



Dear Investor,

We hope this newsletter finds you well as we approach the upcoming festive season.

Reflecting on 2024, we are pleased with the steady progress achieved across all our divisions.

Key notable accomplishments for 2024 include the completion of Palazzo Lucia, a prestigious office address in Valletta; the first full year of AX ODYCY's transformation into a hospitality destination in Qawra, with its unique F&B establishments; and the retention of our Michelin awards for Under Grain and Grain Street. We are also restoring the Jesuits' Church in Valletta and made significant progress on the Verdala development in Rabat.

As part of our leadership transition, we are pleased to announce the appointment of Mr. Kenneth Abela as CEO-Designate and Mr. Michael Warrington as Deputy Chairman, who will also continue in his role as CEO for the upcoming year. These changes reflect our commitment to the Group's long-term growth strategy, ensuring strong leadership for the future.

We take pride in the corporate social responsibility initiatives led by our teams, across all divisions. Through these initiatives, we remain committed to positively impacting the communities we serve.

As part of our commitment to adding value

for our investors, we would like to remind you that with your AX Loyalty Card, you can enjoy exclusive discounts on food, beverages, and accommodations, making the most of your visits to our properties during this special time of year.

Looking ahead, 2025 will be a pivotal year for AX Group as we mark our 50th anniversary. This milestone coincides with the completion of the Verdala Terraces and the opening of the Verdala Wellness Hotel, reinforcing our commitment to delivering exceptional residential and hospitality projects.

On behalf of the Directors of AX Group p.l.c. and AX Real Estate p.l.c., we extend our sincere gratitude for your continued trust and support, which plays a crucial role in driving the growth and success of our projects. We hope that this newsletter provides valuable insights and the latest updates from across AX Group.

We wish you and your loved ones a joyous festive season and a prosperous 2025.

Angelo Xuereb
Chairman

Michael Warrington
Chief Executive Officer

MAIN CAPITAL PROJECTS



RABAT

VERDALA WELLNESS HOTEL

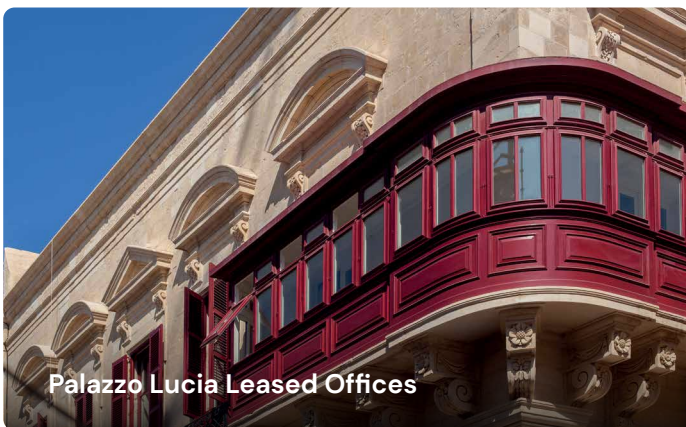
Our luxury 5-star wellness hotel, the 8th addition to the AX Hotels portfolio, is nearing completion and is scheduled to open next year. With 46 rooms and 24 residences, the hotel will offer a range of wellness experiences, retreats, and services, complemented by state-of-the-art spa facilities, curated dining, and breathtaking views. This serene haven is designed for guests seeking transformative travel experiences that focus on well-being.



RABAT

VERDALA TERRACES

We are also approaching completion of the Verdala Terraces, featuring the Royal and Grand Mansions. These exclusive residences, equipped with premium amenities and leisure facilities, are on track for an early 2025 completion, with the first deeds of sale being finalised by the end of the year. For more information about the exclusive residences, visit www.verdalaterraces.mt.

