The following is a Company Announcement issued by HUDSON MALTA P.L.C., a company registered under the laws of Malta with company registration number C 83425 (hereinafter the 'Company'), pursuant to the Capital Markets Rules issued by the Malta Financial Services Authority in accordance with the provisions of the Financial Markets Act (Chapter 345 of the laws of Malta), as amended from time to time.

Quote

Publication of Financial Analysis Summary

The Company hereby announces that the updated Financial Analysis Summary dated 30th June 2025 is available for viewing below as an attachment to this announcement and at the Company's registered office, and is also available for download from the following link on the Hudson Group's website: https://hudson.com.mt/investor-relations/.

Unquote

By order of the Board.

Dr Luca Vella
Company Secretary

30th June 2025

Company Announcement: HDS90

FINANCIAL ANALYSIS SUMMARY

30 JUNE 2025

ISSUER

HUDSON MALTA P.L.C.

(C 83425)

GUARANTOR

HUDSON MALTA SALES LTD

(C 32438)

Prepared by:

MZ INVESTMENTS

M.Z. Investment Services Limited
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MZ INVESTMENTS

The Board of Directors
Hudson Malta p.l.c.
Hudson House
Burmarrad Road
Burmarrad, St Paul's Bay SPB 9060
Malta

30 June 2025

Dear Board Members,

Financial Analysis Summary

In accordance with your instructions, and in line with the requirements of the MFSA Listing Policies, we have compiled the Financial Analysis Summary (the "**Analysis**") set out on the following pages and which is being forwarded to you together with this letter.

The purpose of this Analysis is that of summarising key financial information appertaining to Hudson Malta p.l.c. (the "**Issuer**", "**Company**" or "**Hudson Malta**") and Hudson Holdings Limited (the "**Group**", "**HHL**", or "**Hudson Holdings**"). The data is derived from various sources or is based on our own computations as follows:

(a) Historical information for the most recent three financial years ended 31 December 2022, 31 December 2023, and 31 December 2024 has been extracted from the respective audited consolidated annual financial statements.

(b) The forecast information of Hudson Malta for the financial year ending 31 December 2025 has been provided by the Issuer.

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

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

(e) Relevant financial data in respect of the companies included in Part 3 – Comparative Analysis has been extracted from public sources such as websites of the companies concerned, financial statements filed with the Malta Business Registry, as well as other sources providing financial information.

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This Analysis is meant to assist investors by summarising the more important financial information of the Group. This Analysis does not contain all data that is relevant to investors. Furthermore, it does not constitute an endorsement by our firm of any securities of the Issuer and should not be interpreted as a recommendation to invest or not invest in any of the Issuer's securities. We will not accept any liability for any loss or damage arising out of the use of this Analysis. As with all investments, investors are encouraged to seek professional advice before investing in the Issuer's securities.

Yours faithfully,

Evan Mohnani
Head of Corporate Broking

TABLE OF CONTENTS

PART 1 – INFORMATION ABOUT THE GROUP

1. ABOUT HUDSON HOLDINGS

The Group is an international retailer, distributor, and service provider primarily involved in sports and fashion wear in Southern Europe – namely, Malta, Italy, Cyprus, and Greece – and Africa, where it distributes brands like NIKE in several countries and has direct offices in Algeria, Morocco, and Nigeria. Hudson Holdings manages numerous stores across its various markets, albeit its central operations are based in Malta, including the Group's management and strategy team, logistics and supply chain arm, human resources, financial reporting, and other business support functions.

Some of the key brands managed by the Group are Armani Exchange, Calvin Klein, Columbia, Converse, Crocs, Kiabi, Mango, NIKE (which is the flagship brand of the Group), Timberland, and Tommy Hilfiger amongst many others. Most of the brands managed by the Group are subject to franchise or distribution agreements which have been in place for a long number of years. In this respect, the Group is confident that it will continue enjoying the trust of the respective franchisors and suppliers for the foreseeable future.

In terms of an agreement dated 5 March 2018 between HHL (which is the ultimate parent entity of the Group) and the Issuer, all retail activity carried out in Malta by the Group relating to sports and fashion wear where Hudson Holdings acts as franchisee or operator is performed exclusively through the Issuer or via Hudson Malta Sales Ltd (the "**Guarantor**" or "**HMSL**") which is a wholly owned subsidiary of Hudson Malta.

In Q1 2021, HMSL completed the merger by acquisition of Hudson International Company Limited – a company which was involved in the importation and retailing of branded fashion wear in Malta through the operation of a number of outlets.

In late 2021, HHL completed the acquisition of the premium fashion retail company Trilogy Limited ("**Trilogy**"). The transaction was concluded in exchange for new shares issued by HHL, equivalent to 15% of the Group's issued share capital, and a contingent consideration based on a targeted equity value of HHL for five years following the effective acquisition date. As at the date of the acquisition, the fair value of the 15% equity stake in HHL was determined at €6 million whilst the fair value of the contingent consideration stood at nil but capped at a maximum of €1.65 million.

Following the above-mentioned acquisition, HHL transferred its equity stake in Trilogy to the Issuer for a consideration of €6 million which was settled by way of new shares issued in favour of HHL. Thereafter, on 30 August 2022, Hudson Malta transferred its equity stake in Trilogy to HMSL for a consideration of €6 million settled by an issue of shares in favour of Hudson Malta and pursuant to the capitalisation of amounts due by HMSL to the Company. Trilogy eventually merged into HMSL and, as a result, HMSL succeeded to all the assets, rights, liabilities, and obligations of Trilogy, which, in turn, ceased to exist and was struck off.

On 10 October 2023, the shareholders of HHL signed a non-binding letter of intent with Frasers Group p.l.c. ("**Frasers Group**") – an international leader in the retail sector which has its shares listed on the London Stock Exchange – to discuss the possibility of Frasers Group making a significant investment in the Group as well as to franchise their Sports Direct retail concept to Hudson Group for Malta and Africa. Thereafter, on 11 October 2024, the shareholders of HHL successfully concluded negotiations and entered into a Master Framework and Shareholders' Agreement ("**MSA**"] with Frasers Group setting out, inter alia, the terms upon which, and subject to the satisfaction of a number of conditions, Frasers Group may acquire a noncontrolling shareholding in HHL, with the possibility of further staggered acquisitions by Frasers Group at future dates resulting in Frasers Group potentially taking on a controlling interest in HHL. Subsequently, on 16 January 2025, Frasers Group (European Holdings) Limited, a wholly-owned subsidiary of Frasers Group, acquired a 41.98% direct shareholding in HHL.

1.1 MALTA OPERATIONS

Hudson Malta was established on 10 November 2017, and in Q1 2018, the Company issued €12 million in 4.35% unsecured bonds maturing in 2026 in support of the Group's expansion both in Malta and internationally.

The Issuer is a leading retailer and distributor of sports and fashion wear in Malta. The activities of Hudson Malta are conducted through HMSL which operates various retail outlets in Malta. In addition, the Company supplies a number of third-party owned stores in Malta and has its own multi-brand franchise concept stores – Urban Jungle and Urban Bratz – of which the former is also present in Italy, Algeria, Morocco, and Nigeria.

In the course of its activities, Hudson Malta has several ties and collaborations with athletes, fitness centres, as well as football and other sports clubs.

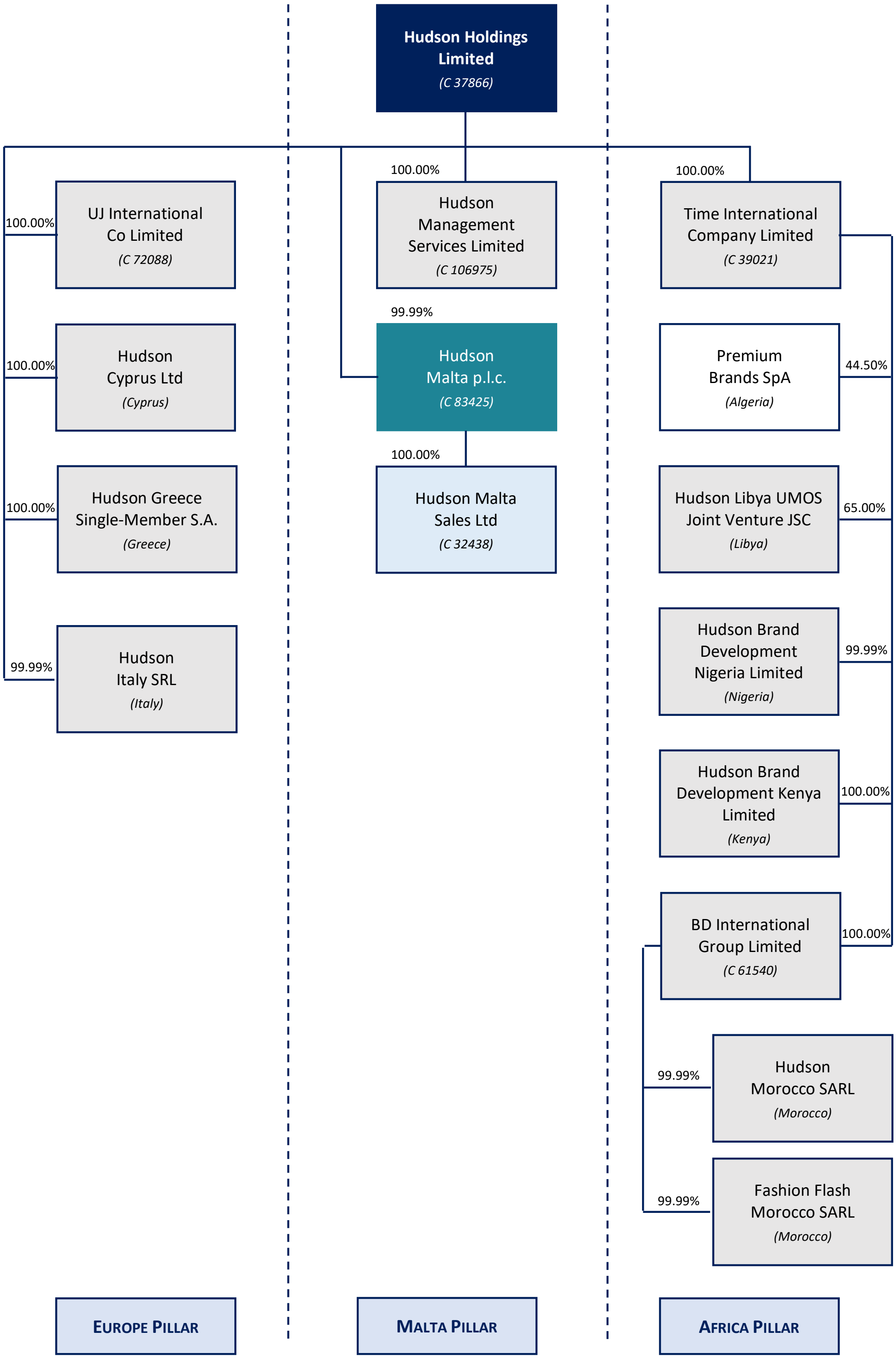
1.2 INTERNATIONAL OPERATIONS

Apart from its operations in Malta, the Group has a direct retail presence in Southern Europe and Africa with over 30 stores in Morocco (including the recent addition of the representation of H&M), 7 stores in Algeria, and 3 stores in Nigeria. The Group also has an international distribution network for some brands which cover more than 30 African territories. These include NIKE products which are also distributed to more than 20 countries in Africa (particularly the North African and Sub-Saharan markets) that are served from a state-of-the art logistics hub in Malta as well as through various country offices.

