
FINANCIAL ANALYSIS SUMMARY

17 June 2026

ISSUER

HAL MANN VELLA GROUP P.L.C.

(C 5067)

Prepared by:



MZ INVESTMENTS



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The Board of Directors
Hal Mann Vella Group p.l.c.
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17 June 2026

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 this Analysis is that of summarising key financial information appertaining to Hal Mann Vella Group p.l.c. (the “**Issuer**”, “**Group**”, or “**HMVG**”). The data is derived from various sources or is based on our own computations as follows:

- (a) Historical information for the most recent three financial years ended 31 December 2023, 31 December 2024, and 31 December 2025 has been extracted from the respective audited consolidated annual financial statements.
- (b) The forecast information for the financial year ending 31 December 2026 has been provided by the Issuer.
- (c) Our commentary on the financial performance, cash flows, and financial position of HMVG is based on explanations provided by the Group.
- (d) The ratios quoted in this Analysis have been computed by applying the definitions set out in Part 4 – Explanatory Definitions.
- (e) Relevant financial data in respect of the companies included in Part 3 – Comparative Analysis has been extracted from public sources such as websites of the companies concerned, financial statements filed with the Malta Business Registry, as well as other sources providing financial information.



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

Yours faithfully,

Evan Mohnani
Head of Corporate Broking

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PART 1 – INFORMATION ABOUT THE GROUP

1. KEY ACTIVITIES

Hal Mann Vella Group p.l.c. acts as a holding and financing company for a number of entities which are principally engaged in the manufacture and importation of stones, general contracting services, as well as property development and letting. Accordingly, HMVG is dependent on the operations and performance of its various subsidiaries.

The Group traces its origins in 1954 and grew extensively over the years to become one of the leading local players in its field. During this period, HMVG worked with some of the most renowned and established firms and was also heavily involved in public as well as private sector landmark projects including high-rise commercial and residential edifices, mixed-use complexes, industrial premises, upscale hotels, as well as buildings of national importance.

1.1 MANUFACTURING & GENERAL CONTRACTING SERVICES

The Group operates from two manufacturing plants located in Lija and Ħal Far, utilising state-of-the-art technology and advanced equipment, and a purposely built stores, logistics, and distribution hub. Adjacent to its factory in Lija, HMVG has its flagship showroom and retail outlet situated next to the Group's head office and other property which is leased to independent third parties.

The activities carried out by the manufacturing and general contracting services arm of the Group involve the supply of a vast selection of natural and composite stones as well as pre-cast elements¹, the distribution of top-tier ceramic brands and sanitary ware, the supply of kitchen tops, as well as the provision of services, tendering for contracts, and subcontracting work related to interior and exterior design, finishings, installation, laying, logistics, and maintenance.²

In Ħal Far, the Group expanded its manufacturing and operational capabilities to strengthen its core operations and introduce a new range of products across the natural stone and terrazzo segments, niche screed and concrete supplies, landscaping products, and environmentally friendly solutions, including reconstituted stone.³ The circa €7 million project was completed in 2025, increasing the size of the Group's manufacturing hub in Ħal Far from just over 14,300 sqm to nearly 22,500 sqm.

1.2 PROPERTY DEVELOPMENT & LETTING

The Group is involved in real estate activities through property development for resale and the ownership of a diversified portfolio held to generate rental income. The latter includes offices and other commercial property, an aparthotel, as well as residential units.

¹ These include ceramic tiles, granite, marble, onyx, porphyry, quartz, terrazzo, and travertine amongst others.

² Projects requiring elements of non-core products and services are typically sub-contracted or bought in through the Group's extensive network of suppliers and contractors. These include joinery works, furniture, metal works, plastering, and painting works.

³ Ħal Far operations comprise two adjacent sites and factories leased from INDIS Malta Ltd on a long-term temporary emphyteutical basis.

2. DIRECTORS AND SENIOR MANAGEMENT

The Board of Directors of HMVG comprises the following six individuals who are responsible for the overall development, strategic direction, and risk management of the Group:

Martin Vella	Chairman & Executive Director
Joseph Vella	Executive Director
Mark Vella	Executive Director
Miriam Schembri	Non-Executive Director
Mario P. Galea	Independent Non-Executive Director
Arthur Galea Salomone	Independent Non-Executive Director

The Board of Directors is assisted by a Senior Management team, comprising the following four individuals, who are responsible for the execution of the Group's business strategy:

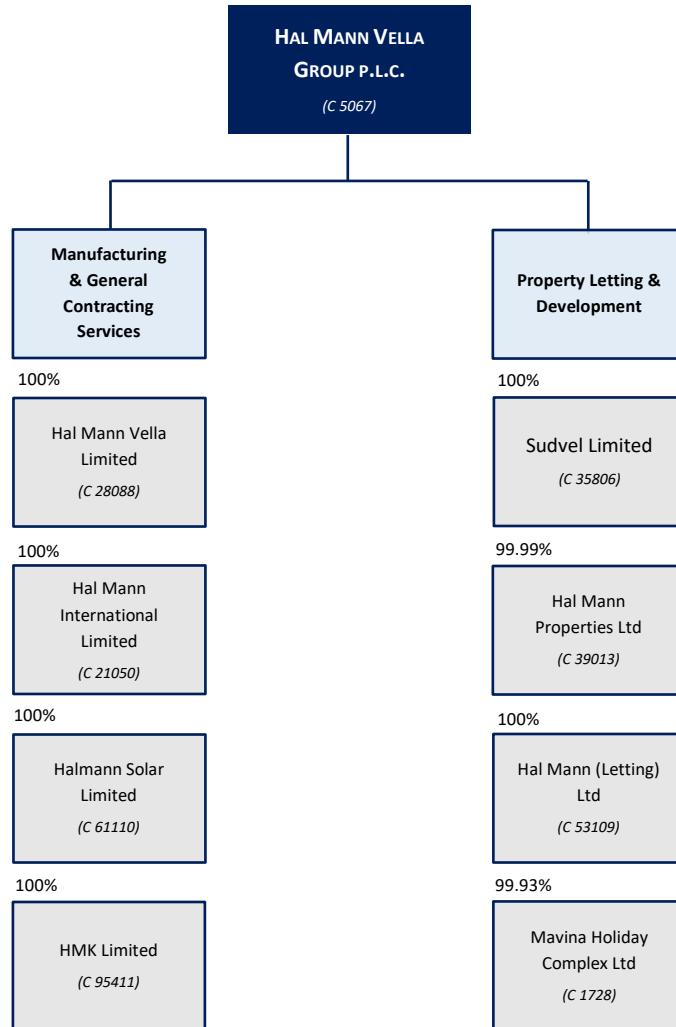
Kevin Rapinett	Chief Executive Officer
Chris Tonna	Chief Financial Officer
Owen Farrugia	Chief Commercial Officer – Retail
Hugh Vella	Chief Commercial Officer – Contracts

The Executive Directors and the Senior Management team are entrusted with the day-to-day running of the Group. Moreover, they are responsible for the identification and execution of new investment opportunities, as well as for the funding of the Group's capital expenditure requirements.

The principal role of the Non-Executive Directors is to monitor the operations of the Group and the performance of the Executive Directors, as well as to review any initiatives recommended by the Executive Directors. In addition, the Non-Executive Directors act as an important check on the possible conflicts of interest of the Executive Directors in view of their dual role as Executive Directors and members of the Senior Management team.

3. ORGANISATIONAL STRUCTURE

The chart below illustrates the organisational structure of the Group.



In addition to the operating companies above, the Issuer holds a 50% shareholding in Hal Mann Holdings Ltd (C 2215) and Zokrija Limited (C 77908), both of which are non-trading. It also owns 50% of HMK International Ltd (C 46978), which is currently undergoing liquidation, and 100% of CDK Limited (C 81244), which HMVG intends to liquidate in due course.

4. PRINCIPAL PROPERTY ASSETS

HMVG is the owner of various properties which are included in the Statement of Financial Position line items ‘Property, plant and equipment’ (“PPE”), ‘Investment property’, and ‘Property held-for-sale’. The following is a list of the major property assets of the Group:

Hal Mann Vella Group p.l.c. Principal Property Assets As at 31 December		2023 Actual €'000	2024 Actual €'000	2025 Actual €'000
<i>Commercial property and manufacturing facilities in Lija:</i>	▪ Hal Mann factory & offices	28,944	31,022	29,347
	▪ E-Pantar office block	24,460	24,750	24,750
	▪ Block D office block	-	-	4,211
	▪ NAVI Building - offices & warehouse (50% ownership)	2,642	2,750	3,004
		56,046	58,522	61,312
<i>Collective accommodation in Qawra:</i>	▪ Mavina Holiday Complex*	5,800	-	-
	▪ Huli Aparthotel	2,634	2,850	2,850
		8,434	2,850	2,850
<i>Commercial property situated in Valletta:</i>	▪ Offices	4,015	4,762	4,765
	▪ Retail outlet	1,800	1,700	1,700
		5,815	6,462	6,465
<i>Residential property situated in:</i>	▪ Madliena*	2,500	-	-
	▪ St Julian's	985	1,040	1,044
	▪ Tas-Sellum, Mellieha	705	765	765
	▪ Mgarr, Malta	890	975	978
	▪ Xaghra, Gozo	310	335	335
		5,390	3,115	3,122
<i>Land situated in:</i>	▪ Mgarr, Malta	1,438	3,344	3,344
	▪ Lija	1,031	1,052	1,097
		2,469	4,396	4,441
Property held for sale:	▪ Residential property in various locations in Malta & Gozo	5,334	5,200	4,324
		83,488	80,545	82,514

* The Mavina Holiday Complex was sold in late FY2024. Net proceeds from the transaction, amounting to €6.30 million, were allocated to the Group's general corporate funding purposes. Similarly, the sale of a villa located in Madliena was also completed in FY2024.