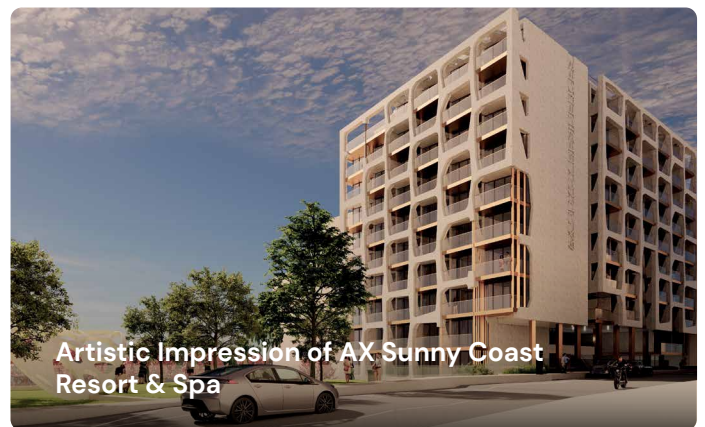


VALLETTA

PALAZZO LUCIA

Palazzo Lucia, is another high end development offering 1,248 square metres of meticulously designed office space in Valletta. This development, fully completed and leased out to third parties earlier this year continues to solidify our strategy to diversify the Group's portfolio by introducing innovative projects that address gaps in the local market.

As with all our heritage building projects, we remain dedicated to preserving and restoring historic structures with the utmost care and responsibility, ensuring that sustainability remains at the forefront of our approach.



QAWRA

AX SUNNY COAST

With AX ODYCY now well-established following its re-opening in May 2023, our focus is shifting to the ground-up redevelopment of AX Sunny Coast Resort & Spa, the Sunny Coast Lido and the Luzzu complex (Qawra Phase 2).

We are confident that the completion of these projects will further enhance AX Hotels' position within the hospitality sector, while also contributing to the ongoing regeneration of Qawra, benefiting both tourists and locals alike.

BUSINESS PERFORMANCE

AX Group has demonstrated strong performance and revenue growth in 2024, aligning with our strategic targets and projections. A standout contributor to this success was our hospitality division, which saw a significant increase in revenue following the successful opening of AX ODYCY in May 2023.

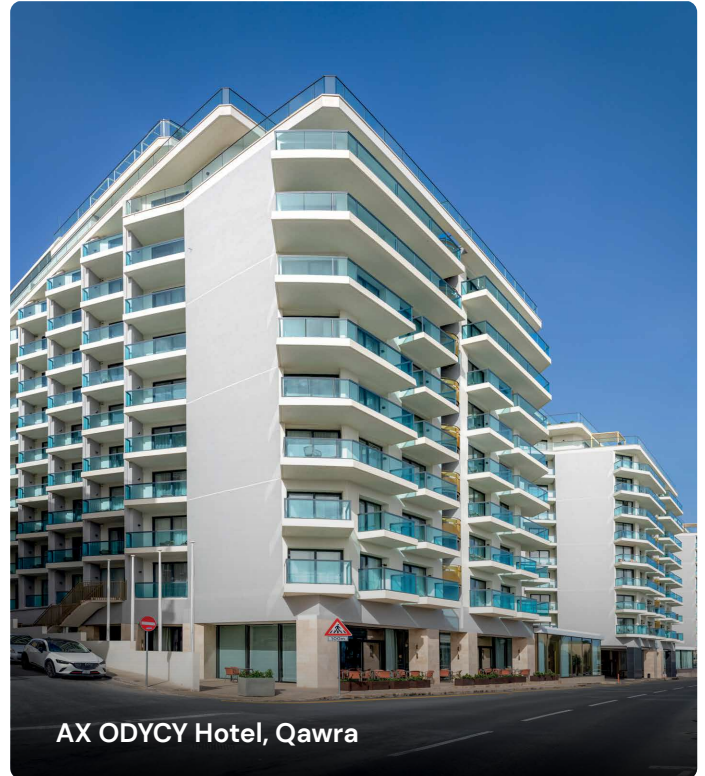
Additionally, our Care and Construction divisions have reported substantial revenue growth, reflecting our commitment to delivering exceptional services and executing high-quality projects. This positive momentum is further supported by a growing interest in our healthcare offerings and an increasing demand for our construction services, from third parties indicating a robust future performance.