Elsewhere, the Group has a retail operation in Cyprus with three Kiabi stores, six stores in Italy (three Urban Jungle and three Black Box stores), and one Kiabi store in Greece.

2. ORGANISATIONAL STRUCTURE

The diagram below illustrates the organisational structure of the Group:



3. DIRECTORS AND MANAGEMENT STRUCTURE

3.1 DIRECTORS OF THE ISSUER

The Board of Directors of Hudson Malta comprises the following five individuals who are entrusted with the overall development, direction, and strategic management of the Company:

Alfred Borg	Executive Director
Christopher Muscat	Executive Director
Victor Spiteri	Independent Non-Executive Director
Stephen Paris	Independent Non-Executive Director
Brian Zarb Adami	Independent Non-Executive Director

3.2 DIRECTORS OF THE GUARANTOR

The Board of Directors of HMSL comprises the following three individuals who are entrusted with the overall development, direction, and strategic management of the Guarantor:

Alfred Borg	Executive Director
Joseph A. Borg	Executive Director
Christopher Muscat	Executive Director

3.3 MANAGEMENT STRUCTURE

The Group's Executive Committee ("**EXCO**") is responsible for managing HHL's operations. It is a key decision-making entity set up to implement the Group's strategic business plans consistent with the organisation's vision, ambitions, values, and targets. The EXCO also advises the Group's Board of Directors on decisions and matters related to business strategy, investments, and risk management. The EXCO is composed of the following individuals whilst other individuals who are members of the Group's Senior Management Team may also be invited to contribute to the EXCO:

Alfred Borg	Chairman
Christopher Muscat	Chief Executive Officer
Silvano Azzopardi	Chief Financial Officer
Alex Cara	Chief Commercial Officer
Nigel Curmi	Chief Information Officer

Emanuel Borg	Head of Planning Operations
James France	Frasers Group Representative
Nick Fox	Frasers Group Representative

The EXCO is supported by a Senior Management Team in the day-to-day running of the Group which, in turn, is composed of the following individuals:

Alfred Borg	Chairman
Christopher Muscat	Chief Executive Officer
Silvano Azzopardi	Chief Financial Officer
Alex Cara	Chief Commercial Officer
Nigel Curmi	Chief Information Officer
David Shone	Country Manager – Malta
Luca Moscati	Country Manager – Italy
Kyriacos Zindilis	Country Manager – Cyprus
Magdy Salama	Country Manager – Morocco
Kieran Murphy	Country Manager – Nigeria
Indrek Heinmets	Brand Director – Nike
Felice Ilaqua	Brand Director – Other Sports Brands
Gianluca Salute	Brand Director – Urban Jungle and Black Box
Joseph Borg	Brand Director – Fashion

4. ECONOMIC UPDATE[1]

In 2024, the Maltese economy expanded by 6%, exceeding expectations by circa 100 basis points. This robust performance was underpinned by strong domestic demand dynamics, including a 5.7% increase in private consumption and a notable 7.3% growth in government consumption. The positive contribution of net exports further reinforced GDP growth, driven predominantly by the sustained expansion in tourism, professional services, and other service-oriented sectors.

The tourism sector stood out as a key growth driver, with total tourist expenditure rising by just over 23% over the previous year, a period which had already exceeded pre-pandemic benchmarks. Other high-performing segments included financial, IT, and recreational services, all of which benefited from resilient global demand and Malta's competitive positioning. Moreover, Malta's limited exposure to goods trade and its ability to shield itself from external commodity price shocks allowed the economy to remain insulated from international volatility. Investment, having contracted in 2023, returned to growth in 2024, rising by 2.4%, albeit remaining subdued by historical standards.

Looking ahead, real GDP is forecast to expand by 4.1% in 2025 and 4% in 2026, reflecting a normalisation from the exceptional pace recorded in 2023 and 2024. Private consumption is set to remain the dominant engine of growth, with projected increases of 4.1% in 2025 and 3.9% in 2026. Net exports are anticipated to retain a positive contribution, while investment is expected to maintain a modest upward trajectory, growing by 2.5% in 2025 and by 2.1% in 2026. Nonetheless, these investment growth rates remain below Malta's long-term average and reflect a more cautious forward-looking investment sentiment.

The labour market remained very dynamic in 2024, with employment rising by 5.1%, buoyed by continued immigration to address persistent labour shortages. However, employment growth is expected to ease gradually to 3.1% in 2025 and 2.8% in 2026, in line with a return to more typical post-pandemic trends. The unemployment rate is forecast to stabilise at a historically low level of 3.1% in both 2025 and 2026. Nominal wage growth per employee is projected to remain ahead of inflation, with expected increases of 4.1% in 2025 and 3.5% in 2026, highlighting continued pressure on wages amid a tight labour market.

Inflation fell to 2.4% in 2024, compared to 5.6% in 2023 and 6.1% in 2022, and is projected to decline further to 2.2% in 2025 and 2.1% in 2026. While food and services prices are expected to remain the main inflationary drivers, energy prices are anticipated to remain unchanged in nominal terms as government policy continues to maintain administered prices at 2020 levels.

On the fiscal front, the general government deficit narrowed to 3.7% of GDP in 2024, down from 4.7% in 2023. This improvement was primarily supported by higher revenue from income and wealth taxation, particularly driven by one-off transactions and enhanced tax collection efforts. These gains

[1] **Source:** European Commission, '*Spring 2025 Economic Forecast: Moderate Growth Amid Global Economic Uncertainty*', 19 May 2025. This economic update reflects information available as at the time of publication of the European Commission's Spring 2025 Economic Forecast and remains subject to change as macroeconomic conditions, policies, and external factors evolve.

were partially offset by increased current and capital expenditures, including support measures related to the national airline.

Key Economic Indicators	**2022 Actual**	**2023 Actual**	**2024 Actual**	**2025 Forecast**	**2026 Projection**
Malta					
Real GDP growth *(%, year-on-year)*	4.30	6.80	6.00	4.10	4.00
Inflation - HICP *(%, year-on-year)*	6.10	5.60	2.40	2.20	2.10
Unemployment (%)	3.50	3.50	3.10	3.10	3.10
Current account balance *(% of GDP)*	(1.80)	4.60	3.60	3.70	3.40
General fiscal balance *(% of GDP)*	(5.20)	(4.70)	(3.70)	(3.20)	(2.80)
Gross public debt *(% of GDP)*	49.50	47.90	47.40	47.60	47.30
Euro area					
Real GDP growth *(%, year-on-year)*	3.50	0.40	0.90	0.90	1.40
Inflation *(%, year-on-year)*	8.40	5.40	2.40	2.10	1.70
Unemployment (%)	6.80	6.60	6.40	6.30	6.10
Current account balance *(% of GDP)*	1.00	2.60	3.30	3.00	3.00
General fiscal balance *(% of GDP)*	(3.50)	(3.50)	(3.10)	(3.20)	(3.30)
Gross public debt *(% of GDP)*	91.20	88.90	88.90	89.90	91.00
EU					
Real GDP growth *(%, year-on-year)*	3.50	0.50	1.00	1.10	1.50
Inflation *(%, year-on-year)*	9.20	6.40	2.60	2.30	1.90
Unemployment (%)	6.20	6.10	5.90	5.90	5.70
Current account balance *(% of GDP)*	0.80	2.60	3.20	3.00	3.00
General fiscal balance *(% of GDP)*	(3.20)	(3.50)	(3.20)	(3.30)	(3.40)
Gross public debt *(% of GDP)*	83.90	82.10	82.20	83.20	84.50

Source: European Commission, '*Spring 2025 Economic Forecast: Moderate Growth Amid Global Economic Uncertainty*', 19 May 2025.

In 2025, the deficit is expected to decline further to 3.2% of GDP, largely reflecting the cessation of airline-related capital spending and a continued drop in subsidies as a share of GDP. Although social spending and energy-related support measures are set to remain unchanged in nominal terms, their GDP share will fall due to nominal GDP growth. However, the reform of personal income tax brackets is expected to weigh on revenue collection. By 2026, the deficit is forecast to fall further to 2.8% of GDP, primarily driven by lower subsidy levels and the stronger growth of overall revenues relative to nominal GDP. Overall, the general government debt ratio is projected to remain broadly stable to 2026, staying below the 48% of GDP threshold, underscoring Malta's comparatively sound fiscal position within the European context.

PART 2 – FINANCIAL REVIEW

5. FINANCIAL ANALYSIS – HUDSON HOLDINGS LIMITED

The historical information is extracted from the audited consolidated annual financial statements of Hudson Holdings for the years ended 31 December 2022, 31 December 2023, and 31 December 2024.

As an entity external to the Issuer, HHL is not bound by the 'Continuing Obligations' of the Capital Markets Rules. However, the Board of Directors of Hudson Holdings had resolved to publish, on an annual basis, the Group's audited consolidated annual financial statements by not later than two months after the publication of the Issuer's audited financial statements.

