

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

Publication of Financial Analysis Summary

The Company hereby announces that the updated Financial Analysis Summary dated 24th September 2026 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

24th September 2026

Company Announcement: QWR24

The Directors
Qawra Palace p.l.c.
Qawra Palace Hotel
Coast Road
St. Paul's Bay
Malta

24 September 2026

Re: Financial Analysis Summary – 2026

Dear Board Members,

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 on the following pages and which is being forwarded to you together with this letter.

The purpose of the financial analysis is that of summarising key financial data appertaining to Qawra Palace p.l.c. (the “**Issuer**”) and Mallard Co Ltd (“**MCL**” or “**Operating Company**”) as explained in part 1 of the Analysis. The data is derived from various sources or is based on our own computations as follows:

- (a) Historical financial data for the three years ended 31 March 2024, 2025 and 2026 has been extracted from the audited consolidated financial statements of the Issuer for the three years in question.
- (b) Historical financial data for the two years ended 31 March 2024 and 2025 has been extracted from the audited financial statements of MCL for the two years in question, whilst the financial data for the year ended 31 March 2026 was provided by management.
- (c) The forecast data for the financial year ending 31 March 2027 has been provided by management.
- (d) The ratios quoted have been computed by us applying the definitions set out in part 4 of the Analysis.
- (e) The principal relevant market players listed in part 3 of the document have been identified by management. Relevant financial data in respect of competitors has been extracted from public sources such as the websites of the companies concerned or financial statements filed with the Registrar of Companies or websites providing financial data.

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

Yours sincerely,



Patrick Mangion
Head of Capital Markets

FINANCIAL ANALYSIS SUMMARY 2026



Qawra Palace p.l.c.

24 September 2026

**Prepared by Calamatta Cuschieri
Investment Services Limited**



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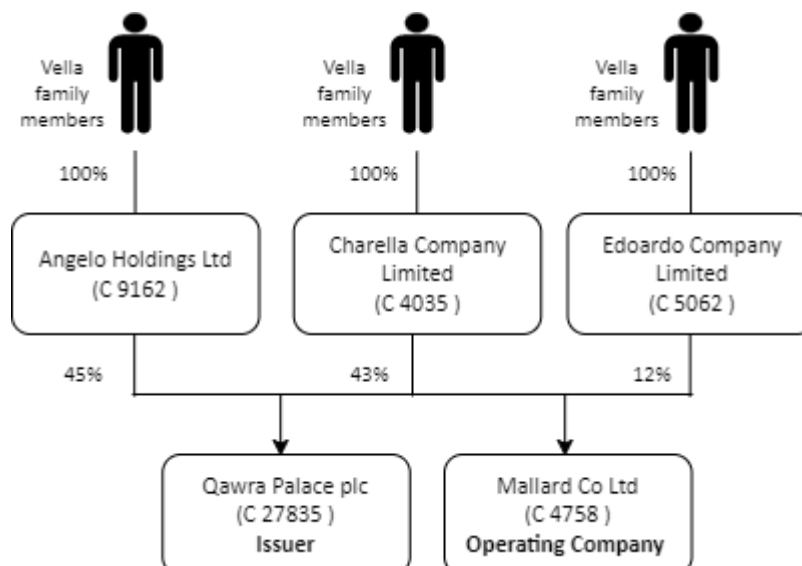
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Part 1 - Information about the Group

1.1 Issuer's Key Activities and Structure

The Group structure is as follows:



The Issuer was incorporated on 9 March 2001 and has, at the date of this Analysis, an authorised and issued share capital of €2,329,373 divided into 1,000,000 ordinary shares of €2.33 each, all fully paid up. The Issuer was incorporated to hold the Qawra Palace Hotel property (the “**Hotel**” or the “**Hypothecated Property**”), ownership of which was transferred to the Issuer from Mallard Co Ltd. The Issuer is owned by Angelo Holdings Ltd (45%), Charella Company Limited (43%) and Edoardo Company Limited (12%), all three of which are owned by members of the Vella family (“**UBOs**”). Given that the Issuer is not a trading company, it is economically dependent on the income it derives from Mallard Co Ltd (the “**Operating Company**” or “**MCL**”).

MCL was incorporated on 28 November 1979 and has an authorised and issued share capital of 70,000 ordinary shares each having a nominal value of €2.33. Mallard Co Ltd was originally established to develop, own and operate the Qawra Palace Hotel but since then, as mentioned previously, ownership has since been transferred to the Issuer, albeit day-to-day operations continue to be carried out through MCL. The Issuer and MCL constitute the “**Group**” of companies accordingly.

The Bonds are secured by the Hotel in the manner set out in sections 7.6 and 9.4 of the Prospectus. The Hotel consists of the unnumbered Hotel complex known as ‘Qawra Palace

Hotel’ with all its immovable amenities, everything included and nothing excluded (such as tennis courts, gardens and lido) as well as with all its singular rights and appurtenances. The Hotel complex has its main entrance on Qawra Coast Road, at Qawra in the limits of St Paul’s Bay, including the facilities underlying that stretch of Qawra Coast Road adjacent to the main building of the Hotel and which link the main complex of the Hotel to those on the foreshore.

The distinct portions of land on which the Qawra Palace is built were originally acquired by the Operating Company from Angelo Vella, Charles Vella, Edward Vella, Francis Mamo, John Vella, Josephine Vella and Agnes Vella by virtue of a public deed dated 1 May 1980. The Hotel was then built in 1982 and opened its doors to guests three years later in 1985. Subsequently, the Issuer acquired the Hypothecated Property from the Operating Company pursuant to a public deed dated 21 January 2002.

A significant milestone arrived in 2010 when the Hotel embarked on a major renovation, aimed at modernizing its facilities and enhancing guest experiences. This commitment to excellence was duly recognised in 2012 when the Malta Tourism Authority awarded the Hotel a prestigious 4-star rating, underscoring its dedication to quality service.



Furthermore, in order to strengthen the Hotel's competitive position in the local hospitality market, in 2019 the Issuer again embarked on a major extension and refurbishment project geared towards upgrading the Qawra Palace's existing facilities and occupancy. In February 2023, the Issuer subsequently issued €25.0m worth of Bonds, a portion of which was earmarked to finalise these refurbishments and extensions.

