



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 23rd June 2025, the Board of Directors of AX Group p.l.c. considered and approved the Company’s half-yearly financial report as at 30th April 2025.

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

23rd June 2025

Company Announcement
AXG71/2025

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AX HOTELS

AX CONSTRUCTION

AX DEVELOPMENT

AX CARE



50
years

FROM VISION TO LEGACY

2025

INTERIM REPORT AND INTERIM CONDENSED
CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

30TH APRIL 2025 | AX GROUP PLC | C 12271

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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 2025.

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 22 companies that own, operate and manage property for its businesses and for rental and investment purposes.

REVIEW OF THE BUSINESS

The Group reported total revenue of EUR52.8 million, marking an increase of EUR22.1 million over the same period last year.

This growth was primarily driven by the signing of the first sales contracts of the Verdala Terraces residences. As of 30 April 2025, a total of 11 units had been sold, generating EUR14.4 million in revenue.

The Hospitality division also experienced significant growth, with revenues increasing by EUR3.9 million compared to 2024. This performance was largely driven by the AX ODYCY Hotel and Lido in Qawra, which is now fully operational across all outlets. Notably, all of the Group's hotels exceeded both revenue and profit projections to date. Management remains focused on continuing efforts to achieve full-year budget targets.

The Healthcare division registered an increase in revenue of 5.7% compared to the same period last year. The independent apartments at Hilltop Gardens were fully occupied throughout the period while occupancy at the Simblija Care Home exhibited a steady increase.

The Construction division saw revenue from third-party projects rise by EUR4.2 million to reach EUR9.2 million. The division successfully secured multiple contracts for the current year and beyond. Key projects during the period included construction works at Malta International Airport, the St John Co-Cathedral Annex, Quintano warehouse and restoration works at Villa Lugisland in Rabat.

Other Group operating costs amounted to EUR25.3 million (30 April 2024: EUR12.7 million). This includes the cost of sold property during the period of EUR8.6 million. Staff costs including directors' remuneration amounted to EUR17.3 million (30 April 2024: EUR15.2 million). This rise correlates with the increased revenue from hospitality and construction activities observed during the period.

The Group registered an EBITDA of EUR10.3 million in the current period (30 April 2024: EUR2.9 million), boosted by the successful sale of the Verdala Terraces residences. The contribution from these property sales aligns with the Group's diversification strategy and reflects the strategic investment in high-value real estate developments.

Net finance costs amounted to EUR4.7 million (30 April 2024: EUR3.8 million), mainly comprising interest on debt securities in issue and bank borrowings. The increase from the prior year reflects the additional interest incurred following the utilisation of undrawn facilities. Additionally, EUR0.6 million in bank interest was capitalised on the Verdala Terraces in the prior period, which is no longer eligible for capitalisation following the commencement of property sales.

Works on the Verdala project in Rabat are nearing completion. The much-anticipated Verdala Wellness Hotel is set to open to guests in a few weeks. This luxury, wellness-focused hotel adds a new dimension to the Group's property portfolio, introducing a new niche within the hospitality segment. The Verdala Wellness Hotel will specialise in exclusive wellness programmes, retreats and wellness services that are based on seasonal, bespoke or signature offerings.

The Verdala Terraces residences are practically finished, with contracts of sale currently being signed and further promise of sale agreements underway. The first residents have begun taking occupancy, making the Verdala Terraces their home. The continued momentum in sales reflects sustained confidence in both the destination and the Verdala vision.

INTERIM DIRECTORS' REPORT – CONTINUED

REVIEW OF THE BUSINESS – CONTINUED

FINANCIAL KEY PERFORMANCE INDICATORS

€ millions	30 April 2025	30 April 2024
Revenue	€52.8	€30.7
Operating profit/(loss)	€5.2	(€2.1)
Profit/(loss) before tax	€0.5	(€5.8)
Adjusted EBITDA*	€10.3	€2.9
Operating profit/(loss) margin (%)	9.8%	(6.9%)
Interest cover (times)	2.2	0.7

**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 EUR250 million compared to EUR249 million as at 31 October 2024. The Group's balance sheet remains sound with a gearing ratio of 50.4%.

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

Management is confident that the strong performance of the first six months of the year augurs well for the remainder of the year as we approach the busiest part of the year. The hospitality division has delivered outstanding results, with all hotels exceeding expectations in both revenue and profitability. This performance underscores the Group's strong market positioning and the success of its recent investments. With all hospitality outlets now fully operational, the division is well-placed to sustain its momentum through the peak summer season.

