143, The Strand, Gzira. Malta

COMPANY ANNOUNCEMENT

Stivala Group Finance p.l.c. (the "Company")

Financial Analysis Summary

Date of Announcement	**30 June 2025**
Reference	**STV61/2025**

Company Announcement issued by Stivala Group Finance p.l.c. (the "Company") pursuant to the Capital Markets Rules issued by the Malta Financial Services Authority.

QUOTE

The Board of Directors of Stivala Group Finance plc wishes to inform the general public that the Financial Analysis Summary 2025 of the Company has been approved.

A copy of the signed Financial Analysis Summary is available for viewing in the Investor Relations' section on the Company's website - https://stivalagroup.com/?page_id=21

UNQUOTE

By order of the Board

Antoinette Scerri *f:* Stivala Group Finance PLC
Company Secretary
30th June 2025

FINANCIAL ANALYSIS SUMMARY

30 JUNE 2025

ISSUER

STIVALA GROUP FINANCE P.L.C.

Prepared by:

MZ INVESTMENTS

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The Directors
Stivala Group Finance p.l.c.
143, The Strand
Gzira
GZR 1026

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 in the following pages and which is being forwarded to you together with this letter.

The purpose of the financial analysis is that of summarising key financial data appertaining to Stivala Group Finance p.l.c. (the "**Group**" or the "**Issuer**" or the "**Company**"). The data is derived from various sources or is based on our own computations as follows:

(a) Historical financial data for the financial years ended 31 December 2022, 31 December 2023 and 31 December 2024 has been extracted from the audited consolidated financial statements of the Company.

(b) The forecast has been extracted from the projected financial information of the Group for the year ending 31 December 2025, which comprises actual results for the period 1 January 2025 to 30 April 2025 and the management forecast for the period 1 May 2025 to 31 December 2025.

(c) Our commentary on the results of the Group and on its financial position is based on the explanations provided by the Company.

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

(e) Relevant financial data in respect of the companies included in Part 3 – Comparative Analysis of this 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 Corporate Broking

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PART 1 – INFORMATION ABOUT THE GROUP

1. KEY ACTIVITIES

1.1 THE COMPANY

The Issuer was set up as the holding company and finance arm of the Group on 21 August 2017 and is the principal vehicle for further expansion of the Group's hospitality business and mixed-use developments. The ultimate beneficial owners of the Issuer are Martin John Stivala, Ivan Stivala and Michael Stivala, together with their direct descendants and families, in equal proportions.

1.2 THE GUARANTOR

Carmelo Stivala Group Limited (the "**Guarantor**") acts as the Group's property holding company and owns almost all of the Group's immovable property, which property is subsequently leased to and operated by the subsidiaries of the Stivala Group ("**Subsidiaries**"). The Guarantor is fully owned by the Issuer.

2. DIRECTORS AND KEY EMPLOYEES

2.1 THE COMPANY

The Company is managed by a Board consisting of six directors entrusted with its overall direction and management.

Martin John Stivala	Executive Chairman
Michael Stivala	Executive Director and CEO
Ivan Stivala	Executive Director
Francis Gouder	Independent Non-executive Director
Ann Marie Agius	Independent Non-executive Director
Jean Paul Debono	Independent Non-executive Director

The executive directors are entrusted with the Company's day-to-day management and are also directors or officers of other companies within the Group.

2.2 THE GUARANTOR

The Guarantor is managed by a Board of Directors entrusted with its overall direction and management, and is composed as follows:

Michael Stivala	Executive Director
Martin John Stivala	Executive Director
Ivan Stivala	Executive Director

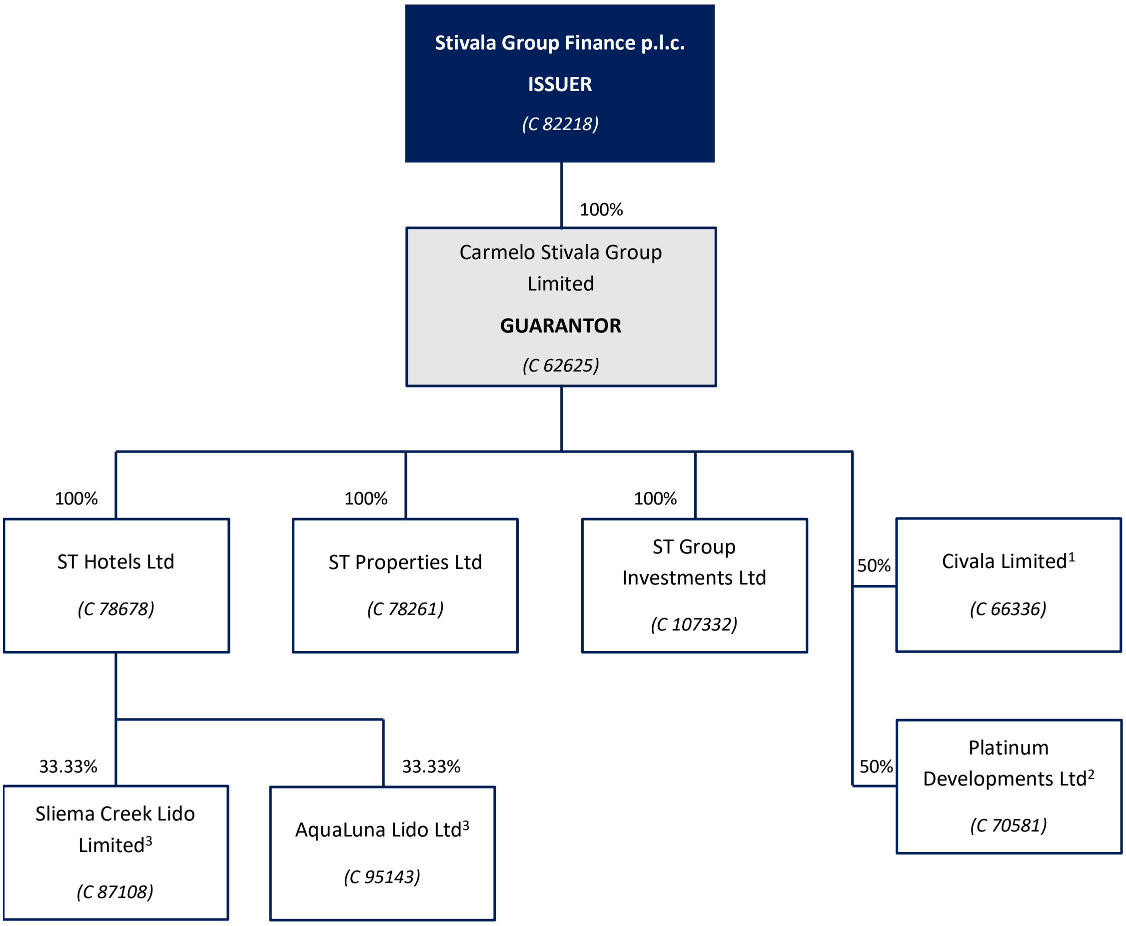
2.3 MANAGEMENT TEAM AND GROUP EMPLOYEES

The key members of the Group's management team, apart from the executive directors, are Domenico Marsala (Group Financial Controller), Rebecca Stivala (Assistant General Manager), Ivan Borg Frendo (Hotels Cluster General Manager) and Tristan Stivala (General Manager – Property Leasing).