Hudson Holdings Limited Income Statement for the financial year 31 December	**2022 Actual €'000**	**2023 Actual €'000**	**2024 Actual €'000**
Retail	*62,768*	*85,587*	*91,706*
Wholesale	*98,805*	*96,254*	*90,134*
Revenue	**161,573**	**181,841**	**181,840**
Cost of sales	(114,527)	(128,260)	(125,759)
Gross profit	**47,046**	**53,581**	**56,081**
Net operating costs	(26,953)	(36,020)	(38,670)
EBITDA	**20,093**	**17,561**	**17,411**
Depreciation and amortisation	(9,877)	(12,279)	(12,855)
Operating profit	**10,216**	**5,282**	**4,556**
Share of result of associate	245	589	482
Net finance costs	(2,889)	(5,123)	(5,474)
Profit / (loss) before tax	**7,572**	**748**	**(436)**
Taxation	(3,179)	(1,763)	(1,382)
Profit / (loss) after tax	**4,393**	**(1,015)**	**(1,818)**
Other comprehensive income / (expense)			
Currency translation differences	454	(1,173)	1,012
Fair value movements in equity investments, net of deferred tax	-	313	-
Total comprehensive income / (expense)	**4,847**	**(1,875)**	**(806)**

Hudson Holdings Limited **Key Financial Ratios**	**FY2022** **Actual**	**FY2023** **Actual**	**FY2024** **Actual**
Gross profit margin (%) *(Gross profit / revenue)*	29.12	29.47	30.84
EBITDA margin (%) *(EBITDA / revenue)*	12.44	9.66	9.57
Operating profit margin (%) *(Operating profit / revenue)*	6.32	2.90	2.51
Net profit margin (%) *(Profit after tax / revenue)*	2.72	(0.56)	(1.00)
Return on equity (%) *(Profit after tax / average equity)*	21.97	(4.73)	(9.03)
Return on assets (%) *(Profit after tax / average assets)*	3.46	(0.68)	(1.18)
Return on invested capital (%) *(Operating profit / average equity and net debt)*	14.32	5.68	4.78
Interest cover (times) *(EBITDA / net finance costs)*	6.96	3.43	3.18

INCOME STATEMENT

Revenues increased by almost 34% to €161.57 million in **FY2022**. Both the retail and the wholesale operating segments of the Group registered strong double-digit percentage growth to €62.77 million (+21.24%) and €98.91 million (+43.56%) respectively amid an improved business backdrop and the continued expansion of the Group's international operations especially in Nigeria and Morocco. During the year, HHL opened further stores to a total of 68 outlets in 6 countries by the end of 2022.

In view of the material growth in turnover, gross profit increased by 35.94% to €47.05 million which translated into a margin of 29.12%. Likewise, EBITDA rose by 32.36% to €20.09 million and resulted into a margin of 12.44%.

Depreciation and amortisation charges also increased markedly to €9.88 million on account of the expansion of the Group's retail network. Furthermore, net finance costs were higher by 28.51% and amounted to €2.89 million as during the year the Group took on additional borrowings supporting its international growth as well as capital investments including an exceptional expense of €0.76 million for the implementation of a new Enterprise Resource Planning ("**ERP**") software. However, in view of the sharper increase in EBITDA, the interest cover strengthened to 6.96 times.

Overall, Hudson Holdings reported an increase of 21.15% in net profit to €4.39 million which translated into a margin of 2.72%. However, the return on equity ("**ROE**") and return on assets ("**ROA**") retracted to 21.97% and 3.46% respectively, on account of the year-on-year increase in assets and equity.

Similarly, the return on invested capital ("**ROIC**") eased to 14.32% despite the growth in operating profit to €10.22 million.

Total revenues increased by a further 12.54% to €181.84 million in **FY2023** as the strong increase of 36.35% registered by the retail segment to €85.59 million outweighed the marginal drop of 2.58% to €96.25 million recorded by the wholesale division. The increased revenue reported by the retail segment was principally the result of new store openings which took place in 2022 and 2023. In fact, during 2023, the Group continued with its fast pace of retail expansion and opened 29 stores across 6 countries with most of the openings happening in Morocco, followed by Malta. In aggregate, Hudson Holdings ended the year with 84 stores across 6 countries.

Despite the significant growth in retail turnover generated by the new stores, the Group felt the impact of the decreased demand for retail goods mainly caused by inflation and, as such, the achieved retail turnover was significantly below expectations. This decreased demand was also felt in the wholesale business, but this was mostly absorbed by the onboarding of new clients.

Given the upsurge in overall business, cost of sales rose by almost 12% to €128.26 million (FY2022: €114.53 million). Nonetheless, the Group still recorded an increase of 13.89% in gross profit to €53.58 million whilst the relative margin improved, albeit marginally, to 29.47%, reflecting the larger share of retail revenue of the total, which is at higher margin, although this was lower than expected due to the downward pressure on retail prices in a challenging business climate and high inventory levels.

Net operating costs also increased markedly by 33.64% to €36.02 million (FY2022: €26.95 million) amid overall inflationary pressures, the expansion of the Group's operations including the opening of a significant number of new retail stores, adverse movements in foreign currency related to HHL's operations in Africa particularly in Nigeria which resulted in a loss of €2.50 million, as well as higher payroll and IT costs. As a result, EBITDA contracted by 12.60% year-on-year to €17.56 million whilst the EBITDA margin retracted to 9.66%. Furthermore, in view of the reduction in EBITDA and the rise in net finance costs due to the increase in the cost of debt and the higher level of bank borrowings, the interest cover deteriorated to 3.43 times.

During FY2023, the Group also incurred higher depreciation and amortisation charges as these amounted to €12.28 million reflecting the additional investments pursued by the Group to sustain its expansion. Accordingly, the operating profit dropped to €5.28 million which translated into a margin of 2.90% (FY2022: 6.32%) and a ROIC of 5.68%. After deducting net finance costs of €5.12 million, the Group reported a profit before tax of €0.75 million. Overall, the Group reported a loss for the year of €1.02 million after taking into account tax charges of €1.76 million. The total comprehensive loss amounted to €1.88 million (FY2022: total comprehensive income of €4.85 million) and was mostly adversely impacted by negative currency translation differences of €1.17 million.

In **FY2024**, the Group generated total revenue of €181.84 million, unchanged from the previous year despite a year-on-year reduction in the total number of outlets to 80. Revenue was split almost evenly between retail and wholesale operations, with retail accounting for €91.71 million, equivalent to 50.43% of total income, and wholesale contributing €90.13 million or 49.57%.

This marked the first time that retail revenue surpassed wholesale revenue, reflecting the shift towards retail that has underpinned the Group's expansion strategy in recent years. This increased focus on direct retail was marred by the tough market conditions that impacted the retail sector in general in 2024, mainly due to the inflationary pressures and changes in consumer behaviour, which dampened the revenue from certain stores and brands. The biggest negative impact on the Group's turnover and profitability was the reduction in wholesale revenue of €6.12 million which was principally caused by the difficulty in importing products into Algeria, one of the Group's most important wholesale markets as well as a decline in a significant client, who also in part operates in Algeria.

Cost of sales decreased marginally by 1.95% to €125.76 million, resulting in a gross profit of €56.08 million, representing a year-on-year increase of 4.67%. Furthermore, the gross profit margin improved by 137 basis points to 30.84%, reflecting operational efficiencies and a more profitable revenue mix.

Net operating costs rose by 7.36% to €38.67 million, mainly reflecting the impact of inflation and the higher operating costs of the retail sector. The main increases were reported in retail labour costs, rent costs, and an increase in inventory provision. In 2024, the Group accounted for the increased contingent liability on the Trilogy transaction of €0.9 million (FY2023 €0.4 million). As a result of all the above, EBITDA fell slightly to €17.41 million, whilst the EBITDA margin declined marginally to 9.57%.

Depreciation and amortisation charges amounted to €12.86 million, thus leading to an operating profit of €4.56 million, representing a year-on-year decline of 13.74%. The corresponding operating margin deteriorating to 2.51% whilst the ROIC fell by 90 basis points to 4.78%.

The Group's share of profit from associate eased to €0.48 million compared to €0.59 million in FY2023. Furthermore, net finance costs increased by 6.85% to €5.47 million, resulting in a slight deterioration in the interest cover to 3.18 times.

Overall, the loss before tax amounted to €0.44 million, whilst the net loss for the year stood at €1.82 million after accounting for tax charges of €1.38 million. However, the total comprehensive expense for the year was lower than the net loss, at €0.81 million, reflecting favourable currency translation differences which amounted to €1.01 million.

Hudson Holdings Limited Statement of Cash Flows for the financial year 31 December	2022 Actual €'000	2023 Actual €'000	2024 Actual €'000
Net cash from / (used in) operating activities	(6,614)	12,239	16,335
Net cash used in investing activities	(9,214)	(8,285)	(3,654)
Net cash from / (used in) financing activities	3,688	(5,283)	(10,574)
Net movement in cash and cash equivalents	**(12,140)**	**(1,329)**	**2,107**
Cash and cash equivalents at beginning of year	23,054	10,914	9,585
Cash and cash equivalents at end of year	**10,914**	**9,585**	**11,692**
Capital expenditure	9,214	8,285	3,654
Free cash flow	**(15,828)**	**3,954**	**12,681**

STATEMENT OF CASH FLOWS

In **FY2022**, HHL used €6.61 million in net cash for its operating activities as despite the improved profitability, the Group's operating cash flows were negatively impacted by adverse movements in working capital particularly inventories and trade and other receivables.

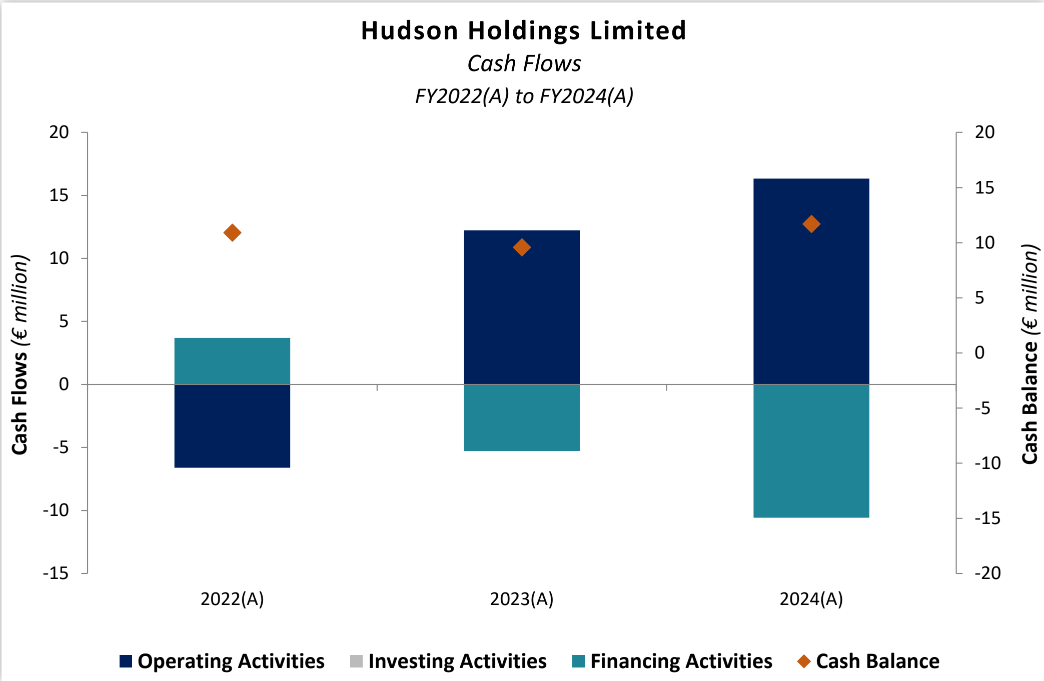
Net cash used in investing activities increased to €9.21 million, mainly on account of the expansion of the Group's business. Meanwhile, net cash from financing activities amounted to €3.69 million as the €8.89 million net increase in bank borrowings was partly offset by lease payments of €5.20 million. As a result, Hudson Holdings ended the 2022 financial year with a cash balance of €10.91 million.

