

The following is a Company Announcement issued by QAWRA PALACE P.L.C., a company registered under the laws of Malta with company registration number C 27835 (hereinafter the “Company”), pursuant to the Capital Markets Rules issued by the Malta Financial Services Authority in accordance with the provisions of the Financial Markets Act (Chapter 345 of the laws of Malta), as amended from time to time.

Quote

Approval and Publication of Half-Yearly Financial Statements

The Company announces that during a meeting of its Board of Directors held on 17th November 2025, the Company’s half-yearly financial report and unaudited condensed financial statements for the six-month financial period ended 30th September 2025 were approved.

A copy of the aforesaid half-yearly unaudited financial statements, as approved, is available for viewing below as an attachment to this announcement and at the Company’s registered office, and is also available for download from the following link on the Company’s website:
<https://www.qawrapalaceplc.com/investors>.

Unquote

By order of the Board



Dr Luca Vella
Company Secretary

18th November 2025

Company Announcement: QWR20

QAWRA PALACE P.L.C.

**Condensed Interim Financial Statements
30 September 2025**

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Interim directors' report

The directors present their report and the condensed interim financial statements 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. The condensed financial statements have been extracted from Qawra Palace p.l.c. unaudited financial information as at 30 September 2025 and the six-month period then ended, prepared in accordance with International Financial Reporting Standards as 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 by the company's independent auditors.

Principal activities

Qawra Palace p.l.c. (the "Company") is a property holding company whose principal objects are as set out in clause four (4) of its Memorandum of Association – namely, to carry on the business of a property holding company and to construct, maintain, alter, equip or convert any buildings or amenities as may be required in connection with the establishment of a hotel and/or tourist or leisure centre. The Company owns the Qawra Palace Hotel located on the Qawra promenade.

Given that the Company is not a trading company, it is economically dependent on the income it derives from Mallard Co. Ltd. (C 4758), a related company ("Mallard"), the entity entrusted with the management and operation of the Qawra Palace Hotel, which operates in the 4-star category. The Company on-lent monies to Mallard from the proceeds of the Bond Issue (as described below and detailed in the Prospectus).

Review of the business

The Company

In February 2023, the Company had raised €25 million from a public bond issue; specifically, the issue by the Company of €25 million worth of 5.25% secured bonds 2033 (the "Bond Issue") with a nominal value of €100 per bond and issued at par (the "Bonds") in terms of a prospectus dated 20 December 2022 (the "Prospectus"). The Bonds were admitted to listing on the Official List of the Malta Stock Exchange with effect from 8 February 2023.

The proceeds of the Bond Issue were utilised in line with the Prospectus, with €16.4 million repaying existing bank loans, €6.7 million passed on by way of loan to Mallard to upgrade the existing hotel and develop new amenities and catering outlets within the complex and the remaining portion of €1.9 million allocated for general corporate funding purposes.

During the period ending 30 September 2025, the Company generated rental income of €1.4 million and a profit before tax of €0.5 million. The Company is dependent on the business prospects of Mallard and, therefore, the trend information relating to the operation of the hotel has a material effect on its financial position.

Mallard continued experiencing growth in revenue. The hotel generated revenues of €17 million compared to €15 million in the corresponding period last year, an increase of 13.33%. As in the previous year the hotel continued excelling in occupancy levels, higher room rates and consistent good guest reviews. Average occupancy for the first six months of the financial year is of 96%, while the average daily rate increased by 7% over 2024.

The Company's total assets as at 30 September 2025 stood at €98.9 million (31 March 2025: €98.5million). The Company has a strong equity position of €63.7 million and a current asset net of current liability position of €1.2 million.

Principal risks and uncertainties for the remaining six months of the financial year

Given that the Company is not a trading company, the principal risks and uncertainties arise from the business of Mallard, the entity entrusted with the management and operation of the Qawra Palace Hotel. The planned refurbishment of the hotel as explained in the Prospectus is now fully completed. The risks and uncertainties are now mainly represented by the business prospects and the well-being of the tourism industry.

Malta's hospitality sector is experiencing a record-breaking year, with data from the National Statistics Office (NSO) showing that 1.1 million tourists visited the island in Q2 2025 — a 10.4% rise compared to the same quarter in 2024. To date, the hotel's results are better than the previous year and bookings are very encouraging. The management looks forward with optimism to yet another year of good results.

Apart from the above, the Company is subject to various other risks such as market, economic, credit and liquidity risks. The directors are confident that the Company has the right framework and the appropriate policies and procedures in place to mitigate the effects that the aforementioned risks might have on the business.