More specifically, the Issuer raised the €25 million 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 dated 20 December 2022, with €16.4 million repaying existing bank loans, €6.7 million was advanced by way of a loan to Mallard Co Ltd 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.

1.2 Directors

As of the date of this Analysis, the following persons constitute the board of directors of the Issuer:

Name	Office Designation
Mr Robert Ancilleri	Independent Non-executive Director and Chairman
Mr Stephen Muscat	Independent Non-executive Director
Mr Paul Muscat	Independent Non-executive Director
Mr Edward Vella	Executive Director & Managing Director
Ms Esther Vella	Executive Director
Mr Victor Vella	Executive Director

The business address of all of the directors is the registered office of the Issuer.

Dr Luca Vella is the company secretary of the Issuer.

The board of the Issuer is composed of six directors who are entrusted with its overall direction and management. The executive directors are in charge of the decision-making and the day-to-day management of the Issuer, whereas the non-executive directors, all of whom are independent of the Issuer, monitor the executive activity of the Issuer and

contribute to the development of its corporate strategy, by providing objective and impartial scrutiny.

1.3 Major Assets owned by the Group

The Qawra Palace Hotel is a 4-star hotel located on the Qawra seafront and is currently managed by the Vella family who are the UBOs of the property. The Hotel was opened in 1985 and has been in operation for over 40 years. Prior to the Hotel extension and upgrades touched upon in section 1.1, the Hotel facilities included 394 rooms, an indoor and outdoor pool, a games room, mini-golf and 6 food and beverage ("F&B") outlets.

Through the upgrading of the Hotel, which is discussed further in section 1.4, management intended to reposition the Hotel with the top-performing 4-star hotels in the north of the Island. It is pertinent to note that although the above-mentioned investment is being undertaken by MCL, it is financed by the Issuer through an intragroup lending arrangement. Therefore, the assets relating to the upgrade and extension have been recorded in the balance sheet of MCL. In July 2024, part of the assets were transferred from MCL to the Issuer in order to consolidate the asset base at the Issuer level.

During the years ended 31 March 2026 and 31 March 2025, MCL transferred costs incurred by it relating to the investment property, to Qawra Palace, as partial repayment of the outstanding loan payable to Qawra Palace. These costs so transferred represent the full additions during the current and comparative years. As this transaction did not involve cash, it was considered a non-cash investing activity. In FY25 these assets were treated as movable assets and depreciation was calculated thereon. Upon reassessment, these assets were classified as immovable assets and therefore, the depreciation thereon was reversed during FY26.

As the landowner however, the Issuer owns all the immovable assets developed on the land (including those undertaken by MCL). The Issuer is then bound by a lease and operating agreement in force with MCL with the rental charge being equal to the value of the property owned by the Issuer, net of investment undertaken and planned to be undertaken by MCL.

1.4 Operational Developments

During the year, the Hotel launched its fifth restaurant, "The Royale Barrel", a bistro bar offering a new whiskey-dining



concept. Management noted that since its launch the restaurant has been very well received by both Hotel guests and local customers and is performing strongly in terms of sales.

In March 2026, the Hotel introduced a Micro Market within the Hotel premises. The facility provides guests with a convenient, self-service retail experience, allowing them to browse a selection of products displayed on shelves and in refrigerated units, select their purchases, and complete payment through a self-service kiosk.

Management has also continued to focus on the refurbishment and upgrading of areas within the older part of the Hotel that were not included in the main refurbishment project undertaken three years ago, including the complete refurbishment of all public toilets within the old wing. In addition, the Hotel has continued with the replacement and upgrading of its drainage and piping

systems serving the 394 guest rooms located within the older section of the building.

Management also noted that an unused rooftop area, which had originally been designed to accommodate an additional restaurant, is no longer needed given that the Hotel already operates five restaurants and has sufficient dining capacity to meet guest demand. Therefore, the unused area will now be developed into a large, heated indoor infinity pool. The existing indoor pool, which is relatively small in comparison with the Hotel's overall capacity, will remain available to Hotel guests but will primarily serve as a relaxation facility for spa guests. A second rooftop outdoor pool is planned for development. The project is currently progressing, with the architectural concept and visual designs completed and the architectural plans prepared. The Hotel is currently awaiting the required permit from the Planning Authority before construction can proceed.



Part 2 - Historical Performance and Forecast

The financial information below is extracted from the audited consolidated financial statements of the Issuer for the financial years ended 31 March 2024, 2025 and 2026, and the audited financial statements of MCL for the financial years ended 31 March 2024 and 2025. Group management has provided the financial information for the year ended 31 March 2026 for MCL, as well as the Issuer's projected financial information for the year ending 31 March 2027.

The projected financial information relates to events in the future and is based on assumptions which the Issuer believes to be reasonable. Consequently, the actual outcome may be adversely affected by unforeseen situations and the variation between forecast and actual results may be material.

2.1 Issuer's Statement of Comprehensive Income

Issuer's Statement of Comprehensive Income for the year ended 31 March	2024A	2025A	2026A	2027F
	€000s	€000s	€000s	€000s
Revenue	2,400	2,448	2,767	2,767
Administration expenses	(150)	(154)	(147)	(142)
EBITDA	2,250	2,294	2,620	2,625
Depreciation and amortisation /Reversal of depreciation	-	(185)	185	-
EBIT	2,250	2,109	2,805	2,625
Reversal/(provision) of Impairment on receivable from related company	(195)	503	43	2
Change in fair value of investment property	4,699	5,380	956	1,552
Finance income	792	280	49	58
Finance costs	(1,313)	(1,310)	(1,325)	(1,313)
Profit before tax	6,233	6,962	2,528	2,924
Current tax	(487)	(322)	(344)	(354)
Deferred tax	(470)	(2,364)	(155)	(155)
Profit for the year	5,276	4,276	2,029	2,415

Ratio Analysis	2024A	2025A	2026A	2027F
Profitability				
Growth in Revenue (YoY Revenue Growth)	N/A	2.0%	13.0%	0.0%
EBITDA Margin (EBITDA / Revenue)	93.8%	93.7%	94.7%	94.9%
Net Margin (Profit for the year / Revenue)	219.8%	174.7%	121.2%	87.3%
Return on Common Equity (Net Income / Average Equity)	9.4%	7.0%	5.2%	3.6%
Return on Assets (Net Income / Average Assets)	6.0%	4.5%	3.4%	2.4%
Return on capital employed (EBITDA/ (Total Assets - Current Liabilities))	2.5%	2.4%	2.6%	2.6%

The Issuer's main source of revenue is rental income received from MCL for the leasing of the Hotel. The rental income is backed by a lease agreement which was amended and restated in October 2022 and includes a *di fermo* period up to at least 31 March 2033 with a rental charge of €2.4m as from 1 April 2023 subject to a yearly increase of 2.0%.