The Issuer does not have any employees of its own. As at 31 December 2024, the Group employed 19 staff members in management and administration (2023: 19 employees) and 152 staff members in operational activities (2023: 117 employees).

3. ORGANISATIONAL STRUCTURE

The organisational structure of the Group as at the date of this report is illustrated in the diagram below:



[1] *The remaining 50% of Civala Limited is held by John Cilia (262857M).*

[2] *The remaining 50% of Platinum Developments Ltd is held by Bastille Malta Trustees Limited (C 25994) as trustee.*

[3] *The remaining 66.67% of each of Sliema Creek Lido Limited and AquaLuna Lido Ltd is held by The Waterfront Hotel Limited (C 22209), Marketing and Consultancy Limited (C 8171), and Kennedy Nova Ltd (C57729).*

Carmelo Stivala Group Limited is the guarantor of the bonds issued by the Issuer. It is the property holding company of the Group and is also the direct holding company of the operational entities within the Stivala Group.

ST Properties Ltd is principally involved in the business of sub-leasing, on a long-term basis, the commercial and residential properties owned by the Guarantor ("**ST Properties**").

ST Hotels Ltd is primarily engaged in the operation and management of the Guarantor's hotels, hostels and short let apartments ("**ST Hotels**").

ST Group Investments Ltd was incorporated on 28 December 2023 to own and manage the intellectual and intangible property of the Group. During FY24, the Group undertook a valuation exercise of its brand "ST Properties", and the amount of €30.0 million was recognised as an intangible asset in the statement of financial position of ST Group Investments Ltd.

The Group also has four associate companies as follows: (i) Platinum Developments Ltd (C 70581) - owns and leases three residential units and one office on the Sliema Seafront; (ii) Civala Limited (C 66336) – has a long term lease on a 900m^2 plot of land earmarked for the future development of a five-storey car park and overlying office space; and (iii) Sliema Creek Lido Limited (C 87108) and AquaLuna Lido Limited (C 95143) – both involved in the management of a lido opposite the Bayview Hotel in Gzira.

4. BUSINESS OVERVIEW OF THE GROUP

4.1 PRINCIPAL ACTIVITIES

The Issuer was established on 21 August 2017 as the holding company and finance arm of the Group. The Company's main business is the acquisition of real estate for long term investment purposes, principally in the Gzira, Msida University Heights, Sliema, St Julian's and Ta' Xbiex areas. Once acquired, the Group is engaged in the development or re-development of those properties and their conversion into residential and commercial properties. The majority of real estate is retained by the Group to generate rental revenues, both from short letting and tourist accommodation as well as from long-term residential, office and retail lets.

The Group has the following main areas of activity:

- **Ownership of real estate** – comprises the identification of sites or real estate that can be developed for subsequent operation, either as part of its hospitality operations or for residential or commercial letting. The Group directly undertakes the development of projects, thus allowing greater control by the Group over costs and timelines of its property developments.

- **Hospitality operations** – the Group operates properties intended for hospitality purposes consisting of hotels, hostels, or apartments for short term accommodation.

- **Long-term letting operations** – comprises the letting over the longer term of commercial properties and residential properties owned by the Group.

- **Development of real estate for resale** – comprises the acquisition of land and properties to be developed into commercial and, or residential properties for resale purposes.

Group revenue and earnings are derived primarily from the operation of owned hotels, hostels and short let apartments through ST Hotels Ltd. The balance of revenue is generated by ST Properties Ltd and comprises rental income from commercial and long let residential properties.

4.2 OWNERSHIP OF REAL ESTATE

The Group owns its immovable properties primarily through the Guarantor, which are managed and operated by the two principal operating subsidiaries of the Group – ST Hotels Ltd and ST Properties Ltd.

The real estate portfolio of the Group is included in the statement of financial position under the headings "Property, plant and equipment" and "Investment property". As at 31 December 2024, the carrying value of real estate amounted to €390.9 million (FY2023: €381.8 million).

The Group assessed that there were no conditions that would significantly increase or decrease the fair value of assets determined on 31 December 2024. In the prior year, the fair value of the Group's investment properties was based on a valuation carried out by an independent architect as at 31 October 2023 for properties pledged to secure borrowings, and on a valuation carried out by an independent architect as at 31 December 2023 for all remaining properties.

A brief description of Group properties in the course of development or held for future development is provided below:

ST TOWER, TA' XBIEX

The development of this property was completed in Q4 2024. This multi-storey building is located in the Ta' Xbiex area and includes five parking levels, offices, cafeteria/restaurant at reception area and an outdoor green space. As at the date of this report, the office building is *circa* 65% occupied by third party tenants.

NOVOTEL HOTEL, GZIRA *(redevelopment of the 'Blubay Suites & Apartments')*

In Q4 2022, the Group initiated works on the redevelopment of the 54-room Blubay Block and surrounding properties located in Ponsomby Street, Gzira, in accordance with Planning Authority permit numbers PA5032/20 and PA4632/23. Construction and finishing works are expected to amount to approximately €16 million and are scheduled for completion in Q3 2025.

Once completed, the hotel will consist of an 11-floor property with 295 rooms, underground parking and ancillary facilities such as conference rooms, an indoor pool and fitness area, as well as a pool and deck area at roof level. Furthermore, the proposed 4-star hotel will be operated under the "Novotel" brand name pursuant to a franchise agreement.

BUSINESS CENTRE, MSIDA (FORMERLY, CHARLIE'S GUESTHOUSE)

The Group has commenced development of a showroom at ground floor level with overlying offices at levels 1 to 6 together with basement parking spaces (PA 2591/20). The cost of development is expected to amount to €3 million and is being financed from own funds. The proposed property is scheduled for completion in Q4 2025.

MOVENPICK HOTEL, SLIEMA *(redevelopment of the Sliema Hotel)*

The Group has demolished the 70-room Sliema Hotel and completed excavation works. In accordance with PA 3614/18, the Group will be developing a 16-floor 165-room hotel at an estimated cost of *circa* €13 million. Furthermore, the Group has entered into a franchise agreement to operate the said hotel under the "Movenpick" brand name. The new hotel is expected to be completed in Q2 2027.

MONTANA HOTEL, GZIRA

The Group has a Planning permit for the development of a 265-room hostel on part of the subject site (PA 5538/19). No date has been set for commencement of this project.

PROPOSED HOME FOR THE ELDERLY, GZIRA

This property consists of a block of apartments and various small houses having an aggregate site area of *circa* 632m^2. The Group plans to redevelop the site into a home for the elderly having 244 beds in accordance with PA6204/17. No date has been established for commencement of this project.

BAYVIEW HOTEL, GZIRA

There are also plans for the extension and redevelopment of the Bayview Hotel and surrounding properties which will include an additional 4 floors bringing the hotel to a total of 546-rooms (PA 8321/18).

PROPERTY HELD-FOR-SALE[1]

As at 31 December 2024, property held-for-sale amounted to €4.23 million (2023: €2.92 million).

In FY2024, the Group sold a property in Handaq for the consideration of €0.94 million. In the prior year (2023), the Group was principally involved in selling the remaining 32 residential units forming part of a development project in Sqaq Dun Andrea, Msida, known as 'Msida Park Residences'.