The Company has prepared projections for the year ending 31 March 2026, based on actual results for the six months ended 30 September 2025 and forecasts thereafter. As reported earlier, for the first six months of the Company's financial year ended 30 September 2025, the Company achieved a profit before tax of €0.5 million (30 September 2024: €1.4 million). Management is actively working to maintain this positive momentum and remains confident that the set forecast will be achieved. The Company is not expecting material changes to depreciation, amortisation and net finance costs.

These projections are available in the Financial Analysis Summary report issued in September 2025, which is available on the Company's website <https://www.qawrapalaceplc.com>.

In view of the projections outlined above, the directors are of the opinion that the Company will have the necessary funds to finance the bond interest falling due in February 2026 and going forward.

The directors concur with the going concern assumption for preparation of these interim financial statements and do not envisage any material uncertainty in this regard.

Results and dividends

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

Directors

The directors of the company who held office during the year were:

Edward Vella
Esther Vella
Victor Vella
Robert Ancilleri
Stephen Muscat
Paul Muscat

Signed on behalf of the Board of Directors on 17 November 2025:



Robert Ancilleri
Chairman

Victor Vella
Director

INTERIM STATEMENT OF FINANCIAL POSITION
For the period from 1 April 2025 to 30 September 2025

	Notes	30 September 2025 €	31 March 2025 €
ASSETS			
Non-current assets			
Investment property	2	94,779,536	94,462,620
Intangible assets		-	-
Loans receivable	3	1,682,608	-
Total non-current assets		96,462,144	94,462,620
Current Assets			
Loans receivables	3	-	614,644
Trade and other receivables		1,411,248	2,906,510
Current tax receivable		3,829	-
Cash and cash equivalents		997,535	562,143
Total current assets		2,412,612	4,083,297
TOTAL ASSETS		98,874,756	98,545,917
EQUITY AND LIABILITIES			
Capital and reserves			
Share Capital		2,329,373	2,329,373
Retained earnings		61,346,160	60,887,703
TOTAL EQUITY		63,675,533	63,217,076
Non-current liabilities			
Borrowings	4	24,525,893	24,499,752
Deferred tax		9,446,262	9,446,262
Total non-current liabilities		33,972,155	33,946,014
Current Liabilities			
Trade and other payables		790,762	579,527
Current tax payable		436,306	803,300
Total current liabilities		1,227,068	1,382,827
Total Liabilities		35,199,223	35,328,841
Total Equity and Liabilities		98,874,756	98,545,917

The notes on pages 7 to 8 are an integral part of these condensed interim financial information.

INTERIM STATEMENT OF COMPREHENSIVE INCOME
For the period from 1 April 2025 to 30 September 2024

	1 April to 30 September 2025 €	1 April to 30 September 2024 €
Rental income	1,383,473	1,224,000
Administrative expenses	(163,826)	(72,042)
Operating Profit/(loss)	1,219,647	1,151,958
(Provision)/reversal of impairment on receivable from related party	(2,925)	572,505
Interest income	19,671	287,007
Interest expense	(658,048)	(658,890)
Profit/(loss) before tax	578,345	1,352,580
Taxation	(119,886)	(210,597)
Profit/(loss) for the financial period	458,459	1,141,983
Total comprehensive income/(loss) for the period	458,459	1,141,983

The notes on pages 7 to 8 are an integral part of these condensed interim financial information.

INTERIM STATEMENT OF CHANGES IN EQUITY
For the period from 1 April 2025 to 30 September 2025

	Share Capital €	Retained Earnings €	Total Equity €
Interim 30 September 2024			
Balance at 1 April 2024	2,329,373	56,611,945	58,941,318
Total comprehensive loss for the period:			
Profit for the period	-	1,141,983	1,141,983
Balance as at 30 September 2024	<u>2,329,373</u>	<u>57,753,928</u>	<u>60,083,301</u>

	Share Capital €	Retained Earnings €	Total Equity €
Interim 30 September 2025			
Balance at 1 April 2025	2,329,373	60,887,703	63,217,076
Total comprehensive income for the period:			
Profit for the period	-	458,459	458,459
Balance as at 30 September 2025	<u>2,329,373</u>	<u>61,346,162</u>	<u>63,675,535</u>

The notes on pages 7 to 8 are an integral part of these condensed interim financial information.

