STIVALA GROUP FINANCE P.L.C.

Condensed Consolidated 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 Stivala Group Finance p.l.c.'s unaudited financial information for the six months commencing 01 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 Group's main business is the acquisition of real estate for long-term investment purposes, principally in the Gzira, Msida, Sliema and St. Julian's areas. Once acquired, the Group is engaged in the development of these properties and their conversion into residential and commercial properties. Most properties are retained by the Group to generate rental revenues from short letting and tourist accommodation, as well as from long-term residential, office and retail lets.

Business Review

Financial Performance and Operational Developments

During the six-month period ended 30 June 2026, the Group reported a profit before tax of €8,451,984, compared with €4,583,310 for the corresponding period in 2025.

Management attributes the improvement primarily to stronger operating performance across the Group's hospitality and commercial property activities, together with enhanced cost controls and operational efficiencies. During the period, the Group continued its review of operational processes, staffing structures and management responsibilities, with the objective of strengthening accountability, improving cost discipline and supporting more efficient decision-making. The Group also benefited from the contribution of recent investments that either entered their first complete operating period or commenced operations during the six months under review.

Novotel Malta Sliema, operated by ST Hotels Ltd, generated approximately €5.4 million in revenue during the reporting period. This represented the hotel's first complete six-month operating contribution and was a significant factor in the increase in Group revenue. ST Hotels Ltd also reorganised elements of its internal management structure, enabling the General Manager to place greater emphasis on cost control, operational oversight and efficiency.

ST Properties Ltd benefited from the commencement of commercial operations at ST Charlie's Business Centre during the first quarter of 2026. The property performed in line with budgeted expectations and provided an incremental contribution to the Group's revenue and operating results compared with the corresponding period in 2025.

Economic Environment

The Maltese economy continued to demonstrate resilient growth during 2026, supported by private and public consumption, services exports and the continued strength of the tourism sector. According to the National Statistics Office, real gross domestic product increased by 3.9% year on year during the first quarter of 2026.

According to the European Commission's Spring 2026 Economic Forecast, published on 21 May 2026, real GDP growth is projected at 3.7% for 2026 and 3.6% for 2027. Growth is expected to be supported by private consumption, public investment, tourism and Malta's professional, information technology, financial and other service sectors. The moderation forecast for 2027 reflects weaker external demand and the increasing effect of labour supply constraints.

Employment is expected to continue expanding, supported partly by the continued inflow of foreign workers. Nevertheless, persistent labour shortages and increasing vacancy rates remain constraints for several sectors, including hospitality and construction.

The European Commission forecasts Malta's general government deficit at 2.2% of GDP in 2026, unchanged from 2025 and below the European Union's 3% reference value. The deficit is projected to narrow to 2.1% in 2027.

Gross public debt is forecast to decline from 46.4% of GDP in 2025 to 46.2% in 2026 and to remain at approximately the same level in 2027. Continued nominal economic growth is expected to support the debt trajectory. However, expenditure relating to public-sector wages, energy support measures and intermediate consumption, together with slower growth in income tax receipts following changes to personal income tax rates, will require continued fiscal monitoring.

Capital Investment and Portfolio Development

During the reporting period, the Group maintained its strategic focus on expanding and improving its hospitality and property portfolio through continued capital investment.

The Group's principal ongoing development is the completion of the Mövenpick Hotel, a new hospitality asset scheduled to commence operations during the first quarter of 2027, subject to the completion of the remaining works, receipt of the necessary regulatory approvals and operational readiness. The hotel is expected to add 192 rooms to the Group's portfolio, increasing its total operational room inventory to 1,071 rooms.

The Group also completed nine additional apartments intended for short-let operations and progressed the reconfiguration of areas within the Bayview Hotel to create eight additional guestrooms. These investments are intended to increase the Group's available accommodation inventory and support future revenue growth.

Commercial Property Development

During the period, the Group completed the redevelopment of the former Charlie's Guesthouse in Msida into ST Charlie's Business Centre. The development was completed during the first quarter of 2026, with commercial operations commencing in the same quarter.

The development has expanded the Group's commercial real estate portfolio and created an additional source of rental and operating income. Together with the Group's hospitality investments, the project forms part of its long-term strategy to enhance asset values, diversify its income-generating portfolio and strengthen its presence in Malta's hospitality and commercial property sectors.

The financial information contained in this commentary has been extracted from the Group's 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 connection with its financing activities, the projects referred to above and the wider operations of the Stivala Group, Stivala Group Finance p.l.c. remains exposed to a range of financial and commercial risks. These include market, economic, interest-rate, refinancing, liquidity, credit and counterparty risks, as well as risks associated with project execution, construction costs and completion timelines. Such risks may affect financing costs, cash flows, the availability of funding and the timely completion of planned projects.

During 2026, the Directors continued to monitor inflationary pressures, energy and material price volatility, borrowing costs, supply-chain disruption, labour constraints 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, where appropriate, reviews funding requirements, liquidity, cash-flow projections, project costs and counterparty exposures.