As at the date of this report, the Group has sold a block of apartments known as Tal-Qroqq Mansions.

4.3 HOSPITALITY OPERATIONS

Hospitality operations are performed by ST Hotels Ltd. The financial information about ST Hotels Ltd is included in the audited financial statements of the said company for the financial years ended 31 December 2022, 31 December 2023 and 31 December 2024.

[1] Classified as current asset in the statement of financial position.

During the year, the total number of rooms in operation was unchanged from the previous financial year and amounted to 687 rooms. In Q1 2025, the 70-room Sliema Hotel was demolished for the development of a Movenpick Hotel, while the 295-room Novotel Hotel is expected to commence operations in Q3 2025. As such, rooms in operation in FY2025 will total 912 rooms (+33%, y-o-y).

Set out below is the statement of total comprehensive income extracted from the audited financial statements of ST Hotels Ltd for the financial years indicated hereunder:

ST Hotels Ltd **Income Statement** **For the financial year 31 December**	**2022** **Actual** **€'000**	**2023** **Actual** **€'000**	**2024** **Actual** **€'000**
Accomodation	*11,835*	*14,227*	*17,043*
Food and beverage	*1,158*	*1,340*	*1,473*
Other hotel services	*269*	*487*	*218*
Rental income	*1,745*	*2,124*	*2,294*
Revenue	15,007	18,178	21,028
Cost of sales	(5,501)	(6,559)	(7,723)
Royalty charge	-	(8,180)	(10,035)
Gross profit	**9,506**	**3,439**	**3,270**
Other net operating costs	(1,875)	(2,927)	(2,105)
EBITDA	**7,631**	**512**	**1,165**
Depreciation & amortisation	(4,779)	(5,047)	(5,489)
Operating profit / (loss)	**2,852**	**(4,535)**	**(4,324)**
Dividend income	202	223	277
Net finance costs	(2,818)	(3,169)	(3,313)
Profit / (loss) before tax	**236**	**(7,481)**	**(7,360)**
Taxation	823	892	8,329
Profit / (loss) for the year	**1,059**	**(6,589)**	**969**
Total comprehensive income / (expense)	**1,059**	**(6,589)**	**969**
Key Performance Indicators:			
Gross profit margin (%) *(Gross profit / revenue)*	63.34	18.92	15.55
EBITDA margin (%) *(EBITDA / revenue)*	50.85	2.82	5.54
Operating profit margin (%) (Operating profit / revenue)	19.00	(24.95)	(20.56)
Net profit margin (%) *(Profit after tax/revenue)*	7.06	(36.25)	4.61

During **FY2023**, the operational performance of ST Hotels continued to improve from the prior year. Furthermore, ST Hotels benefited from the addition of ST Alavits Hotel in June 2023. As such, revenue from hotel operations amounted to €16.1 million, an increase of €2.8 million (+21%) from FY2022. ST Hotels generated an additional €2.1 million of revenue from rentals (FY2022: €1.7 million).

Notwithstanding the higher y-o-y revenue, gross profit for the year decreased from €9.5 million in FY2022 to €3.4 million. As from FY2023, ST Hotels is being charged a royalty fee for the use of the brand name "ST" and in the last financial year, such charge amounted to €8.2 million. The proprietor of the brand name is ST Group Investments Ltd, a sister company. In consequence, ST Hotels reported a loss for the year of €6.6 million compared to a profit of €1.1 million a year earlier.

In **FY2024**, revenue generated from hotel operations amounted to €18.7 million, an increase of €2.6 million from the prior year. The increase reflects the y-o-y improvement in RevPAR (revenue per available room) and a full year's results from ST Alavits Hotel (which commenced operations in June 2023).

Notwithstanding, the Company reported an operating loss of €4.3 million (FY2023: loss of €4.5 million), primarily on account of the royalty fee of €10.0 million (FY2023: €8.2 million). Due to a substantial tax credit, the Company converted a loss in FY2023 of €6.6 million to a profit of €1.0 million in FY2024.

4.4 PROPERTY RENTALS

Long lets of residential and commercial Group properties to third parties are administered by ST Properties Ltd. Such leases typically involve rental periods exceeding six months. Commercial properties principally comprise 20 properties leased out as restaurants, educational institutions, retail outlets and office space.

Financial information about ST Properties Ltd is included in the audited financial statements of the said company for the financial years ended 31 December 2022, 31 December 2023 and 31 December 2024.

Set out below is the statement of total comprehensive income extracted from the above-mentioned audited financial statements for the financial years indicated hereunder:

ST Properties Ltd Income Statement For the financial year 31 December	2022 Actual €'000	2023 Actual €'000	2024 Actual €'000
Commercial	*5,749*	*5,845*	*6,131*
Residential	*1,857*	*1,784*	*1,857*
Revenue	**7,606**	**7,629**	**7,988**
Cost of sales	(813)	(847)	(2,075)
Gross profit	**6,793**	**6,782**	**5,913**
Other net operating income	819	834	894
Profit before tax	**7,612**	**7,616**	**6,807**
Taxation	(1,144)	(2,137)	(2,409)
Profit for the year	**6,468**	**5,479**	**4,398**
Total comprehensive income	**6,468**	**5,479**	**4,398**
Key Performance Indicators:			
Gross profit margin (%) *(Gross profit / revenue)*	89.31	88.90	74.02
Net profit margin (%) *(Profit after tax/revenue)*	85.04	71.82	55.06

During **FY2023**, revenue generated by ST Properties amounted to €7.6 million, which was in line with previous year's results (FY2022: €7.6 million). However, due to a higher tax charge (+€1.0 million, y-o-y), profit for the year amounted to €5.5 million compared to €6.5 million in the prior year.

In **FY2024**, the Company reported a year-on-year increase in revenue of €0.4 million, from €7.6 million in FY2023 to €8.0 million. Notwithstanding, the Company reported a decrease in net profit of €1.1 million to €4.4 million.

ST Towers has been included in the property portfolio of the Company as of 1 January 2025.

5. TREND INFORMATION

5.1 ECONOMIC UPDATE[2]

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.

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

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.

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.

