CARMELO STIVALA GROUP LTD

Condensed Interim
Financial Statements

For the period 01 January 2026 to 30 June 2026

Company Registration Number: C 82218

Contents

Interim Directors' Report

This Half-Yearly Report is being published in terms of Chapter 5, Rule 5.75 of the Capital Markets Rules of the Malta Financial Services Authority and the Prevention of Financial Markets Abuse Act, Chapter 476 of the Laws of Malta. The condensed set of financial statements included in this report has been extracted from Carmelo Stivala Group Ltd's unaudited financial information for the six months commencing 1 January 2026 to 30 June 2026, prepared in accordance with International Financial Reporting Standards adopted for use in the EU for interim financial statements (International Accounting Standard 34, 'Interim Financial Reporting'). This half-yearly report has not been audited or reviewed by the Company's auditors.

Principal Activities

The Company's principal activities comprise acting as a holding and investment company, together with the ownership, management and leasing of immovable property. Its operations include holding and managing investments, administering property assets and generating income from rental and investment activities.

Business Review

During the six-month period ended 30 June 2026, the Company reported a profit before tax of €1,282,175, compared with €2,027,649 for the corresponding period in 2025. The decrease in profit before tax was primarily attributable to a one-off property sale recognised in 2025.

In 2026, the Maltese economy continues to demonstrate strong and resilient growth, supported by private consumption, public investment, services exports and the continued strength of the tourism sector. Real GDP increased by 3.9% year on year during the first quarter of 2026, while growth for the full year is forecast at 3.7%. Employment is also expected to continue expanding, supported by foreign workers, although persistent labour shortages remain a constraint across several sectors.

Economic growth is forecast to moderate slightly to 3.6% in 2027 as external demand weakens and labour supply pressures become more pronounced. Nevertheless, domestic demand, tourism, professional services, information technology and financial services are expected to continue supporting economic activity.

Malta's fiscal position remains stable in 2026. The general government deficit is forecast at 2.2% of GDP, unchanged from the 2025 level and below the European Union's 3% threshold. It is expected to narrow further to 2.1% in 2027.

The public debt-to-GDP ratio is projected to decline slightly from 46.4% in 2025 to 46.2% in 2026 and remain at approximately this level in 2027. Continued nominal GDP growth is expected to support the debt trajectory. However, pressures arising from public-sector expenditure, energy support measures, wage growth and reduced income tax receipts will require continued fiscal monitoring.

During the reporting period, the Company completed the acquisition of four properties, further expanding its property portfolio.

In parallel, the Company broadened its commercial real estate footprint through the redevelopment of the former Charlie's Guesthouse in Msida. The property has been transformed into ST Charlie's Business Centre, contributing to the ongoing urban renewal of the Msida seafront area. The project was completed in the first quarter of the current financial year, with commercial operations commencing during the same quarter.

These initiatives form part of the Company's long-term investment strategy aimed at enhancing asset value, diversifying its portfolio and reinforcing its presence in both the hospitality and commercial property markets in Malta.

The published figures have been extracted from the unaudited interim financial statements for the six-month period ended 30 June 2026.

Interim Directors' Report - continued

Dividends

The Board of Directors has resolved to determine the extent of any dividend distribution for 2026 on the basis of the full-year results. Accordingly, no dividends are declared upon the issue of the results for the six-month period ended 30 June 2026.

Principal Risks and Uncertainties

In carrying out its activities as a holding, property-rental and investment company, the Company is exposed to a range of financial, commercial and operational risks. These include property and investment market risk, fluctuations in asset values, changes in rental demand and occupancy levels, tenant and counterparty credit risk, interest-rate and refinancing risk, and liquidity risk. These factors may affect the value of the Company's assets, rental and investment income, cash flows and its ability to meet its financial obligations as they fall due.

During 2026, the Directors continued to monitor inflationary pressures, borrowing costs, energy and maintenance expenses, property-market conditions and the wider economic effects of geopolitical uncertainty, including the continuing conflicts in Ukraine and the Middle East. The Board maintains oversight of the Company's risk-management and internal-control framework and regularly reviews asset performance, rental income, tenant exposures, liquidity, cash-flow projections, funding requirements and the performance of its investments.

The Directors consider that appropriate controls and safeguards are in place to identify, monitor and mitigate these risks. The Board will continue to assess economic and market developments and take such measures as it considers necessary to protect the Company's financial position and support the long-term management of its property and investment portfolio.