In accordance with IFRS accounting requirements, the contractual rental increases are spread over the remaining lease term and recognised on a straight-line basis rather than in line with the annual contractual escalations. As a result, the rental income recognised in the financial statements remains relatively stable throughout the lease

term, notwithstanding the 2.0% annual increase stipulated in the lease agreement. This accounting treatment reflects the economic substance of the lease arrangement over its entire duration and results in differences between the rental income recognised for accounting purposes and the contractual rent chargeable in a particular financial year.

The Issuer reported €147k in administrative expenses for FY26, which remained broadly stable compared with FY25 and are forecast to decrease to €142k in FY27.

During the year, the Issuer reversed a depreciation charge of €185k following the reassessment and reclassification of



certain assets from movable to immovable assets. No depreciation charge is expected for FY27.

EBIT amounted to €2.8m in FY26, a €0.7m increase over FY25, mainly due to the 13.0% increase in revenue along with the depreciation reversal. EBIT is projected at €2.6m in FY27.

Changes in the fair value of investment property refer to fluctuations in the value of the Hotel based on periodic valuations. The valuations are performed in accordance with the fair value model, which is based on the valuation of an independent architect who has experience in the location and category of investment property being valued. The Issuer recognised an increase of €956k in the fair value of the investment property in FY26 and expects to register further gains of €1.6m in FY27.

In FY26, the Issuer recognised a reversal of impairment of €43k relating to the loan receivable from MCL. For the following year, management anticipates a reversal of impairment of €2k, as the bulk of the loan was settled during FY25.

After accounting for interest income of €49k and finance costs of €1.3m, the Issuer reported profit before tax of €2.5m in FY26. In FY27, profit before tax is expected to be €2.9m.

After deducting a €499k tax charge, the Issuer's net profit came in at €2.0m in FY26 (FY25: €4.3m). Current tax relates to tax payable on taxable income generated during the year, whilst deferred tax relates primarily to the future tax consequences of revaluation gains recognised on the Issuer's assets. In FY27, management is forecasting a profit for the year of €2.4m.

Return on common equity, which measures management's efficiency in using shareholders' equity to generate income for the Issuer, stood at 5.2% in FY26, down from 7.0% in the previous year. The decline was mainly attributable to a lower revaluation gain.

Return on assets, which measures management's efficiency in using its asset base to generate income, stood at 3.4% in FY26, also declining from FY25 primarily due to the lower revaluation gain.



2.1.1 Issuer's Variance Analysis

Statement of Comprehensive Income for the year ended 31 March	2026P	2026A	Variance
	€000s	€000s	€000s
Revenue	2,836	2,767	(69)
Administration expenses	(107)	(147)	(40)
EBITDA	2,729	2,620	(109)
Depreciation and amortisation/ (reversal of depreciation)	(189)	185	374
EBIT	2,540	2,805	265
Reversal/provision of impairment on receivable from related company	80	43	(37)
Change in fair value of investment property	-	956	956
Finance income	-	49	49
Finance costs	(1,363)	(1,325)	38
Profit before tax	1,257	2,528	1,271
Current tax	(332)	(344)	(12)
Deferred tax	(390)	(155)	235
Profit for the year	535	2,029	1,494

The Issuer's revenue was slightly lower than initially forecast since a decision was taken to recognise rental income on a straight-line basis in accordance with IFRS 16 after the projections were made in last year's Analysis. Administrative expenses, on the other hand, were broadly in line with forecasts. As mentioned above, depreciation previously recognised on certain assets was reversed following their reassessment and reclassification as immovable assets forming part of the investment property, which is accounted for under the fair value model.

The Issuer registered a positive variance of €956k from the fair value gain of its investment property which was not previously forecast. It should be noted that given the nature

of the property it is difficult to reasonably project property appreciation and so this variance is expected. In addition, the Issuer recognised an impairment provision reversal of €43k which was lower than the €80k initially forecast due to the outstanding loan balance being lower.

Finance income experienced a positive variance of €49k compared with the forecasts, driven by a €1.5m loan advanced to MCL during FY26 bearing an interest rate of 3%.

Overall tax charges came in lower by €223k leading to a positive net income variance of €1.5m, largely attributable to positive fair value movements in the investment property.



2.2 Issuer's Statement of Financial Position

Issuer's Statement of Financial Position as at 31 March	2024A	2025A	2026A	2027F
	€000s	€000s	€000s	€000s
Assets				
Non-current assets				
Investment property	70,820	94,463	96,015	97,566
Intangible assets	1	-	-	-
Loans receivable	18,579	-	1,500	1,500
Total non-current assets	89,400	94,463	97,515	99,066
Current assets				
Loans receivable	795	615	211	169
Cash held by trustee	-	-	-	-
Current tax receivable	-	-	-	-
Trade receivables	1,211	2,907	288	238
Cash and cash equivalents	147	562	2,215	3,497
Total current assets	2,153	4,083	2,714	3,904
Total assets	91,553	98,546	100,229	102,970
Equity				
Share capital	2,329	2,329	2,329	2,329
Retained earnings	56,612	60,888	62,917	65,332
Total equity	58,941	63,217	65,246	67,661
Liabilities				
Non-current liabilities				
Bonds	24,450	24,500	24,552	24,604
Deferred tax liability	7,082	9,446	9,601	9,756
Total non-current liabilities	31,532	33,946	34,153	34,360
Current liabilities				
Current tax liabilities	482	803	242	354
Trade and other payables	598	580	588	595
Total current liabilities	1,080	1,383	830	949
Total liabilities	32,612	35,329	34,983	35,309
Total equity and liabilities	91,553	98,546	100,229	102,970