Overall, we are confident that these achievements reinforce AX Group's resilience and capacity for sustained growth going forward.

AX HOTELS

The past year has been a successful one for AX Hotels. We are pleased to report that AX ODYCY, along with its new food and beverage offerings, has exceeded expectations and remains a significant revenue generator for the Group. Building on this success, we are now planning further enhancements for the winter season, with a focus on introducing new entertainment options and facilities to sustain this positive momentum.

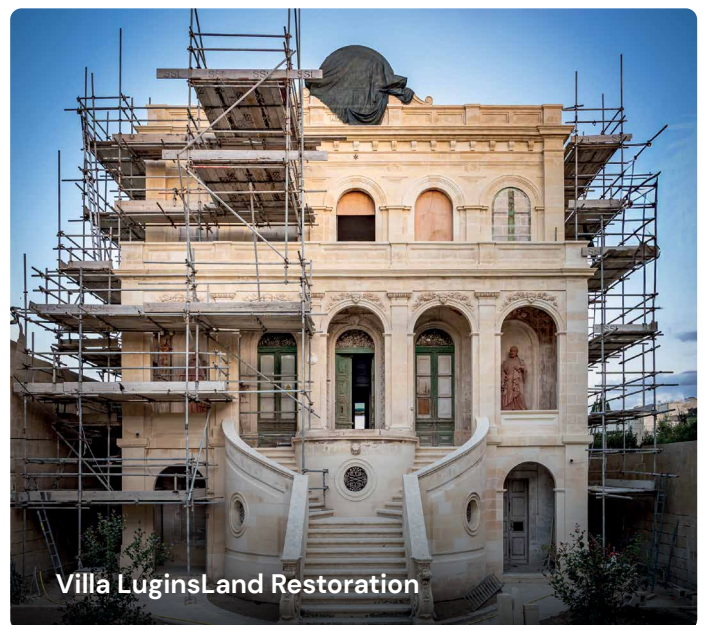
Rosselli AX Privilege and AX The St John in Valletta, along with AX The Palace and AX Victoria in Sliema, have also delivered solid performance, with all of our hotels exceeding forecasts. Our dedicated Hospitality teams are fully committed to deliver optimal quality and service, earning accolades for our Food and Beverage establishments. Whilst being proud of our Michelin rated restaurants in Valletta, we continue to receive excellent guest reviews for our establishments in Qawra and Sliema.



AX CONSTRUCTION

Following the successful transformation of Palazzo Lucia and the completion of the AX ODYCY Hotel and Lido, our construction team is now focused on finalising the Verdala Terraces and the Verdala Wellness Hotel, with works continuing at a steady pace.

We continue to maintain a strong portfolio, including the construction of a new visitor's centre at St John's Co-Cathedral in Valletta, the Grade I Historic Property Restoration of the Villa Luginsland in Rabat, the construction of the Schengen Arrival Terminal at the Malta International Airport and further restoration works within the Jesuit's Church, as well as other third party projects.



AX Care continues to perform well, maintaining its position as a leading provider of private healthcare for the elderly in Malta and delivering on our promise of high-quality, personalised care. Life at Hilltop and Simblija is enriched with a calendar of engaging activities, social events, and access to upscale facilities. Residents enjoy a fulfilling lifestyle that promotes well-being, personal growth, and new friendships.

Both Hilltop Gardens and Simblija Care Home have achieved strong occupancy rates throughout 2024, with Hilltop Gardens operating at full capacity and a substantial waiting list for prospective residents. Our Revive Physiotherapy and Aqua Therapy Centre has also played a key role in supporting mobility and wellness for both residents and external clients.

We are exploring innovative ways to expand these services and premium offerings to the wider public, prioritising top-tier care while enriching residents' well-being through mind and body exercises, cultural outings, leisure activities, and events such as Sports Day.