During **FY2023**, HHL generated €12.24 million in net cash from its operating activities reflecting the inflows from business activity which were partly offset by a marginal negative movement in working capital as well as other outflows. On the other hand, net cash used in investing and financing activities amounted to €8.29 million and €5.28 million respectively and these comprised the purchase of property, plant, and equipment ("**PPE**") (€7.20 million) and intangible assets (€1.09 million), as well as lease payments (€6.64 million) and proceeds from drawdowns of bank borrowings (€1.36 million). Overall, the Group ended the 2023 financial year with a cash balance of €9.59 million, representing a year-on-year drop of €1.33 million.

In **FY2024**, the Group reported a strong improvement in cash generation, underpinned by robust operating performance and a significant turnaround in free cash flow to €12.68 million compared to €3.95 million in FY2023. Net cash generated from operating activities amounted to €16.34 million, €4.10 million higher than the prior year, with the improvement mainly reflecting more favourable movements in working capital.

Net cash used in investing activities contracted materially to €3.65 million, comprising outflows related to PPE (€3.26 million) and intangible assets (€0.40 million).

Net cash used in financing activities increased substantially to €10.57 million, reflecting payments towards borrowings (€2.69 million) and leases (€7.88 million). Despite this financing outflow, the Group was able to register a net positive movement in cash and cash equivalents of €2.11 million and thus end the year with a higher balance of €11.69 million.



Hudson Holdings Limited Statement of Financial Position as at 31 December	2022 Actual €'000	2023 Actual €'000	2024 Actual €'000
ASSETS			
Non-current assets			
Intangible assets	8,362	8,627	8,189
Property, plant, and equipment	17,042	19,014	17,190
Right-of-use assets	32,080	44,659	39,551
Investment in associates	795	1,372	1,428
Available for sale investments	-	313	313
Receivables	2,071	1,816	951
Deferred tax assets	1,845	1,208	1,583
	62,195	**77,009**	**69,205**
Current assets			
Inventories	35,266	46,446	48,788
Trade and other receivables	28,485	24,875	15,112
Other current assets	-	201	458
Cash and cash equivalents	12,392	11,773	15,137
	76,143	**83,295**	**79,495**
Total assets	**138,338**	**160,304**	**148,700**
EQUITY			
Capital and reserves			
Share capital	100	100	46,457
Reserves	8,663	8,560	1,958
Retained earnings	13,815	12,043	(28,518)
Non-controlling interest	(162)	(163)	(163)
	22,416	**20,540**	**19,734**
LIABILITIES			
Non-current liabilities			
Bonds	11,906	11,936	11,965
Lease liabilities	29,098	40,720	35,225
Bank borrowings	6,332	5,601	5,068
Other non-current liabilities	-	46	318
	47,336	**58,303**	**52,576**
Current liabilities			
Lease liabilities	3,985	6,802	7,190
Bank borrowings	24,087	26,863	25,958
Trade and other payables	35,958	45,496	42,473
Other current liabilities	4,556	2,300	769
	68,586	**81,461**	**76,390**
Total liabilities	**115,922**	**139,764**	**128,966**
Total equity and liabilities	**138,338**	**160,304**	**148,700**
Total debt	*75,408*	*91,922*	*85,406*
Net debt	*63,016*	*80,149*	*70,269*
Invested capital (total equity plus net debt)	*85,432*	*100,689*	*90,003*

Hudson Holdings Limited Key Financial Ratios	FY2022 Actual	FY2023 Actual	FY2024 Actual
Net debt-to-EBITDA (times) *(Net debt / EBITDA)*	3.14	4.56	4.04
Net debt-to-equity (times) *(Net debt / total equity)*	2.81	3.90	3.56
Net gearing (%) *(Net debt / net debt and total equity)*	73.76	79.60	78.07
Debt-to-assets (times) *(Total debt / total assets)*	0.55	0.57	0.57
Leverage (times) *(Total assets / total equity)*	6.17	7.80	7.54
Current ratio (times) *(Current assets / current liabilities)*	1.11	1.02	1.04

STATEMENT OF FINANCIAL POSITION

During **FY2022**, total assets expanded by 19.40% to €138.34 million mostly on account of the increases in inventories (+83.43% to €35.27 million) and trade and other receivables (+52.73% to €28.49 million) reflecting the overall growth in the volume of business.

Similarly, total liabilities increased by 17.94% to €115.92 million mostly on account of the higher levels of debt supporting the Group's capital expenditure and working capital position. During the year, net debt increased by 58.62% to €63.02 million, resulting in a marginal deterioration in the Group's net gearing and net debt-to-equity ratios to 73.76% and 2.81 times respectively. Likewise, the net debt-to-EBITDA multiple trended higher to 3.14 times. On the other hand, the debt-to-assets ratio remained stable at 0.55 times whilst the leverage ratio trended marginally lower to 6.17 times.

Total assets increased by 15.88% in **FY2023** to €160.30 million principally driven by higher levels of right-of-use assets, inventories, and PPE which outweighed the drops in trade and other receivables, cash, and other non-current assets.

Total liabilities expanded by 20.57% to €139.76 million mostly reflecting the higher level of lease liabilities (+€14.44 million to €47.52 million) and the increase in trade and other payables (+€9.54 million to €45.50 million).

As the Group's equity base contracted by 8.36% to €20.54 million (reflecting the total comprehensive loss incurred during the year), and in view of the increase in total debt to €91.92 million from €75.41 million as at the end of FY2022, the net debt-to-equity ratio and the net gearing ratio trended higher to 3.90 times and 79.60% respectively. Likewise, HHL's other principal debt ratios deteriorated year-on-year, including the net debt-to-EBITDA multiple and the leverage ratio which rose to 4.56 times and

7.80 times respectively. Similarly, the debt-to-assets ratio rose to 0.57 times. On the other hand, the current ratio remained above 1 times, meaning that the Group had enough current assets to cover its short-term obligations.

As at the end of **FY2024**, the Group had total assets of €148.70 million, representing a year-on-year contraction of €11.60 million. The most significant decline was recorded in trade and other receivables which dropped by €9.76 million to €15.11 million. Other material negative movements were related to right-of-use assets and PPE which, in aggregate, decreased by €6.93 million to €39.55 million and €17.19 million respectively. On the other hand, inventories rose by €2.34 million to €48.79 million, whilst cash and cash equivalents climbed by €3.36 million to €15.14 million.

Total equity stood at €19.73 million as at 31 December 2024, representing a marginal decrease of €0.81 million year-on-year. Share capital rose markedly to €46.46 million, slightly offset by the sharp contraction in reserves and retained earnings, reflecting a significant reorganisation of the Group's equity structure during the year.

Total liabilities decreased by €10.80 million to €128.97 million. The reduction was due to lower levels of lease liabilities (-€5.11 million to €42.42 million), trade and other payables (-€3.02 million to €42.47 million), bank borrowings (-€1.44 million to €31.03 million), and other current liabilities (-€1.53 million to €0.77 million).

As a result of the above, total debt declined by €6.52 million to €85.41 million whilst net debt contracted by a sharper €9.88 million to €70.27 million, supported by the improved cash balance. The net debt-to-EBITDA multiple improved to 4.04 times. Similarly, the net debt-to-equity ratio trended lower to 3.56 times whilst the net gearing ratio eased to 78.07%. The debt-to-assets ratio remained flat at 0.57 times, whilst the leverage ratio and the current ratio strengthened to 7.54 times and 1.04 times respectively.

6. FINANCIAL ANALYSIS – HUDSON MALTA P.L.C.

The historical information is extracted from the audited annual financial statements of Hudson Malta for the years ended 31 December 2022, 31 December 2023, and 31 December 2024.

The forecast information has been provided by the Issuer and is based on future events and assumptions which the Group believes to be reasonable. Accordingly, actual outcomes may be adversely affected by unforeseen circumstances, and the variation between forecasts and actual results could be material.

Hudson Malta p.l.c. **Income Statement** **for the financial year 31 December**	**2022** **Actual** **€'000**	**2023** **Actual** **€'000**	**2024** **Actual** **€'000**	**2025** **Forecast** **€'000**
Retail	*42,113*	*45,827*	*49,622*	*53,831*
Wholesale and other income	*12,746*	*13,937*	*14,517*	*13,451*
Revenue	**54,859**	**59,764**	**64,139**	**67,282**
Cost of sales	(36,343)	(38,794)	(42,443)	(43,800)
Gross profit	**18,516**	**20,970**	**21,696**	**23,482**
Net operating costs	(11,914)	(14,129)	(13,511)	(14,930)
EBITDA	**6,602**	**6,841**	**8,185**	**8,552**
Depreciation & amortisation	(4,924)	(5,154)	(5,790)	(6,016)
Operating profit	**1,678**	**1,687**	**2,395**	**2,536**
Net finance costs	(1,081)	(1,212)	(1,661)	(1,390)
Profit before tax	**597**	**475**	**734**	**1,146**
Taxation	(390)	(362)	(192)	(401)
Profit after tax	**207**	**113**	**542**	**745**
Total comprehensive income	**207**	**113**	**542**	**745**

Hudson Malta p.l.c. Key Financial Ratios	FY2022 Actual	FY2023 Actual	FY2024 Actual	FY2025 Forecast
Gross profit margin (%) *(Gross profit / revenue)*	33.75	35.09	33.83	34.90
EBITDA margin (%) *(EBITDA / revenue)*	12.03	11.45	12.76	12.71
Operating profit margin (%) *(Operating profit / revenue)*	3.06	2.82	3.73	3.77
Net profit margin (%) *(Profit after tax / revenue)*	0.38	0.19	0.85	1.11
Return on equity (%) *(Profit after tax / average equity)*	1.63	0.88	4.12	5.40
Return on assets (%) *(Profit after tax / average assets)*	0.34	0.16	0.69	0.97
Return on invested capital (%) *(Operating profit / average equity and net debt)*	3.95	3.32	4.44	5.01
Interest cover (times) *(EBITDA / net finance costs)*	6.11	5.64	4.93	6.15

INCOME STATEMENT

In **FY2022**, total revenues increased by 27.36% to €54.86 million on the back of the full twelve-month contribution from Trilogy, the further recovery in business from the adverse effects of the COVID-19 pandemic, as well as the additional growth in terms of number of outlets which increased to 44 by the end of the year (31 December 2021: 36). The Company's retail operations were again the main driver of growth (+29.41% to €42.11 million) whilst the wholesale arm also recorded a double-digit percentage increase in sales to €12.75 million (+21.01%).

The higher level of turnover and the more buoyant consumer sentiment led to an increase in gross profit to €18.52 million (+31.34%) and an improvement in the relative margin to 33.75%. Conversely, net operating costs increased markedly to €11.91 million reflecting the overall growth in business, the impact of high inflation, as well as the material reduction in assistance/subsidies received in relation to the COVID-19 pandemic. As a result, EBITDA only grew by 1.44% to €6.60 million whilst the relative margin contracted to 12.03%.