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 Group 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 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		66,643,656	66,643,656
Right-of-use asset		134,629	109,056
Investment property	3	229,966,356	229,966,356
Property, plant and equipment	3	217,345,125	220,385,411
Deferred tax asset		18,494,450	18,494,450
Investment in associates	4	219,185	151,369
		532,803,401	535,750,298
Current assets			
Inventory	5	147,778	53,099
Property held for sale	5	2,435,816	2,435,817
Trade and other receivables		4,825,038	5,225,728
Cash and cash equivalents	2	6,793,556	6,595,934
Other financial assets		8,841,723	10,784,898
		23,043,910	25,095,476
Total assets		555,847,311	560,845,774

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	258,804	258,804
Retained earnings		117,651,371	109,294,191
Revaluation reserve		277,289,381	277,289,381
Total equity		395,199,556	386,842,376
LIABILITIES			
Non-current liabilities			
Long-term borrowings	7	30,012,833	35,649,487
Other non-current liabilities	8	59,790,000	59,820,000
Finance lease liability		94,231	94,231
Deferred tax liability		46,198,321	48,050,326
Total non-current liabilities		136,095,385	143,614,044
Current liabilities			
Current borrowings	2, 7	12,071,856	18,047,672
Trade and other payables		12,438,217	12,274,675
Finance lease liability		35,266	35,266
Current tax liabilities		7,032	31,741
Total current liabilities		24,552,371	30,389,354
Total equity and liabilities		555,847,312	560,845,774

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
Director

Martin John Stivala
Director

Ivan Stivala
Director

Condensed Consolidated Interim Statement of Comprehensive Income

	Notes	6 months Jan - Jun 2026 (unaudited) €	6 months Jan - Jun 2025 (unaudited) €
Revenue	9	18,734,707	16,402,729
Cost of sales		(4,136,815)	(5,517,009)
Gross operating profit		14,597,892	10,885,720
Other net operating costs		(818,346)	(1,208,628)
EBITDA		13,779,546	9,677,092
Depreciation and amortisation		(3,041,012)	(2,373,535)
Operating profit		10,738,534	7,303,557
Share of results of associated undertakings		67,816	21,624
Dividend income		114,750	42,500
ECL provision	10	(225,000)	(450,208)
Net finance costs		(2,244,117)	(2,334,163)
Profit before tax		8,451,984	4,583,310
Taxation		(94,803)	(392,215)
Profit for the period		8,357,180	4,191,096
Total comprehensive income		8,357,180	4,191,096

Condensed Consolidated Interim Statement of Changes in Equity

	Share capital €	Revaluation reserve €	Retained earnings €	Incentives and benefits €	Total €
At 31 December 2025	258,804	277,289,381	109,294,191	0	386,842,376
Profit for the period	0	0	8,357,180	0	8,357,180
Dividends paid	0	0	0	0	
Total comprehensive income	0	0	8,357,180	0	8,357,180
At 30 June 2026	258,804	277,289,381	117,651,371	0	395,199,556

Condensed Consolidated Interim Statement of Cash Flows

	Notes	6 months Jan - Jun 2026 Unaudited €	6 months Jan - Jun 2025 Unaudited €
Net cash from operating activities		8,899,353	9,042,595
Net cash from investing activities		2,910,739	(2,729,574)
Net cash from financing activities		(11,612,470)	1,929,739
Net movement in cash and cash equivalents		197,621	8,242,760
Cash and cash equivalents at beginning of year		6,595,934	(210,997)
Cash and cash equivalents at end of year	2	6,793,555	8,031,763

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 01 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 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	6,827,403
Bank overdrafts	(33,847)
	6,793,556

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	147,778
Property for resale	2,435,816
	2,583,594

6 Share Capital

	Jan - Jun 2025 Unaudited €
Authorised	
500,000 ordinary shares of €1 each	**500,000**
	500,000
Called-up issued and fully paid-up	
258,804 ordinary shares of €1 each	258,804
	258,804

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 the respective repayment terms. These borrowings are summarised below by entity:

Carmelo Stivala Group Ltd

Carmelo Stivala Group Ltd maintains the following loan balances:

- 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 (MDB) 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.

7 Long-Term Borrowings - continued

ST Hotels Ltd

ST Hotels Ltd holds the following loan facilities:

- A loan with BNF Bank (Loan 1) with an outstanding balance of €1,032,616.73.
- A second loan with BNF Bank (Loan 2) with a balance of €1,868,280.59.
- Two additional Covid-19 MDB guaranteed loans with BNF Bank, carrying outstanding balances of €38,350.43 and €68,529.39 respectively.
- A loan facility with Bank of Valletta (BOV) relating to the Bayview Hotel, with a balance of €1,443,454.44.
- Two loans with BOV linked to the Novotel development project, with outstanding balances of €13,267,272.02 (Novotel 1) and €2,008,004.38 (Novotel 2).

Total borrowings for ST Hotels Ltd as at period end amounted to €19,726,507.98.

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.

8 Other Non-Current Liabilities

	Jan - Jun 2026 Unaudited €
Face value	60,000,000
Bond issue costs	(600,000)
Bond issue costs amortisation brought forward	570,000
Bond issue costs amortisation for the period	30,000
Amortised cost as at 30 June 2026	60,000,000

Notes to the Condensed Consolidated Interim Financial Statements - continued

9 Revenue

Revenue is generated mainly from rental income from various properties; the operation of the three-star hotels, Bayview Hotel, Azur Hotel and Sliema Hotel; Alavits Hotel; Blubay Apartments; Valletta View Apartments; and the Group's first four-star hotel, Novotel Malta Sliema, which together generated €14,664,263. Carmelo Stivala Group Ltd generated revenue from rental income for the use of properties owned. ST Group Investments generated, in accordance with the intellectual property held, 14% on the rental sales generated by ST Properties Ltd and 40% of the accommodation sales generated by ST Hotels Ltd.

10 Revision of ECL Provision

The revision of the ECL provision in 2026 was derived from a balance between Carmelo Stivala Group Ltd and North Harbour Limited.

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 as at 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 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