The **E-Pantar** office block is the major contributor to the Group's property rental division. Built on a footprint measuring 5,256 sqm, the building includes: (i) circa 14,000 sqm of office space spread over three levels; (ii) common areas and external space which, in aggregate, measure approximately 5,000 sqm; and (iii) an underlying basement with around 250 car spaces. Most of the property is currently leased to Transport Malta for a 10-year period expiring on 30 September 2027, albeit the tenant has the option to extend the agreement by a further 5 years.

In late 2025, the Group commenced an €8 million project involving the extension of the E-Pantar building through the redevelopment of an underutilised area into two levels of underground car parking for 130 vehicles, three levels of office space with a total floor area of approximately 2,160 sqm, and a rooftop photovoltaic system (“**Block D**”). The project is expected to be completed by the end of 2026.

Built on a footprint of circa 1,200 sqm, the **NAVI Building** comprises two above-ground storeys and two underground levels providing car parking spaces and storage areas. The property is used for office space and in recent years, a new mezzanine floor was also added at ground floor level to increase the available rental area and enhance the value of the property. Most of the building is currently leased to a number of independent third parties on a long-term basis, with the earliest lease agreement expiring on 30 April 2029.

The **Huli Aparthotel**, including the Lovage Bistro, is currently leased to independent third parties. The lease agreement covering most of the building expires in July 2028.

The Group's commercial properties in **Valletta** comprise: (i) a leased retail outlet which is sub-leased on a long term basis to an independent third party, with the sub-lease agreement expiring on 30 April 2031; and (ii) an office building situated in Old Bakery Street offering almost 700 sqm of lease space currently occupied by the Ministry for Heritage for a term expiring on 31 July 2031. In Valletta, the Group also sub-leases the Merchant Suites boutique hotel which, in turn, is leased from independent third parties by title of temporary emphyteusis for a period of 20 years from 2018.

Separately, HMVG owns a number of plots and tracts of land located in Lija and Mġarr. Of these, a site in **Mġarr**, measuring *circa* 855 sqm, may be developed into a number of residential units.

PROPERTY HELD FOR SALE

In 2025, the Group completed the construction of six terraced houses in **Għajnsielem**, Gozo, of which two were transferred to the vendors of the land as part of the purchase consideration for the site on which the houses were built. The remaining four terraced houses were sold in 2025.

Also in FY2025, the Issuer completed a residential project in **Attard** comprising one maisonette, three apartments, one penthouse and a number of garages. A number of final deeds of sale relating to this project were concluded in FY2025, with the remaining portion expected to be finalised in FY2026.

Meanwhile, in **Santa Venera**, the Group owns two adjacent plots which will be redeveloped into a complex comprising 43 residential units, two commercial outlets, and three levels of underground garages and car spaces, with completion targeted by the end of 2028.

5. THE 2024 BONDS COLLATERAL

In terms of the Prospectus dated 28 June 2024, the Issuer refinanced the redemption of its €30 million 5.00% secured bonds 2024 through the issuance of €23 million 5.35% secured bonds maturing between 2031 and 2034 (the “2024 Bonds”) and €7 million in new bank borrowings.

The 2024 Bonds are secured by the following security rights in favour of the Security Trustee for the benefit of the holders of the 2024 Bonds:

- (1) First-ranking special hypothec for the full nominal value of the 2024 Bonds and interest thereon, over the following property and any developments and constructions thereon:
 - (a) Vacant plot of land situated in Mgarr located within development zone and having a total developable area of 855 sqm. Based on schematic designs, the site may be developed into a residential complex. The Group has not yet submitted an application with the Planning Authority for this site to be developed.
 - (b) A developed site with a footprint of *circa* 760 sqm located behind the main Hal Mann showroom in Lija which includes around 1,200 sqm of office space which is rented to independent third parties, and a basement and a ground-floor storage area which are used by the Group for its own operations.
 - (c) Plots of land, in aggregate having a total footprint of approximately 18,300 sqm, located in an area within, and adjacent to, the Group’s factory and offices in Lija. Around 48% of the property is within an ‘Area of Containment’ on which existing industrial properties are located (covering a total area of around 6,500 sqm), whilst the remaining part of the land, measuring *circa* 9,450 sqm, lies outside the ‘Area of Containment’.⁴
- (2) Second-ranking general hypothec for the full nominal value of the 2024 Bonds and interest thereon, over all the present and future property of the Issuer.
- (3) Pledge over insurance policies covering the hypothecated property, insofar as such property is of an insurable nature.

⁴ These buildings accommodate the existing tile and marble industrial and manufacturing operations of the Group. The area beyond the ‘Area of Containment’ currently accommodates various open-air storage facilities in support of the marble and tile industrial operations of the Group.

6. TREND INFORMATION⁵

6.1 ECONOMIC UPDATE⁶

Following a 4% expansion in 2025, real GDP is expected to grow by 3.7% in 2026, despite heightened economic uncertainty. This growth is driven by robust private and public consumption, and is further underpinned by a solid performance in key export sectors.

Malta's robust economic performance is rooted in its strong services sectors, such as recreational, professional, IT, and financial services. The contribution of net exports to growth is positive, resulting from large net positive services trade outweighing the negative balance of trade in goods. The growth of the tourism sector outperformed expectations in 2025 and is expected to maintain momentum in 2026, despite the increased geopolitical uncertainty.

As real wages are forecast to continue increasing, private consumption is set to grow by 3.3% in 2026 and 3.5% in 2027. After a strong increase by 5.9% in 2025, government consumption growth is expected to slow down to 4.6% in 2026 and 3.9% in 2027, still providing a notable contribution to GDP growth. After a small contraction in 2025, investment is expected to return to growth by 2% in 2026 and 4% in 2027 on account of stronger public investment. Real GDP growth is forecast to slow somewhat to 3.6% in 2027, reflecting expectations of more pronounced effects of labour shortages and an expected slowdown in external demand.

Key Economic Indicators	2023	2024	2025	2026	2027
	Actual	Actual	Actual	Projection	Projection
Malta					
Real GDP growth (% year-on-year)	10.60	6.20	4.00	3.70	3.60
Inflation - HICP (% year-on-year)	5.60	2.40	2.40	2.70	2.30
Unemployment (%)	3.50	3.20	3.10	3.00	3.10
Current account balance (% of GDP)	5.80	6.50	8.30	6.30	6.10
General fiscal balance (% of GDP)	(4.40)	(3.40)	(2.20)	(2.20)	(2.10)
Gross public debt (% of GDP)	46.90	45.90	46.40	46.20	46.20

Source: European Commission, Directorate-General for Economic and Financial Affairs, 'European Economic Forecast, Spring 2026', 21 May 2026.

Employment grew by 3.9% in 2025, underpinned by inflows of foreign workers. This, however, did not lead to decreasing labour shortages, as vacancy rates continued to increase. Employment growth is expected to slow to 3.2% in 2026 and 3.1% in 2027 in line with the moderation in economic activity. The unemployment rate is expected to remain very low at 3%. After the majority of collective wage

⁵ This section is based on information available at the time of publication of the source consulted and is subject to continuous developments as macroeconomic conditions, policies, and external factors evolve.

⁶ Source: European Commission, Directorate-General for Economic and Financial Affairs, 'European Economic Forecast, Spring 2026', 21 May 2026, available at: https://economy-finance.ec.europa.eu/document/download/34538512-fff6-451a-8bbc-4c8d60e4d132_en?filename=ip327_en.pdf.

agreements in the public sector were finalised, the nominal wage growth per employee averaged 4.2% in 2025 and is forecast to moderate to 3.5% in 2026 and 2.1% in 2027.

Inflation is expected to pick up to 2.7% in 2026 after reaching 2.4% in 2025, as the international energy prices shock indirectly drives up transport, food, and services inflation. The direct effect on local energy inflation of global energy prices increases is neutralised by the measures of the Maltese authorities to keep retail energy prices unchanged. HICP inflation is expected to drift lower to 2.3% in 2027.

In 2025, the general government deficit fell to 2.2% of GDP from 3.4% in 2024. This was due to strong government revenue growth, driven by nominal GDP growth and significant tax windfalls. Government expenditure continued to increase significantly, with substantial increases in the government's wage bill and intermediate consumption, as well as a one-off expenditure arising from a court decision.

In 2026, the government deficit is forecast to remain stable at 2.2% of GDP. Weaker growth in income tax intakes is foreseen due to the reduction in personal income tax rates. Government expenditure is expected to continue increasing significantly in 2026, including as a result of the higher cost of energy subsidies. The deficit is set to fall to 2.1% of GDP in 2027, as public sector wage growth is expected to moderate while subsidies and intermediate consumption as a share of GDP are also expected to decrease.

The public debt-to-GDP ratio is expected to stabilise at 46.2% over the 2026-2027 forecast period compared to 45.9% in 2024 and 46.4% in 2025.