Directors' Statement Pursuant to Capital Markets Rules

We hereby confirm that, to the best of our knowledge:

1. The condensed consolidated interim financial statements give a true and fair view of the financial position of the Company as at 30 June 2026, and of its financial performance and cash flows for the period then ended, in accordance with IFRS as adopted by the EU and applicable to interim financial reporting (IAS 34).
2. The interim directors' report includes a fair review of the information required in terms of Capital Markets Rule 5.81.1.

Approved by the Board of Directors on 26 August 2026 and signed on its behalf by:

Michael Stivala
CEO & Executive Director

Ivan Stivala
Chairman & Executive Director

Martin John Stivala
Executive Director

Registered Office:
ST Group Head Office
60, Novotel Hotel, Level 2
Triq Sir Frederick C. Ponsomby
Gzira GZR 1070
Malta

Condensed Consolidated Interim Statement of Financial Position

	Notes	As at 30.06.26 (unaudited) €	As at 31.12.25 (audited) €
ASSETS			
Non-current assets			
Intangible assets		-	-
Right-of-use asset		-	-
Investment property	3	375,800,626	375,353,876
Property, plant and equipment	3	-	-
Deferred tax asset		1,166,543	1,166,543
Investment in subsidiaries	4	502,400	502,400
Investment in associates	4	240	240
		377,469,809	377,023,059
Current assets			
Inventory	5	-	-
Property held for sale	5	2,435,816	2,435,817
Trade and other receivables		725,942	3,341,104
Cash and cash equivalents	2	7,977,545	5,739,481
Other financial assets		109,126,406	124,856,144
		120,265,708	136,372,546
Total assets		497,735,517	513,395,605

Condensed Consolidated Interim Statement of Financial Position - continued

	Notes	As at 30.06.26 (unaudited) €	As at 31.12.25 (audited) €
EQUITY AND LIABILITIES			
Capital and reserves			
Called-up issued share capital	6	60,004,872	60,004,872
Retained earnings		112,519,322	122,145,597
Revaluation reserve		271,765,322	271,765,323
Total equity		444,289,516	453,915,792
LIABILITIES			
Non-current liabilities			
Long-term borrowings	7	15,731,303	16,754,967
Other non-current liabilities		-	-
Finance lease liability		-	-
Deferred tax liability		30,102,149	30,102,149
Total non-current liabilities		45,833,452	46,857,116
Current liabilities			
Current borrowings	2, 7	5,925,682	11,509,674
Trade and other payables		1,212,962	1,059,187
Finance lease liability		-	-
Current tax liabilities		473,908	53,836
Total current liabilities		7,612,552	12,622,697
Total equity and liabilities		497,735,518	513,395,605

The notes on pages 8 to 11 are an integral part of these condensed consolidated interim financial statements.

The condensed consolidated interim financial statements on pages 3 to 12 were authorised for issue by the Board on 26 August 2026 and were signed on its behalf by:

Michael Stivala	Martin John Stivala	Ivan Stivala
Director	Director	Director

Condensed Statement of Comprehensive Income

	Notes	6 months Jan - Jun 2026 (unaudited) €	6 months Jan - Jun 2025 (unaudited) €
Revenue	9	1,883,736	3,805,459
Cost of sales		(0)	(1,800,000)
Gross operating profit		1,883,736	2,005,459
Other net operating costs		(265,250)	(36,440)
EBITDA		1,618,486	2,041,899
Depreciation and amortisation		(0)	
Operating profit		1,618,486	2,041,899
Share of results of associated undertakings		0	0
Dividend income		0	0
ECL provision	10	0.00	0.00
Net finance costs		(336,311)	(14,250)
Profit before tax		1,282,175	2,027,649
Taxation		(420,070)	(650,000)
Profit for the period		862,105	1,377,649
Total comprehensive income		862,105	1,377,649

Condensed Consolidated Interim Statement of Changes in Equity

	Share capital €	Revaluation reserve €	Retained earnings €	Incentives and benefits €	Total €
At 31 December 2025	60,004,872	271,765,323	122,145,597	0	453,915,792
Profit for the period	0	0	862,105	0	862,105
Dividends paid	0	0	(10,488,381)	0	
Total comprehensive income	0	0	(9,626,275)	0	862,105
At 30 June 2026	60,004,872	271,765,323	112,519,322	0	454,777,897