The Company also incurred higher depreciation and amortisation charges of €4.92 million whilst net finance costs remained virtually unchanged at €1.08 million. Although the interest cover remained elevated at over 6 times, in view of the increase in the cost base, Hudson Malta reported a drop of 38.56% in operating profit to €1.68 million. As a result, the operating profit margin contracted to 3.06% whilst the return on invested capital ("**ROIC**") retracted to 3.95%.

After accounting for tax charges of €0.39 million, the Issuer reported a net profit of €0.21 million which, in turn, translated into a margin of 0.38%, a return on equity ("**ROE**") of 1.63%, and a return on assets ("**ROA**") of 0.34%.

Revenues continued to increase in **FY2023** as these rose by 8.94% to €59.76 million reflecting growth in both retail activity (+8.82% to €45.83 million) and wholesale trading (+9.34% to €13.94 million). The number of outlets increased significantly during the year, reaching a total of 50 by year-end – 46 of which were operated by Hudson Malta (31 December 2022: 41), with the remaining 4 operated by third parties (31 December 2022: 3).

Although cost of sales increased by 6.74% to €38.79 million (FY2022: €36.34 million), Hudson Malta still reported a 13.25% increase in gross profit to €20.97 million which, in turn, translated into a margin of 35.09%. Similarly, despite the higher level of operating costs (+18.59% to €14.13 million) and depreciation and amortisation charges (+4.67% to €5.15 million), EBITDA and operating profit increased by 3.62% and 0.54% to €6.84 million and €1.69 million respectively. The EBITDA margin slipped to 11.45% whilst the operating profit margin retracted to 2.82%. Similarly, the ROIC fell by 63 basis points to 3.32%

Net finance costs amounted to €1.21 million (+12.12%). In view of the sharper percentage increase in net finance costs than the growth in EBITDA, the interest cover drifted lower to 5.64 times.

After accounting for tax charges of €0.36 million, the Issuer reported a net profit of €0.11 million which translated into a margin of 0.19%, and a ROE and ROA of 0.88% and 0.16% respectively.

In **FY2024**, total revenue increased by 7.32% to €64.14 million, driven by continued growth in both the retail segment (+8.28% to €49.62 million) and the wholesale segment (+4.16% to €14.52 million). The Company operated a total of 42 outlets as at year-end, comprising 39 directly managed outlets and 3 operated by third parties. These included six new outlets situated within Mercury, St Julian's, which were inaugurated in November 2023.

Cost of sales increased at a faster pace than the growth in income, reaching €42.44 million (+9.41%). As a result, the gross profit margin moderated to 33.83% despite the 3.46% increase in gross profit to €21.70 million.

In contrast, net operating costs declined by 4.37% to €13.51 million, contributing to a stronger EBITDA of €8.19 million (up by 19.65% compared to the prior year) and a higher EBITDA margin of 12.76%. After accounting for depreciation and amortisation of €5.19 million, operating profit rose to €2.40 million, reflecting a significant increase of 41.97% year-on-year. The operating profit margin improved to 3.73% whilst the ROIC advanced by 112 basis points to 4.44%.

The improvement in operating performance was partially offset by higher net finance costs, which rose by €0.45 million to €1.66 million due to higher interest rates. Moreover, due to the sharper increase in net finance costs relative to EBITDA, the interest cover deteriorated to 4.93 times.

Following a tax charge of €0.19 million, the Issuer registered a net profit of €0.54 million, resulting in a strong rebound in the net profit margin to 0.85% compared to 0.19% in FY2023. Similarly, the ROE and ROA trended considerably higher to 4.12% and 0.69% respectively.

For **FY2025**, revenue is forecast to grow by 4.90% to €67.28 million, with retail income expected to rise by 8.48% to €53.83 million – despite no major changes anticipated in the Company's outlet network – whilst wholesale and other income is projected to decline marginally by €1.07 million to €13.45 million.

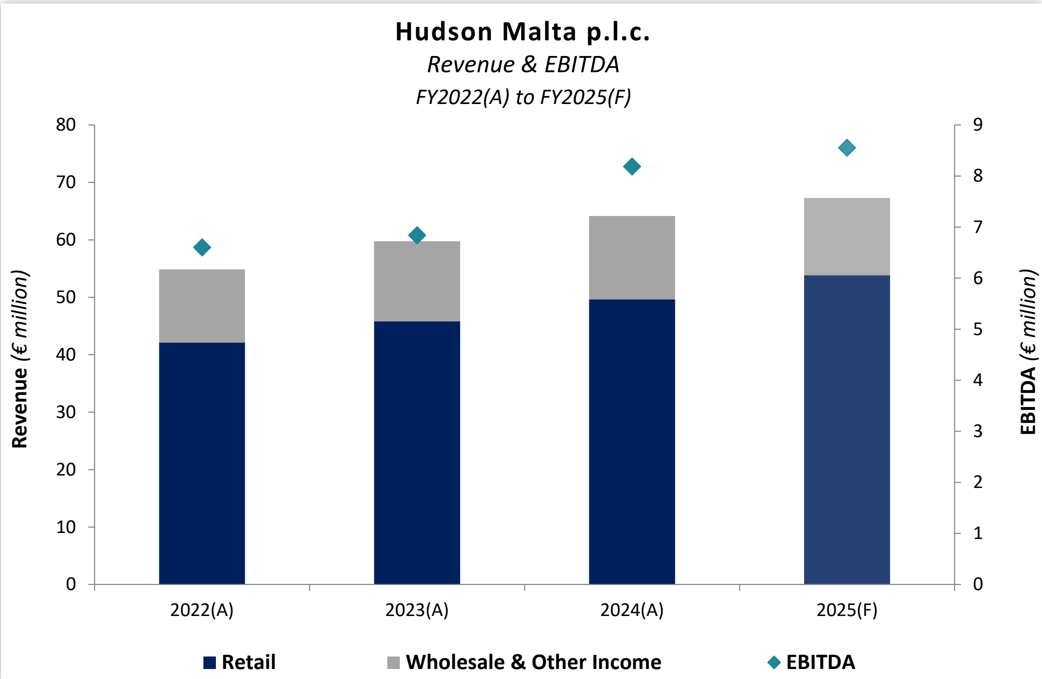
Cost of sales is anticipated to grow at a slower pace of 3.20% to €43.80 million. As a result, gross profit is expected to expand by 8.23% to €23.48 million, with the gross profit margin improving to 34.90%.

Despite the 10.50% forecast rise in net operating costs to €14.93 million, EBITDA is still expected to grow by 4.48% to €8.55 million, maintaining a relatively stable EBITDA margin of 12.71%.

Depreciation and amortisation charges are projected to reach €6.02 million, resulting in an operating profit of €2.54 million – a year-on-year increase of 5.89% – translating into a higher operating margin of 3.77% and a stronger ROIC of 5.01%.

Net finance costs are expected to decline by €0.27 million to €1.39 million, contributing to a notable rebound in the interest cover to 6.15 times.

After accounting for a projected tax charge of €0.40 million, net profit is expected to increase to €0.75 million, reflecting an annual increase of 37.45% and yielding a net profit margin of 1.11%. The ROE is forecast to increase to 5.40%, whilst ROA is projected at 0.97%.



Hudson Malta p.l.c. Statement of Cash Flows for the financial year 31 December	2022 Actual €'000	2023 Actual €'000	2024 Actual €'000	2025 Forecast €'000
Net cash from / (used in) operating activities	(5)	4,756	3,659	6,910
Net cash used in investing activities	(1,386)	(3,116)	(1,365)	(2,765)
Net cash used in financing activities	(3,001)	(1,077)	(1,257)	(4,106)
Net movement in cash and cash equivalents	**(4,392)**	**563**	**1,037**	**39**
Cash and cash equivalents at beginning of year	7,167	2,775	3,338	4,375
Cash and cash equivalents at end of year	**2,775**	**3,338**	**4,375**	**4,414**
Capital expenditure	2,236	3,116	904	2,265
Free cash flow	**(2,241)**	**1,640**	**2,755**	**4,645**

STATEMENT OF CASH FLOWS

In **FY2022**, the Issuer reported a negative movement of €4.39 million in cash and cash equivalents as it increased its investing activities to €1.39 million with a view of expanding its presence in the market. Furthermore, cash used in financing activities amounted to €3 million reflecting the repayment of borrowings (€0.32 million) and payments of lease obligations (€2.68 million).

Cash generated from operating activities was negatively impacted by the higher incidence of income tax payments as well as unfavourable working capital movements. As a result, Hudson Malta ended the FY2022 with cash balance of €2.78 million compared to €7.17 million at the start of the year.

The Company's cash balances increased by €0.56 million in **FY2023** as net cash generated from operating activities amounted to €4.76 million whilst net cash used in investing (€3.12 million – representing purchases of PPE) and financing (€1.08 million) activities in aggregate amounted to €4.19 million. Throughout the year, Hudson Malta received €1.99 million in net proceeds from borrowings whilst principal elements of lease payments amounted to €3.07 million.

Overall, the Issuer ended FY2023 with cash and cash equivalents of €3.34 million.

In **FY2024**, the Group generated €3.66 million in net cash from operating activities, marking a decrease of €1.10 million compared to the prior year. The year-on-year reduction primarily resulted from more pronounced adverse movements in working capital and higher interest paid on lease liabilities.

Cash used in investing activities dropped by €1.75 million year-on-year to €1.37 million. This movement reflected a notable contraction in capital expenditure to €0.90 million compared to €3.12 million in FY2023, and an outflow of €0.46 million in loans provided to related parties.

Net cash used in financing activities amounted to €1.26 million and reflected an outflow of €3.74 million in principal elements of lease payments, partly offset by a net inflow of €2.49 million from borrowings.