6.2 RESIDENTIAL REAL ESTATE⁷

The Maltese residential real estate sector registered another year of expansion in 2025, characterised by continued price appreciation, a significant increase in construction-related approvals, and further growth in concluded transactions.

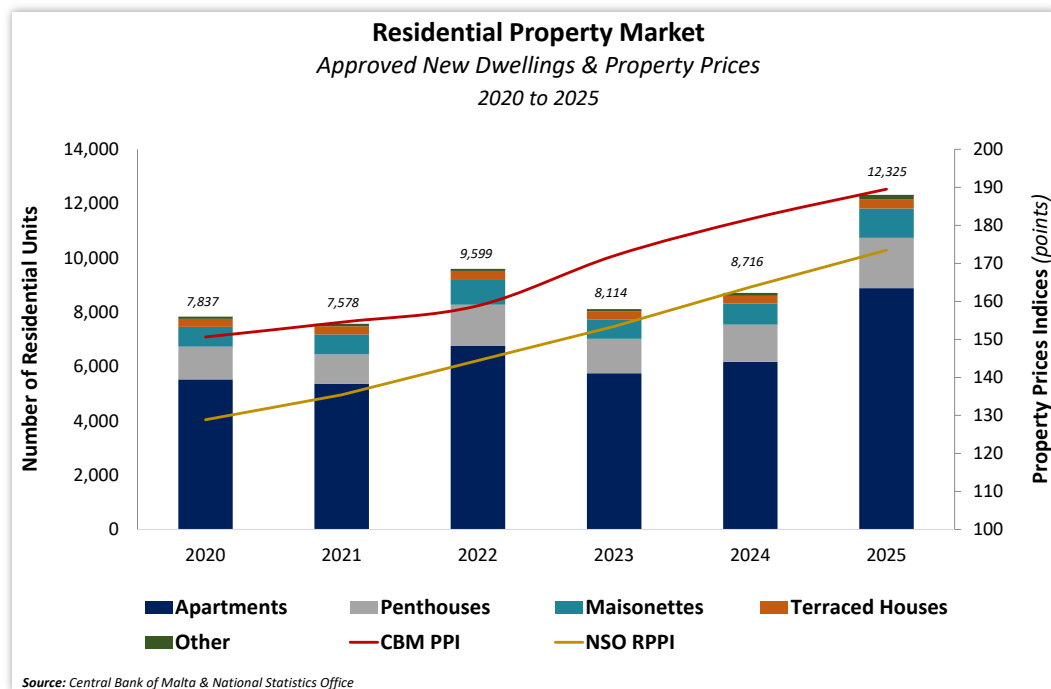
From a pricing perspective, the CBM Property Prices Index – which is based on the advertised sale prices of apartments, maisonettes, terraced houses, and other types of dwellings – increased by 4.33% to a fresh all-time high of 189.55 points in 2025 from 181.68 points in 2024. Apartment prices rose by 1.57%, whilst maisonettes outperformed with an increase of 3.73%. In contrast, prices of terraced houses declined by 1.31%, whilst other types of dwellings fell by 2.45%.

The NSO Residential Property Price Index – which is based on actual transactions involving apartments, maisonettes, and terraced houses – also confirmed a firm upward trajectory in property values. Indeed, the index advanced by 5.92%, also to a new record of 173.46 points from 163.77 points in 2024, as apartment prices increased by 5.72% whilst maisonettes rose by 5.85%. Overall, both the CBM

⁷ Sources: (i) National Statistics Office (“NSO”), ‘Residential Property Transactions’, 11 March 2026, available at <https://nso.gov.mt/wp-content/uploads/Residential-Property-Transactions.xlsx>; (ii) NSO, ‘Residential Permits and Dwellings’, 6 March 2026, available at <https://nso.gov.mt/wp-content/uploads/Residential-Permits-and-Dwellings-.xlsx>; (iii) NSO, ‘Residential Property Price Index’, 7 April 2026, available at <https://nso.gov.mt/wp-content/uploads/Residential-Property-Price-Index.xlsx>; and (iv) Central Bank of Malta (“CBM”), ‘Real Economy Indicators: Prices – Property Prices Index based on Advertised Prices (base 2015=100)’, 3 March 2026, available at: https://www.centralbankmalta.org/site/Subscriber%20Categories/Real%20Economy%20Indicators/house_prices.xlsx?rnd=20260408105012&revcount=1562&revcount=2169.

Property Prices Index and the NSO Residential Property Price Index increased at a faster pace than inflation, which stood at 2.41% in 2025.

Activity in building permits increased markedly during 2025, reflecting a substantial strengthening in development momentum. The total number of issued building permits rose by 34.20% to 2,213 from 1,649 in 2024. Malta accounted for the majority of permits, increasing by 36.28% to 1,848, whilst in Gozo, the number of building permits rose by 24.57% to 365 from 293 in 2024. At district level in Malta, the strongest percentage growth was recorded in the South Eastern district, where permits surged by 45.69% to 338, followed by the Northern district with an increase of 43.18% to 378 permits. The Western district also registered a sharp rise of 37.43% to 246 permits, whilst Southern Harbour grew by 36.73% to 309 permits. Elsewhere, the Northern Harbour district posted a robust increase of 26.81% to 577 permits in 2025. Meanwhile, the average number of approved new dwellings per building permit increased to 5.57 in 2025 from 5.29 in 2024, indicating an increase in the average scale or density of developments year-on-year.

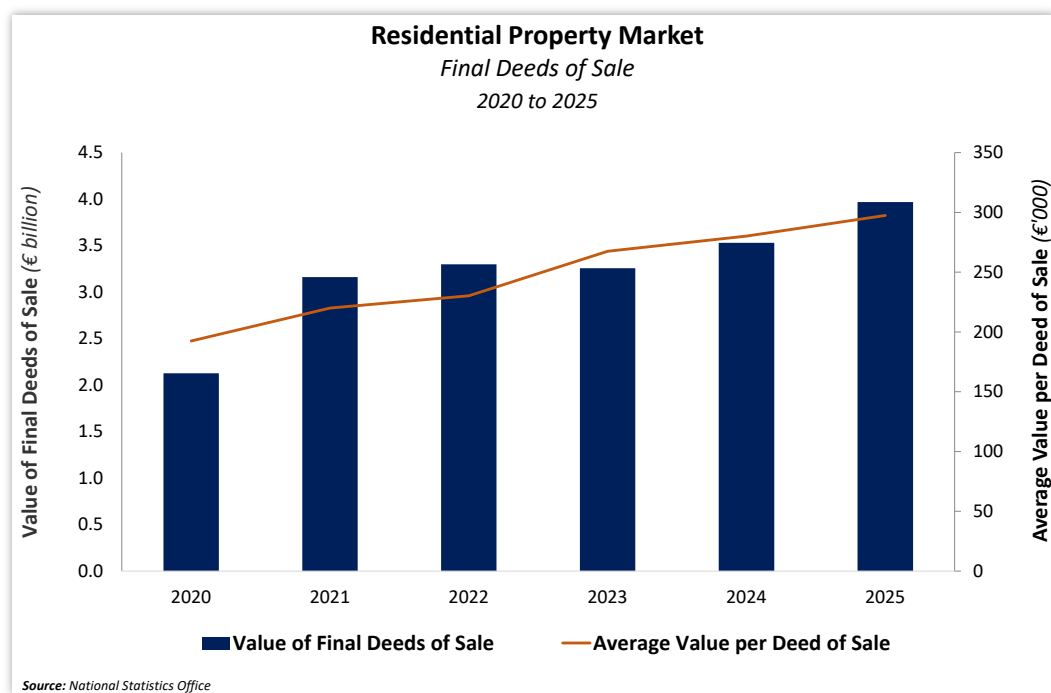


The strong increase in the number of building permits issued led to an even larger rise in the number of approved new dwellings as this rose by 41.41% to 12,325 in 2025 from 8,716 in 2024. By type of property, apartments remained dominant and increased by 43.90% to 8,889, thereby accounting for the largest share of the total increase. Maisonettes also recorded a pronounced growth of 37.42% to 1,076. Similarly, penthouses and terraced houses advanced by 35.87% and 23.67% to 1,856 and 350, respectively, whilst other type of property increased by 43.93% to 154.

From a district perspective, the South Eastern region recorded the strongest growth in new dwelling approvals, rising to 2,027 in 2025, equivalent to an increase of 72.22%. The Southern Harbour district followed with an increase of 46.43% to 1,640, whilst the Northern region rose by 39.67% to 2,278.

Meanwhile, the Northern Harbour and the Western districts also registered growth of more than 30% in the number of new dwelling approvals, to 3,509 (+38.75%) and 1,104 (+32.37%), respectively, whilst in Gozo, new dwelling approvals increased by 24% to 1,767.

In terms of final deeds of sale, the total number of contracts concluded in 2025 increased by 5.88% to 13,339 from 12,598 in 2024. However, the total value of final deeds increased at a faster rate of 12.42% to €3.97 billion from €3.53 billion in 2024, which lifted the average value per deed of sale by 6.18% to €297,549 from €280,243 in the prior year. This suggests that transaction values continued to trend upwards not only because of a greater number of sales, but also because the average price point of completed transactions moved materially higher.