Condensed Interim Statement of Cash Flows

	Notes	6 months Jan - Jun 2026 Unaudited €	6 months Jan - Jun 2025 Unaudited €
Net cash from operating activities		2,972,283	422,781
Net cash from investing activities		5,873,438	6,825,270
Net cash from financing activities		(6,607,657)	(4,073,185)
Net movement in cash and cash equivalents		2,238,064	3,174,867
Cash and cash equivalents at beginning of year		5,739,481	1,425,422
Cash and cash equivalents at end of year		**7,977,545**	4,600,289
Cash and cash equivalents at beginning of year	2	7,977,545	4,600,289
Cash at bank and in hand	2	7,977,545	4,600,289
Bank overdrafts	2		

Notes to the Condensed Consolidated Interim Financial Statements

1 Basis of Operation

These condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standard 34, 'Interim Financial Reporting', and have been extracted from the Company's unaudited accounts for the six-month period commencing 1 January 2026 to 30 June 2026. The half-yearly results have been published in terms of the Capital Markets Rules of the Malta Financial Services Authority.

1.1 Foreign Currency Translation

(a) Functional and Presentation Currency

Items included in these financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in euro, which is the Company's functional and presentation currency.

(b) Transactions and Balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the date of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

1.2 Investment Property

Investment property comprises residential apartments and commercial properties leased out to third parties.

Notes to the Condensed Consolidated Interim Financial Statements - continued

2 Cash and Cash Equivalents

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise the following:

	Jan - Jun 2026 Unaudited €
Cash at bank and in hand	7,977,545
Bank overdrafts	0
	7,977,545

Cash at bank is included within current assets, whilst bank overdrafts are included within current liabilities (short-term borrowings) in the statement of financial position.

3 Property, Plant and Equipment

The fair value of the Group's investment properties as at 31 December 2025 is based on a valuation carried out by an independent architect on 30 April 2026.

4 Investment in Associates

Company	Registered address	% of ordinary capital held Jan - Jun 2026
Platinum Developments Ltd	143, The Strand, Gzira GZR 1026, Malta	50
Civala Limited	Vincenti Buildings 22/25, Strait Street, Valletta, VLT 1432, Malta	50
Sliema Creek Lido Limited	No. 2, Geraldu Farrugia Street Zebbug, ZBG 4351, Malta	33.33
Aqualuna Lido Limited	No. 2, Geraldu Farrugia Street Zebbug, ZBG 4351, Malta	33.33

Notes to the Condensed Consolidated Interim Financial Statements - continued

5 Inventory

	Jan - Jun 2026 Unaudited €
Goods held for resale	0
Property for resale	2,435,816
	2,435,816

6 Share Capital

	Jan - Jun 2025 Unaudited €
Authorised	
4,872 ordinary shares of €1 each	4,872
	4,872
Called-up issued and fully paid-up preference shares	
60,000,000 preference shares of €1 each	60,000,000
	60,000,000

Each ordinary share gives the right to one vote, participates equally in profits distributed by the Company and carries equal rights.

7 Long-Term Borrowings

Bank Loans

As at period end, the Group held various loan facilities with multiple financial institutions, classified as non-current and current liabilities according to their respective repayment terms. These borrowings are summarised below by entity:

Carmelo Stivala Group Ltd

- A term loan with Lombard Bank with an outstanding balance of €2,725,700.99.
- Facilities with BNF Bank amounting to a total balance of €8,974,337.96.
- A loan facility with APS Bank totalling €6,248,783.11.
- An additional COVID-19 Malta Development Bank guaranteed facility through APS Bank with a balance of €338,772.52.
- The aggregate borrowings for Carmelo Stivala Group Ltd as at period end amounted to €18,287,594.58.

All loan balances were confirmed directly with the lending institutions and are stated at amortised cost. Where applicable, COVID-19 facilities are guaranteed in part by the Malta Development Bank in accordance with the relevant pandemic support schemes. No breaches of covenants or defaults were noted as at the reporting date.

Notes to the Condensed Consolidated Interim Financial Statements - continued

8 Revenue

Carmelo Stivala Group Ltd generated revenue from the rental of properties owned by the Company, together with any dividend income declared. Dividend income for the financial year ending 2026 will be determined at year-end, as noted on page 1 of this report.

Directors' Statement Pursuant to Capital Market Rule 5.75.3

I confirm to the best of my knowledge:

- The condensed consolidated interim financial information gives a true and fair view of the financial position of the Group from 1 January 2026 to 30 June 2026, and of its financial performance and cash flows for the six-month period then ended, in accordance with International Financial Reporting Standards as adopted by the EU and applicable to interim financial reporting (International Accounting Standard 34, 'Interim Financial Reporting').

- The interim directors' report includes a fair review of the information required in terms of Capital Market Rules 5.81 to 5.84.

Mr. Michael Stivala

Director