Within our Healthcare division, demand remains strong for both Hilltop Gardens Retirement Village and Simblija Care Home. Occupancy levels at the care home are steadily increasing, reflecting sustained interest in our offerings. Operational efficiency and effective cost management remain key priorities for this segment to deliver improved returns.

The Construction division has secured a healthy pipeline of third-party projects, ensuring sustained activity and revenue generation into the next financial year. Management will also focus on streamlining internal processes to enhance cost efficiency and boost productivity.

The Group's strategic focus remains on completing the Verdala residential development and launching the Verdala Wellness Hotel in Rabat. Further sales are expected to continue throughout the year, reinforcing the project's strong financial and market potential. Once completed, the Verdala Wellness Hotel will become the Group's eighth hospitality property and is anticipated to open new avenues for recurring income.

Looking ahead, the Group continues to progress on additional long-term projects, including the planned redevelopment of the Sunny Coast Resort and lidos in Qawra, amongst others. These initiatives reflect the Group's commitment to long-term growth and value creation across its diversified portfolio.

INTERIM DIRECTORS' REPORT – CONTINUED

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
Chairman



Michael Warrington
Chief Executive Officer

By Order of the Board
23 June 2025

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 2025, 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
Chairman



Michael Warrington
Chief Executive Officer

By Order of the Board
23 June 2025

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Six-month period ended 30 April 2025

	Note	30 April 2025 (unaudited) EUR	30 April 2024 (unaudited) EUR
Revenue	8	52,791,252	30,711,745
Other operating income		161,925	67,118
Other operating costs		(25,333,839)	(12,737,414)
Staff costs		(17,287,311)	(15,180,146)
Depreciation		(5,159,241)	(4,794,257)
Loss on revaluation of investment properties	12	-	(200,000)
Operating profit/(loss)		5,172,786	(2,132,954)
Share of results of associates and joint venture		37,383	174,529
Net finance costs		(4,705,766)	(3,843,788)
Profit/(loss) before taxation		504,403	(5,802,213)
Taxation	10	715,162	2,493,923
Profit/(loss) after tax		1,219,565	(3,308,290)
Other comprehensive income		-	-
Total comprehensive income/(loss) for the period		1,219,565	(3,308,290)
Attributable to:			
Owners of the parent		909,696	(3,539,163)
Non-controlling interest		309,869	230,873
Total comprehensive income/(loss) for the period		1,219,565	(3,308,290)
Basic earnings/(loss) per share	4	0.78	(2.84)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 April 2025

	Note	30 April 2025 (unaudited) EUR	31 October 2024 (audited) EUR
ASSETS			
Non-current assets			
Property, plant and equipment	11	350,785,569	343,800,766
Investment property	12	61,673,988	61,443,002
Right-of-use assets		3,984,991	3,706,899
Investments in associates and joint ventures		8,137,694	8,645,937
Loans receivable		388,892	388,892
		<u>424,971,134</u>	<u>417,985,496</u>
Current assets			
Inventories		67,540,464	66,234,134
Trade and other receivables		18,717,076	17,707,222
Current tax asset		-	616,471
Cash at bank and in hand		7,308,873	10,569,146
		<u>93,566,413</u>	<u>95,126,973</u>
Total assets		<u>518,537,547</u>	<u>513,112,469</u>
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital		1,164,688	1,164,688
Revaluation reserve		212,642,952	214,005,845
Other reserves		616,095	616,095
Retained earnings		23,201,821	20,929,232
		<u>237,625,556</u>	<u>236,715,860</u>
Non-controlling interest		12,218,555	12,113,698
Total equity		<u>249,844,111</u>	<u>248,829,558</u>
Non-current liabilities			
Trade and other payables		11,438,031	12,517,872
Bank borrowings		63,285,076	63,621,749
Debt securities in issue	13	93,615,679	90,671,876
Non-current lease liabilities		3,479,604	3,622,187
Deferred tax liabilities		19,081,296	20,549,360
		<u>190,899,686</u>	<u>190,983,044</u>

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION -
CONTINUED**
As at 30 April 2025

	Note	30 April 2025 (unaudited) EUR	31 October 2024 (audited) EUR
Current liabilities			
Trade and other payables		45,538,727	39,522,736
Bank borrowings		31,585,180	29,903,372
Other financial liabilities		7,857	8,449
Debt securities in issue	13	1,742,551	3,810,761
Current lease liabilities		123,197	54,549
Tax liabilities		796,238	-
		<u>77,793,750</u>	<u>73,299,867</u>
Total liabilities		<u>268,693,436</u>	<u>264,282,911</u>
Total equity and liabilities		<u>518,537,547</u>	<u>513,112,469</u>

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Six-month period ended 30 April 2025

