

# REGISTRATION DOCUMENT

DATED 31 MAY 2022

This document is a Registration Document issued in accordance with the provisions of Chapter 4 of the Capital Markets Rules published by the Malta Financial Services Authority and in accordance with the provisions of the Prospectus Regulation.

By

## THE ONA P.L.C.

A PUBLIC LIMITED LIABILITY COMPANY REGISTERED UNDER THE LAWS OF MALTA  
WITH COMPANY REGISTRATION NUMBER C 101370



THIS REGISTRATION DOCUMENT HAS BEEN APPROVED BY THE MALTA FINANCIAL SERVICES AUTHORITY AS THE COMPETENT AUTHORITY UNDER THE PROSPECTUS REGULATION. THE MALTA FINANCIAL SERVICES AUTHORITY HAS AUTHORISED THE ADMISSIBILITY OF THE SECURITIES AS A LISTED FINANCIAL INSTRUMENT. THIS MEANS THAT THE MALTA FINANCIAL SERVICES AUTHORITY HAS APPROVED THIS REGISTRATION DOCUMENT AS MEETING THE STANDARDS OF COMPLETENESS, COMPREHENSIBILITY AND CONSISTENCY AS PRESCRIBED BY THE PROSPECTUS REGULATION. SUCH APPROVAL SHOULD NOT HOWEVER BE CONSIDERED AS AN ENDORSEMENT OF THE ISSUER THAT IS THE SUBJECT OF THIS REGISTRATION DOCUMENT. IN PROVIDING THIS AUTHORISATION, THE MALTA FINANCIAL SERVICES AUTHORITY DOES NOT GIVE ANY CERTIFICATION REGARDING THE POTENTIAL RISKS IN INVESTING IN THE SAID INSTRUMENT AND SUCH AUTHORISATION SHOULD NOT BE DEEMED OR BE CONSTRUED AS A REPRESENTATION OR WARRANTY AS TO THE SAFETY OF INVESTING IN SUCH INSTRUMENTS.

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A PROSPECTIVE INVESTOR SHOULD ALWAYS SEEK INDEPENDENT FINANCIAL ADVICE BEFORE DECIDING TO INVEST IN ANY LISTED FINANCIAL INSTRUMENT. A PROSPECTIVE INVESTOR SHOULD BE AWARE OF THE POTENTIAL RISKS IN INVESTING IN THE SECURITIES OF AN ISSUER AND SHOULD MAKE THE DECISION TO INVEST ONLY AFTER CAREFUL CONSIDERATION AND CONSULTATION WITH HIS OR HER OWN INDEPENDENT FINANCIAL ADVISER.

Sponsor, Manager & Registrar



MZ INVESTMENT SERVICES

Security Trustee

EQUINOX INTERNATIONAL  
LIMITED

Legal Counsel

Dr Chris Cilia

APPROVED BY THE BOARD OF DIRECTORS

A handwritten signature in blue ink, appearing to read "Cliona Muscat".

Cliona Muscat

A handwritten signature in blue ink, appearing to read "George Muscat".

George Muscat

Signing in their own capacity as directors of the Issuer  
and on behalf of each of Alfred Attard, Francis X Gouder and Ann Marie Agius as their duly appointed agents.

## 1. IMPORTANT INFORMATION

THIS REGISTRATION DOCUMENT CONTAINS INFORMATION ON THE ISSUER AND THE GUARANTORS IN ACCORDANCE WITH THE REQUIREMENTS OF THE CAPITAL MARKETS RULES OF THE MALTA FINANCIAL SERVICES AUTHORITY, THE ACT AND THE PROSPECTUS REGULATION.

NO BROKER, DEALER, SALESMAN OR OTHER PERSON HAS BEEN AUTHORISED BY THE ISSUER, THE GUARANTORS, OR THEIR RESPECTIVE DIRECTORS, TO ISSUE ANY ADVERTISEMENT OR TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATIONS IN CONNECTION WITH THE SALE OF SECURITIES OF THE ISSUER OTHER THAN THOSE CONTAINED IN THIS REGISTRATION DOCUMENT AND IN THE DOCUMENTS REFERRED TO HEREIN, AND IF GIVEN OR MADE, SUCH INFORMATION OR REPRESENTATIONS MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORISED BY THE ISSUER, THE GUARANTORS OR THEIR RESPECTIVE DIRECTORS OR ADVISERS.