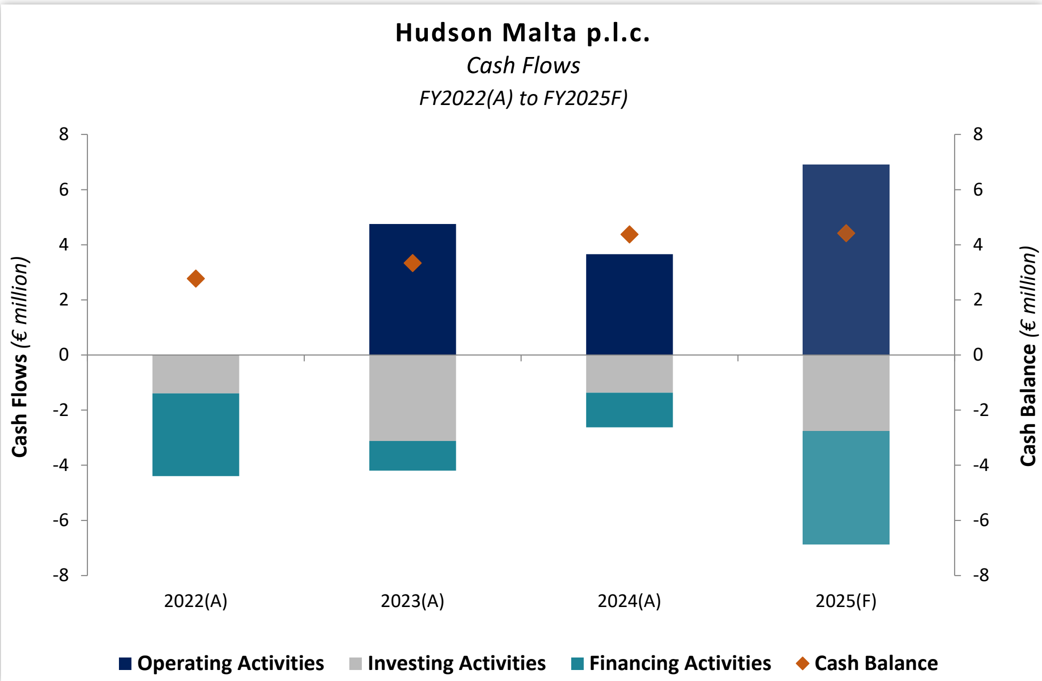
As a result of the above movements, the Group registered a positive net movement in cash and cash equivalents of €1.04 million. Closing cash and cash equivalents stood at €4.38 million as at year-end.

For **FY2025**, net cash from operating activities is forecast to surge to €6.91 million, primarily reflecting stronger operational dynamics and favourable movements related to interest on lease liabilities. Income tax paid is expected to decline by €0.52 million year-on-year to €0.12 million, partially offset by an increase in net interest on borrowings to €0.88 million.

Investing activities are projected to absorb €2.77 million in net cash, primarily reflecting a rebound in capital expenditure to €2.27 million, together with a further outflow of €0.50 million in loans advanced to related parties.

Net cash used in financing activities is forecast to amount to €4.11 million, predominantly reflecting lease principal repayments of €3.67 million, along with a net outflow of €0.44 million related to borrowings.

Despite the higher level of net cash used in investing and financing activities, the strong expected performance in operating cash generation is anticipated to result in a net increase of €0.04 million in cash and cash equivalents during FY2025 to a year-end cash balance of €4.41 million.



Hudson Malta p.l.c. **Statement of Financial Position** **as at 31 December**	**2022** **Actual** **€'000**	**2023** **Actual** **€'000**	**2024** **Actual** **€'000**	**2025** **Forecast** **€'000**
ASSETS				
Non-current assets				
Intangible assets	4,068	3,854	3,639	3,424
Property, plant & equipment	5,163	6,696	5,961	6,176
Right-of-use assets	21,342	30,180	23,200	20,323
Loan to related undertakings	5,383	5,382	5,875	6,375
Other non-current assets	1,414	1,818	2,322	2,322
	37,370	**47,930**	**40,997**	**38,620**
Current assets				
Inventories	7,840	10,136	11,509	11,500
Trade and other receivables	14,398	16,501	20,926	20,277
Cash and cash equivalents	4,228	3,734	4,732	4,770
	26,466	**30,371**	**37,167**	**36,547**
Total assets	**63,836**	**78,301**	**78,164**	**75,167**
EQUITY				
Capital and reserves				
Share capital and reserves	22,450	22,450	28,350	28,350
Other reserves	(15,995)	(15,995)	(15,994)	(15,994)
Retained earnings	6,310	6,423	1,065	1,809
	12,765	**12,878**	**13,421**	**14,165**
LIABILITIES				
Non-current liabilities				
Debt securities	11,907	11,936	11,965	-
Bank borrowings	1,109	698	345	-
Lease liabilities	18,544	27,860	21,428	18,613
Trade and other payables	-	-	159	131
	31,560	**40,494**	**33,897**	**18,744**
Current liabilities				
Debt securities	-	-	-	12,000
Bank borrowings	1,927	3,274	6,071	5,977
Lease liabilities	3,031	3,575	2,857	3,832
Trade and other payables	14,304	17,846	21,803	20,049
Other current liabilities	249	234	115	400
	19,511	**24,929**	**30,846**	**42,258**
Total liabilities	**51,071**	**65,423**	**64,743**	**61,002**
Total equity and liabilities	**63,836**	**78,301**	**78,164**	**75,167**
Total debt	*36,518*	*47,343*	*42,666*	*40,422*
Net debt	*32,290*	*43,609*	*37,934*	*35,652*
Invested capital (total equity plus net debt)	*45,055*	*56,487*	*51,355*	*49,817*

Hudson Malta p.l.c. Key Financial Ratios	FY2022 Actual	FY2023 Actual	FY2024 Actual	FY2025 Forecast
Net debt-to-EBITDA (times) *(Net debt / EBITDA)*	4.89	6.37	4.63	4.17
Net debt-to-equity (times) *(Net debt / total equity)*	2.53	3.39	2.83	2.52
Net gearing (%) *(Net debt / net debt and total equity)*	71.67	77.20	73.87	71.57
Debt-to-assets (times) *(Total debt / total assets)*	0.57	0.60	0.55	0.54
Leverage (times) *(Total assets / total equity)*	5.00	6.08	5.82	5.31
Current ratio (times) *(Current assets / current liabilities)*	1.36	1.22	1.20	0.86

STATEMENT OF FINANCIAL POSITION

In **FY2022**, total assets grew by a further 8.28% to €63.83 million largely due to the higher level of inventories (+€2.39 million to €7.84 million) and trade and other receivables (+€5.46 million to €14.40 million). Similarly, total liabilities increased by 10.08% to €51.07 million as current liabilities rose by €4.66 million to €19.51 million. In this respect, the Company's current ratio deteriorated slightly to 1.36 times compared to 1.47 times as at the end of 2021.

Total equity increased marginally to €12.77 million. However, given the sharper increase in net debt to €32.29 million, the net debt-to-equity and the net gearing ratios rose to 2.53 times and 71.67% respectively. Furthermore, despite the growth in EBITDA, the net debt-to-EBITDA multiple deteriorated to 4.89 times.

In **FY2023**, Hudson Malta registered further increases in its total assets and liabilities, to €78.30 million (+22.66%) and €24.93 million (+28.10%) respectively, whilst the Company's equity base remained virtually unchanged at €12.88 million. A major component of the increase in assets and liabilities was the addition of new outlets which resulted in a corresponding growth in the level of right-of-use assets (+€9.27 million to €30.61 million) and lease liabilities (+€9.86 million to €31.44 million). Elsewhere, the Issuer also saw increases in the level of inventories, trade and other receivables, PPE, trade and other payables, and bank borrowings.

In view of the increase of circa €11 million in indebtedness to €47.34 million, all debt ratios of the Company deteriorated year-on-year including the net debt-to-equity ratio and the net gearing ratio which trended higher to 3.39 times and 77.20% respectively. Likewise, despite the growth in EBITDA, the net debt-to-EBITDA multiple surpassed the 6 times level to 6.37 times.

In **FY2024**, total assets amounted to €78.16 million, remaining virtually unchanged year-on-year. Right-of-use assets declined by €6.98 million to €23.20 million. A further reduction of €0.95 million took place in the balances of PPE and intangible assets. Conversely, trade and other receivables increased by €4.43 million to €20.93 million. Loan receivables from related undertakings also rose by €0.49 million to €5.88 million, whilst inventories grew by €1.37 million to €11.51 million. Moreover, cash and cash equivalents closed the year at €4.73 million, higher by just under €1 million over FY2023.

The Company's equity base expanded by €0.54 million to €13.42 million, reflecting a €5.90 million rise in share capital and reserves which outweighed the decline of €5.36 million in retained earnings.

Total liabilities decreased by €0.68 million during FY2024 to €64.74 million. This movement was primarily driven by the €7.15 million drop in lease liabilities, which ended the year at €24.29 million. Debt securities remained broadly flat at €11.97 million, whilst bank borrowings increased by €2.44 million to €6.42 million. current and non-current trade and other payables increased by €4.12 million to €21.96 million.

Total debt stood at €42.67 million, marking a year-on-year decline of €4.68 million. Furthermore, net debt totalled €37.93 million as at the end of FY2024, representing a year-on-year contraction of €5.68 million. As a result, all credit metrics showed meaningful improvement, with the net debt-to-EBITDA multiple dropping to 4.63 times and the leverage ratio decreasing to 5.82 times from 6.08 times as at the end of FY2023. Similarly, the net debt-to-equity ratio eased to 2.83 times, whilst the net gearing ratio improved to 73.87%. Moreover, the debt-to-assets ratio declined to 0.55 times from 0.60 times as at the end of FY2023.

In **FY2025**, total assets are projected to decrease to €75.17 million, representing a year-on-year decline of just under €3 million. The drop is mainly attributable to right-of-use assets, which are expected to contract by a further €2.88 million to €20.32 million. PPE are projected to increase by €0.22 million to €6.18 million, whilst loan receivables from related undertakings are anticipated to rise by €0.50 million to €6.38 million. Cash and cash equivalents are forecast to improve to €4.77 million, whereas inventories are expected to remain flat at €11.50 million. On the other hand, trade and other receivables are expected to fall by €0.65 million to €20.28 million, whilst intangible assets are projected to decline marginally to €3.42 million.

Total equity is projected to strengthen further to €14.17 million, with the €0.74 million year-on-year increase entirely attributable to the uplift in retained earnings to €1.81 million.

Total liabilities are forecast to fall by €3.74 million to €61 million. The contraction is largely due to the anticipated drop of €1.78 million in trade and other payables to €20.18 million. Total debt and net debt are forecast to slip by over €2 million to €40.42 million and €35.65 million respectively, driven by a combination of lower bank borrowings and lease liabilities. With respect to the debt securities in issue, the Issuer is considering various financing options of how best to meet its obligations as and when they fall due.

In view of the projected increase in EBITDA and lower level of net debt, the net debt-to-EBITDA multiple is expected to improve further to 4.17 times. The net debt-to-equity ratio is also forecast to decrease to 2.52 times, whilst the net gearing ratio is set to ease to 71.57%. Meanwhile, the debt-to-assets ratio is forecast to edge slightly lower to 0.54 times, whilst the leverage ratio is expected to improve to 5.31 times. The current ratio, however, is projected to deteriorate, falling to 0.86 times in FY2025 from 1.20 times in FY2024, reflecting the impact of the reclassification of debt securities – due for redemption in April 2026 – under current liabilities.

7. VARIANCE ANALYSIS – HUDSON MALTA P.L.C.

The following is an analysis of the major variances between the forecast financial information for the year ended 31 December 2024, as included in the Analysis dated 28 June 2024, and the audited annual financial statements for the same period, published on 30 April 2025.