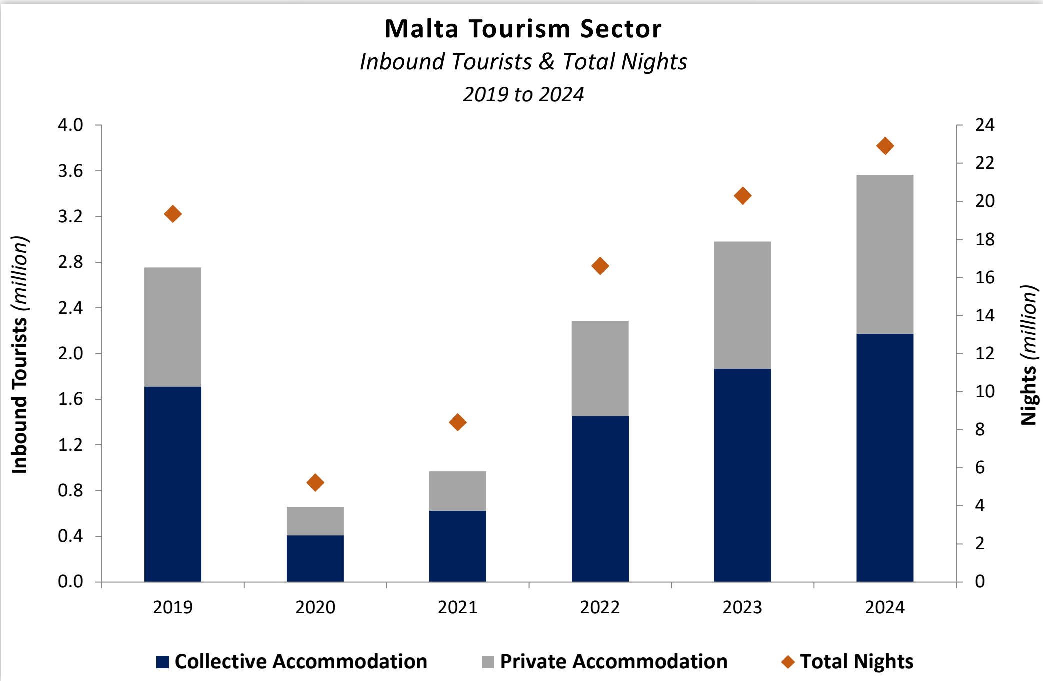
On the fiscal front, the general government deficit narrowed to 3.7% of GDP in 2024, down from 4.7% in 2023. This improvement was primarily supported by higher revenue from income and wealth taxation, particularly driven by one-off transactions and enhanced tax collection efforts. These gains were partially offset by increased current and capital expenditures, including support measures related to the national airline.

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.

5.2 HOSPITALITY[3]

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

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

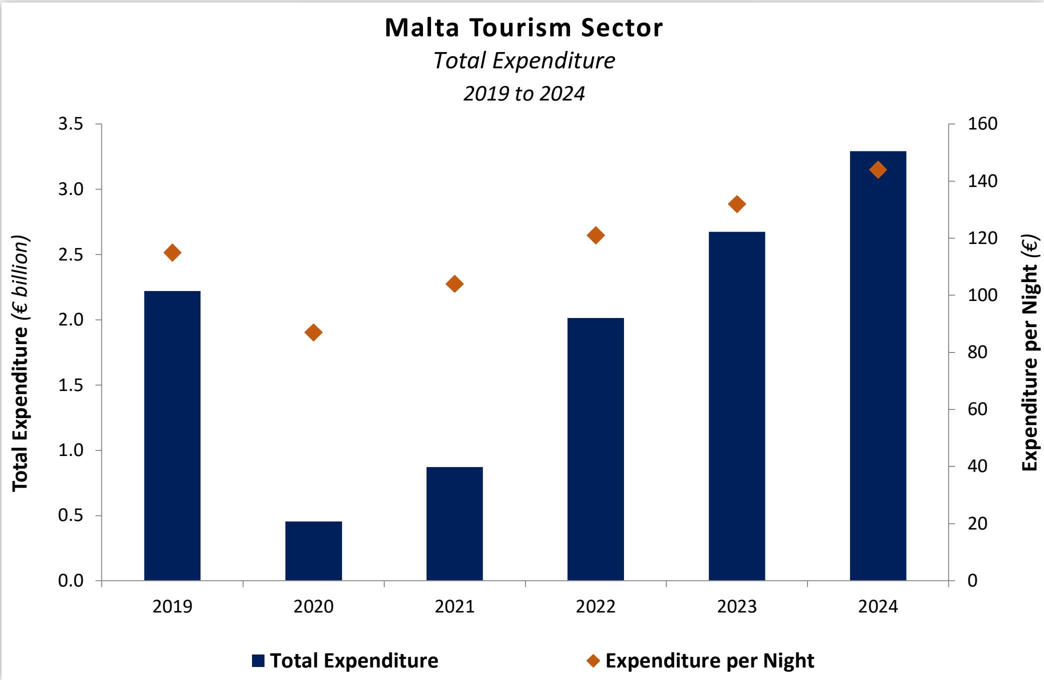


Total tourist expenditure in 2024 reached €3.29 billion, marking a substantial 23.05% increase from the €2.67 billion recorded in 2023 and a 48.22% rise from €2.22 billion in 2019. Expenditure per tourist also increased to €924 in 2024, compared to €897 in 2023 and €807 in 2019. Additionally, expenditure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

Accommodation preferences showed minor shifts in 2024. The percentage of tourists opting for collective accommodation[4] decreased slightly to 61.01% from 62.65% in 2023 and 62.11% in 2019.

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

Accordingly, private accommodation[5] usage increased to 38.99%, up from 37.35% in 2023 and 37.89% in 2019. However, when considering the share of total nights spent, collective accommodation accounted for 52.58% of all stays, a marginal increase from 52.17% in 2023 and 52.06% in 2019, indicating that while more tourists are choosing private accommodation, the duration of stays in collective accommodation remains stable.



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

The composition of tourist arrivals by country of origin also evolved. The share of tourists from the European Union declined slightly to 67.19% in 2024 from 67.83% in 2023 and 83.60% in 2019.[6] Within this group, the proportion from the euro area decreased to 52.49% from 54.69% in 2023, but it remains higher than the 48.51% recorded in 2019. Meanwhile, the share of tourists coming from non-EU countries continued to rise, reaching 32.81% in 2024, compared to 32.17% in 2023 and 16.40% in 2019.

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

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

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

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

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

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

5.3 PROPERTY[7]

DEVELOPMENT PERMITS FOR DWELLINGS

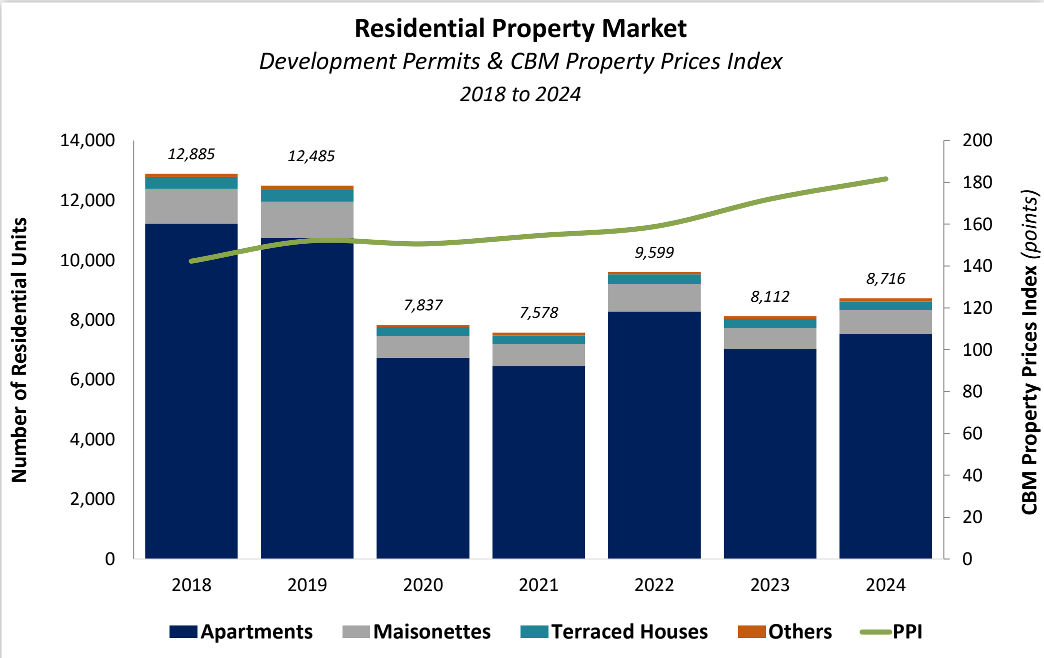
Data provided by the Central Bank of Malta ("CBM") and the National Statistics Office ("NSO") shows that in 2024, the total number of permits for the construction of new dwellings eased by 3.22% to 1,535 permits compared to 1,586 permits issued in 2023. However, the total number of approved new residential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