Ratio Analysis	2024A	2025A	2026A	2027F
<i>Financial Strength</i>				
Gearing 1 (Net Debt / Net Debt and Total Equity)	29.2%	27.5%	25.5%	23.8%
Gearing 2 (Total Liabilities / Total Assets)	35.6%	35.9%	34.9%	34.3%
Gearing 3 (Net Debt / Total Equity)	41.2%	37.9%	34.2%	31.2%
Net Debt / EBITDA	10.8x	10.4x	8.5x	8.0x
Current Ratio (Current Assets / Current Liabilities)	2.0x	3.0x	3.3x	4.1x
Interest Coverage 1 (EBITDA / Cash interest paid)	1.6x	1.8x	2.0x	2.0x
Interest Coverage 2 (EBITDA / Finance Costs)	1.8x	1.8x	2.0x	2.0x



Non-current assets accounted for 97.3% of the Issuer's total assets in FY26. They consisted mainly of investment property, namely the Qawra Palace Hotel (the "Hotel"). As mentioned previously in section 1.1, the investment property is being used as security in favour of the holders of the Issuer's 5.25% Secured Bonds due 2033. The property was valued as of FY26 at €96.0m, an increase of 1.6% from FY25 (€94.5m). This increase arises from a €956k fair value change, €411k in additions and the €185k depreciation reversal. The remaining €1.5m in non-current assets related to an interest-bearing loan facility agreement entered into with a related company, with a final maturity date of 27 January 2033 and bearing interest of 3%.

The Issuer's current assets stood at €2.7m representing 2.7% of total assets. These comprised loan receivables (€211k), trade receivables (€288k) and cash (€2.2m). The main movement for the year related to the settlement of trade receivables which correspondingly resulted in a higher cash position of €2.2m. In FY27, further settlements of current intercompany loans are expected.

Total assets in FY26 stood at €100.2m, being €1.7m higher than the previous year, mainly due to changes in fair value, as explained above. These are expected to increase further

in FY27 to €103.0m, again due to a higher investment property value and a higher cash position.

Equity is made up of share capital and retained earnings. Share capital has remained stable throughout the historical period and is expected to remain so in FY27, at €2.3m. Retained earnings, on the other hand, increased year-on-year, and reached €62.9m by the end of FY26. These are expected to increase further in line with the forecast increase in profits.

The Issuer's non-current liabilities consist predominantly of outstanding Bonds, which represent 71.9% of this category. The remainder comprises deferred tax, which increased by approximately €155k due to the future tax consequences of the investment-property revaluation. The Issuer does not anticipate any significant changes in non-current liabilities for the coming financial year.

Current liabilities stood at €830k representing 2.4% of total liabilities. These comprised €242k in current tax liabilities and €588k in trade and other payables. The combined amount is expected to increase slightly to €949k in FY27. Gearing 1 remained low at 25.5%, mainly due to the Issuer's substantial equity base and is expected to decline to 23.8% in FY27 as the Issuer's retained earnings continue to grow.



2.3 Issuer's Statement of Cash Flows

Statement of Cash Flows for the year ended 31 March				
	2024A	2025A	2026A	2027F
	€000s	€000s	€000s	€000s
Profit before tax	6,233	6,962	2,528	2,924
<i>Adjustments for:</i>				
Depreciation	-	185	(185)	-
Revaluation	(4,699)	(5,380)	(956)	(1,552)
Impairment loss	195	(503)	(43)	(2)
Interest payable and similar charges	1,313	1,310	1,325	1,313
Amortisation of bond issuance costs	51	50	53	52
Amortisation of intangible assets	1	-	-	-
Deferred rental income	-	-	-	(220)
Interest income	(793)	(280)	(49)	(58)
Cash generated from operations	2,301	2,344	2,673	2,457
Movement in trade and other payables	314	(18)	9	37
Movement in cash held by trustee	8,618	-	-	-
Movement in trade receivables	(1,195)	(1,659)	2,619	2
Interest received	-	-	37	58
Bank interest paid	(1)	(1)	-	(1)
Bond interest paid	(1,424)	(1,310)	(1,313)	(1,313)
Tax paid	-	-	(906)	-
Net cash generated from / (used in) operating activities	8,613	(644)	3,118	1,240
Payments to acquire intangible assets	-	-	-	-
Movements in balances with related company	(8,524)	1,060	(1,465)	42
Net cash generated from/ (used in) investing activities	(8,524)	1,060	(1,465)	42
Proceeds from Bonds	-	-	-	-
Movement in borrowings	-	-	-	-
Net cash generated from financing activities	-	-	-	-
Movement in cash and cash equivalents	89	416	1,653	1,282
Cash and cash equivalents at start of year	58	148	562	2,215
Cash and cash equivalents at end of year	147	562	2,215	3,497

Ratio Analysis				
	2024A	2025A	2026A	2027F
	€000s	€000s	€000s	€000s
Cash Flow				
Free Cash Flow (Net cash from operations + Interest - Capex)	10,038	667	4,431	2,554

Cash generated from operations before working-capital movements increased to €2.7m in FY26. This is after adjusting for revaluations, impairment losses, interest income, interest expense, and amortisation. Cash generated from operations before working-capital movements is expected to remain at a broadly similar level in FY27.

Net cash generated from / (used in) operating activities increased from an outflow of €644k in FY25 to an inflow of €3.1m. The main driver of this positive movement was the settlement of trade receivables which increased the cash

position. Management anticipates an inflow of €1.2m for FY27.

The investing activities of the Issuer consist solely of movements in balances with related parties, MCL, which resulted in a €1.5m outflow. Management expects a minimal inflow of €42k to occur for FY27. The Issuer recorded no financing cash flows in FY26 and expects none in FY27.



In FY26, the Issuer's cash position increased by €1.7m, ending FY26 with cash equivalents of €2.2m. The Issuer expects cash movements to increase by €1.3m in FY27, therefore ending FY27 with €3.5m in cash, mainly reflecting higher cash from operations.

In FY26, the Issuer generated a Free Cash Flow (FCF) of €4.4m, a substantial increase from the €667k in FY25. Looking ahead, the Issuer projects FCF of €2.6m in FY27, supported by the recurring rental income stream and the absence of material capital expenditure at Issuer level.