Hudson Malta p.l.c. **Income Statement** **for the financial year 31 December**	**2024** **Actual** **€'000**	**2024** **Forecast** **€'000**
Retail	*49,622*	*51,619*
Wholesale and other income	*14,517*	*11,371*
Revenue	**64,139**	**62,990**
Cost of sales	(42,443)	(38,143)
Gross profit	**21,696**	**24,847**
Net operating costs	(13,511)	(16,240)
EBITDA	**8,185**	**8,607**
Depreciation & amortisation	(5,790)	(6,203)
Operating profit	**2,395**	**2,404**
Finance income	476	475
Finance costs	(2,137)	(1,740)
Profit before tax	**734**	**1,139**
Taxation	(192)	(399)
Profit for the year	**542**	**740**
Total comprehensive income	**542**	**740**

INCOME STATEMENT

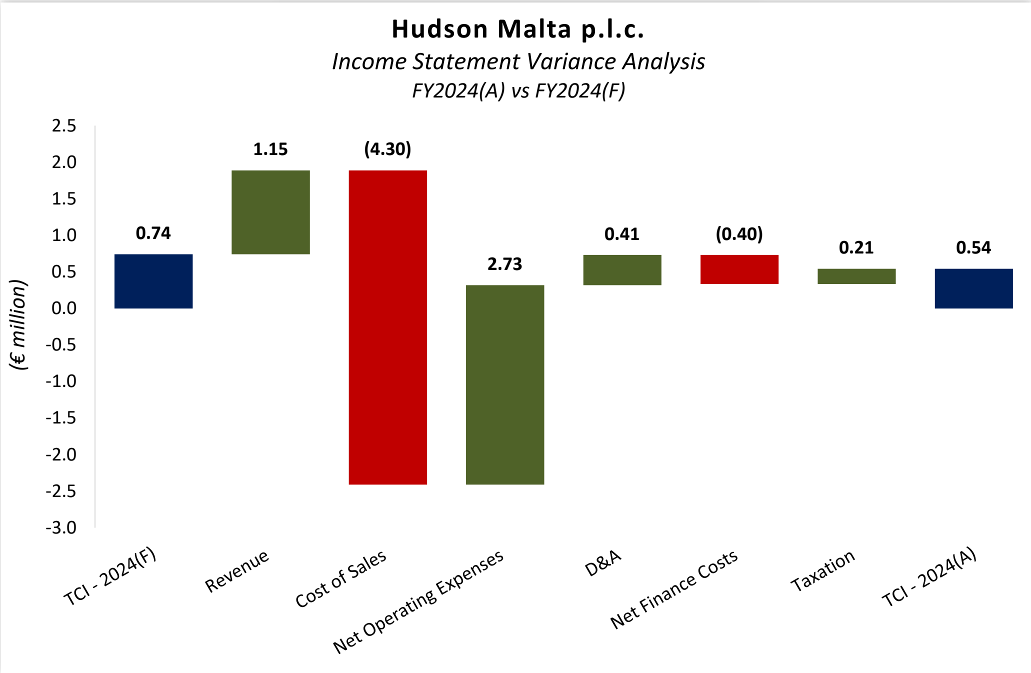
In FY2024, Hudson Malta generated total revenue of €64.14 million, which was marginally higher than the forecasted figure of €62.99 million, representing a favourable variance of €1.15 million or 1.82%. This outperformance was entirely attributable to the wholesale segment, which delivered actual sales of €14.52 million, exceeding expectations by €3.15 million (or +27.67%). Conversely, the retail segment fell short from the revenue target of €51.62 million by almost €2 million or -3.87%.

Despite the overall stronger revenue, cost of sales amounted to €42.44 million, exceeding the forecasted figure of €38.14 million by €4.30 million (or +11.27%). As a result, gross profit totalled €21.70 million, underperforming the projected figure of €24.85 million by €3.15 million (or -12.68%).

On the other hand, net operating expenses were below projections, totalling €13.51 million versus the forecast of €16.24 million, leading a favourable variance of €2.73 million. This positive variance offset most of the shortfall in gross profitability, resulting in an EBITDA of €8.19 million which was only €0.42 million below the target of €8.61 million.

Depreciation and amortisation charges amounted to €5.79 million, lower than the anticipated €6.20 million by €0.41 million. Consequently, the reported operating profit figure of €2.40 million was almost in line with forecast. However, in view of the higher net finance costs, which exceeded the forecast by €0.40 million, the profit before tax of €0.73 million fell short of the forecasted €1.14 million by €0.41 million (or -35.56%).

The tax charge amounted to €0.19 million, lower than the forecast of €0.40 million. Nonetheless, this was insufficient to fully offset the impact of the higher interest burden. As a result, the net profit for the year stood at €0.54 million, which was €0.20 million (or 26.76%) below the forecasted €0.74 million.



STATEMENT OF CASH FLOWS

In FY2024, Hudson Malta reported a net positive movement in cash and cash equivalents of €1.04 million, in contrast to the projected outflow of €0.06 million. This favourable variance of €1.10 million was driven by the lower-than-expected net cash outflows related to financing activities as these amounted to €1.26 million, markedly lower than the projected outflow of €5.26 million.

In contrast, net cash from operating activities amounted to €3.66 million, which was €1.65 million below the forecasted inflow of €5.30 million, mostly reflecting adverse working capital movements. Moreover, net cash used in investing activities totalled €1.37 million, significantly higher than the forecasted outflow of just €0.10 million, amid higher expenditure on PPE.

Overall, the actual year-end balance of cash and cash equivalents stood at €4.38 million, exceeding the forecast of €3.27 million by €1.10 million.

Hudson Malta p.l.c. **Statement of Cash Flows** **for the financial year 31 December**	**2024** **Actual** **€'000**	**2024** **Forecast** **€'000**
Net cash from operating activities	3,659	5,304
Net cash used in investing activities	(1,365)	(104)
Net cash used in financing activities	(1,257)	(5,264)
Net movement in cash and cash equivalents	**1,037**	**(64)**
Cash and cash equivalents at beginning of year	3,338	3,338
Cash and cash equivalents at end of year	**4,375**	**3,274**

STATEMENT OF FINANCIAL POSITION

Total assets amounted to €78.16 million as at 31 December 2024, surpassing the forecasted figure of €72.97 million by €5.19 million or 7.12%. This positive variance was driven mainly by stronger balances in trade and other receivables, loan to related undertakings, and PPE. Trade and other receivables amounted to €20.93 million, reflecting a notable positive variance of €7.10 million when compared to the forecast of €13.83 million. The loan to related undertakings stood at €5.88 million, well above the anticipated €1.05 million, whilst PPE was also higher at €5.96 million compared to the forecast of €4.87 million. Conversely, right-of-use assets were materially below expectations, at €23.20 million versus the forecast of €27.77 million, whilst other non-current assets were also lower by €3.06 million.

Total equity closed the year at €13.42 million, representing a favourable variance of €5.70 million over the forecasted figure of €7.72 million. This outcome was mainly attributable to a capital contribution of €5.90 million, representing a commitment made by Hudson Malta towards the conversion of a dividend receivable from HMSL into shares in the Guarantor. Retained earnings, however, were marginally lower than expected at €1.07 million compared to €1.26 million, broadly reflecting the underperformance in profitability for the year.

Total liabilities amounted to €64.74 million, marginally below the forecast of €65.25 million. Lease liabilities were lower by €3.48 million, at €24.29 million versus the forecast of €27.77 million. However, most of this variance was offset by the higher level of bank borrowings (+€2.02 million) and trade and other payables (+€1.21 million).

Total debt as at 31 December 2024 amounted to €42.67 million, marginally below the projected €44.10 million. Furthermore, given the higher-than-expected closing cash balance, net debt stood at €37.93 million, representing a slightly higher variance of €1.70 million compared to the forecast of €39.63 million. The Group's invested capital – representing the sum of total equity and net debt – reached €51.36 million, exceeding the anticipated €47.35 million by €4.01 million.

Hudson Malta p.l.c. **Statement of Financial Position** **as at 31 December**	**2024** **Actual** **€'000**	**2024** **Forecast** **€'000**
ASSETS		
Non-current assets		
Intangible assets	3,639	3,642
Property, plant & equipment	5,961	4,868
Right-of-use assets	23,200	27,769
Loan to related undertakings	5,875	1,051
Other non-current assets	2,322	5,382
	40,997	**42,712**
Current assets		
Inventories	11,509	11,957
Trade and other receivables	20,926	13,827
Cash and cash equivalents	4,732	4,474
	37,167	**30,258**
Total assets	**78,164**	**72,970**
EQUITY		
Capital and reserves		
Share capital and reserves	28,350	22,450
Other reserves	(15,994)	(15,995)
Retained earnings	1,065	1,263
	13,421	**7,718**
LIABILITIES		
Non-current liabilities		
Debt securities	11,965	11,936
Bank borrowings	345	-
Lease liabilities	21,428	23,540
Trade and other payables	159	-
	33,897	**35,476**
Current liabilities		
Bank borrowings	6,071	4,398
Lease liabilities	2,857	4,229
Trade and other payables	21,803	20,749
Other current liabilities	115	400
	30,846	**29,776**
Total liabilities	**64,743**	**65,252**
Total equity and liabilities	**78,164**	**72,970**
Total debt	*42,666*	*44,103*
Net debt	*37,934*	*39,629*
Invested capital (total equity plus net debt)	*51,355*	*47,347*

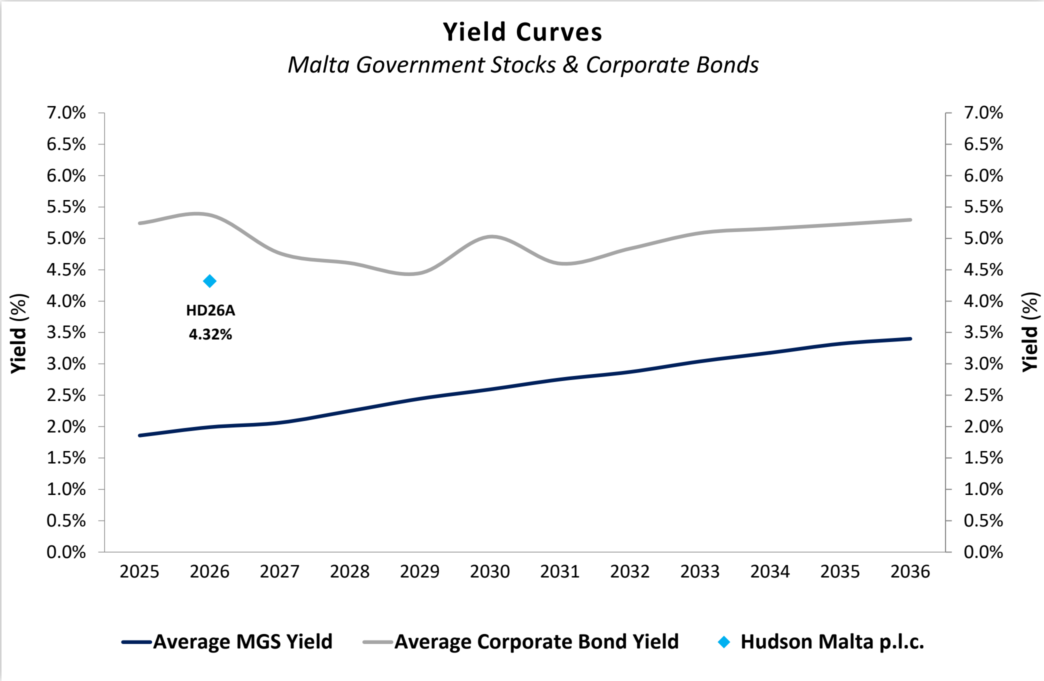
PART 3 – COMPARATIVE ANALYSIS

The table below provides a comparison between the Group and its bonds with other debt issuers and their respective debt securities listed on the Regulated Main Market (Official List) of the Malta Stock Exchange. Although there are significant variances between the activities of the Group and those of other debt issuers (including different industries, principal markets, competition, capital requirements etc.), and material differences between the risks associated with the Group's business/es and those of other debt issuers, the comparative analysis illustrated in the table below serves as an indication of the relative financial strength and creditworthiness of the Group.