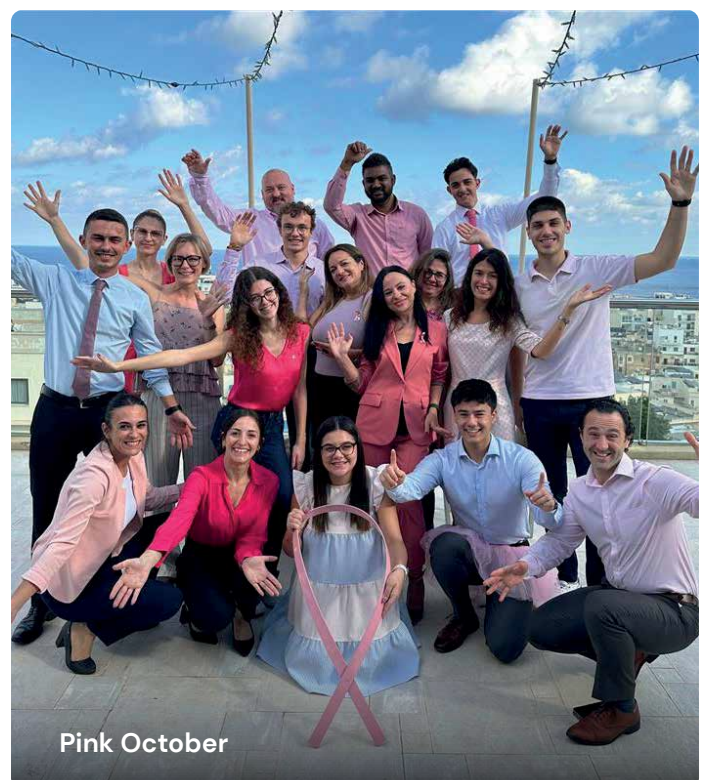
ESG (ENVIRONMENTAL, SOCIAL AND GOVERNANCE)

We actively participate in initiatives aimed at educating stakeholders on ESG principles, advocating for improved policies, and implementing sustainable measures to reduce carbon emissions. Our ESG committee is also focused on environmental initiatives, including the reduction of single-use plastics, energy and waste. Over the past years we have invested in technology to minimise paper consumption across the Group.

We are proud to announce that, in late October 2024, AX The Palace and AX The Victoria Hotel were the first hotels in Malta to receive a certification from the Global Sustainability Tourism Council (GSTC) for their sustainability practices. This prestigious certification highlights our commitment to environmental responsibility and positions us among the leading green hotels locally and internationally.

Our Corporate Social Responsibility Committee has carried out a number of environmental and social initiatives, in collaboration with BirdLife, Nature Trust and Coast is Clear. AX Foundation has also collaborated with San Andrea School for children's emotional development, supported Inspire Malta's inclusive education conference, and contributed towards Mental Wellbeing projects with Children in

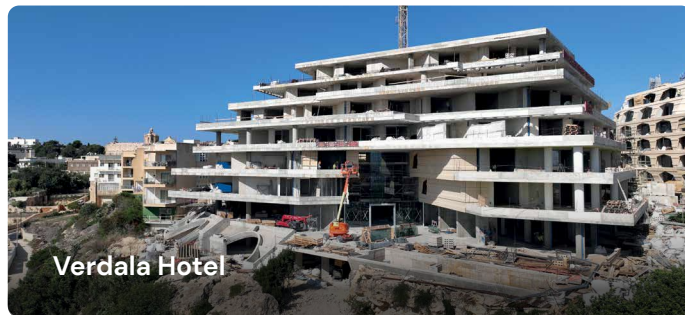
Need Foundation and Fondazzjoni Sebh. We also partnered with the Foodbank Lifeline Foundation Malta to help families with food supplies whilst promoting social responsibility across our business units.



AX REAL ESTATE

AX Group's strategic investments continue to yield significant returns, with the revenue from AX ODYCY substantially enhancing overall performance.

In September, an interim dividend of €1,936,542.77 was declared, and bond interest payments were paid out according to our outlined timeline. All the Group's properties are practically fully leased, demonstrating strong market demand. Furthermore, we anticipate that the upcoming opening of the Verdala Wellness Hotel will further drive revenue growth, reinforcing our commitment to delivering value to our investors.