2.4 Other Relevant Information

2.4.1 MCL's Statement of Comprehensive Income

MCL's Statement of Comprehensive Income for the year ended 31 March	2024A	2025A	2026M
	€000s	€000s	€000s
Revenue	13,423	22,427	27,279
Cost of sales	(5,383)	(8,149)	(10,748)
Gross profit	8,040	14,278	16,531
Overheads	(3,559)	(4,083)	(4,294)
Gross operating profit	4,481	10,195	12,237
Rent to property company	(2,400)	(2,448)	(2,767)
Administration expenses	(1,020)	(998)	(994)
EBITDA	1,061	6,749	8,476
Depreciation	(3,287)	(3,843)	(3,741)
EBIT	(2,226)	2,906	4,735
Finance costs	(2,007)	(1,349)	(1,012)
Profit / (loss) before tax	(4,233)	1,557	3,723
Deferred tax	1,508	130	-
Dividend	-	-	-
Profit/ (loss) for the year	(2,725)	1,687	3,723

Ratio Analysis	2024A	2025A	2026M
Profitability			
Growth in Revenue (YoY Revenue Growth)	129.5%	67.1%	21.6%
Gross Profit Margin (Gross Profit/ Revenue)	59.9%	63.7%	60.6%
EBITDA Margin (EBITDA / Revenue)	7.9%	30.1%	31.1%
Operating (EBIT) Margin (EBIT / Revenue)	-16.6%	13.0%	17.4%
Net Margin (Profit for the year / Revenue)	-20.3%	7.5%	13.6%
Return on Common Equity (Net Income / Average Equity)	-65.4%	53.0%	68.7%
Return on Assets (Net Income / Average Assets)	-7.6%	4.6%	13.1%
Return on capital employed (EBITDA/(Total Assets - Current Liabilities))	3.1%	32.3%	36.7%

MCL reported revenue of €22.4m in FY25, representing an increase of 67.1% from €13.4m in FY24. FY25 represented the first full year following the substantial completion of the Hotel's refurbishment. This performance was achieved despite some rooms remaining under completion and room rates initially being positioned below those of competitors to support the Hotel's market penetration. FY26 management accounts indicate continued strong growth, with revenue increasing by a further 21.6% to €27.3m.

It should be noted that certain accounting entries are treated differently between management accounts and audited accounts, particularly in the classification of cost of sales (COS) and overheads (OH).



Cost of sales increased from €8.1m in FY25 to €10.7m in FY26, representing growth of 31.9%, which exceeded the increase in revenue. This reflected a higher proportion of all-inclusive guests, increased food and beverage input costs and higher staff costs. Consequently, gross profit increased to €16.5m, while the gross margin moderated from 63.7% to 60.6%.

Overheads increased to €4.1m in FY25, up €0.5m from FY24 and included direct expenses and other operating costs less rent which is treated separately. The FY26 management accounts show a slight increase to €4.3m in line with a further increase in business.

In FY25, the rental charge paid to the Issuer was €2.5m with administrative expenses coming in slightly lower than the previous year at €998k. Management accounts show the rental charge increasing to €2.8m due to straight-lining and administrative expenses remaining stable.

The depreciation charge for FY25 was €3.8m, an increase of €556k from FY24. The FY26 management accounts report a

slight decrease in depreciation to €3.7 million as MCL transfers property to the Issuer, thereby reducing the PPE held by MCL. This resulted in EBIT of €4.7m and an operating margin of 17.4%.

Net finance costs for MCL have decreased to €1.0m, mainly due to the lower amounts due to related parties that were used for the development and finishing works of the Hotel. Management accounts indicate a reduction of €337k in net finance costs for FY26, linked to a further reduction in overall borrowings.

MCL reported profit before tax of €1.6m in FY25 and recognised a deferred tax credit of €130k, resulting in profit for the year of €1.7m. The improvement in profitability was principally attributable to higher occupancy levels and average room rates, reflecting the recovery in tourism activity and the successful repositioning of the Hotel. FY26 management accounts indicate a further increase in profit before tax to €3.7m.



2.4.2 MCL's Statement of Financial Position

MCL's Statement of Financial Position as at 31 March	2024A	2025A	2026M
	€000s	€000s	€000s
Assets			
Non-current assets			
Property, plant and equipment	34,713	18,399	16,847
Deferred tax	3,503	3,634	3,634
Total non-current assets	38,216	22,033	20,481
Current assets			
Inventories	332	400	395
Trade and other receivables	3,301	2,680	2,662
VAT and tax receivable	-	387	373
Amounts due from shareholders	-	979	633
Cash and cash equivalents	1,672	2,758	2,929
Total current assets	5,305	7,204	6,992
Total assets	43,521	29,237	27,473
Equity			
Share capital	163	163	163
Retained earnings	2,074	2,827	6,550
Non-distributable reserves	568	568	568
Total equity	2,805	3,558	7,281
Liabilities			
Non-current liabilities			
MDB Loan	-	1,598	1,008
Bank debt	14,693	15,043	13,020
Loan due to Qawra Palace plc	16,623	723	1,776
Total non-current liabilities	31,316	17,364	15,804
Current liabilities			
Tax	21	21	-
Trade and other payables	4,562	5,558	2,346
Deferred rent	-	-	-
Bank debt	4,817	2,736	2,042
Total current liabilities	9,400	8,315	4,388
Total liabilities	40,716	25,679	20,192
Total equity and liabilities	43,521	29,237	27,473

Ratio Analysis	2024A	2025A	2026M
<i>Financial Strength</i>			
Gearing 1 (Net Debt / Net Debt and Total Equity)	92.5%	83.0%	67.2%
Gearing 2 (Total Liabilities / Total Assets)	93.6%	87.8%	73.5%
Gearing 3 (Net Debt / Total Equity)	1228.7%	487.4%	204.9%
Net Debt / EBITDA	32.5x	2.6x	1.8x
Current Ratio (Current Assets / Current Liabilities)	0.6x	0.9x	1.6x
Quick Ratio (Current Assets - Inventory / Current Liabilities)	0.5x	0.8x	1.5x
Interest Coverage (EBITDA / Finance Costs)	0.5x	5.0x	8.4x



As at FY25, non-current assets stood at €22.0m, representing 75.4% of total assets. Property, plant and equipment accounted for 83.5% of non-current assets, with the remainder comprising deferred tax assets. During the year, MCL transferred property to the Issuer, contributing to the reduction in PPE from €34.7m in FY24 to €18.4m in FY25. FY26 management accounts indicate a further decrease in non-current assets to €20.5m, mainly reflecting the lower carrying amount of PPE.