(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 2024	1,164,688	214,005,845	616,095	20,929,232	236,715,860	12,113,698	248,829,558
Profit for the period	-	-	-	909,696	909,696	309,869	1,219,565
Total comprehensive income for the period	-	-	-	909,696	909,696	309,869	1,219,565
Dividends	-	-	-	-	-	(205,012)	(205,012)
Other transfers	-	(1,362,893)	-	1,362,893	-	-	-
As at 30 April 2025	1,164,688	212,642,952	616,095	23,201,821	237,625,556	12,218,555	249,844,111

(Unaudited)							
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)/income 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

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

Six-month period ended 30 April 2025

	30 April 2025 (unaudited)	30 April 2024 (unaudited)
	EUR	EUR
Net cash flows from/(used in) operating activities	4,244,694	(1,236,013)
Net cash flows used in investing activities	(11,510,151)	(11,669,354)
Net cash flows (used in)/from financing activities	(586,394)	9,549,293
Net movement in cash and cash equivalents	(7,851,851)	(3,356,074)
Cash and cash equivalents at the beginning of the period	9,344,746	10,329,685
Cash and cash equivalents at end of the period	1,492,895	6,973,611

Cash and cash equivalents as at 30 April 2025 included in the cash flow statement comprise of cash at bank and in hand of EUR7,308,873 (30 April 2024: EUR7,310,022) net of bank overdrafts of EUR5,815,978 (30 April 2024: EUR336,411).

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Six-month period ended 30 April 2025

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 2025 were authorised for issue in accordance with a resolution of the directors on 23 June 2025.

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 2025 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 2025 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 2024 and the unaudited results for the six-month period ended 30 April 2024.

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 2024.

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 2024, 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 2025, the Group experienced an increase in revenue of 72% or EUR22,079,507 over the same period last year and has reported an Adjusted EBITDA of EUR10,332,027 (2024: EUR2,861,303) 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 primary driver of growth during the period was property sales, particularly from the Verdala residences. The hospitality division also recorded a notable revenue increase of EUR3,914,454 over 2024, largely attributed to the strong performance of the AX ODYCY Hotel and Lido in Qawra, with all outlets fully operational. Encouragingly every hotel within the Group exceeded both revenue and profit forecasts for the period. The Construction division also reported an increase in revenues from third-party work of EUR4,204,555 compared to last year following the focus on third party works. This division has successfully secured numerous contracts for the current year and beyond.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

Six-month period ended 30 April 2025

3. GOING CONCERN - CONTINUED

Financial Position

As at 30 April 2025, the Group's current assets exceeded its current liabilities by EUR15,772,663 (31 October 2024: EUR21,827,106) whereas the Group's total assets exceeded its total liabilities by EUR249,844,111 (31 October 2024: EUR248,829,558).

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 EUR98,754,280 (31 October 2024: EUR113,497,761) of which EUR6,309,846 (31 October 2024: EUR19,977,729) were undrawn banking facilities.

As at 30 April 2025, the Group's gearing ratio stood at 50.4% (31 October 2024: 49.6%), in line with the Group projections for the period. 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 FY2025 rolling forecast prepared by the various divisions of the Group. 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, 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.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS – CONTINUED

Six-month period ended 30 April 2025

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 2024: 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 2024. 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 2024. 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.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

Six-month period ended 30 April 2025

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 2024 to 30 April 2025 (unaudited) EUR	1 November 2023 to 30 April 2024 (unaudited) EUR
<i>Revenue from contracts with customers</i>		
Construction works and building materials	9,227,123	5,022,568
Hospitality and entertainment	24,037,510	20,123,056
Healthcare	3,597,827	3,402,524
Sale of property and real estate	14,615,714	1,119,628
Management services	202,771	202,028
	<hr/> 51,680,945	<hr/> 29,869,804
<i>Leasing income</i>		
Rental income	1,110,307	841,941
Total Revenue	<hr/> 52,791,252	<hr/> 30,711,745

Timing of revenue recognition from contracts with customers:

	1 November 2024 to 30 April 2025 (unaudited) EUR	1 November 2023 to 30 April 2024 (unaudited) EUR
At a point in time:		
Sale of property and real estate	14,615,714	1,119,628
Hospitality and entertainment	11,308,280	9,262,595
Healthcare	1,169,574	1,072,536
	<hr/> 27,093,568	<hr/> 11,454,759
Over time:		
Construction works and building materials	9,227,123	5,022,568
Hospitality and entertainment	12,729,230	10,860,461
Healthcare	2,428,253	2,329,988
Management services	202,771	202,028
	<hr/> 24,587,377	<hr/> 18,415,045
Total revenue from contracts with customers	<hr/> 51,680,945	<hr/> 29,869,804