At district level, the number of final deeds of sale in Malta increased by 6.52% to 11,673. The strongest percentage growth was recorded in the Western district, where final deeds rose by 18.79% to 1,397. The South Eastern region followed, with an increase of 9.03% to 1,908, whilst the Northern Harbour district recorded a growth of 5.80% to 3,776. Similarly, the number of final deeds relating to residential property in the Southern Harbour region increased by 4.08% to 2,065, whilst a more modest increase of 1.94% to 2,527 was recorded in the Northern district. Meanwhile, in Gozo, final deeds edging up by 1.59% to 1,666 from 1,640 in 2024.

PART 2 – FINANCIAL REVIEW

7. FINANCIAL ANALYSIS

The historical information is extracted from the audited consolidated annual financial statements of HMVG for the years ended 31 December 2023, 31 December 2024, and 31 December 2025.

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

The estimates also include the assumption that the carrying values of the Group's investment properties will neither be revalued upwards nor impaired. Accordingly, no adjustments have been made for potential uplifts or impairments in asset values that could materially impact the Statement of Comprehensive Income and the Statement of Financial Position.

Hal Mann Vella Group p.l.c.				
Income Statement				
for the financial year 31 December				
	2023	2024	2025	2026
	Actual	Actual	Actual	Forecast
	€'000	€'000	€'000	€'000
<i>Manufacturing and general contracting services</i>	19,438	22,471	25,132	25,520
<i>Property development</i>	3,119	2,011	4,208	795
<i>Rental activities</i>	2,526	2,566	2,618	2,678
Total revenue	25,083	27,048	31,958	28,993
Cost of sales	(15,655)	(17,152)	(20,807)	(17,634)
Gross profit	9,428	9,896	11,151	11,359
Other operating income	663	1,156	248	-
Other operating expenses	(4,307)	(5,400)	(5,584)	(5,733)
EBITDA	5,784	5,652	5,815	5,626
Depreciation	(1,410)	(1,758)	(1,844)	(1,696)
Operating profit	4,374	3,894	3,971	3,930
Change in fair value of investment property	386	1,388	-	-
Profit on sale of investment property	-	1,144	-	-
Profit on sale of quoted equity securities	-	64	-	-
Share of results of joint ventures	-	110	-	-
Dividends income	1,310	-	530	-
Net finance costs	(2,611)	(2,548)	(2,422)	(2,376)
Profit before tax	3,459	4,052	2,079	1,554
Taxation	(2,181)	(1,757)	1,405	(847)
Profit after tax	1,278	2,295	3,484	707
Other comprehensive income:				
Revaluation on PPE, net of deferred tax	-	(500)	-	-
Other comprehensive expense	-	(64)	-	-
Total comprehensive income	1,278	1,731	3,484	707
EBITDA Analysis:				
<i>Manufacturing and general contracting services</i>	3,133	3,440	3,747	3,639
<i>Property development and letting</i>	2,651	2,212	2,068	1,987

Hal Mann Vella Group p.l.c. Key Financial Ratios	FY2023 Actual	FY2024 Actual	FY2025 Actual	FY2026 Forecast
Gross profit margin (%) (Gross profit / revenue)	37.59	36.59	34.89	39.18
EBITDA margin (%) (EBITDA / revenue)	23.06	20.90	18.20	19.40
Operating profit margin (%) (Operating profit / revenue)	17.44	14.40	12.43	13.55
Net profit margin (%) (Profit after tax / revenue)	5.10	8.48	10.90	2.44
Return on equity (%) (Profit after tax / average equity)	2.51	4.35	6.26	1.22
Return on assets (%) (Profit after tax / average assets)	1.00	1.71	2.58	0.53
Return on invested capital (%) (Operating profit / average equity and net debt)	4.15	3.72	3.72	3.53
Interest cover (times) (EBITDA / net finance costs)	2.22	2.22	2.40	2.37

STATEMENT OF COMPREHENSIVE INCOME

In **FY2025**, the Group generated total revenue of €31.96 million, representing solid year-on-year growth of 18.15%. The improvement in income emanated from all three operating segments of the Issuer. Revenue from the sale of real estate more than doubled to €4.21 million, from €2.01 million in FY2024, boosted by the disposal of all four terraced houses in Għajnsielem that were available on the market, and supported by a number of concluded final deeds of sale relating to HMVG's residential project in Attard, Kappara, and Mgarr. Revenue from manufacturing and general contracting services also increased materially, rising by 11.84% to €25.13 million from €22.47 million in FY2024. Meanwhile, revenue from the sale of electricity generated from photovoltaic ("**PV**") panels and rental activities remained broadly stable, at €0.27 million (FY2024: €0.28 million) and €2.62 million (FY2024: €2.57 million), respectively.

The revenue mix in FY2025 continued to be dominated by manufacturing and general contracting services, which accounted for 78.64% of total revenue compared to 83.08% in FY2024. This performance was supported by continued demand for high-quality stone and related products, as well as HMVG's ability to deliver complex and flagship projects that showcase the Group's technical capabilities and commitment to quality. On the other hand, the relative contribution from property development increased to 13.17% from 7.43%, reflecting the stronger level of property development sales recognised during the year, whilst income from rental activities accounted for 8.19% of total revenue, compared to 9.49% in FY2024.

Cost of sales increased at a faster rate than the growth in revenue, rising by 21.31% to €20.81 million (FY2024: €17.15 million), amid persistent cost inflation and a notable rise in payroll costs in a particularly tight labour market. As a result, although gross profit increased by 12.68% to €11.15 million from €9.90 million in FY2024, the gross profit margin contracted by 1.7 percentage points to 34.89% (FY2024: 36.59%).

Net operating costs increased by 25.73% year-on-year to €5.34 million, from €4.24 million in FY2024, mostly reflecting the absence of extraordinary gains recognised within other operating income in FY2024. Nonetheless, EBITDA rose by 2.88% to €5.82 million (FY2024: €5.65 million), albeit the EBITDA margin eased to 18.20% from 20.90% in FY2024. From a segmental perspective, manufacturing and general contracting services remained the principal contributor to EBITDA, generating €3.75 million (FY2024: €3.44 million), equivalent to 64.44% (FY2024: 60.86%) of total EBITDA. However, the EBITDA margin of this segment softened to 14.91% from 15.31% in FY2024. Meanwhile, property development and letting generated EBITDA of €2.07 million compared to €2.21 million in FY2024, with its contribution to total EBITDA declining to 35.56% from 39.14%. The EBITDA margin of this segment also decreased year-on-year to 30.30% from 48.33% in FY2024.

After accounting for depreciation of €1.84 million (FY2024: €1.76 million), operating profit increased by almost 2% to €3.97 million from €3.89 million in the prior year. However, the operating profit margin declined to 12.43% from 14.40% in FY2024.

In FY2025, the Group recognised dividend income of €0.53 million. Moreover, the Group incurred lower net finance costs of €2.42 million compared to €2.55 million in FY2024, which, coupled with the growth in EBITDA, resulted in the interest cover rising to 2.40 times from 2.22 times. Notwithstanding, profit before tax was materially lower than the prior year, at €2.08 million compared to €4.05 million in FY2024. This was mostly due to the non-recurrence of fair value gains on investment property and profit on the sale of investment property which, together with other one-off income, amounted to €2.71 million in FY2024. In fact, when excluding these extraordinary gains from the FY2024 result, and also excluding dividends income from the FY2025 result, the normalised profit before tax of €1.55 million registered in FY2025 was 15.08% higher than the adjusted FY2024 profit before tax of €1.35 million.

Following a tax credit of €1.41 million, compared to a tax charge of €1.76 million in FY2024, profit after tax increased to €3.48 million from €2.30 million. The net profit margin therefore improved to 10.90% from 8.48%, whilst the return on equity (“ROE”) increased to 6.26% from 4.35% and the return on assets (“ROA”) strengthened to 2.58% from 1.71%. Conversely, the return on invested capital (“ROIC”) remained unchanged at 3.72%.

In **FY2026**, the Group is forecasting a reduction in total revenue to just under €29 million, representing a decrease of 9.28% from the FY2025 level. This decline is expected to be due to a sharp fall in income from property sales to just €0.80 million, amid very limited stock availability. Conversely, manufacturing and general contracting services revenue is projected to increase marginally to €25.52 million, supported by the Group’s ongoing participation in a number of significant projects. Meanwhile,

rental income is expected to edge higher by 2.29% to €2.68 million, reflecting the stable contribution of this segment to HMVG's overall financial performance and following re-negotiated contracts.

The projected revenue mix for FY2026 indicates a higher reliance on manufacturing and general contracting services, which is expected to account for 88.02% of total revenue. This reflects the forecast reduction in income from real estate development, which is expected to contribute only 2.74% of total revenue as the Group goes through a transitional period of developing new projects for resale. Elsewhere, rental activities are projected to account for 9.24% of total revenue.

Cost of sales is expected to decrease at a sharper pace than revenue, to €17.63 million. Consequently, gross profit is forecast to increase by 1.87% to €11.36 million, with the gross profit margin expected to improve notably to 39.18%, supported by a renewed focus on the judicious management of overheads amid an adverse environment characterised by rising shipping costs and wage inflation.

Net other operating costs are forecast to increase by 2.67% to €5.73 million, thus leading to a slight decline in EBITDA to €5.63 million. However, the EBITDA margin is projected to improve to 19.40%. Manufacturing and general contracting services are forecast to generate EBITDA of €3.64 million, representing 64.68% of total EBITDA, whilst property development and letting are expected to contribute €1.99 million, equivalent to 35.32% of total EBITDA. The EBITDA margin of manufacturing and general contracting services is forecast to ease to 14.26%, whereas the EBITDA margin of property development and letting is projected to increase markedly to 57.21%.