INTERIM STATEMENT OF CASH FLOWS

For the period from 1 April 2025 to 30 September 2025

	1 April to 30 September 2025 €	1 April to 30 September 2024 €
Cash from operating activities:		
Profit before tax	578,345	1,352,580
Adjustment for:		
Finance Costs	658,237	658,890
Provision/(reversal) of impairment on receivable balance	2,925	(572,505)
Finance income	(19,671)	(287,007)
Amortisation of bond issuance costs	26,141	24,481
Depreciation of investment property	94,525	
Amortisation of intangible assets		295
Profit generated from operations	1,340,502	1,176,734
Decrease/(Increase) in receivables	1,488,509	(26,856)
Decrease in trade and other payables	(446,814)	(465,218)
Cash generated from operating activities	2,382,197	684,660
Payment of interest classified as operating	(189)	
Payments of income taxes	(486,882)	
Net cash flows generated from operating activities	1,895,126	684,660
Cash flows from investing activities:		
Movement in balances with related company	(1,459,734)	799,032
Net cash flows used in investing activities	(1,459,734)	799,032
Net cash increase in cash and cash equivalents	435,392	1,483,692
Cash and cash equivalents at beginning of year	562,143	147,035
Cash and cash equivalents at end of year	997,535	1,630,727

There were non-cash transactions during the year ended 30 September 2025 excluded in investing activities amounting to €411,441 (2024: €18,072,421) as disclosed in Note 2.

The notes on pages 7 to 8 are an integral part of these condensed interim financial information.

Notes to the Financial Statements

1. Summary of significant accounting policies

The financial statements have been prepared under the historical cost convention (except for investment property which is measured using the fair value model) and in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union (EU) and the requirements of the Companies Act (Cap. 386 of the laws of Malta) enacted in Malta.

The accounting policies adopted in the preparation of the 2025 interim Financial Statements are the same as those adopted in the preparation of the audited financial statements for the year ended 31 March 2025.

2. Investment property

The investment property is a hotel and is being operated by Mallard Co. Ltd. and is carried at fair value. The rent charged by the Company to the related company for the period ending 30 September 2025 amounts to €1,383,473 exclusive of indirect taxes. The Company has not incurred direct operating expenses arising from its investment property.

	30-Sep 2025 €	31-Mar 2025 €
At Fair Value		
Opening balance	94,462,620	70,820,447
Additions	411,441	18,447,105
Change in fair value	-	5,380,003
Depreciation charge	(94,525)	(184,935)
	94,779,536	94,462,620

During the interim period ended 30 September 2025, Mallard recharged the cost of construction and finishings carried out in the hotel to the Company as repayment of outstanding loan payable. As this transaction did not involve cash, it is considered a non-cash investing activity.

3. Related parties

Related parties include those entities which are owned directly and indirectly by ultimately common shareholders. During the period, the Company entered into transactions with a related company, related by way of common shareholders.

During the year, the company provided a loan to the related party for the purpose of repaying bank loans. The loan was funded from excess cash generated through the company's rental income. An annual interest rate of 3% is being charged on the loan.

3. Related parties - continued

	30 September 2025 €	30 September 2024 €
Interest income:		
Related party	<u>19,671</u>	<u>287,007</u>
Loans:		
Related party	<u>1,500,000</u>	<u>-</u>
Remuneration:		
Directors' remuneration	<u>21,000</u>	<u>16,650</u>
Rental income:		
Rental income from related party	<u>1,248,480</u>	<u>1,224,000</u>
PPE recharge:		
Recharge of construction & finishing costs	<u>411,441</u>	<u>18,072,421</u>

4. Borrowings

	30 September 2025 €	31 March 2024 €
Non-current portion		
€25,000,000 bonds, 5.25%, 2023-2033 (ii)	<u>24,525,893</u>	<u>24,499,752</u>

In 2023, the Company issued an aggregate principal amount of €25,000,000 secured bonds with a nominal amount value of €100 per bond issued at par and with a maturity date of 27 February 2033. The bonds are secured by a second ranking special hypothec granting the security trustee a right of preference and priority for repayment over the hypothecated property. The amount is net of bond issuance cost amounting to €474,121 with amortisation during the period ended 30 September 2025 amounting to €26,141.

5. Segment reporting

The Company has only one operating segment as described in the principal activities in the Director's report. The financial performance of the main operating segment is as represented in the Condensed Consolidated Income Statement.

Statement pursuant to Capital Markets Rule 5.75.3

We hereby confirm that to the best of our knowledge:

- The condensed interim financial statements give a true and fair view of the financial position of the Company as at 30 September 2025, as well as of the financial performance and cash flows for the said period, in accordance with International Financial Reporting Standards as adopted by the EU applicable to interim financial reporting (IAS 34: 'Interim Financial Reporting'); and
- The Interim Directors' Report includes a fair review of the information required in terms of Capital Markets Rule 5.81.

Signed on behalf of the Board of Directors on 17 November 2025:



Robert Ancilleri
Chairman



Victor Vella
Director