

HUDSON MALTA PLC

Condensed interim consolidated and standalone
financial statements (unaudited)

For the period 1 January 2025 to 30 June 2025

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Interim directors' report pursuant to Capital Markets Rule 5.75.2

This Half-Yearly Report is being published in terms of Chapter 5 of the Capital Markets Rules issued by the Malta Financial Services Authority and the Prevention of Financial Markets Abuse Act, 2005 (Chapter 476 of the laws of Malta). The condensed interim consolidated and stand-alone financial information included in this report has been extracted from the Group's unaudited financial information for the period ending 30 June 2025. In accordance with the terms of Capital Markets Rule 5.75.5, this interim report has not been audited or reviewed by the Company's independent auditors.

Principal activities

The Hudson Malta plc Group (the "Group") operates the retail stores in Malta for the parent company, Hudson Holdings Limited (the "Hudson Group") as well as handling the importation and distribution of branded consumer products in Malta and Italy.

In 2018 Hudson Malta plc (the "Company") raised €12m from a public Bond issue for the main purpose of financing the retail expansion in Malta and overseas of the Hudson Group. The money raised was loaned to Hudson Malta Sales Ltd ("HMS"), to its parent company Hudson Holdings Limited and a sister company also forming part of the Hudson Group. The Company earns interest from these loans.

Review of the business

During the period ended 30 June 2025, the Group reported a marginal increase in revenues and gross margin compared to the same period in 2024, resulting in a slight increase in gross profit to €10.1 million from €9.8 million.

Net operating expenses decreased by 8.4% from €7.6 million to €6.9 million reflecting certain cost management measures being undertaken, with the result the Group's EBITDA increased by €0.9 million (37%) to €3.3 million from €2.4 million.

With financing costs remaining fairly constant, and amortisation and depreciation costs increasing by €0.1m, the Group reported a loss before tax of €0.5 million compared to a loss before tax of €1.4 million in 2024.

Forecasts indicate that the Group is expected to be in a profitable position by the year end due to the seasonality of the business and continued measures to manage costs and profitability.

Dividend

The directors do not recommend the payment of an interim dividend.

Interim directors' report pursuant to Capital Markets Rule 5.75.2 - continued

Directors' Statement pursuant to Capital Markets Rule 5.75.3

We hereby confirm, to the best of our knowledge:


- That the condensed interim consolidated and stand-alone financial statements, prepared in accordance with the applicable set of accounting standards, give a true and fair view of the financial position of the Group and Company as at 30 June 2025, and of its financial performance and its cash flows for period then ended and;
- The Interim Directors' Report includes a fair view of the information required in terms of Capital Markets Rule 5.81.

Signed on behalf of the Board of Directors,

DocuSigned by:

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Alfred Borg
Director

Signed by:

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Christopher Muscat
Director

Registered office:
Hudson House
Burmarrad Road,
Burmarrad
St. Paul's Bay
SPB 9060, Malta

29 August 2025

Statements of financial position

		Group		Company	
		As at 30 June 2025 Unaudited €	As at 31 December 2024 Audited €	As at 30 June 2025 Unaudited €	As at 31 December 2024 Audited €
Note					
ASSETS					
Non-current assets					
		5,909,397	5,961,465	-	-
		21,341,800	23,199,776	-	-
	8	-	-	28,300,000	28,300,000
		3,531,355	3,638,827	-	-
		1,521,994	1,521,994	27,518	27,518
		-	5,874,914	-	12,135,158
		625,300	800,638	-	-
		32,929,846	40,997,614	28,327,518	40,462,676
Current assets					
		13,797,528	11,509,213	-	-
		6,200,052	-	12,806,740	-
		22,919,606	20,925,669	335,444	596,429
		142,190	-	-	-
		1,692,035	4,731,720	33,530	204,261
		44,751,411	37,166,602	13,175,714	800,690
		77,681,257	78,164,216	41,503,232	41,263,366