The current assets of MCL as of FY25 stood at €7.2m making up 24.6% of the total assets. These were composed of inventories (€400k), trade and other receivables (€2.7m), cash and cash equivalents (€2.8m), VAT and tax receivable (€387k) and amounts due from shareholders (€979k). FY26 accounts show current assets decreasing slightly to €7.0m, mainly due to lower amounts due from shareholders.

MCL's equity is made up of share capital, retained earnings and non-distributable reserves. The share capital and non-distributable reserves have remained constant throughout the historical years at €163k and €568k respectively. Retained earnings, on the other hand, fluctuates year-on-year, in line with the result registered for the respective year. In FY25, MCL generated €1.7m in profit for the year, from

which it paid out €934k in dividends which led to retained earnings of €2.8m. For FY26, management accounts show that retained earnings have increased strongly to €6.6m in line with the strong profit generated by MCL.

In FY25, non-current liabilities stood at €17.4m, representing 67.6% of total liabilities. These comprised bank debt of €15.0m, an MDB loan of €1.6m and a €723k loan due to the Issuer. FY26 management accounts indicate that non-current liabilities decreased to €15.8m, as the reduction in bank debt and the MDB loan more than offset the increase in the amount due to the Issuer.

In FY25, the current liabilities of MCL stood at €8.3m representing the remaining 32.4% of total liabilities. These were made up of tax (€21k), trade and other payables (€5.6m) and bank debt (€2.7m). Trade and other payables include the rental charge due to the Issuer which was outstanding at year end. Management accounts show current liabilities lower in FY26 at €4.4m mainly due to lower trade and other payables.

Overall, total liabilities for FY25 were €25.7m with management accounts for FY26 showing these decreasing further to €20.2m.



2.4.3 MCL's Statement of Cash Flows

MCL's Statement of Cash Flows for the year ended 31 March	2024A	2025A	2026M
	€000s	€000s	€000s
Net cash flow (used in) / generated from operating activities	6,912	5,582	6,310
Net cash flow used in investing activities	(19,535)	(5,977)	(6,139)
Net cash flow generated from financing activities	15,065	1,480	-
Movement in cash and cash equivalents	2,442	1,085	171
Cash and cash equivalents at start of year	(769)	1,673	2,758
Cash and cash equivalents at end of year	1,673	2,758	2,929

Ratio Analysis	2024A	2025A	2026M
Cash Flow	€000s	€000s	€000s
Free Cash Flow (Net cash from operations + Interest - Capex)	(11,395)	954	1,520

MCL generated net operating cash inflows of €5.6m in FY25, primarily reflecting movements in payables and receivables. FY26 management accounts indicate a further increase to €6.3m, supported by the Hotel's stronger operating performance. Net cash outflows from investing activities amounted to €6.0m in FY25 and increased slightly to €6.1m in FY26, mainly reflecting the final phase of capital expenditure and other investment-related movements.

Financing activities generated a net inflow of €1.5m in FY25, while no net financing cash flows were recorded in FY26.

Free cash flow showed continued improvement year-on-year, from negative €11.4m in FY24 to €954k in FY25, and €1.5m for FY26, demonstrating that the operating business generated sufficient cash to cover interest and capital expenditure during the year.



Part 3 - Key Market and Competitor Data

3.1 General Market Conditions

At the time of publication of this Analysis, management considers that the Group is generally subject to the normal business risks associated with the industries in which its companies operate, and barring unforeseen circumstances, does not anticipate any trends, uncertainties, demands, commitments or events outside the ordinary course of business that could be deemed likely to have a material effect on the upcoming prospects of the companies and their respective businesses, at least with respect to the financial year 2026. However, investors are strongly advised to carefully read the risk factors disclosed in the Prospectus.

3.2 Economic Update¹

Economic activity in Malta remained broadly consistent with its long-term average. The Bank's Business Conditions Index indicates a modest strengthening in business conditions in July, though it stands slightly below its historical average. Retail activity grew at a more moderate rate in June, as did services production in May, while industrial production declined in annual terms and retained its volatile pattern. The tourism sector maintained its strong momentum in June.

Consumer sentiment declined in July but remained well above its historic average. Unemployment expectations remained below their historical levels, and continue to signal low unemployment in the next 12 months.

Overall, supply and demand conditions in the property market remain strong. In July, approved permits for residential and commercial purposes decreased compared with a year earlier, but were higher than those in the preceding month. On the demand side, final deeds and promise-of-sale agreements show similar movements to permits.

In June, the unemployment rate decreased slightly to 3.5% compared with May but stood above the rate recorded in the same month a year earlier.

Malta's inflation rate rose marginally in July but stood well below that in the euro area. The annual inflation rate based on the Harmonised Index of Consumer Prices (HICP) stood at 2.1%, up from 2.0% in June, while HICP inflation excluding food and energy stood at 2.3%. Across the euro area, both HICP inflation and HICP inflation excluding food and energy were higher than in Malta due to higher energy inflation.

According to the Retail Price Index (RPI), inflation in July increased to 2.7%.

In June, the Consolidated Fund reported a smaller deficit compared with a year earlier, reflecting stronger growth in government revenue.

The annual rate of change of Maltese residents' deposits and credit increased, compared with May.

3.3 Economic Outlook²

According to the Bank's latest forecasts, Malta's real GDP growth is projected at 3.7%, 3.6% and 3.8% over the period 2026-2028. Compared to the Bank's previous projections, the outlook for GDP growth has been revised down by 0.1 p.p. in 2027 and upwards by 0.1 p.p. in 2028. Against an uncertain global backdrop due to the Middle East conflict, the Maltese economy is expected to present some degree of resilience to these effects in 2026, though a marginal delayed impact on GDP and prices is envisaged to materialise in 2027.

Growth over the projection horizon is expected to be led by private consumption, which is projected to continue to grow at a brisk pace, in part supported by recent changes to income tax bands. Employment growth is expected to moderate gradually to 2.3% by 2028. The unemployment rate is forecast to edge down to 2.9% over the projection horizon. Wage growth is set to remain strong, driven by labour market tightness, but is set to ease to 3.9% in 2028 from 4.2% last year.