Depreciation is forecast to decline to €1.70 million. As a result, operating profit is expected to remain broadly stable at €3.93 million, whilst the operating profit margin is forecast to improve to 13.55%. Conversely, ROIC is expected to trend marginally lower to 3.53%, reflecting a wider invested capital base. Similarly, despite a forecast reduction in net finance costs to €2.38 million, the interest cover is expected to retract modestly to 2.37 times, reflecting the lower projected EBITDA.

Overall, profit before tax is forecast to decline to €1.55 million. After accounting for a tax charge of €0.85 million, profit after tax is expected to amount to €0.71 million. The net profit margin is therefore forecast to contract to 2.44%, whilst ROE and ROA are expected to drop to 1.22% and 0.53%, respectively.

Hal Mann Vella Group p.l.c.				
Statement of Cash Flows				
for the financial year 31 December				
	2023	2024	2025	2026
	Actual	Actual	Actual	Forecast
	€'000	€'000	€'000	€'000
Net cash from operating activities	4,477	5,975	2,347	5,710
Net cash used in investing activities	(2,874)	(7,365)	(4,272)	(4,340)
Net cash from / (used in) financing activities	(2,084)	6,816	(1,445)	(3,276)
Effect of ECL on cash in banks	1	(10)	(9)	-
Net movement in cash and cash equivalents	(480)	5,416	(3,379)	(1,906)
Cash and cash equivalents at beginning of year	(1,278)	(1,758)	3,658	279
Cash and cash equivalents at end of year	(1,758)	3,658	279	(1,627)
Capital expenditure*	4,184	7,675	4,757	4,340
Free cash flow	293	(1,700)	(2,410)	1,370

* Calculated as gross capital expenditure minus the proceeds from the disposal of fixed and, or intangible assets.

STATEMENT OF CASH FLOWS

In **FY2025**, the Group generated net cash from operating activities of €2.35 million, representing a sharp reduction from €5.98 million in FY2024. This contraction was primarily driven by an adverse working capital movement of €1.87 million, compared to a working capital release of €1.29 million in FY2024.

Net cash used in investing activities was lower in FY2025, amounting to €4.27 million compared to €7.37 million in FY2024. Most significantly, capital expenditure on PPE and investment property decreased to €4.76 million from €7.68 million in FY2024, reflecting the completion of the Group's manufacturing and operations hub project in Hal Far. However, given the continued investment in capital projects, free cash flow remained negative at €2.41 million, compared to a negative €1.70 million in FY2024, as capital expenditure continued to exceed net operating cash flows.

In terms of financing activities, the Group recorded a net cash outflow of €1.45 million in FY2025, compared to a net inflow of €6.82 million in FY2024. This year-on-year movement was mainly driven by the much lower inflow from bank loans, which amounted to €1.35 million compared to €10.04 million in FY2024, when the proceeds were mainly used for the partial redemption of debt securities.

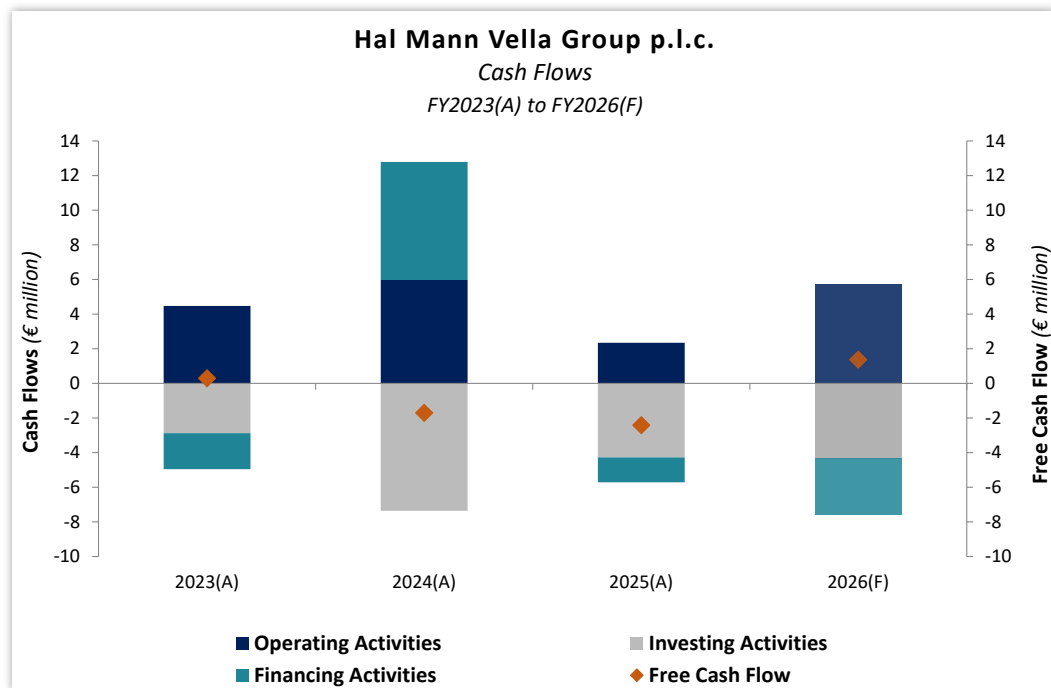
Overall, the Group recorded a net decrease in cash and cash equivalents of €3.38 million in FY2025, compared to a net increase of €5.42 million in FY2024. Consequently, cash and cash equivalents declined from €3.66 million at the start of FY2025 to €0.28 million at year-end.

In **FY2026**, the Group is forecasting a notable rebound in net cash from operating activities to €5.71 million. This projected improvement is expected to be driven by a working capital release of €0.93 million, as well as a lower taxation outflow of €0.85 million.

Net cash used in investing activities is forecast to remain broadly stable at €4.34 million in FY2026, as HMVG progresses further with its real estate and investment property projects, and remains committed to enhancing its manufacturing and operational capabilities in a manner that prioritises efficiency and environmental sustainability. Free cash flow is expected to turn positive at €1.37 million, as the stronger net operating cash flow is forecast to more than cover the planned capital expenditure for the year.

Net cash used in financing activities is forecast to amount to €3.28 million in FY2026, comprising net bank loan repayments of €1.06 million and interest payments of €2.22 million.

Overall, the Group is forecasting a net decrease in cash and cash equivalents of €1.91 million in FY2026, resulting in a year-end negative cash position of €1.63 million.



Hal Mann Vella Group p.l.c.				
Statement of Financial Position				
as at 31 December				
	2023	2024	2025	2026
	Actual	Actual	Actual	Forecast
	€'000	€'000	€'000	€'000
ASSETS				
Non-current assets				
Intangible assets	63	63	63	63
Investment properties	54,046	51,779	54,623	57,540
Property, plant and equipment	37,109	37,705	38,038	38,089
Investments in joint ventures	1,567	1,678	1,662	1,662
Financial assets	411	15	15	15
Right-of-use assets	7,234	6,970	6,705	6,450
Deferred taxation	1,889	2,982	2,396	2,319
Other non-current assets	-	124	-	-
	102,319	101,316	103,502	106,138
Current assets				
Inventories	4,195	4,356	4,631	4,744
Property held-for-sale	5,334	5,200	4,324	6,296
Trade and other receivables	17,844	18,429	16,453	15,196
Cash and cash equivalents	1,097	8,772	3,050	724
Bank term deposit	91	91	-	-
	28,561	36,848	28,458	26,960
Total assets	130,880	138,164	131,960	133,098
EQUITY				
Called up share capital	5,000	5,000	5,000	5,000
Other reserves	33,284	29,357	29,357	29,357
Retained earnings	13,305	19,525	23,009	23,716
	51,589	53,882	57,366	58,073
LIABILITIES				
Non-current liabilities				
Bonds	-	22,387	23,000	23,000
Bank borrowings	8,558	14,886	15,561	14,510
Finance lease liability	8,084	8,100	7,952	7,953
Other financial liabilities	2,218	2,218	2,218	2,218
Deferred taxation	6,826	7,842	5,021	4,780
	25,686	55,433	53,752	52,461
Current liabilities				
Bonds	29,935	343	221	221
Bank borrowings	4,628	7,652	5,482	4,760
Finance lease liability	139	22	97	99
Other financial liabilities	2,395	2,180	1,926	1,696
Trade and other payables	15,356	17,080	11,987	14,709
Taxation payable	1,152	1,572	1,129	1,079
	53,605	28,849	20,842	22,564
Total liabilities	79,291	84,282	74,594	75,025
Total equity and liabilities	130,880	138,164	131,960	133,098
<i>Total debt (including finance lease and other financial liabilities)</i>	<i>55,957</i>	<i>57,788</i>	<i>56,457</i>	<i>54,457</i>
<i>Net debt</i>	<i>54,769</i>	<i>48,925</i>	<i>53,407</i>	<i>53,733</i>
<i>Invested capital (total equity plus net debt)</i>	<i>106,358</i>	<i>102,807</i>	<i>110,773</i>	<i>111,806</i>

Hal Mann Vella Group p.l.c. Key Financial Ratios	FY2023 Actual	FY2024 Actual	FY2025 Actual	FY2026 Forecast
Net debt-to-EBITDA (times) <i>(Net debt / EBITDA)</i>	9.47	8.66	9.18	9.55
Net debt-to-equity (times) <i>(Net debt / total equity)</i>	1.06	0.91	0.93	0.93
Net gearing (%) <i>(Net debt / net debt and total equity)</i>	51.49	47.59	48.21	48.06
Debt-to-assets (times) <i>(Total debt / total assets)</i>	0.43	0.42	0.43	0.41
Leverage (times) <i>(Total assets / total equity)</i>	2.54	2.56	2.30	2.29
Current ratio (times) <i>(Current assets / current liabilities)</i>	0.53	1.28	1.37	1.19

STATEMENT OF FINANCIAL POSITION

In **FY2025**, total assets contracted by €6.20 million to €131.96 million from €138.16 million as at the end of FY2024. The reduction was principally driven by the lower level of cash and cash equivalents, which decreased by €5.72 million to €3.05 million, as well as the decline in trade and other receivables, which fell by €1.98 million to €16.45 million. Property held-for-sale also decreased by €0.88 million to €4.32 million following property sales, whilst deferred taxation and right-of-use assets declined by €0.59 million and €0.27 million to €2.40 million and €6.71 million, respectively. These negative movements were partly offset by an increase in investment property, which rose by €2.84 million to €54.62 million, and marginal increases in PPE and inventories to €38.04 million and €4.63 million, respectively.