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

Six-month period ended 30 April 2025

9. SEGMENT INFORMATION

30 April 2025 (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	24,183,362	9,227,124	3,730,051	15,411,374	239,341	-	52,791,252
Inter-segment	-	1,419,548	-	6,519,404	3,974,609	(11,913,561)	-
Revenue	24,183,362	10,646,672	3,730,051	21,930,778	4,213,950	(11,913,561)	52,791,252
Other operating income	-	-	6,689	128,934	26,302	-	161,925
Other operating costs	(14,041,576)	(8,194,572)	(1,906,835)	(8,137,019)	(948,273)	7,894,436	(25,333,839)
Staff costs	(9,992,706)	(3,406,146)	(1,921,944)	(172,928)	(2,514,071)	720,484	(17,287,311)
Adjusted EBITDA	149,080	(954,046)	(92,039)	13,749,765	777,908	(3,298,641)	10,332,027
Depreciation	(1,362,306)	(169,563)	(14,869)	(266)	(128,429)	(3,483,808)	(5,159,241)
Operating profit							5,172,786
Share of results of associates and joint ventures							37,383
Net finance costs							(4,705,766)
Profit before taxation							504,403
Tax credit							715,162
Profit for the period							1,219,565
Segment assets	164,315,753	15,764,499	52,947,406	518,404,564	232,049,822	(464,944,497)	518,537,547
Segment liabilities	(160,183,030)	(14,899,074)	(63,520,142)	(239,518,376)	(102,992,558)	312,419,744	(268,693,436)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

Six-month period ended 30 April 2025

9. SEGMENT INFORMATION - CONTINUED

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)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

Six-month period ended 30 April 2025

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 EUR12,083,919 (31 October 2024: EUR22,757,034).

Most of the Group's land and buildings were revalued as at 31 October 2024 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 EUR118,660,249 (31 October 2024: EUR111,210,782).

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.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

Six-month period ended 30 April 2025

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	307,107,545	307,107,545	31/10/2024
Total	307,107,545	307,107,545	

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 EUR8,228,867 (31 October 2024: EUR8,231,321)	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 (2024: same) at a capitalisation rate in the range of 5.75% to 6% (2024: 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 EUR43,026,090 (31 October 2024: EUR42,918,024)	Average of profits method; income capitalisation approach and replacement cost approach	Profits method: stabilised EBIDTA of EUR1,601,381 (2024: same), capitalisation yield of 5.5% (2024: same), land appreciation of 4.5% per annum (2024: same), discount rate for commercial property sale at termination 5% (2024: same) and EBITDA multipliers ranging between 11.5X to 16X (2024: same).	Profits method: The higher the EBITDA multiples and capitalisation yield, the higher the fair value.
		Income capitalization approach: stabilised EBIDTA of EUR1,601,381 (2024: same), capitalisation yield of 5.5% (2024: same), land appreciation of 4.5% per annum (2024: same), discount rate for commercial property sale at termination 5% (2024: same) and discount rate for future income ranging 7.5%-11.83% (2024: 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 EUR13,538,457 (31 October 2024: EUR6,622,583)	Income capitalisation approach	Income capitalization approach: total projected stabilised EBITDA of EUR2,049,732 (2024: same) using an average growth of 3% (2024: same), discount rate of future income of 11.83% (2024: 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 EUR220,036,317 (31 October 2024: EUR219,753,362)	Income capitalisation approach	Income capitalization approach: total projected stabilised EBITDA of EUR24,695,000 (2024: same) using an average growth of 3% (2024: same), discount rate of 9.48%-11% (2024: same).	The higher the EBITDA and capitalisation yield, the higher the fair value.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

Six-month period ended 30 April 2025

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 EUR15,287,814 (31 October 2024: EUR12,947,321)	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 EUR6,990,000 (31 October 2024: EUR6,990,000)	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% (2024: same). Annual rental rate of EUR350 per sqm (2024: same) is assumed and EUR276,000 (2024: 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.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

Six-month period ended 30 April 2025

12. INVESTMENT PROPERTY

During the interim period, the Group registered additions to its investment property amounting to EUR230,986 (31 October 2024: EUR2,101,426). 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.

In February 2025, the Group signed a promise of sale agreement for the acquisition of a plot of land in Marsa.