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

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

In the first quarter of 2025, the total number of approved new dwellings declined by 17.42% to 2,143 units when compared to 2,595 units in the corresponding quarter of 2024. The contraction was broad-based across all dwelling types. Apartments remained the predominant residential type, accounting for 1,550 units, but registered a 17.20% drop from 1,872 units in Q1 2024. Penthouses experienced a similar decline, decreasing by 19.11% to 326 units from 403 units in the prior year's comparable period. The number of approved maisonettes declined by 17.89% to 179 units (Q1 2024: 218 units), while terraced houses fell by 15.58% to 65 units from 77 a year earlier. Other type of dwellings decreased by 8% to 23 units, down from 25 in Q1 2024.

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



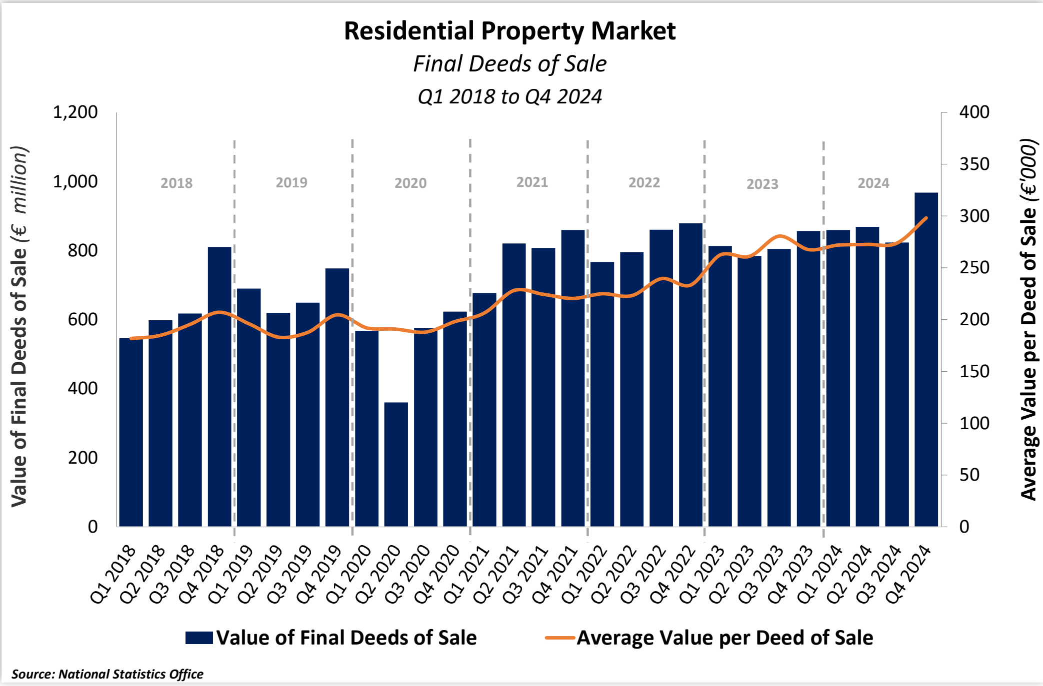
Source: *Central Bank of Malta*

PROPERTY PRICES & TRANSACTIONS

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

In Q1 2025, the CBM Property Prices Index rose further to 187.50 points, representing a year-on-year increase of 2.22%. Although this marks a deceleration compared to the average growth observed throughout 2024, price momentum remained positive across all categories. Maisonettes registered the strongest growth, increasing by 7.70% year-on-year. Terraced houses and 'other property' followed, with annual increases of 5.75% and 5.78% respectively. In contrast, apartments recorded marginal year-on-year growth of just 0.35% following the very strong year-on-year growth of 12.90% registered in the final quarter of 2024.

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



A total of 12,597 final deeds of sale relating to residential property were registered in 2024 compared to 12,180 deeds in 2023 and 14,331 deeds in 2022. The total value of final deeds of sale increased by 7.98% in 2024 to a new record of €3.52 billion compared to €3.26 billion in 2023 and €3.30 billion in

2022. Furthermore, the average value per deed of sale increased to €279,162 compared to €267,504 in 2023 and €230,242 million in 2022. Meanwhile, the total number of POSA for residential property in 2024 increased by 3.03% year-on-year to 13,585 compared to 13,185 in 2023.

During the first quarter of 2025, 3,143 final deeds of sale were registered, slightly lower than the 3,161 deeds recorded in the corresponding quarter of 2024. However, the total value of final deeds of sale rose to €897.80 million compared to €858.80 million in Q1 2024, marking an increase of 4.54% on a quarter-on-quarter basis. This led to a 5.14% increase in the average value per deed, which climbed to €285,651 in Q1 2025 from €271,686 a year earlier, reflecting continued resilience in transaction values despite a stable volume of concluded deals. Meanwhile, the number of POSA in Q1 2025 amounted to 3,468, slightly below the 3,496 agreements recorded in Q1 2024.

Market data relating to commercial property in Malta (which includes industrial, logistics, warehousing, retail, hospitality and a predominant portion in the office asset class) is not available and thus makes it more difficult to gauge the health of this sector. The Group's commercial property portfolio principally comprises office space and commercial outlets located in the areas of Gzira, Sliema and St Julians. In the last financial year, the Group registered high occupancy rates across its portfolio and demand for its properties remains positive.

PART 2 – FINANCIAL REVIEW

6. FINANCIAL ANALYSIS

The financial information relating to the Group is extracted from the audited consolidated financial statements of the Issuer for the years ended 31 December 2022, 31 December 2023 and 31 December 2024.

The projected consolidated financial information for FY2025 relates to events in the future and are based on assumptions which the Issuer believes to be reasonable. Consequently, the actual outcome may be adversely affected by unforeseen situations and the variation between forecast and actual results may be material.