HICP inflation is projected to be impacted by the war in the Middle East, primarily through the channel of higher imported inflation, particularly in goods and food components as continued fiscal support mitigates the propagation of the energy shock on domestic energy prices. Overall HICP inflation is thus projected to increase to 2.5% in 2026 and is set to remain at that level in 2027. It is then expected to ease to 2.2% in 2028, driven primarily by lower services and NEIG inflation. Compared to the Bank's previous forecast publication, overall HICP inflation has been revised up by 0.2 percentage points in 2026 and 2028 and by 0.4 percentage points in 2027.

¹ Central Bank of Malta – Economic Update 08/2026

² Central Bank of Malta – Economic Projections 2026 – 2028



The general government deficit-to-GDP ratio is projected to continue to decline over the forecast horizon, albeit in a more gradual manner. It is set to narrow to 1.9% in 2026, 1.7% in 2027 and to 1.6% by 2028. The general government debt-to-GDP ratio is expected to decline further from 46.4% in 2025 to 46.0% in 2026 and subsequently to 44.1% by 2028. Risks to growth are tilted to the downside. These risks largely emanate from the uncertainty surrounding the duration and intensity of the conflict in the Middle East which may lead to a weaker external environment and hence a more subdued trajectory in foreign demand. Disruptions to transport through the Strait of Hormuz have also raised concerns on fuel shortages in trading partner countries which may negatively impact tourism, aviation and the shipping industry.

However, this downside risk to tourism could be mitigated potentially by the redirection of tourists towards destinations in the central and western Mediterranean. Risks to inflation are tilted to the upside over the projection horizon. Upside risks to inflation primarily reflect stronger disruptions to energy markets than assumed in the technical assumptions. Although the direct impact on domestic energy prices continues to be mitigated by the Government's commitment to its fixed energy price policy, higher than envisaged global energy prices could generate stronger imported inflation, with potential further amplification via indirect effects on wages and profit margins.

Inflation could also be higher than expected if supply disruptions were to spread to non-energy markets, although alternative supplies from other regions could mitigate this effect. On the fiscal side, risks are assessed to be tilted to the downside (deficit-increasing). These predominantly stem from the possibility of slippages in current expenditure, notably higher-than-expected spending on energy support measures should commodity prices exceed assumptions. These risks are partly mitigated by the likelihood of higher-than-forecast increases in tax revenue, brought about by additional improvements in tax administration.

3.4 Tourism³

According to the National Statistics Office (NSO), Malta's tourism sector experienced robust growth in 2025, with

increases in tourist arrivals, guest nights and expenditure compared to the previous year.

Such growth appears to be continuing in 2026 with inbound tourists for the first three months of 2026 amounting to 815,317, an increase of 16.3% compared to the corresponding period in 2025. Similarly, total nights spent during the January – March 2026 period rose by 11.9%, reaching 4,451,453 nights from 3,976,580 nights over the same period in 2025.

Total tourist expenditure was estimated at €584.7 million during the first three months of 2026, compared to the €508.5 million estimated in 2025, equivalent to a 15.0% increase. Total expenditure per capita decreased from €733 in 2025 to €725 in 2026.

According to the European Travel Commission Q4 2025 report⁴, European tourism remained strong in 2025, amid signs of shifting preferences and resilient spending. Rising travel costs have triggered contrasting behaviours. While some travellers are prioritising value by choosing off-peak periods and lesser-known destinations, others are opting for shorter trip durations. Despite these shifting patterns, international arrivals are projected to climb by 6.2% year-on-year in 2026. This growth is increasingly fuelled by long-haul travel, specifically from the Asia-Pacific region, to the benefit of European markets catering to these high-exposure demographics.

³ National Statistics Office – Inbound Tourism (NR 074/2026)

⁴ European Travel Commission - European Tourism: Trends & Prospects (Q4/2025)



3.5 Comparative Analysis

The purpose of the table below compares the Bond issued by the Issuer with other debt instruments. It should be noted that, given the material differences in business profiles and industries, the risks associated with the Group and those associated with the other issuers may differ materially.

Security	Nom Value	Yield to Maturity	Interest coverage (EBITDA)	Total Assets	Total Equity	Total Liabilities / Total Assets	Net Debt / Net Debt and Total Equity	Net Debt / EBITDA	Current Ratio	Return on Common Equity	Net Margin	Revenue Growth (YoY)
	€000's	(%)	(times)	(€'millions)	(€'millions)	(%)	(%)	(times)	(times)	(%)	(%)	(%)
5% CF Estates Finance plc Secured € 2028-2033	30,000	5.19%	6.6x	94.9	19.1	79.9%	70.9%	3.3x	2.0x	49.6%	23.5%	-1.8%
6% Pharmicare Finance plc Unsecured € 2033	17,000	5.71%	0.9x	46.6	14.2	69.5%	61.2%	17.9x	1.5x	-14.0%	-17.1%	-1.4%
5.25% Qawra Palace plc Secured € 2033	25,000	5.10%	2.0x	100.2	65.2	34.9%	25.5%	8.5x	3.3x	5.2%	121.2%	13.0%
5.25% Bonnici Bros Properties plc Unsecured € 2033 S1 T1	12,000	5.43%	2.3x	41.8	18.2	56.4%	43.1%	9.5x	0.3x	1.4%	15.5%	17.4%
6.25% AST Group plc Secured 2033	8,500	6.06%	3.1x	15.9	1.1	92.9%	86.2%	4.1x	1.2x	10.8%	1.0%	-16.0%
6% JD Capital plc Secured 2033 S2 T1	11,000	5.67%	1.1x	162.9	38.6	76.3%	69.3%	17.2x	2.4x	3.6%	6.3%	34.9%
5.85% AX Group plc Unsecured € 2033	40,000	5.32%	4.0x	529.4	272.5	48.5%	39.0%	4.7x	1.1x	5.7%	11.8%	57.1%
4% Central Business Centres plc Unsecured € 2027-2033	21,000	5.52%	1.7x	86.3	28.3	67.2%	60.8%	19.4x	0.5x	3.4%	37.4%	8.9%
6% International Hotel Investments plc 2033	60,000	5.44%	1.8x	1,972.2	919.0	53.4%	42.2%	8.4x	0.9x	1.2%	3.3%	9.3%
4.75% Dino Fino Finance plc Secured € 2033	7,800	4.98%	(1.2)x	12.4	(1.9)	114.9%	131.2%	N/A	0.5x	N/A	-111.0%	8.4%
5.75% Phoenicia Finance Company plc Unsec 2028-2033	50,000	5.36%	2.5x	169.9	86.0	49.4%	42.7%	7.0x	1.2x	3.8%	12.4%	10.7%
Average*		5.47%										

