QAWRA PALACE PLC

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 24th November 2026, the Company's half-yearly financial report and unaudited condensed financial statements for the six-month financial period ended 30th September 2026 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

25th November 2026

Company Announcement: QWR27

QAWRA PALACE P.L.C.

Condensed Interim Financial Statements

30 September 2026

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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 2026 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 Resort & SPA 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 Resort & SPA, 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 2026, the Company generated rental income of €1.4 million and a profit before tax of €0.61 million. The Company's total assets as at 30 September 2026 stood at €100.9 million (31 March 2026: €100.2 million). The Company has a strong equity position of €65.7 million and a current asset net of current liability position of €1.8 million.

The Company is dependent on the business prospects of Mallard Co. Ltd. and, therefore, the trend information relating to the operation of the hotel has a material effect on its financial position.

Mallard Co. Ltd. (C4758)

Mallard continued to deliver strong revenue growth. As in the previous year, the hotel continued to perform strongly supported by high occupancy levels, improved room rates and consistently positive guest reviews. Notwithstanding the good results the hotel continues to invest in its facilities and services to keep pace with changing trends and evolving guest preferences. These ongoing investments ensure that the hotel remains attractive to both existing and new guests

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 Resort & SPA. 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 tourism sector recorded robust growth in the first six months of 2026, welcoming 2,131,825 inbound tourists—an 18.1% increase compared to the same period in 2025. Malta is experiencing robust tourism growth and improving daily visitor spend, providing a strong foundation for shifting towards a more value-driven and sustainable tourism model.

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 2027, based on actual results for the six months ended 30 September 2026 and forecasts thereafter. As reported earlier, for the first six months of the Company's financial year ended 30 September 2026, the Company achieved a profit before tax of €0.61 million (30 September 2025: €0.58 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 amortisation and net finance costs.

These projections are available in the Financial Analysis Summary report issued in September 2026, 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 2027 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 24 November 2026:

Robert Ancilleri
Chairman

Edward Vella
Director

INTERIM STATEMENT OF FINANCIAL POSITION
For the period from 1 April 2026 to 30 September 2026

	Notes	30 September 2026 €	31 March 2026 €
ASSETS			
Non-current assets			
Investment property	2	**96,014,691**	96,014,691
Loan receivable	3	**2,000,000**	1,500,000
Total non-current assets		**98,014,691**	97,514,691
Current Assets			
Loan receivable	3	**126,318**	211,247
Trade and other receivables		**1,690,577**	287,859
Current tax receivable		**3,014**	-
Cash and cash equivalents		**1,097,777**	2,215,253
Total current assets		**2,917,686**	2,714,359
Total Assets		**100,932,377**	100,229,050
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital		**2,329,373**	2,329,373
Retained earnings		**63,349,732**	62,916,469
TOTAL EQUITY		**65,679,105**	65,245,842
Non-current liabilities			
Borrowings	4	**24,579,638**	24,552,034
Deferred tax		**9,601,469**	9,601,469
Total non-current liabilities		**34,181,107**	34,153,503
Current Liabilities			
Trade and other payables		**799,572**	588,150
Current tax payable		**272,593**	241,555
Total current liabilities		**1,072,165**	829,705
Total Liabilities		**35,253,272**	34,983,208
Total Equity and Liabilities		**100,932,377**	100,229,050

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 2026 to 30 September 2026

	1 April to 30 September 2026 €	1 April to 30 September 2025 €
Rental income	**1,383,473**	1,383,473
Administrative expenses	**(77,507)**	(163,826)
Operating Profit	**1,305,966**	1,219,647
Impairment provision on receivable from related party	**(68,279)**	(2,925)
Interest income	**30,914**	19,671
Interest expense	**(658,236)**	(658,048)
Profit before tax	**610,365**	578,345
Taxation	**(177,102)**	(119,886)
Profit for the financial period	**433,263**	458,459
Total comprehensive income for the period	**433,263**	458,459

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 2026 to 30 September 2026

	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	**2,329,373**	**61,346,162**	**63,675,535**

	Share Capital €	Retained Earnings €	Total Equity €
Interim 30 September 2026			
Balance at 1 April 2026	2,329,373	62,916,469	65,245,842
Total comprehensive income for the period:	-	-	-
Profit for the period	-	433,263	433,263
Balance as at 30 September 2026	**2,329,373**	**63,349,732**	**65,679,105**

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 2026 to 30 September 2026

	1 Apr to 30 Sep 2026 €	1 Apr to 30 Sep 2025 €
Cash flows from operating activities:		
Profit before tax	**610,365**	578,345
Adjustment for:		
Finance costs	**658,236**	658,237
Impairment provision on receivable balance	**68,279**	2,925
Finance income	**(30,914)**	(19,671)
Amortisation of bond issuance costs	**27,604**	26,141
Depreciation of investment property	**-**	94,525
Profit from operations	**1,333,570**	1,340,502
(Increase)/decrease in trade and other receivables	**(1,474,011)**	1,488,509
Decrease in trade and other payables	**(446,626)**	(446,814)
Cash from operating activities	**(587,067)**	2,382,197
Payment of interest classified as operating	**(188)**	(189)
Payments of income taxes	**(146,064)**	(486,882)
Net cash flows (used in)/generated from operating activities	**(733,319)**	1,895,126
Cash flows from investing activities:		
Movement in balances with related company	**(384,157)**	(1,459,734)
Net cash flows used in investing activities	**(384,157)**	(1,459,734)
Net (decrease)/increase in cash and cash equivalents	**(1,117,476)**	435,392
Cash and cash equivalents at beginning of period	**2,215,253**	562,143
Cash and cash equivalents at end of period	**1,097,777**	997,535

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 2026 interim Financial Statements are the same as those adopted in the preparation of the audited financial statements for the year ended 31 March 2026.

2. Investment property

The investment property is a hotel and is being operated by Mallard and is carried at fair value. The rent charged by the Company to Mallard for the period ending 30 September 2026 amounts to €1,383,473 exclusive of indirect taxes. The Company has not incurred direct operating expenses arising from its investment property.

	30 September 2026	31 March 2026
	€	€
At Fair Value		
Opening balance	**96,014,691**	94,462,620
Additions	**-**	411,441
Change in fair value	**-**	955,695
Reversal of depreciation charge	**-**	184,935
	96,014,691	96,014,691

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 entity owned by common shareholders.

During the year, the Company provided a further 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 2026 €	30 September 2025 €
Interest income:		
Related party	**30,914**	19,671
Loans:		
Related party	**500,000**	1,500,000
Remuneration:		
Directors' remuneration	**21,000**	21,000
Rental income:		
Rental income from related party	**1,273,450**	1,248,480
PPE recharge:		
Recharge of construction & finishing costs	-	411,441

4. Borrowings

	30 September 2026 €	31 March 2026 €
Non-current portion		
€25,000,000 bonds, 5.25%, 2023-2033	**24,579,638**	24,525,893

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 €420,362 with amortisation during the period ended 30 September 2026 amounting to €27,604.

5. Segment reporting

The Company has only one operating segment as described in the principal activities in the Directors' 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 2026, 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 24 November 2026:

Robert Ancilleri
Chairman

Edward Vella
Director