Stivala Group Finance p.l.c. Statement of Total Comprehensive Income For the financial year 31 December	**2022 Actual €'000**	**2023 Actual €'000**	**2024 Actual €'000**	**2025 Forecast €'000**
Hotel operations	*13,262*	*16,054*	*18,734*	**25,014**
Rental income	*9,351*	*9,753*	*10,282*	**10,816**
Sale of real estate	*6,230*	*7,208*	*460*	**500**
Revenue	**28,843**	**33,015**	**29,476**	**36,330**
Cost of sales	(6,138)	(7,205)	(8,198)	(10,439)
Gross profit	**22,705**	**25,810**	**21,278**	**25,891**
Net operating costs	(1,574)	(2,370)	(1,744)	(2,470)
EBITDA	**21,131**	**23,440**	**19,534**	**23,421**
Depreciation and amortisation	(4,002)	(1,766)	(5,931)	(4,573)
Profit on recognition of intangible asset	-	36,500	30,000	-
Movement in provision for expected credit losses	-	4,462	4,683	2,266
Provision for expected credit losses	(2,917)	(1,036)	(486)	(500)
Operating profit	**14,212**	**61,600**	**47,800**	**20,614**
Gain on disposal of subsidiaries	7,302	-	-	-
Dividends receivable	202	223	277	170
Movement in revaluation of property	9,119	15,351	209	-
Share in profit / (loss) of associates	(34)	7	26	12
Net finance costs	(3,766)	(4,137)	(4,380)	(4,177)
Profit before tax	**27,035**	**73,044**	**43,932**	**16,619**
Taxation	(728)	(4,215)	6,400	1,478
Profit for the year	**26,307**	**68,829**	**50,332**	**18,097**
Other comprehensive income:				
Movement in revaluation of property, net of tax	4,382	9,249	-	-
Total comprehensive income	**30,689**	**78,078**	**50,332**	**18,097**

Stivala Group Finance p.l.c. **Key Financial Ratios**	FY2022 Actual	FY2023 Actual	FY2024 Actual	FY2025 Forecast
EBITDA margin *(%)* *(EBITDA / revenue)*	73.26	71.00	66.27	64.47
Operating profit margin *(%)* *(Operating profit / revenue)*	49.27	186.58	162.17	56.74
Net profit margin *(%)* *(Profit after tax / revenue)*	91.21	208.48	170.76	49.81
Return on equity *(%)* *(Profit after tax / average equity)*	10.86	23.83	14.64	4.96
Return on assets *(%)* *(Profit after tax / average assets)*	6.93	15.89	10.27	3.52
Return on invested capital *(%)* *(Operating profit / average equity and net debt)*	4.05	14.45	10.39	4.39
Interest cover *(times)* *(EBITDA / net finance costs)*	5.61	5.67	4.46	5.61

STATEMENT OF TOTAL COMPREHENSIVE INCOME

The operating results presented hereinabove primarily reflect the performance of the Group's operating subsidiaries - ST Hotels Ltd and ST Properties Ltd - which are described in further detail in sections 4.3 and 4.4 of this report.

Revenue in **FY2023** amounted to €33.0 million, an increase of €4.2 million (+15%) from the prior year. The majority of this increase in revenue is a reflection of an improvement in performance from all operational sectors of the Group (hospitality, commercial leasing and residential rental sectors). In addition, the Group generated €7.2 million from the sale of property (residential units and garages) compared to €6.2 million in FY2022 (+€1.0 million).

As a result, the Group's EBITDA increased y-o-y by €2.3 million (+11%) and registered an EBITDA margin of 71.0% (FY2022: 73.3%). Interest cover strengthened from 5.6 times (in FY2022) to 5.7 times.

During the year, the Group undertook a valuation exercise of its brand "ST" and recognised the amount to €36.5 million in the income statement. The income approach was used to determine this value, more specifically the discounted cash flows using the multi-period excess earnings method ("MPEEM"). The value derived from the MPEEM was validated to assess its reasonableness by computing the brand value using another approach: the relief from royalty method, the value of which has been estimated at €37.1 million.

The MPEEM is based on the principle that the value of the subject asset is equal to the present value of incremental cash flows of the business unit, after deducting contributory assets charges to compensate for the use of all other identifiable assets which also contribute to the generation of cash flows. On the other hand, the relief from royalty method is based on the principle that the ownership of all the intangible assets relieves the owner of the need to pay a royalty to another party in exchange for the rights to use the asset. The value of the intangible asset is equal to the present value of the cost savings realised by the owner of the intangible asset as a result of not having to pay a stream of royalty payments to another party.

The valuation was prepared by reference to industry standards and best practices, such as:

- the Private Equity Valuation Guidelines issued by the International Private Equity and Venture Capital Valuation Board,
- the International Valuation Standards published by the International Valuation Standards Council, the independent global standard setter for the valuation profession.

In FY2023, the fair value of investment properties increased by €15.4 million (FY2022: +€9.1 million), while the provision for expected credit losses was reduced by €4.5 million (FY2022: nil).

In comprehensive income, the Group recognised an uplift in property values, net of deferred tax, of €9.2 million (FY2022: €4.4 million). Overall, total comprehensive income for the year amounted to €78.1 million compared to €30.7 million in the prior year.

In **FY2024**, the Group generated revenue amounting to €29.5 million, a decrease of €3.5 million (-11%) when compared to FY2023. The y-o-y decline is due to a decrease in sales of residential units (€7.2 million in FY2023 compared to €0.5 million in FY2024), partly offset by higher revenues from hotel operations and rental income.

As a result, the Group's EBITDA decreased y-o-y by €3.9 million (-17%) to €19.5 million and registered an EBITDA margin of 66% (FY2023: 71%). Interest cover weakened from 5.67 times (FY2023) to 4.46 times.

During the year, the Group undertook a valuation exercise of its brand "ST Properties" and recognised the amount to €30 million in the income statement. The income approach was used to determine this value, more specifically the discounted cash flows using the multi-period excess earnings method ("MPEEM"). The value derived from the MPEEM was validated to assess its reasonableness by computing the brand value using another approach: the relief from royalty method, the value of which has been estimated at €31 million.

Revaluation of property in the reviewed year amounted to €0.2 million compared to €15.4 million a year earlier.

Overall, the Group reported a net profit of €50.3 million compared to €68.8 million in FY2023. In comprehensive income, no uplifts in carrying values of property were accounted for (FY2023: €9.2 million).

The estimates for the projected financial year as presented in this document assume that the carrying values of hotel and investment properties will not be revalued upwards or impaired, and therefore no adjustment has been made as to possible uplifts or impairments in value of assets which can materially affect the consolidated income statement and the statement of financial position.

In **FY2025**, the Group is projected to generate revenue amounting to €36.3 million, an increase of €6.8 million (+23%) when compared to FY2024. The y-o-y projected increase is mainly due to the anticipated commencement of operations of the new 295-room Novotel Hotel in Gzira. The projections also assume that the other hospitality properties will improve performance on a comparability basis.

As a result, the Group's EBITDA is expected to increase y-o-y by 20% (+€3.9 million) to €23.4 million and register an EBITDA margin of 64% (FY2024: 66%). Interest cover is expected to improve from 4.46 times (FY2024) to 5.61 times.

In the forecast financial year, the Group estimates total comprehensive income to amount to €18.1 million compared to €50.3 million in the prior year. It should be noted that in FY2024, total comprehensive income comprised profit on recognition of intangible asset of €30 million.