Source: Latest available audited financial statements

Last price as at 17/09/2026

*Average figures do not capture the financial analysis of the Issuer



Source: Malta Stock Exchange, Central Bank of Malta and Calamatta Cuschieri Estimates

The above graph illustrates the average yearly yield of all local issuers as well as the corresponding yield of MGSs (Y-axis) compared with the maturities of both corporate issuers and MGSs (X-axis), within their respective maturity buckets, to which the spread premiums can be noted. The graph illustrates on a stand-alone basis the yield on the Issuer's Bonds.

As at 17 September 2026, the average spread over the Malta Government Stocks (MGS) for corporates with a maturity of

seven years was 158 basis points. Meanwhile, the Qawra Palace plc bond is trading at a spread of 122 basis points over the equivalent MGSs.

Therefore, as at this same date, the Bond was trading at a discount of 36 basis points in comparison to the market of comparable corporate Bonds. The above analysis is based on a maturity matching basis.



Part 4 - Glossary and Definitions

Income Statement	
Revenue	Total revenue generated by the Group/Company from its principal business activities during the financial year.
Costs	Costs are expenses incurred by the Group/Company in the production of its revenue.
EBITDA	EBITDA is an abbreviation for earnings before interest, tax, depreciation and amortisation. It reflects the Group's/Company's earnings purely from operations.
EBIT (Operating Profit)	EBIT is an abbreviation for earnings before interest and tax.
Depreciation and Amortisation	An accounting charge to compensate for the decrease in the monetary value of an asset over time and the eventual cost to replace the asset once fully depreciated.
Net Finance Costs	The interest accrued on debt obligations less any interest earned on cash bank balances and from intragroup companies on any loan advances.
Profit After Taxation	The profit made by the Group/Company during the financial year net of any income taxes incurred.

Profitability Ratios	
Growth in Revenue (YoY)	This represents the growth in revenue when compared with the previous financial year.
Gross Profit Margin	Gross profit as a percentage of total revenue.
EBITDA Margin	EBITDA as a percentage of total revenue.
Operating (EBIT) Margin	Operating margin is the EBIT as a percentage of total revenue.
Net Margin	Net income expressed as a percentage of total revenue.
Return on Common Equity	Return on common equity (ROE) measures the rate of return on the shareholders' equity of the owners of issued share capital, computed by dividing the net income by the average common equity (average equity of two years of financial performance).
Return on Assets	Return on assets (ROA) is computed by dividing net income by average total assets (average assets of two years of financial performance).

Cash Flows Statement	
Cash Flow from Operating Activities (CFO)	Cash generated from the principal revenue-producing activities of the Group/Company less any interest incurred on debt.
Cash Flow from Investing Activities	Cash generated from the activities dealing with the acquisition and disposal of long-term assets and other investments of the Group/Company.
Cash Flow from Financing Activities	Cash generated from the activities that result in changes in share capital and borrowings of the Group/Company.
Capex	Represents the capital expenditure incurred by the Group/Company in a financial year.
Free Cash Flows (FCF)	The amount of cash the Group/Company has after it has met its financial obligations. It is calculated by taking Cash Flow from Operating Activities less the Capex and Interest Expense of the same financial year.

Balance Sheet	
Total Assets	What the Group/Company owns which can be further classified into Non-Current Assets and Current Assets.
Non-Current Assets	Assets, full value of which will not be realised within the forthcoming accounting year
Current Assets	Assets which are realisable within one year from the statement of financial position date.
Inventory	Inventory is the term for the goods available for sale and raw materials used to produce goods available for sale.



Cash and Cash Equivalents	Cash and cash equivalents are Group/Company assets that are either cash or can be converted into cash immediately.
Total Equity	Total Equity is calculated as total assets less liabilities, representing the capital owned by the shareholders, retained earnings, and any reserves.
Total Liabilities	What the Group/Company owes which can be further classified into Non-Current Liabilities and Current Liabilities.
Non-Current Liabilities	Obligations which are due after more than one financial year.
Current Liabilities	Obligations which are due within one financial year.
Total Debt	All interest-bearing debt obligations inclusive of long and short-term debt.
Net Debt	Total debt of a Group/Company less any cash and cash equivalents.

Financial Strength Ratios

Current Ratio	The Current ratio (also known as the Liquidity Ratio) is a financial ratio that measures whether or not a company has enough resources to pay its debts over the next 12 months. It compares current assets to current liabilities.
Quick Ratio (Acid Test Ratio)	The quick ratio measures a Group's/Company's ability to meet its short-term obligations with its most liquid assets. It compares current assets (less inventory) to current liabilities.
Interest Coverage Ratio	The interest coverage ratio is calculated by dividing EBITDA of one period by cash interest paid of the same period.
Gearing Ratio	The gearing ratio indicates the relative proportion of shareholders' equity and debt used to finance total assets.
Gearing Ratio Level 1	Is calculated by dividing Net Debt by Net Debt and Total Equity.
Gearing Ratio Level 2	Is calculated by dividing Total Liabilities by Total Assets.
Gearing Ratio Level 3	Is calculated by dividing Net Debt by Total Equity.
Net Debt / EBITDA	The Net Debt / EBITDA ratio measures the ability of the Group/Company to refinance its debt by looking at the EBITDA.

Other Definitions

Yield to Maturity (YTM)	YTM is the rate of return expected on a bond which is held to maturity. It is essentially the internal rate of return on a bond and it equates the present value of bond future cash flows to its current market price.
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Calamatta Cuschieri Investment Services Limited is a founding member of the Malta Stock Exchange
and is licensed to conduct investment services by the Malta Financial Services Authority