Total equity increased by €3.48 million to €57.37 million in FY2025 from €53.88 million as at the end of FY2024, reflecting the increase in retained earnings which rose to €23.01 million from €19.53 million. As a result of the stronger equity base and the reduction in total assets, the leverage ratio improved to 2.30 times from 2.56 times as at 31 December 2024.

Total liabilities decreased by €9.69 million to €74.59 million from €84.28 million as at the end of FY2024. The reduction was driven by lower trade and other payables, which declined sharply by €5.09 million to €11.99 million, as well as the decrease in tax liabilities, which fell by €3.26 million to €6.15 million. Total debt, including finance lease liabilities and other financial liabilities, also trended lower by €1.33 million to €56.46 million, mostly due to the reduction in bank borrowings to €21.04 million from €22.54 million. However, net debt increased to €53.41 million from €48.93 million, reflecting the notable reduction in cash and cash equivalents during the year.

In view of the sharper increase in net debt compared to the expansion in the equity base, the net debt-to-equity multiple and net gearing ratio edged higher to 0.93 times and 48.21%, respectively, from 0.91 times and 47.59% in FY2024. Similarly, the net debt-to-EBITDA multiple increased to 9.18 times from 8.66 times, whilst the debt-to-assets ratio moved marginally higher to 0.43 times from 0.42 times. Conversely, the current ratio improved to 1.37 times from 1.28 times, reflecting the sharper reduction in short-term obligations relative to short-term assets.

In **FY2026**, total assets are forecast to increase by €1.14 million to €133.10 million. The projected increase is expected to be mainly driven by higher investment property, which is forecast to rise by €2.92 million to €57.54 million, and a higher level of property held-for-sale, which is expected to increase by €1.97 million to €6.30 million. Inventories are also forecast to increase, albeit marginally, to €4.74 million, whilst PPE is expected to remain broadly stable at €38.09 million. These increases are expected to be partly offset by a reduction in trade and other receivables to €15.20 million, a decrease in cash and cash equivalents to €0.72 million, a lower deferred tax asset position of €2.32 million, and a continued reduction in right-of-use assets to €6.45 million.

Total equity is forecast to expand further to €58.07 million, supported by higher retained earnings, which are expected to increase to €23.72 million. The anticipated increase in equity, together with the broadly stable asset base, is expected to result in a slight improvement in the leverage multiple to 2.29 times.

Total liabilities are forecast to increase marginally to €75.03 million, as the €2.72 million rise in trade and other payables to €14.71 million is expected to outweigh the €2 million decline in total debt to €54.46 million, reflecting lower bank borrowings and other financial liabilities, and the €0.29 million drop in tax liabilities to €5.86 million. Net debt is however forecast to edge slightly higher to €53.73 million due to the expected decline in cash and cash equivalents. Coupled with the projected slight decline in EBITDA, the net debt-to-EBITDA multiple is expected to deteriorate to 9.55 times. On the other hand, the net debt-to-equity multiple is forecast to remain unchanged at 0.93 times, whilst net gearing is expected to ease marginally to 48.06%. Similarly, the debt-to-assets ratio is forecast to improve to 0.41 times, reflecting the lower total debt position relative to the Group's asset base. Conversely, the current ratio is forecast to decline to 1.19 times, mainly due to the projected increase in trade and other payables and the lower level of cash and trade receivables.

8. VARIANCE ANALYSIS

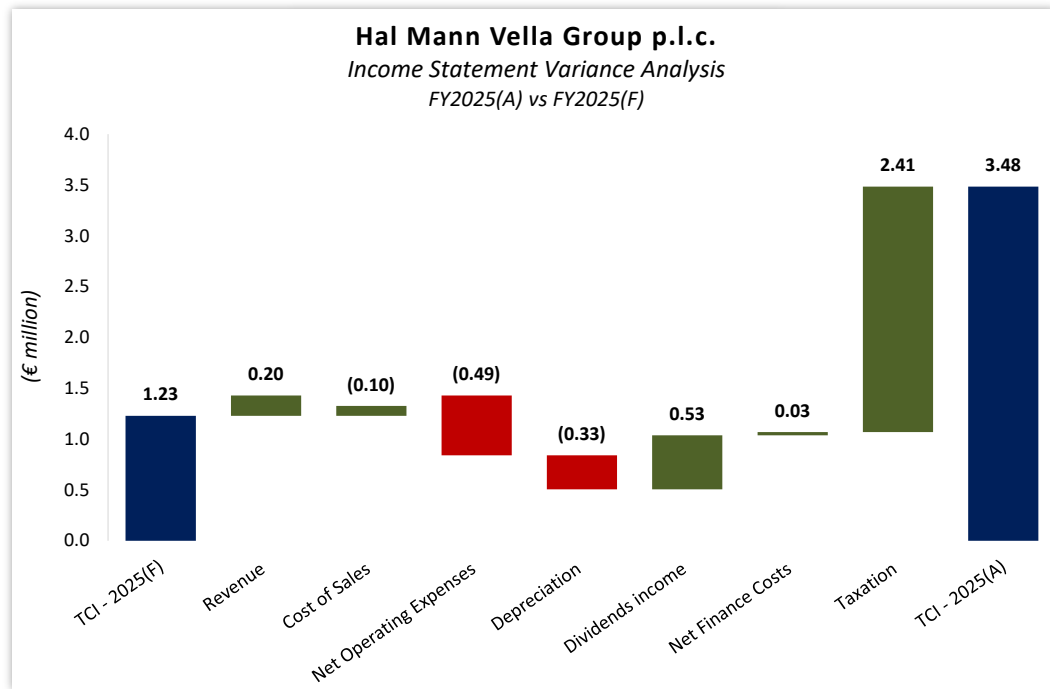
The following is an analysis of the major variances between the forecast financial information of the Group for the year ended 31 December 2025, as included in the Analysis dated 25 June 2025, and the audited consolidated annual financial statements for the same period, which were published on 17 April 2026.

Hal Mann Vella Group p.l.c. Income Statement for the financial year 31 December	2025 Actual €'000	2025 Forecast €'000
<i>Manufacturing and general contracting services</i>	25,132	25,435
<i>Property development</i>	4,208	3,569
<i>Rental activities</i>	2,618	2,755
Total revenue	31,958	31,759
Cost of sales	(20,807)	(20,705)
Gross profit	11,151	11,054
Net operating expenses	(5,336)	(4,850)
EBITDA	5,815	6,204
Depreciation	(1,844)	(1,510)
Operating profit	3,971	4,694
Dividends income	530	-
Net finance costs	(2,422)	(2,455)
Profit before tax	2,079	2,239
Taxation	1,405	(1,009)
Profit after tax	3,484	1,230
Total comprehensive income	3,484	1,230
EBITDA Analysis:		
<i>Manufacturing and general contracting services</i>	3,747	3,561
<i>Property development and letting</i>	2,068	2,643

STATEMENT OF COMPREHENSIVE INCOME

In FY2025, the Group generated total revenue of €31.96 million, marginally exceeding the forecast of €31.76 million by 0.63%. This positive variance was driven by the stronger-than-expected performance of property development, where revenue amounted to €4.21 million compared to the forecast of €3.57 million, resulting in a favourable variance of almost 18%. This was partly offset by weaker-than-forecast revenue from manufacturing and general contracting services, which amounted to €25.13 million compared to the forecast of €25.44 million, representing a shortfall of just 1.19%, whilst rental activities generated revenue of €2.62 million compared to the forecast of €2.76 million, resulting in a negative variance of nearly 5%.

Cost of sales was also slightly above forecast at €20.81 million compared to the projected €20.71 million. Consequently, gross profit amounted to €11.15 million, exceeding the forecast of €11.05 million by 0.88%.



The outperformance at gross profit level was, however, offset by higher-than-expected net operating expenses, which amounted to €5.34 million compared to the forecast of €4.85 million. This adverse variance of 10.02% was primarily attributable to higher-than-expected payroll costs incurred during the year. As a result, EBITDA amounted to €5.82 million compared to the forecast of €6.20 million, representing a shortfall of 6.27%.