**THE MALTA FINANCIAL SERVICES AUTHORITY ACCEPTS NO RESPONSIBILITY FOR THE CONTENTS OF THE PROSPECTUS, MAKES NO REPRESENTATIONS AS TO ITS ACCURACY OR COMPLETENESS AND EXPRESSLY DISCLAIMS ANY LIABILITY WHATSOEVER FOR ANY LOSS HOWSOEVER ARISING FROM, OR IN RELIANCE UPON, THE WHOLE OR ANY PART OF THE CONTENTS OF THE PROSPECTUS.**

THE PROSPECTUS DOES NOT CONSTITUTE, AND MAY NOT BE USED FOR PURPOSES OF, AN OFFER OR INVITATION TO SUBSCRIBE FOR SECURITIES ISSUED BY THE ISSUER: (I) BY ANY PERSON IN ANY JURISDICTION IN WHICH SUCH OFFER OR INVITATION IS NOT AUTHORISED OR IN WHICH THE PERSON MAKING SUCH OFFER OR INVITATION IS NOT QUALIFIED TO DO SO; OR (II) TO ANY PERSON TO WHOM IT IS UNLAWFUL TO MAKE SUCH OFFER OR INVITATION. THE DISTRIBUTION OF THE PROSPECTUS IN CERTAIN JURISDICTIONS MAY BE RESTRICTED AND, ACCORDINGLY, PERSONS INTO WHOSE POSSESSION IT IS RECEIVED ARE REQUIRED TO INFORM THEMSELVES ABOUT, AND TO OBSERVE, SUCH RESTRICTIONS.

THE PROSPECTUS AND THE OFFERING, SALE OR DELIVERY OF ANY SECURITIES MAY NOT BE TAKEN AS AN IMPLICATION: (I) THAT THE INFORMATION CONTAINED IN THE PROSPECTUS IS ACCURATE AND COMPLETE SUBSEQUENT TO ITS DATE OF ISSUE; OR (II) THAT THERE HAS BEEN NO MATERIAL ADVERSE CHANGE IN THE FINANCIAL POSITION OF THE ISSUER OR THE GUARANTORS SINCE SUCH DATE; OR (III) THAT ANY OTHER INFORMATION SUPPLIED IN CONNECTION WITH THE PROSPECTUS IS ACCURATE AT ANY TIME SUBSEQUENT TO THE DATE ON WHICH IT IS SUPPLIED OR, IF DIFFERENT, THE DATE INDICATED IN THE DOCUMENT CONTAINING THE SAME.

**THIS REGISTRATION DOCUMENT IS VALID FOR A PERIOD OF TWELVE MONTHS FROM THE DATE HEREOF. FOLLOWING THE LAPSE OF THIS VALIDITY PERIOD, THE ISSUER IS NOT OBLIGED TO SUPPLEMENT THE PROSPECTUS IN THE EVENT OF SIGNIFICANT NEW FACTORS, MATERIAL MISTAKES OR MATERIAL INACCURACIES.**

IT IS THE RESPONSIBILITY OF ANY PERSON IN POSSESSION OF THIS DOCUMENT AND ANY PERSON WISHING TO APPLY FOR ANY SECURITIES ISSUED BY THE ISSUER TO INFORM THEMSELVES OF, AND TO OBSERVE AND COMPLY WITH, ALL APPLICABLE LAWS AND REGULATIONS OF ANY RELEVANT JURISDICTION. PROSPECTIVE INVESTORS FOR ANY SECURITIES THAT MAY BE ISSUED BY THE ISSUER SHOULD INFORM THEMSELVES AS TO THE LEGAL REQUIREMENTS OF APPLYING FOR ANY SUCH SECURITIES AND ANY APPLICABLE EXCHANGE CONTROL REQUIREMENTS AND TAXES IN THE COUNTRIES OF THEIR NATIONALITY, RESIDENCE OR DOMICILE.

SAVE FOR THE OFFERING IN THE REPUBLIC OF MALTA, NO ACTION HAS BEEN OR WILL BE TAKEN BY THE ISSUER THAT WOULD PERMIT A PUBLIC OFFERING OF THE SECURITIES DESCRIBED IN THE SECURITIES NOTE OR THE DISTRIBUTION OF THE PROSPECTUS (OR ANY PART THEREOF) OR ANY OFFERING MATERIAL IN ANY COUNTRY OR JURISDICTION WHERE ACTION FOR THAT PURPOSE IS REQUIRED. ACCORDINGLY, NO SECURITIES MAY BE OFFERED OR SOLD, DIRECTLY OR INDIRECTLY, AND NEITHER THIS PROSPECTUS NOR ANY ADVERTISEMENT OR OTHER OFFERING MATERIAL MAY BE DISTRIBUTED OR PUBLISHED IN ANY JURISDICTION, EXCEPT UNDER CIRCUMSTANCES THAT WILL RESULT IN COMPLIANCE WITH ANY APPLICABLE LAWS AND REGULATIONS. PERSONS INTO WHOSE POSSESSION THIS PROSPECTUS OR ANY SECURITIES MAY COME MUST INFORM THEMSELVES ABOUT, AND OBSERVE, ANY SUCH RESTRICTIONS ON THE DISTRIBUTION OF THIS PROSPECTUS AND THE OFFERING AND SALE OF SECURITIES.