Statements of financial position - continued

		Group		Company	
		As at 30 June 2025 Unaudited €	As at 31 December 2024 Audited €	As at 30 June 2025 Unaudited €	As at 31 December 2024 Audited €
	Note				
EQUITY AND LIABILITIES					
Capital and reserves					
Share capital		22,450,000	22,450,000	22,450,000	22,450,000
Other reserves		(15,994,856)	(15,994,856)	-	-
Capital contribution	10	5,900,000	5,900,000	5,900,000	5,900,000
Retained earnings		660,799	1,065,327	469,443	453,958
Total equity		13,015,943	13,420,471	28,819,443	28,803,958
Non-current liabilities					
Lease liabilities		19,780,620	21,428,298	-	-
Trade and other payables		140,970	158,470	-	-
Borrowings	7	140,691	12,310,201	-	11,964,731
Total non-current liabilities		20,062,281	33,896,969	-	11,964,731
Current liabilities					
Lease liabilities		3,446,550	2,857,068	-	-
Trade and other payables		22,863,311	21,803,416	656,377	446,024
Borrowings	7	18,293,172	6,071,213	11,979,029	-
Current tax liabilities		-	115,079	48,383	48,653
Total current liabilities		44,603,033	30,846,776	12,683,789	494,677
Total liabilities		64,665,314	64,743,745	12,683,789	12,459,408
Total equity and liabilities		77,681,257	78,164,216	41,503,232	41,263,366


The notes on pages 9 to 14 are an integral part of these financial statements.

The financial statements on pages 3 to 14 were approved and authorised for issue by the Board on 29 August 2025 and were signed on its behalf by:

DocuSigned by:

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Alfred Borg
Director

Signed by:

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Christopher Muscat
Director

Statements of comprehensive income

	Group		Company	
	Period from 1 January to 30 June 2025 Unaudited €	Period from 1 January to 30 June 2024 Unaudited €	Period from 1 January to 30 June 2025 Unaudited €	Period from 1 January to 30 June 2024 Unaudited €
Revenue	29,158,730	28,805,499	-	-
Cost of sales	(19,091,358)	(18,993,628)	-	-
Gross profit	10,067,372	9,811,871	-	-
Other operating income	99,047	161,272	-	-
Investment income	-	-	-	9,076,923
Operation and administrative expenses (excl. depreciation and amortisation)	(6,874,713)	(7,561,648)	(36,978)	(33,406)
Earnings before interest, taxes, depreciation and amortisation	3,291,706	2,411,495	(36,978)	9,043,517
Depreciation and amortisation	(3,004,364)	(2,935,091)	-	-
Operating profit/(loss)	287,342	(523,596)	(36,978)	9,043,517
Finance income	127,254	197,825	336,099	351,610
Finance costs	(942,273)	(1,040,924)	(275,298)	(276,208)
(Loss)/profit before tax	(527,677)	(1,366,695)	23,823	9,118,920
Income tax credit/(charge)	123,149	478,343	(8,338)	(3,191,622)
(Loss)/profit for the period – total comprehensive income	(404,528)	(888,352)	15,485	5,927,297

The notes on pages 9 to 14 are an integral part of these financial statements.

Statements of changes in equity

Group

	Note	Share capital €	Other reserves €	Capital contribution €	Retained earnings €	Total €
Balance as at 1 January 2024		22,450,000	(15,994,856)	-	6,423,163	12,878,307
Transaction with owners:						
<i>Distribution to owners:</i>						
Dividends		-	-	-	(5,900,000)	(5,900,000)
Capital contribution	10	-	-	5,900,000	-	5,900,000
Comprehensive income						
(Loss) for the period		-	-	-	(888,352)	(888,352)
Balance as at 30 June 2024		22,450,000	(15,994,856)	5,900,000	(365,189)	11,989,955
Balance as at 1 January 2025		22,450,000	(15,994,856)	5,900,000	1,065,327	13,420,471
Comprehensive income						
(Loss) for the period		-	-	-	(404,528)	(404,528)
Balance as at 30 June 2025		22,450,000	(15,994,856)	5,900,000	660,799	13,015,943