OUTLOOK

2025 promises to be an exciting yet challenging year for the Group, with key milestones ahead, including the completion of the Verdala Terraces and the Verdala Wellness Hotel.

Our Hospitality division is poised to achieve record revenues, driving significant improvements in profitability across our hotels.

At Simblija Care Home and Hilltop Gardens Retirement Village, our focus will be on optimising revenue streams while improving productivity and efficiency for better returns. Both operations are expected to maintain high occupancy levels.

AX Construction's priority for 2025 will be on third party projects. With a healthy order book, AX Construction is positioned to achieve record revenues in the coming year. The Development division is also expected to perform well, following the sale of units at Verdala Terraces. Proceeds

from these sales will primarily be directed toward reducing Group borrowings to continue supporting a sustainable debt level. Additionally, in 2025, the development division will be heavily involved in the planning stage of Qawra Phase 2.

2025 is set to be a transformative year for the group, wherein the Group is projecting a substantial improvement in asset returns, driven by robust revenue growth across all divisions. Projected cash generation will enable the Group to pursue its investment strategy for the upcoming development projects whilst further strengthening the Group's overall financial position, ensuring resilience and sustainable growth.

AWARDS

AX Group proudly celebrated a series of prestigious accolades, including the Gold Award for Family Business of the Year at the Malta Business Awards, highlighting our dedication to excellence and legacy. AX ODYCY further exemplifies this success with four wins at the European Property Awards 2024 for Malta – Commercial Renovation Award, Best Hotel Architecture Award, Leisure Development Award and Best Masterplan Award, alongside recognition at the 2023 MASP Awards for Interior Architecture in Hospitality and Tourism Projects. Our Food & Beverage excellence shines with awards like TripExpert's 2024 'Best Sun & Beach' and the TripAdvisor Travellers' Choice Award 2024.



EXCLUSIVE BENEFITS

As a valued AX investor, you have the privilege of enjoying exclusive discounts on reservations at all our bars and restaurants in Qawra, Sliema, Valletta and Hilltop.

Present your loyalty card to enjoy special rates. For Christmas menus and festive dining options, please visit www.axhotelsmalta.com/christmas/new-year-lunch-dinner



☆ CELEBRATIONS THAT SPARKLE

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Dawret il-Qawra

EXECUTIVE FOCUS



MICHAEL WARRINGTON

CHIEF EXECUTIVE OFFICER
AND DEPUTY CHAIRMAN

Mr. Michael Warrington has recently been appointed as Deputy Chairman of AX Group, with a structured one-year succession plan in place to transition from his current role as CEO and ensure a smooth leadership transition. Mr. Warrington brings over 40 years of leadership experience across banking, aviation, hospitality, and corporate finance. A Certified Public Accountant and Fellow of the Malta Institute of Accountants, he has been instrumental in AX Group's growth since 2000, first as CFO and later as CEO since 2016. He also played a key role in the establishment of FCM Bank Ltd and the restructuring of Novum Bank Ltd. Mr. Warrington currently serves on the boards of several private and publicly listed companies in Malta and abroad, leveraging his extensive expertise to drive strategic progress.



KENNETH ABELA

CHIEF EXECUTIVE OFFICER
-DESIGNATE

Mr. Kenneth Abela has been appointed as CEO-designate of AX Group, succeeding Mr. Michael Warrington as part of a leadership transition. Mr. Abela has held senior positions in major organisations, successfully leading an IPO and overseeing key corporate restructurings and financial strategies for publicly listed entities. A graduate in Accountancy from the University of Malta and a Fellow of the Malta Institute of Accountants, he brings extensive expertise in finance, operational leadership, and strategic management, particularly within the hospitality and retail sectors. Renowned for his integrity and forward-thinking approach, Mr. Abela is well-equipped to lead AX Group into its next chapter, fostering innovation and driving long-term value creation.