracted	16,719,211
Authorised but not contracted	36,083,931

16. RELATED PARTY TRANSACTIONS

Transactions with related parties are subject to review by the Audit Committee in terms of the Capital Markets Rules, ensuring that such transactions are carried out on an arm's length basis and are for the benefit of the AX Group. Transactions between AX Group p.l.c. and its subsidiaries have been eliminated on consolidation. Outstanding balances with other related parties have been disclosed in note 22, 24 and note 29 to the audited financial statements as at 31 October 2023. Transactions and balances with these related parties during the interim period were not significant and are disclosed within trade and other receivables and trade and other payables.

17. DISTRIBUTIONS MADE AND PROPOSED

	1 November 2023 to 30 April 2024 (unaudited) EUR	1 November 2022 to 30 April 2023 (unaudited) EUR
Dividends on ordinary shares declared and paid:		
Interim dividend	355,677	1,404,209
Proposed dividends on ordinary shares:		
Interim dividend	-	304,209

18. EVENTS AFTER THE REPORTING PERIOD

The Commissioner of Lands had filed claims against the Group seeking damages for the alleged illegal occupation of land that includes parts of the AX ODYCY and AX Sunny Coast lidos. The Group contested these claims. In May 2024, a concession agreement was signed, granting the Group temporary emphyteusis on the land for a period of 65 years, along with a settlement agreement for previous land usage. The agreed consideration with the Commissioner of Lands for the past use of the land up to May 2024 amounts to EUR 2,134,262.