Statements of changes in equity - continued

Company

	Note	Share capital €	Capital contribution €	Retained earnings €	Total €
Balance as at 1 January 2024		22,450,000	-	237,387	22,687,387
Transaction with owners:					
<i>Distribution to owners:</i>					
Dividends		-	-	(5,900,000)	(5,900,000)
Capital contribution	10	-	5,900,000	-	5,900,000
Comprehensive income					
Profit for the period		-	-	5,927,297	5,927,297
Balance as at 30 June 2024		22,450,000	5,900,000	264,684	28,614,684
Balance as at 1 January 2025		22,450,000	5,900,000	453,958	28,803,958
Comprehensive income					
Profit for the period		-	-	15,485	15,485
Balance as at 30 June 2025		22,450,000	5,900,000	469,443	28,819,443

The notes on pages 9 to 14 are an integral part of these financial statements.

Statements of cash flows

	Group		Company	
	Period from 1 January to 30 June 2025 Unaudited €	Period from 1 January to 30 June 2024 Unaudited €	Period from 1 January to 30 June 2025 Unaudited €	Period from 1 January to 30 June 2024 Unaudited €
Cash flows generated from/(used in) operating activities				
Cash generated from/(used in) operations	279,413	(1,308,910)	434,360	(416,817)
Interest received	127,254	197,825	336,098	351,611
Income tax paid	(134,119)	(570,058)	(8,608)	(14,700)
Interest paid on lease liabilities	(494,586)	(620,812)	-	-
Interest paid on borrowings	(433,390)	(420,112)	(261,000)	(276,208)
Net cash (used in)/generated from operating activities	(655,428)	(2,722,067)	500,850	(356,114)
Cash flows generated from/(used in) investing activities				
Purchase of property, plant and equipment	(1,039,074)	(525,108)	-	-
Loans provided to related parties	(325,138)	-	(671,582)	-
Repayment of loans by related parties	-	-	-	140,208
Net cash (used in)/generated from investing activities	(1,364,212)	(525,108)	(671,582)	140,208
Cash flows generated from/(used in) financing activities				
Principal elements of lease payments	(1,058,196)	(1,288,599)	-	-
Proceeds from drawdown/(repayment) of borrowings	(226,636)	1,959,188	-	-
Net cash (used in)/generated from financing activities	(1,284,832)	670,589	-	-
Net movement in cash and cash equivalents	(3,304,472)	(2,576,586)	(170,732)	(215,906)
Cash and cash equivalents at the beginning of the period	4,374,734	3,338,137	204,261	370,751
Cash and cash equivalents at the end of the period	1,070,262	761,551	33,529	154,845

The notes on pages 9 to 14 are an integral part of these financial statements.

Selected explanatory notes to the interim consolidated financial statements

1. General information

The principal activity of Hudson Malta p.l.c (the “Company”) is to own the entities operating the retail stores in Malta for the Hudson Holdings Limited group (the “Hudson Group”), of which the Company is a fully owned subsidiary.

The interim consolidated and stand-alone financial statements include the financial statements of Hudson Malta plc and its subsidiaries (the Group). The condensed interim financial information has been extracted from the Company’s unaudited consolidated financial information as at 30 June 2025.

2. Basis of preparation

The principal accounting policies applied in the preparation of these financial statements are set out below.

The condensed consolidated and interim financial information as at and for the six-month period ended 30 June 2025 has been prepared in accordance with International Financial Reporting Standards as adopted by the EU applicable to interim financial reporting (International Accounting Standard 34, ‘Interim Financial Reporting’). These financial statements have not been audited nor reviewed by the Company’s independent auditors. The condensed consolidated and stand-alone interim financial information should be read in conjunction with the annual financial statements for the year ended 31 December 2024, which have been prepared in accordance with IFRSs as adopted by the EU.

The accounting policies used in the preparation of the condensed consolidated and stand-alone interim financial statements are consistent with those of the annual financial statements of Hudson Malta p.l.c. for the year ended 31 December 2024, as described in those financial statements.

New and amended standards adopted by the Group

A number of amended standards became applicable for the current reporting period. There is no impact on the adoption of these revisions on the Group’s accounting policies and on the Group’s financial results.

Impact of standards issued but not yet applied by the Group

Certain amendments and interpretations to existing standards have been published by the date of authorisation for issue of these financial statements but are not mandatory for the Group’s accounting periods beginning after 1 January 2025.