Stivala Group Finance 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	5	36,510	66,540	66,602
Right-of-use asset	382	204	152	101
Investment property	200,374	213,444	221,191	226,280
Property, plant & equipment	158,600	180,630	183,160	189,703
Investment in associates	274	280	306	280
Deferred taxation	12,692	10,240	16,756	18,370
	372,327	441,308	488,105	501,336
Current assets				
Inventory, trade and other receivables	11,866	11,609	3,153	2,839
Property held-for-sale	2,452	2,920	4,236	2,436
Other financial assets	8,320	13,095	13,671	10,087
Cash and cash equivalents	1,588	730	1,455	1,902
	24,226	28,354	22,515	17,264
Total assets	**396,553**	**469,662**	**510,620**	**518,600**
EQUITY				
Capital and reserves				
Share capital	255	255	259	259
Revaluation and other reserves	237,789	261,161	261,353	254,564
Retained earnings	11,211	67,112	97,251	120,509
	249,255	**328,528**	**358,863**	**375,332**
LIABILITIES				
Non-current liabilities				
Debt securities	59,730	59,790	59,850	59,870
Bank borrowings	25,749	27,145	33,258	35,286
Lease liabilities	225	172	129	162
Other non-current liabilities	28,603	30,410	33,630	33,740
	114,307	117,517	126,867	129,058
Current liabilities				
Bank overdraft	1,498	2,859	1,666	1,201
Bank and related party borrowings	15,867	8,452	7,693	3,850
Lease liabilities	170	53	43	43
Trade and other payables	12,808	10,799	15,456	8,245
Other current liabilities	2,648	1,454	32	871
	32,991	23,617	24,890	14,210
Total liabilities	**147,298**	**141,134**	**151,757**	**143,268**
Total equity and liabilities	**396,553**	**469,662**	**510,620**	**518,600**
Total debt	*103,239*	*98,471*	*102,639*	*100,412*
Net debt	*101,651*	*97,741*	*101,184*	*98,510*
Invested capital (total equity plus net debt)	*350,906*	*426,269*	*460,047*	*473,842*

Stivala Group Finance p.l.c. **Key Financial Ratios**	**FY2022** **Actual**	**FY2023** **Actual**	**FY2024** **Actual**	**FY2025** **Forecast**
Net debt-to-EBITDA *(times)* *(Net debt / EBITDA)*	4.81	4.17	5.18	4.21
Net debt-to-equity *(times)* *(Net debt / total equity)*	0.41	0.30	0.28	0.26
Net gearing *(%)* *(Net debt / net debt and total equity)*	28.97	22.93	21.99	20.79
Debt-to-assets *(times)* *(Total debt / total assets)*	0.26	0.21	0.20	0.19
Leverage *(times)* *(Total assets / total equity)*	1.59	1.43	1.42	1.38
Current ratio *(times)* *(Current assets / current liabilities)*	0.73	1.20	0.90	1.21

STATEMENT OF FINANCIAL POSITION

In the consolidated statement of financial position, the Group's total assets as at 31 December 2024 amounted to €510.6 million (2023: €469.7 million), predominantly composed of investment property and property, plant & equipment. The y-o-y increase of €40.9 million mainly included the recognition of intangible asset of €30.0 million and net additions to investment property and property, plant & equipment (+€10.3 million).

Non-current liabilities as at 31 December 2024 amounted to €126.9 million (2023: €117.5 million), comprising debt securities of €59.8 million (2023: €59.8 million), bank loans of €33.3 million (2023: €27.1 million) and other non-current liabilities (primarily deferred taxation) of €33.6 million (2023: €30.4 million).

Current liabilities amounted to €24.9 million (2023: €23.6 million) and include trade and other payable, current portion of bank, other borrowings and lease liabilities, overdraft facilities and other liabilities.

The net gearing ratio of the Group decreased y-o-y from 22.9% to 22.0%. An alternative to assessing leverage is the net debt to EBITDA ratio, which improved from 4.2 times in 2023 to 5.2 times in 2024.

Total assets as at 31 December **2025** are expected to amount to €518.6 million, an increase of €8 million from the comparable period. It is anticipated that planned capital expenditure for the forecast year will add €6.5 million (net of depreciation charge) to property, plant and equipment and €5.1 million to investment property, while other financial assets are expected to decrease by €3.6 million.

Total liabilities are projected to decrease by €8.5 million mainly on account of a net decrease in trade & other payables of €7.3 million.

The net gearing ratio of the Group is anticipated to decrease by 1 percentage point from 22% in FY2024 to 21% in FY2025, while net debt to EBITDA is projected to improve from 5.18 times in 2024 to 4.21 times in 2025.

Stivala Group Finance 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 operating activities	18,716	64,680	56,158	24,073
Net cash used in investing activities	(18,272)	(56,483)	(48,134)	(16,709)
Free cash flow	**444**	**8,197**	**8,024**	**7,364**
Net cash from / (used in) financing activities	989	(10,416)	(6,106)	(6,456)
Net movement in cash and cash equivalents	**1,433**	**(2,219)**	**1,918**	**908**
Expected credit loss on cash in banks	(3)	-	-	4
Cash and cash equivalents at beginning of year	(1,340)	90	(2,129)	(211)
Cash and cash equivalents at end of year	**90**	**(2,129)**	**(211)**	**701**

STATEMENT OF CASH FLOWS

During FY2024, the Group generated €56.2 million in net cash from operating activities compared to €64.7 million in the prior year. In the projected year, net cash inflows are expected to amount to €24.1 million.

Net cash used in investing activities amounted to €48.1 million in FY2024 (FY2023: €56.5 million) and mainly comprised the acquisition of intangible asset of €30.0 million (FY2023: €36.5 million) and property acquisitions and development of €17.7 million (FY2023: €19.6 million). In FY2025, expenditure relating to the various projects of the Group (mainly Movenpick Hotel, Novotel Hotel and Business Centre, Gzira) and other capital expenditure is expected to amount to €16.2 million (in aggregate).

Net cash outflows relating to financing activities amounted to €6.1 million (FY2023: €10.4 million). During the year, net drawdowns from bank loans and related parties amounted to €15.5 million (FY2023: €4.0 million). In FY2024, dividends paid to shareholders amounted to €20 million (FY2023: nil). In the forecast year, net cash outflows from financing activities are projected to amount to €6.5 million and mainly comprise net repayment of borrowings and interest payments.

7. VARIANCE ANALYSIS

The following financial information relates to the variance analysis between the projected financial information for the year ended 31 December 2024 included in the prior year's Financial Analysis Summary dated 26 June 2024 and the audited consolidated financial statements for the year ended 31 December 2024.

Stivala Group Finance p.l.c. Consolidated Statement of Total Comprehensive Income for the financial year ended 31 December 2024	Actual	Forecast	Variance	
	€'000	€'000	€'000	
Revenue	29,476	31,172	(1,696)	
Cost of sales	(8,198)	(8,091)	(107)	
Gross profit	**21,278**	**23,081**	**(1,803)**	
Net operating costs	(1,744)	(2,260)	516	
EBITDA	**19,534**	**20,821**	**(1,287)**	
Depreciation & amortisation	(5,931)	(4,238)	(1,693)	
Profit on recognition of intangible asset	30,000	-	30,000	*(1)*
Decrease in provision for expected credit losses (ECL)	4,683	(1,887)	6,570	*(2)*
Provision for expected credit losses (ECL)	(486)	191	(677)	*(2)*
Operating profit	**47,800**	**14,887**	**32,913**	
Dividends receivable	277	238	39	
Movement in revaluation of property	209	-	209	*(3)*
Share in profit (loss) of associates	26	8	18	
Net finance costs	(4,380)	(4,683)	303	
Profit before tax	**43,932**	**10,450**	**33,482**	
Taxation	6,400	(727)	7,127	
Profit for the year	**50,332**	**9,723**	**40,609**	
Other comprehensive income:				
Movement in revaluation of property, net of tax	-	-	-	*(3)*
Total comprehensive income	**50,332**	**9,723**	**40,609**	

INCOME STATEMENT

In FY2024, profit after tax was higher than projected by €40.61 million mainly on account of the following positive variances which were not anticipated at the time of preparation of the projections:

(1) Recognition of intangible asset amounting to €30.0 million;

(2) Net decrease in provision for expected credit losses (ECL) of €4.68 million which resulted in a positive movement of €6.57 million;

(3) Tax credit amounting to €6.40 million which resulted in a positive movement of €7.13 million.