At segmental EBITDA level, manufacturing and general contracting services performed ahead of expectations, despite the marginal lower revenue base. EBITDA from this segment amounted to €3.75 million compared to the forecast of €3.56 million, resulting in a favourable variance of 5.22%. Accordingly, the EBITDA margin of manufacturing and general contracting services stood at 14.91%, compared to the forecast margin of 14%. Conversely, EBITDA from property development and letting amounted to €2.07 million compared to the forecast of €2.64 million, resulting in an adverse variance of €0.58 million, despite the higher-than-expected revenue contribution from property development.

After accounting for depreciation of €1.84 million, which exceeded the forecast of €1.51 million by €0.33 million, operating profit amounted to €3.97 million compared to the forecast of €4.69 million.

In FY2025, the Group recognised dividend income of €0.53 million, which had not been included in the forecast. Net finance costs were broadly in line with expectations at €2.42 million compared to the forecast of €2.46 million, resulting in a marginal favourable variance of 1.34%.

Overall, profit before tax amounted to €2.08 million compared to the forecast of €2.24 million, representing a shortfall of 7.15%. On the other hand, in relation to taxation, whilst the forecast included a tax charge of €1.01 million, the Group recognised tax income of €1.41 million in FY2025, resulting in a favourable variance of €2.41 million. This was mainly driven by an increase in deferred tax credits arising from investment tax incentives within the Issuer’s subsidiaries, which had not been anticipated in the forecasts. As a result, profit after tax amounted to €3.48 million compared to the forecast of €1.23 million, representing a favourable variance of €2.25 million.

Hal Mann Vella Group p.l.c. Statement of Cash Flows for the financial year 31 December	2025 Actual €'000	2025 Forecast €'000
Net cash from operating activities	2,347	5,455
Net cash used in investing activities	(4,272)	(7,626)
Net cash used in financing activities	(1,445)	(269)
Effect of ECL on cash in banks	(9)	-
Net movement in cash and cash equivalents	(3,379)	(2,440)
Cash and cash equivalents at beginning of year	3,658	3,658
Cash and cash equivalents at end of year	279	1,218
Capital expenditure*	4,757	7,626
Free cash flow	(2,410)	(2,171)

* Calculated as gross capital expenditure minus the proceeds from the disposal of fixed and, or intangible assets.

STATEMENT OF CASH FLOWS

In FY2025, the Group registered a net cash inflow from operating activities of €2.35 million, compared to the forecast inflow of €5.46 million. The adverse variance of €3.11 million was principally attributable to a negative working capital movement of €1.87 million compared to the forecast inflow of €0.78 million, resulting in an adverse variance of €2.65 million. The operating cash flow variance was also impacted by higher taxation paid and finance costs.

Net cash used in investing activities amounted to €4.27 million compared to the forecast outflow of €7.63 million. The favourable variance of €3.35 million was mainly driven by lower-than-expected capital expenditure on PPE and investment property, which amounted to €4.76 million compared to the forecast of €7.63 million. The variance also reflected the receipt of €0.53 million in dividend income which had not been forecast, partly offset by €0.05 million relating to right-of-use assets.

As the lower capital expenditure outflow was not sufficient to offset the shortfall in net operating cash flow, free cash flow was marginally below forecast, amounting to a negative €2.41 million compared to the projected negative free cash flow of €2.17 million.

Net cash used in financing activities amounted to €1.45 million, compared to the forecast outflow of €0.27 million, resulting in an adverse variance of €1.18 million. This was mainly attributable to cash outflows of €0.48 million relating to joint ventures, compared to a forecast inflow of €0.60 million. In addition, the Group incurred lease payments of €0.07 million, which were not included in the forecasts. Bank loan inflows were also lower than expected, at €1.35 million compared to the forecast of €1.55 million. On the other hand, interest paid was lower at €2.24 million compared to the forecast of €2.42 million.

Overall, liquidity was impacted by the continuation of the Group's investment programme and as a result, the Group recorded a net decrease in cash and cash equivalents of €3.38 million in FY2025, compared to the forecast net decrease of €2.44 million, resulting in an adverse variance of €0.94 million. Accordingly, cash and cash equivalents at year-end amounted to €0.28 million compared to the forecast of €1.22 million.

STATEMENT OF FINANCIAL POSITION

As at 31 December 2025, total assets amounted to €131.96 million, exceeding the forecast of €130.65 million by €1.31 million. Cash and cash equivalents were higher by €1.73 million when bank overdraft balances of €2.77 million are included. Deferred tax assets stood at €2.40 million compared to the forecast of €0.16 million, giving rise to a favourable variance of €2.24 million. Moreover, other positive variances, which in aggregate amounted to €0.81 million, were recorded in PPE, inventories, property held-for-sale, and trade and other receivables. On the other hand, investment property was €3.32 million lower than forecast as at year-end.

Total equity amounted to €57.37 million compared to the forecast of €55.11 million, resulting in a favourable variance of €2.25 million. This was entirely attributable to higher retained earnings, which amounted to €23.01 million compared to the forecast of €20.76 million, reflecting the stronger-than-expected profit after tax reported for FY2025.

Total liabilities amounted to €74.59 million compared to the forecast of €75.54 million, representing a favourable variance of €0.94 million. This was attributable to lower-than-forecast debt (€0.29 million) and tax liabilities (€0.70 million), partly offset by marginally higher trade and other payables (€0.05 million). Net debt amounted to €53.41 million compared to the forecast of €55.43 million, resulting in a favourable variance of €2.02 million. Accordingly, the Group ended FY2025 with stronger debt metrics than anticipated, as total debt represented 42.78% of total assets compared to the forecast of 43.44%, whilst net debt-to-equity stood at 0.93 times compared to the forecast of 1.01 times. Similarly, net gearing stood at 48.21% compared to the forecast of 50.14%, reflecting the combination of higher equity and lower net debt.

Hal Mann Vella Group p.l.c. Statement of Financial Position as at 31 December	2025 Actual €'000	2025 Forecast €'000
ASSETS		
Non-current assets		
Intangible assets	63	63
Investment properties	54,623	57,947
Property, plant and equipment	38,038	38,008
Investments in joint ventures	1,662	1,678
Financial assets	15	18
Right-of-use assets	6,705	6,705
Deferred taxation	2,396	158
Other non-current assets	-	124
	103,502	104,701
Current assets		
Inventories	4,631	4,292
Property held-for-sale	4,324	4,088
Trade and other receivables	16,453	16,246
Cash and cash equivalents	3,050	1,320
	28,458	25,946
Total assets	131,960	130,647
EQUITY		
Called up share capital	5,000	5,000
Other reserves	29,357	29,357
Retained earnings	23,009	20,755
	57,366	55,112
LIABILITIES		
Non-current liabilities		
Bonds	23,000	22,530
Bank borrowings	15,561	16,654
Finance lease liability	7,952	8,039
Other financial liabilities	2,218	2,218
Deferred taxation	5,021	5,612
	53,752	55,053
Current liabilities		
Bonds	221	343
Bank borrowings	5,482	4,018
Finance lease liability	97	181
Other financial liabilities	1,926	2,767
Trade and other payables	11,987	11,935
Taxation payable	1,129	1,238
	20,842	20,482
Total liabilities	74,594	75,535
Total equity and liabilities	131,960	130,647
<i>Total debt (including finance lease and other financial liabilities)</i>	<i>56,457</i>	<i>56,750</i>
<i>Net debt</i>	<i>53,407</i>	<i>55,430</i>
<i>Invested capital (total equity plus net debt)</i>	<i>110,773</i>	<i>110,542</i>