The Group has not early adopted these revisions to the requirements of IFRSs as adopted by the EU, and the Company’s Directors are of the opinion that there are no requirements that will have a possible significant impact on the Group’s financial statements in the period of initial application.

3. Fair values of financial instruments

The Group is required to disclose fair value measurements by level of a fair value measurement hierarchy for financial instruments (Level 1, 2 or 3). The different levels of the fair value hierarchy are defined as fair value measurements using:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1).
- Inputs other than quoted prices included within Level 1 that are observable for the asset or liability either directly i.e. as prices, or indirectly i.e. derived from prices (Level 2).
- Inputs for the asset or liability that are not based on observable market data i.e. unobservable inputs (Level 3).

At 30 June 2025 and 31 December 2024, the carrying amounts of financial instruments not carried at fair value comprising cash at bank, receivables, borrowings, payables and accrued expenses reflected in the financial statements are reasonable estimates of fair value in view of the nature of these instruments or the relatively short period of time between the origination of the instruments and their expected realization.

The fair value of non-current financial instruments for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments.

4. Fair values of non-financial instruments

Intangible assets held by the Group mainly consist of goodwill arising on the excess of the purchase price attributable to acquisitions in previous years over the carrying amount of net assets acquired allocated to the identifiable assets and liabilities of the acquired entity. The Group makes judgements and estimates in relation to the fair value allocation of the purchase price. The amount of goodwill initially recognised as a result of a business combination is dependent on the allocation of the purchase price to the fair value of the identifiable assets acquired and the liabilities assumed. The determination of the fair value of the assets and liabilities is based, to a considerable extent, on management's judgement. Allocation of the purchase price affects the results of the Group as intangible assets with a finite life are amortised, whereas intangible assets with an indefinite life and goodwill are not amortised.

The recoverable amount of the cash-generating unit (CGU), to which the intangible asset was allocated, as at 30 June 2025 was determined based on value in use (VIU) calculations consistent with the methods used as at 31 December 2024 (for further details refer to Note 4 of the 2024 annual report). It was determined that as 31 December 2024, the recoverable amount of the CGU exceeded its carrying amount by €6,160,000 and consequently, no impairment charge was required for 2024.

Furthermore, management had determined that impairment of intangible assets involves critical accounting estimates. The recoverable amount of this CGU would equal its carrying amount if the post-tax discount rate is increased from 12.5% to 15.5% or projected annual EBITDA is 17% lower.

For the purposes of these interim condensed financial statements, management has considered the key assumptions considered in the impairment assessment performed for 31 December 2024, and in view of the significance of the headroom between the recoverable amount and the carrying amount, determined that there are no significant deviations and changes in estimates which indicate that an impairment is required as at 30 June 2025.

The VIU of the CGU, as a result of this assessment, remains in excess of the carrying amounts by a comfortable headroom.

5. Segment Information

5.1 Operating segments

The Group's internal reporting organisation and structure is such that its retail and wholesale operations are treated as one business segment. This comprises the Group's fashion and sportswear retail and wholesale operations in Malta.

Cash flows generated and returns secured from the different services are significantly interdependent, also in the context of commonality of risks to which the Group is exposed as a result of the provision of these services and in the context of commonality of customer base.

5.2 Information about geographical segments

The Group's revenues are derived from operations carried out in Malta and Italy. Considering the nature of the Group's activities, its non-current assets are located in Malta.

5.3 Information about major customers

The Group does not have any particular major customer, as it largely derives revenue from a significant number of retail customers availing of its products. Accordingly, the Group does not deem necessary any relevant disclosures in respect of reliance on major customers.

6. Property, plant and equipment

Acquisitions and disposals

During the six months ended 30 June 2025, the Group acquired property, plant and equipment with a cost of €1,039,074 (six months ended 30 June 2024: €525,108), while it disposed of property, plant and equipment with a net book value of €52,226 (six months ended 30 June 2024: €103,176). The acquired assets mainly represent furniture and fit-outs for retail outlets.