Adverse variances in EBITDA and depreciation & amortisation of €1.29 million and €1.69 million respectively partly offset the above-mentioned positive movements.

Stivala Group Finance p.l.c. Consolidated Statement of Cash Flows for the financial year ended 31 December 2024	Actual €'000	Forecast €'000	Variance €'000
Net cash from operating activities	56,158	2,034	54,124
Net cash used in investing activities	(48,134)	(13,278)	(34,856)
Net cash from / (used in) financing activities	(6,106)	13,796	(19,902)
Net movement in cash and cash equivalents	**1,918**	**2,552**	**(634)**
Expected credit loss (ECL) on cash in banks	-	4	(4)
Cash and cash equivalents at beginning of year	(2,129)	(2,129)	-
Cash and cash equivalents at end of year	**(211)**	**427**	**(638)**

STATEMENT OF CASH FLOWS

Actual net movement in cash and cash equivalents was lower than expected by €634,000.

The positive variance of €54.12 million in operating activities and the adverse variance of €34.86 million in investing activities mainly reflect the recognition of the intangible asset amounting to €30.0 million. In financing activities, a dividend of €20 million was paid to shareholders which was not anticipated when the projections were prepared.

STATEMENT OF FINANCIAL POSITION

The material variances between the actual and projected statement of financial position are as follows:

(1) The recognition of the Group's brand "ST Properties" as an intangible asset was not anticipated when the forecast was compiled.

(2) Current assets show an adverse variance of €9.91 million, mainly on account of a €6.56 million movement in inventory, trade and other receivables and a €4.45 million movement in other financial assets.

(3) Movement in retained earnings was positive by €21.28 million and principally reflect a positive variance in total comprehensive income of €40.61 million less a dividend payment of €20 million.

Stivala Group Finance p.l.c.
Consolidated Statement of Financial Position
as at 31 December 2024

	Actual	Forecast	Variance	
	€'000	€'000	€'000	
ASSETS				
Non-current assets				
Intangible assets	66,540	36,508	30,032	(1)
Right-of-use asset	152	209	(57)	
Investment property	221,191	215,586	5,605	
Property, plant & equipment	183,160	187,811	(4,651)	
Investment in associates	306	280	26	
Deferred taxation	16,756	13,970	2,786	
	488,105	454,364	33,741	
Current assets				
Inventory, trade and other receivables	3,153	9,713	(6,560)	
Property held-for-sale	4,236	2,651	1,585	
Other financial assets	13,671	18,116	(4,445)	
Cash and cash equivalents	1,455	1,945	(490)	
	22,515	32,425	(9,910)	(2)
Total assets	**510,620**	**486,789**	**23,831**	
EQUITY				
Capital and reserves				
Share capital	259	255	4	
Revaluation and other reserves	261,353	261,161	192	
Retained earnings	97,251	75,974	21,277	(3)
	358,863	**337,390**	**21,473**	
LIABILITIES				
Non-current liabilities				
Long-term borrowings & debt securities	93,108	101,710	(8,602)	
Lease liabilities	129	101	28	
Other non-current liabilities	33,630	28,860	4,770	
	126,867	130,671	(3,804)	
Current liabilities				
Bank overdraft	1,666	1,518	148	
Borrowings	7,693	8,836	(1,143)	
Lease liabilities	43	30	13	
Trade and other payables	15,456	7,374	8,082	
Other current liabilities	32	970	(938)	
	24,890	18,728	6,162	
	151,757	**149,399**	**2,358**	
Total equity and liabilities	**510,620**	**486,789**	**23,831**	

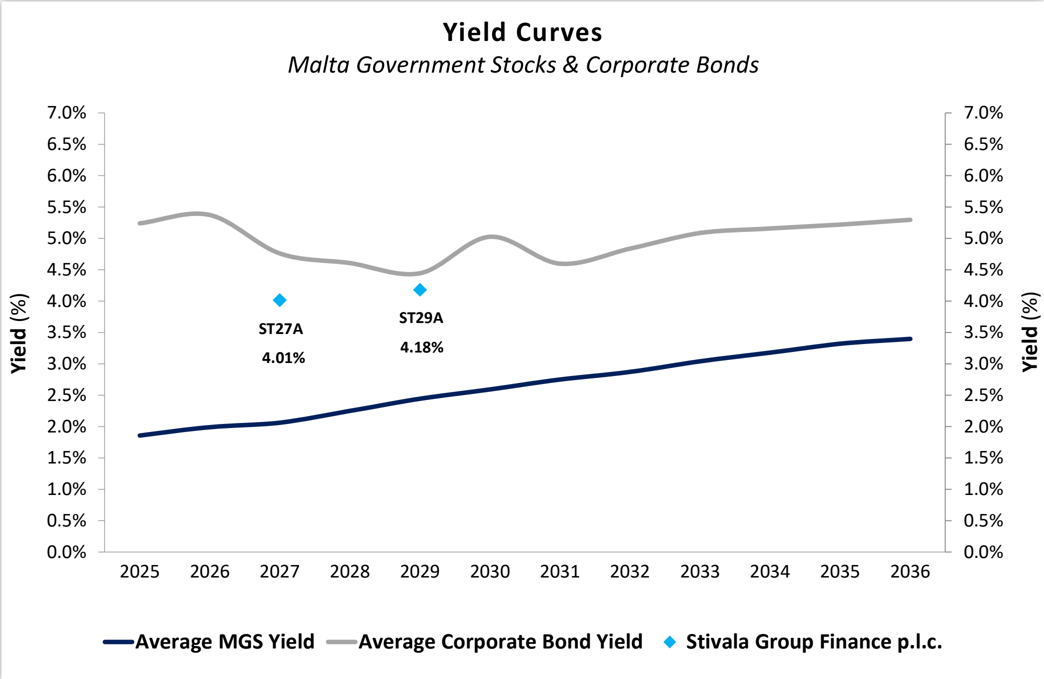
PART 3 – COMPARATIVE ANALYSIS

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 **4.00% Stivala Group Finance p.l.c. secured and guaranteed bonds 2027** (ST27A) was 99.95%. This translated into a yield-to-maturity ("**YTM**") of 4.01% which was 75 basis points below the average YTM of 4.76% of other local corporate bonds maturing in the same year. The premium over the corresponding average Malta Government Stock ("**MGS**") yield of equivalent maturity (2.06%) stood at 195 basis points.

The closing market price as at 30 May 2025 for the **3.65% Stivala Group Finance p.l.c. secured and guaranteed bonds 2029** (ST29A) was 98.00%. This translated into a YTM of 4.18% which was 27 basis points below the average YTM of 4.45% of other local corporate bonds maturing in the same year. The premium over the corresponding average MGS yield of equivalent maturity (2.44%) stood at 174 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.