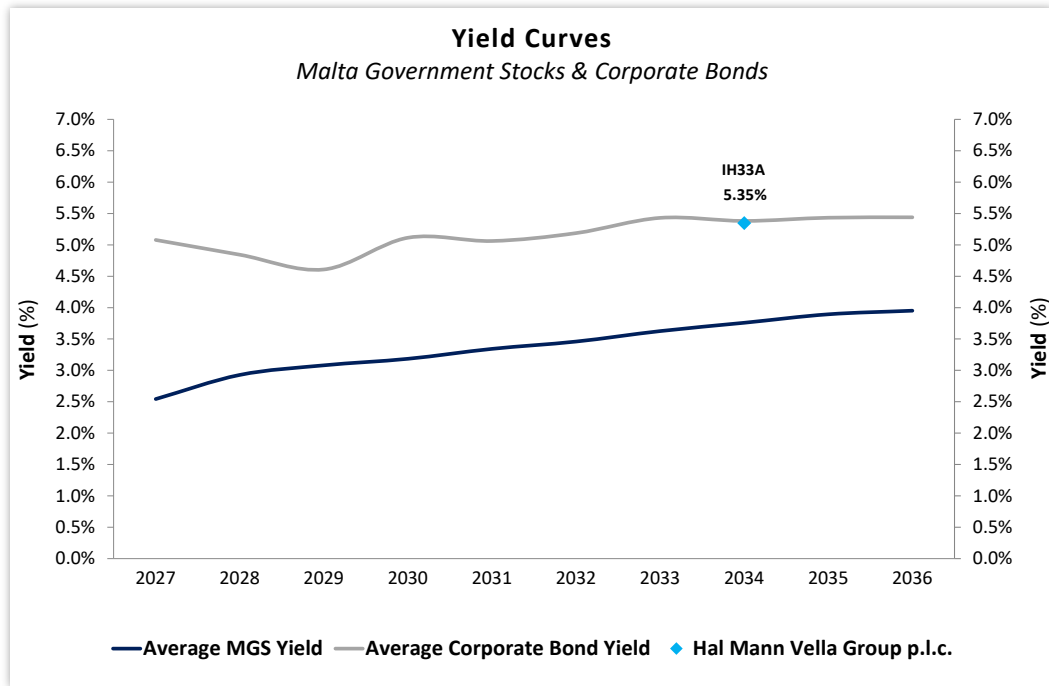
PART 3 – COMPARATIVE ANALYSIS

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 (€'000)	Yield-to-Maturity / Worst (%)	Interest Cover (times)	Net Debt-to-EBITDA (times)	Net Gearing (%)	Debt-to-Assets (times)
4.00% International Hotel Investments p.l.c. Secured 2026	55,000	4.59	1.47	11.26	43.14	0.40
5.00% Dizz Finance p.l.c. Unsecured & Guaranteed 2026	8,000	13.16	0.90	15.02	89.77	0.54
3.75% Premier Capital p.l.c. Unsecured 2026	32,696	7.57	9.72	2.54	71.95	0.61
4.00% International Hotel Investments p.l.c. Unsecured 2026	60,000	4.13	1.47	11.26	43.14	0.40
3.25% AX Group p.l.c. Unsecured 2026	15,000	7.60	3.81	4.88	39.07	0.35
4.00% Hili Finance Company p.l.c. Unsecured & Guaranteed 2027	50,000	3.97	4.45	4.66	68.88	0.59
4.35% SD Finance plc Unsecured & Guaranteed 2027	65,000	4.33	5.41	2.98	30.68	0.33
4.00% Eden Finance p.l.c. Unsecured & Guaranteed 2027	40,000	4.55	4.03	5.76	26.30	0.24
5.25% Mediterranean Investments Holding p.l.c. Unsecured & Guaranteed 2027	30,000	5.24	9.25	1.60	14.80	0.16
4.00% Stivala Group Finance p.l.c. Secured & Guaranteed 2027	45,000	5.23	4.91	5.15	21.67	0.20
4.75% Best Deal Properties Holding p.l.c. Secured & Guaranteed 2025-2027	5,783	4.73	n/a	9.43	76.67	0.72
4.75% Gap Group p.l.c. Secured & Guaranteed 2025-2027	12,355	4.73	n/a	0.30	4.28	0.17
3.85% Hili Finance Company p.l.c. Unsecured & Guaranteed 2028	40,000	5.48	4.45	4.66	68.88	0.59
5.85% Mediterranean Investments Holding p.l.c. Unsecured & Guaranteed 2028	20,000	5.00	9.25	1.60	14.80	0.16
5.75% PLAN Group p.l.c. Secured & Guaranteed 2028	12,000	4.91	5.65	7.37	55.40	0.54
5.75% Best Deal Properties Holding p.l.c. Secured & Guaranteed 2027-2029	15,000	4.98	n/a	9.43	76.67	0.72
5.00% Hili Finance Company p.l.c. Unsecured & Guaranteed 2029	80,000	4.65	4.45	4.66	68.88	0.59
3.65% Stivala Group Finance p.l.c. Secured & Guaranteed 2029	15,000	4.90	4.91	5.15	21.67	0.20
3.80% Hili Finance Company p.l.c. Unsecured & Guaranteed 2029	80,000	4.61	4.45	4.66	68.88	0.59
3.75% AX Group p.l.c. Unsecured 2029	10,000	4.21	3.81	4.88	39.07	0.35
6.25% GPH Malta Finance p.l.c. Unsecured & Guaranteed 2030	18,144	5.67	3.04	5.76	92.40	0.82
5.25% ACMUS p.l.c. Secured 2028-2030	19,000	5.24	3.88	475.77	80.85	0.76
5.10% PLAN Group p.l.c. Secured & Guaranteed 2030	28,200	4.84	5.65	7.37	55.40	0.54
5.20% SD Finance plc Unsecured & Guaranteed 2031 S1 T1	33,000	5.19	5.41	2.98	30.68	0.33
5.35% MM Star Malta Finance p.l.c. Secured & Guaranteed 2029-2031	35,000	5.35	1.20	10.80	75.65	0.70
3.65% International Hotel Investments p.l.c. Unsecured 2031	80,000	5.13	1.47	11.26	43.14	0.40
3.50% AX Real Estate p.l.c. Unsecured 2032	40,000	5.13	3.19	7.66	51.19	0.46
5.35% Best Deal Properties Holding p.l.c. Unsecured 2032	7,000	5.04	n/a	9.43	76.67	0.72
5.50% MM Triton Malta Finance p.l.c. Secured & Guaranteed 2032	45,000	5.12	1.40	9.39	71.50	0.67
5.80% GPH Malta Finance plc Unsecured & Guaranteed 2032	15,000	5.70	3.04	5.76	92.40	0.82
5.00% Mariner Finance p.l.c. Unsecured 2032	36,930	4.81	4.52	5.45	46.94	0.46
5.00% Hili Finance Company p.l.c. Unsecured & Guaranteed 2033	60,000	4.69	4.45	4.66	68.88	0.59
5.85% AX Group p.l.c. Unsecured 2033	40,000	5.51	3.81	4.88	39.07	0.35
6.00% International Hotel Investments p.l.c. Unsecured 2033	60,000	5.49	1.47	11.26	43.14	0.40
4.50% The Ona p.l.c. Secured & Guaranteed 2028-2034	16,000	5.11	3.62	7.48	73.09	0.68
5.35% Hal Mann Vella Group p.l.c. Secured 2031-2034	23,000	5.35	2.40	9.18	48.21	0.43
5.30% International Hotel Investments p.l.c. Unsecured 2035	35,000	5.29	1.47	11.26	43.14	0.40
5.50% Juel Group p.l.c. Secured & Guaranteed 2035	32,000	5.50	2.55	5.93	51.80	0.46
5.35% CPHCL Finance p.l.c. Unsecured & Guaranteed 2035	45,000	5.18	1.36	12.35	42.84	0.40
5.50% Finestday Malta p.l.c. Secured & Guaranteed 2036	25,000	5.50	1.69	8.85	58.21	0.55

*As at 21 May 2026

Sources: (i) Malta Stock Exchange; (ii) M.Z. Investment Services Limited; and (iii) the most recent audited annual financial statements of the respective Issuers and, or Guarantors, except for MM Triton Malta Finance p.l.c. (FY2026[F]) and Finestday Malta p.l.c. (FY2027[P]).



The closing market price of the **5.35% Hal Mann Vella Group p.l.c. secured bonds 2031-2034 (HM34A)** as at 21 May 2026 was 100.00%. This translated into a yield-to-maturity (“YTM”) of 5.35%, representing a discount of 3 basis points to the average YTM of 5.38% of other local corporate bonds maturing in the same year. The spread over the corresponding average Malta Government Stock yield of 3.76% stood at 159 basis points.

PART 4 – EXPLANATORY DEFINITIONS

Statement of Comprehensive Income

<i>Revenue</i>	Total income generated from business activities.
<i>EBITDA</i>	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.
<i>Adjusted operating profit / (loss)</i>	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.
<i>Operating profit / (loss)</i>	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.
<i>Share of results of associates and joint ventures</i>	Share of profit (or loss) from entities in which the company does not have a majority shareholding.
<i>Profit / (loss) after tax</i>	Net profit (or loss) registered from all business activities.

Profitability Ratios

<i>EBITDA margin</i>	EBITDA as a percentage of revenue.
<i>Operating profit margin</i>	Operating profit (or loss) as a percentage of total revenue.
<i>Net profit margin</i>	Profit (or loss) after tax as a percentage of total revenue.
<i>Return on equity</i>	Measures the rate of return on net assets and is computed by dividing the net profit (or loss) for the year by average equity.
<i>Return on assets</i>	Measures the rate of return on assets and is computed by dividing the net profit (or loss) for the year by average assets.
<i>Return on invested capital</i>	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

<i>Net cash from / (used in) operating activities</i>	The amount of cash generated (or consumed) from the normal conduct of business.
<i>Net cash from / (used in) investing activities</i>	The amount of cash generated (or consumed) from activities related to the acquisition, disposal, and/or development of long-term assets and other investments.
<i>Net cash from / (used in) financing activities</i>	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.
<i>Free cash flow</i>	Represents the amount of cash generated (or consumed) from operating activities after considering any amounts of net capital expenditure.

Statement of Financial Position

<i>Non-current assets</i>	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.
<i>Current assets</i>	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.
<i>Non-current liabilities</i>	These represent long-term financial obligations which are not due within the next twelve months, and typically include long-term borrowings and debt securities.
<i>Current liabilities</i>	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.
<i>Total equity</i>	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

<i>Interest cover</i>	Measures the extent of how many times a company can sustain its net finance costs from EBITDA.
<i>Net debt-to-EBITDA</i>	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.
<i>Net debt-to-equity</i>	Shows the proportion of net debt (including lease liabilities) to the amount of equity.
<i>Net gearing</i>	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.
<i>Debt-to-assets</i>	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.
<i>Leverage</i>	Shows how many times a company is using its equity to finance its assets.
<i>Current ratio</i>	Measures the extent of how much a company can sustain its short-term liabilities from its short-term assets.