7. Borrowings

	Group	
	As at 30 June 2025 € Unaudited	As at 31 December 2024 € Audited
Non-current		
(4.35%) bonds 2026	-	11,964,731
Bank loan	140,691	345,470
	140,691	12,310,201
Current		
(4.35%) bonds 2026	11,979,029	-
Bank overdrafts	621,773	356,986
Bank loan	424,699	439,368
Other bank trade financing	5,267,671	5,274,859
	18,293,172	6,071,213
Total borrowings	18,433,863	18,381,414

The bond is measured at the amount of the net proceeds adjusted for the amortisation of the difference between the net proceeds and the redemption value of such bond, using the effective interest rate as set out below:

	Company	
	As at 30 June 2025 € Unaudited	As at 31 December 2024 € Audited
Face Value		
(4.35%) bonds 2026	12,000,000	12,000,000
Bond issue costs	(228,745)	(228,745)
Accumulated amortisation	207,774	193,476
Closing net book value	20,971	35,269
Amortised costs as 30 June 2025	11,979,029	11,964,731

8. Investment in subsidiary

The subsidiaries as at 30 June 2025 are shown below. Unless otherwise stated, they have share capital consisting solely of ordinary shares.

Subsidiary	Voting rights held by the Group 2025	Interest held directly by the Company 2025	Interest held by the Group 2025
Hudson Malta Sales Ltd	100.0%	100.0%	100.0%

The registered office of the subsidiary is *Hudson House, Burmarrad Road, Burmarrad, St Paul's Bay SPB 9060, Malta*.

9. Contingent liabilities

As at 30 June 2025, the Group provided third parties with guarantees amounting to €3,651,295 (31 December 2024: €3,801,295).

The Group's bank facilities disclosed in note 7 are mainly secured by first general hypothecs and guarantees over the Hudson Malta P.L.C Group and Hudson Group's assets. Furthermore, the assets of Hudson Malta P.L.C. Group are used as security against bank facilities available to the ultimate parent company and other fellow subsidiaries.

10. Capital contribution

Through a Board Resolution dated 25 June 2024, the Directors have resolved that an amount of €5,900,000 from the balance due by the Company to its shareholders will be contributed for the allotment of additional shares in the Company in favour of the existing shareholders on a pro rata basis. In view that the effective issue and allotment of additional ordinary shares did not occur by 30 June 2025, the balance of €5,900,000 was retained in the Capital Contribution reserve.

11. Revenue

	Group		Company	
	Period from 1 January to 30 June 2025 Unaudited €	Period from 1 January to 30 June 2024 Unaudited €	Period from 1 January to 30 June 2025 Unaudited €	Period from 1 January to 30 June 2024 Unaudited €
Retail	22,903,232	22,493,806	-	-
Wholesale	6,255,498	6,311,693	-	-
	29,158,730	28,805,499	-	-

Revenue represents the amounts receivable for goods sold during the period, net of any indirect taxes.

12. Related party transactions

The Company is a wholly owned subsidiary of Hudson Holdings Limited, the registered office of which is situated at Hudson House, Burmarrad Road, Burmarrad, St Paul's Bay SPB 9060, Malta.

The Company has related party transactions with its ultimate parent company and entities controlled by it in the normal course of business.

In the ordinary course of its operations, the Group sells goods to companies forming part of the group for trading purposes. The following transactions were entered into with related parties during the financial reporting period:

	Group		Company	
	Period from 1 January to 30 June 2025 Unaudited €	Period from 1 January to 30 June 2024 Unaudited €	Period from 1 January to 30 June 2025 Unaudited €	Period from 1 January to 30 June 2024 Unaudited €
Revenue				
Sales – fellow subsidiaries	4,410,159	3,975,432	-	-
Interest income – parent	59,115	123,750	59,115	123,750
Interest income – subsidiary	-	-	208,845	153,785
Interest income – fellow subsidiaries	28,138	74,075	28,138	74,075
Facility fee	40,000	-	40,000	-
Expenses				
Cost of sales – fellow subsidiaries	1,110,120	1,210,679	-	-
Administration expenses – parent	162,715	-	-	-
Management fees – parent	1,116,000	1,220,871	-	-