Comparative Analysis*	Amount Issued	Yield-to-Maturity / Worst	Interest Cover	Net Debt-to-EBITDA	Net Gearing	Debt-to-Assets
	(€'000)	*(%)*	*(times)*	*(times)*	*(%)*	*(times)*
4.35% Hudson Malta p.l.c. Unsecured & Guaranteed 2026	12,000	4.32	4.93	4.63	73.87	0.55
4.25% CPHCL Finance p.l.c. Unsecured & Guaranteed 2026	40,000	5.44	1.35	11.96	43.62	0.40
4.00% International Hotel Investments p.l.c. Secured 2026	55,000	3.99	1.46	11.17	43.36	0.40
5.00% Dizz Finance p.l.c. Unsecured & Guaranteed 2026	8,000	6.57	1.96	9.84	84.18	0.55
3.75% Premier Capital p.l.c. Unsecured 2026	65,000	3.88	12.23	2.16	69.41	0.59
4.00% International Hotel Investments p.l.c. Unsecured 2026	60,000	4.95	1.46	11.17	43.36	0.40
3.25% AX Group p.l.c. Unsecured 2026	15,000	4.43	3.09	7.54	42.13	0.37
4.00% Hili Finance Company p.l.c. Unsecured & Guaranteed 2027	50,000	5.20	4.88	4.34	67.75	0.57
4.35% SD Finance p.l.c. Unsecured & Guaranteed 2027	65,000	4.35	5.86	2.93	30.32	0.34
4.00% Eden Finance p.l.c. Unsecured & Guaranteed 2027	40,000	4.02	4.55	6.93	28.64	0.26
5.25% Mediterranean Investments Holding p.l.c. Unsecured & Guaranteed 2027	30,000	5.24	5.81	2.45	20.10	0.19
4.00% Stivala Group Finance p.l.c. Secured & Guaranteed 2027	45,000	4.01	4.46	5.18	21.99	0.20
4.75% Best Deal Properties Holding p.l.c. Secured & Guaranteed 2025-2027	14,438	4.74	110.36	8.31	74.19	0.73
4.75% Gap Group p.l.c. Secured & Guaranteed 2025-2027	23,000	4.74	n/a	1.04	26.65	0.33
3.85% Hili Finance Company p.l.c. Unsecured & Guaranteed 2028	40,000	4.19	4.88	4.34	67.75	0.57
5.85% Mediterranean Investments Holding p.l.c. Unsecured & Guaranteed 2028	20,000	5.14	5.81	2.45	20.10	0.19
5.75% PLAN Group p.l.c. Secured & Guaranteed 2028	12,000	5.10	2.48	14.28	51.39	0.46
5.75% Best Deal Properties Holding p.l.c. Secured & Guaranteed 2027-2029	15,000	5.16	110.36	8.31	74.19	0.73
5.00% Hili Finance Company p.l.c. Unsecured & Guaranteed 2029	80,000	5.00	4.88	4.34	67.75	0.57
3.65% Stivala Group Finance p.l.c. Secured & Guaranteed 2029	15,000	4.18	4.46	5.18	21.99	0.20
3.80% Hili Finance Company p.l.c. Unsecured & Guaranteed 2029	80,000	4.59	4.88	4.34	67.75	0.57
3.75% AX Group p.l.c. Unsecured 2029	10,000	3.75	3.09	7.54	42.13	0.37
6.25% GPH Malta Finance p.l.c. Unsecured & Guaranteed 2030	18,144	5.51	1.81	6.89	96.76	0.83
3.65% International Hotel Investments p.l.c. Unsecured 2031	80,000	5.09	1.46	11.17	43.36	0.40
3.50% AX Real Estate p.l.c. Unsecured 2032	40,000	4.47	2.87	8.01	51.84	0.47
5.35% Best Deal Properties Holding p.l.c. Unsecured 2032	7,000	5.00	110.36	8.31	74.19	0.73
5.80% GPH Malta Finance plc Unsecured & Guaranteed 2032	15,000	5.39	1.81	6.89	96.76	0.83
5.00% Mariner Finance p.l.c. Unsecured 2032	36,930	4.67	4.00	5.48	45.91	0.45
5.85% AX Group p.l.c. Unsecured 2033	40,000	5.10	3.09	7.54	42.13	0.37
6.00% International Hotel Investments p.l.c. Unsecured 2033	60,000	5.32	1.46	11.17	43.36	0.40
4.50% The Ona p.l.c. Secured & Guaranteed 2028-2034	16,000	4.50	2.35	12.72	77.11	0.69
5.35% Hal Mann Vella Group p.l.c. Secured 2031-2034	23,000	5.14	2.69	7.13	47.59	0.42
5.30% International Hotel Investments p.l.c. Unsecured 2035	35,000	5.13	1.46	11.17	43.36	0.40
5.50% Juel Group p.l.c. Secured & Guaranteed 2035	32,000	5.17	15.06	23.23	58.68	0.48
5.80% Agora Estates p.l.c. Secured 2036 S1 T1	12,000	5.34	0.99	21.21	35.45	0.33
5.50% Agora Estates p.l.c. Secured 2036 S1 T2	9,000	5.26	0.99	21.21	35.45	0.33

**As at 30 May 2025*

***Sources:** Malta Stock Exchange, M.Z. Investment Services Limited, and most recent audited annual financial statements of respective Issuers and, or Guarantors.*



The closing market price as at 30 May 2025 for the **4.35% Hudson Malta p.l.c. unsecured and guaranteed bonds 2026** (HD26A) was 100.00%. This translated into a yield-to-maturity ("**YTM**") of 4.32% which was 105 basis points below the average YTM of 5.37% of other local corporate bonds maturing in the same year. The premium over the corresponding average Malta Government Stock yield of equivalent maturity (1.99%) stood at 233 basis points.

PART 4 – EXPLANATORY DEFINITIONS

Income Statement	
Revenue	Total income generated from business activities.
EBITDA	Earnings before interest, tax, depreciation, and amortisation. It is a metric used for gauging operating performance excluding the impact of capital structure. EBITDA is usually interpreted as a loose proxy for operating cash flows.
Adjusted operating profit / (loss)	Profit (or loss) from core operations, excluding movements in the fair value of investment property, share of results of associates and joint ventures, net finance costs, and taxation.
Operating profit / (loss)	Profit (or loss) from operating activities, including movements in the fair value of investment property but excluding the share of results of associates and joint ventures, net finance costs, and taxation.
Share of results of associates and joint ventures	Share of profit (or loss) from entities in which the company does not have a majority shareholding.
Profit / (loss) after tax	Net profit (or loss) registered from all business activities.

Profitability Ratios	
EBITDA margin	EBITDA as a percentage of revenue.
Operating profit margin	Operating profit (or loss) as a percentage of total revenue.
Net profit margin	Profit (or loss) after tax as a percentage of total revenue.
Return on equity	Measures the rate of return on net assets and is computed by dividing the net profit (or loss) for the year by average equity.
Return on assets	Measures the rate of return on assets and is computed by dividing the net profit (or loss) for the year by average assets.
Return on invested capital	Measures the rate of return from operations and is computed by dividing operating profit (or loss) for the year by the average amount of equity and net debt.

Statement of Cash Flows	
Net cash from / (used in) operating activities	The amount of cash generated (or consumed) from the normal conduct of business.
Net cash from / (used in) investing activities	The amount of cash generated (or consumed) from activities related to the acquisition, disposal, and/or development of long-term assets and other investments.
Net cash from / (used in) financing activities	The amount of cash generated (or consumed) that have an impact on the capital structure, and thus result in changes to share capital and borrowings.
Free cash flow	Represents the amount of cash generated (or consumed) from operating activities after considering any amounts of capital expenditure.

Statement of Financial Position

Non-current assets	These represent long-term investments which full value will not be realised within the next twelve months. Such assets, which typically include property, plant, equipment, and investment property, are capitalised rather than expensed, meaning that the amortisation of the cost of the asset takes place over the number of years for which the asset will be in use. This is done instead of allocating the entire cost to the accounting year in which the asset was acquired.
Current assets	All assets which could be realisable within a twelve-month period from the date of the Statement of Financial Position. Such amounts may include development stock, accounts receivable, cash and bank balances.
Non-current liabilities	These represent long-term financial obligations which are not due within the next twelve months, and typically include long-term borrowings and debt securities.
Current liabilities	Liabilities which fall due within the next twelve months from the date of the Statement of Financial Position, and typically include accounts payable and short-term debt.
Total equity	Represents the residual value of the business (assets minus liabilities) and typically includes the share capital, reserves, as well as retained earnings.

Financial Strength / Credit Ratios

Interest cover	Measures the extent of how many times a company can sustain its net finance costs from EBITDA.
Net debt-to-EBITDA	Measures how many years it will take a company to pay off its net interest-bearing liabilities (including lease liabilities) from EBITDA, assuming that net debt and EBITDA are held constant.
Net debt-to-equity	Shows the proportion of net debt (including lease liabilities) to the amount of equity.
Net gearing	Shows the proportion of equity and net debt used to finance a company's business and is calculated by dividing net debt by the level of invested capital.
Debt-to-assets	Shows the degree to which a company's assets are funded by debt and is calculated by dividing all interest-bearing liabilities (including lease liabilities) by total assets.
Leverage	Shows how many times a company is using its equity to finance its assets.
Current ratio	Measures the extent of how much a company can sustain its short-term liabilities from its short-term assets.