In March 2025, the Group entered into a similar agreement to acquire a parcel of land in Naxxar, situated adjacent to the Hilltop Complex

The Group has no restrictions on the realisability of its investment properties and no other 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	19,014,162	19,014,162	31/10/2022
Commercial property	3,700,000	3,700,000	31/10/2021
	22,351,012	22,351,012	31/10/2024
Residential	5,309,458	5,309,458	31/10/2024
	612,000	612,000	31/10/2021
	10,687,356	10,687,356	31/10/2023
Total	61,673,988	61,673,988	

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.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

Six-month period ended 30 April 2025

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 EUR4,698,554 (31 October 2024: EUR4,498,025)	Income capitalisation approach	Income capitalization approach: total projected stabilised EBITDA of EUR617,251 (2024: same) using an average growth of 3% (2024: same), discount rate of future income of 10.5% (2024: 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 EUR2,210,000 (31 October 2024: EUR2,210,000)	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% (2024: same). Annual rental rate of EUR350 per sqm (2024: same) is assumed and EUR276,000 (2024: 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 EUR13,218,290 (31 October 2024: EUR13,187,881)	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 (2024: same) at a capitalisation rate of 6% (2024: 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 EUR19,014,162 (31 October 2024: EUR19,008,995)	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 (2024: same) at a capitalisation rate of 7% (2024: 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 EUR6,922,722 (31 October 2024: EUR6,922,722)	Income capitalisation approach	The inputs used to calculate the total value of the property is an annual return of EUR205 per square meter (2024: same) at a capitalisation rate of 6.5% less costs to implement (2024: 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 2024: EUR612,000)	Market approach	Market transaction.	The higher the market rates, the higher the fair value
Residential property amounting to EUR5,309,458 (31 October 2024: EUR5,319,379)	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 EUR5,988,802 (31 October 2024: EUR5,984,000)	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.
Commercial property amounting to EUR3,700,000 (31 October 2024: EUR3,700,000)	Income capitalisation approach	The inputs used to calculate the total value of the property is an annual return of EUR100-EUR300 per square meter (2024: same) at a capitalisation rate of 5.5% (2024: same).	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.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

Six-month period ended 30 April 2025

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 2025 for the 5.85% bonds (2023 – 2033) was EUR107.2 (31 October 2024: EUR106). The fair value of the bond as at 30 April 2025 amounted to EUR42,880,000 (31 October 2024: EUR42,400,000). The carrying value of the bond as at 30 April 2025 amounted to EUR39,409,368 (31 October 2024: 39,376,862). 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., out of which EUR8,802,900 are still held by AX Group p.l.c. as at 30 April 2025. 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 2025 for the 3.5% bonds (2022 – 2032) was EUR94.5 (31 October 2024: EUR93). The fair value of the bond as at 30 April 2025 amounted to EUR37,800,000 (31 October 2024: EUR37,200,000). The carrying value of the bond as at 30 April 2025 amounted to EUR39,639,287 (31 October 2024: EUR39,611,543). 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 2025 for the 3.25% bonds (2020 – 2026) was EUR100 (31 October 2024: EUR97.99) and for the 3.75% bonds (2020 – 2029) was EUR99.38 (31 October 2024: EUR95). The fair value of the bonds as at 30 April 2025 amounted to EUR15,000,000 (31 October 2024: EUR14,698,500) and EUR9,938,000 (31 October 2024: EUR9,500,000) respectively, which amounts to an aggregated fair value of EUR24,938,000 (31 October 2024: EUR24,198,500). The carrying value of the bonds as at 30 April 2025 amounted to EUR24,828,624 (31 October 2024: EUR24,810,134).

As at interim period end, the Group has a balance of EUR93,615,679 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.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

Six-month period ended 30 April 2025

13. DEBT SECURITIES IN ISSUE – CONTINUED

	30 April 2025	31 October 2024
	EUR	EUR
	(unaudited)	(audited)
At beginning of period	90,671,876	85,442,763
Bonds issued during the period	2,865,063	45,739,007
Bond matured during the year	-	(40,000,000)
Bond issue costs	-	(688,996)
Bond issue costs amortisation for the period	78,740	179,102
	93,615,679	90,671,876
Accrued interest	1,742,551	3,810,761
At period year end	95,358,230	94,482,637
Current	1,742,551	3,810,761
Non-current	93,615,679	90,671,876
	95,358,230	94,482,637

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 2025 and 31 October 2024 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 2024.

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

	30 April 2025
	EUR
Authorised and contracted	9,733,076
Authorised but not contracted	7,213,382

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

Six-month period ended 30 April 2025

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 21, 23 and note 29 to the audited financial statements as at 31 October 2024. 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 2024 to 30 April 2025 (unaudited) EUR	1 November 2023 to 30 April 2024 (unaudited) EUR
Dividends on ordinary shares declared:		
Interim dividend	-	355,677
Final dividend for the year ended 31 October 2024	205,012	-