A COPY OF THIS DOCUMENT HAS BEEN SUBMITTED TO THE MALTA FINANCIAL SERVICES AUTHORITY IN SATISFACTION OF THE CAPITAL MARKETS RULES, THE MALTA STOCK EXCHANGE IN SATISFACTION OF THE MALTA STOCK EXCHANGE BYE-LAWS AND HAS BEEN DULY FILED WITH THE MALTA BUSINESS REGISTRY IN ACCORDANCE WITH THE ACT.

**STATEMENTS MADE IN THIS REGISTRATION DOCUMENT ARE, EXCEPT WHERE OTHERWISE STATED, BASED ON THE LAW AND PRACTICE CURRENTLY IN FORCE IN MALTA AND ARE SUBJECT TO CHANGES THEREIN.**

ALL THE ADVISERS TO THE ISSUER NAMED IN THIS REGISTRATION DOCUMENT UNDER THE HEADING “ADVISERS” IN SECTION 4.5 HAVE ACTED AND ARE ACTING EXCLUSIVELY FOR THE ISSUER IN RELATION TO THE PROSPECTUS AND HAVE NO CONTRACTUAL, FIDUCIARY OR OTHER OBLIGATION TOWARDS ANY OTHER PERSON AND WILL ACCORDINGLY NOT BE RESPONSIBLE TO ANY INVESTOR OR ANY OTHER PERSON WHOMSOEVER IN RELATION TO THE TRANSACTIONS PROPOSED IN THE PROSPECTUS.

THE CONTENTS OF THE ISSUER’S WEBSITE OR ANY WEBSITE DIRECTLY OR INDIRECTLY LINKED TO THE ISSUER’S WEBSITE DO NOT FORM PART OF THIS PROSPECTUS UNLESS SUCH CONTENTS ARE INCORPORATED BY REFERENCE INTO THE PROSPECTUS. ACCORDINGLY, NO RELIANCE OUGHT TO BE MADE BY ANY INVESTOR ON ANY INFORMATION OR OTHER DATA CONTAINED IN SUCH WEBSITES AS THE BASIS FOR A DECISION TO INVEST IN THE SECURITIES.

**THE VALUE OF INVESTMENTS CAN GO UP OR DOWN AND PAST PERFORMANCE IS NOT NECESSARILY INDICATIVE OF FUTURE PERFORMANCE. PROSPECTIVE INVESTORS SHOULD CAREFULLY CONSIDER ALL THE INFORMATION CONTAINED IN THE PROSPECTUS AS A WHOLE AND SHOULD CONSULT THEIR OWN INDEPENDENT FINANCIAL AND OTHER PROFESSIONAL ADVISERS BEFORE DECIDING TO MAKE AN INVESTMENT IN THE SECURITIES OF THE ISSUER.**

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## 2. DEFINITIONS

In this Registration Document the following words and expressions shall bear the following meanings except where the context otherwise requires:

<b>Act</b>	the Companies Act (Cap. 386 of the laws of Malta);
<b>Birkirkara Project</b>	the property development project in Birkirkara, Malta, as better described in section 6.1 of this Registration Document;
<b>Bond Issue</b>	the issue of the Secured Bonds;
<b>Capital Markets Rules</b>	the capital markets rules issued by the Malta Financial Services Authority as amended from time to time;
<b>Directors or Board of Directors</b>	the directors of the Issuer whose names are set out in section 4.1 of this Registration Document under the heading “ <b>Directors of the Issuer</b> ”;
<b>Early Redemption Date</b>	has the same meaning assigned to it in the Securities Note;
<b>Euro or €</b>	the lawful currency of the Republic of Malta;
<b>Financial Markets Act</b>	the Financial Markets Act (Cap. 345 of the laws of Malta);
<b>Franchise Agreement</b>	the franchise agreement between the Franchisor (as franchisor) and The Ona Hospitality Ltd (as franchisee), further details of which are included in section 6.3.4 of this Registration Document;
<b>Franchisor</b>	ACHM Global Hospitality Licensing S.À.R.L., a private company with limited liability, organised and existing under the laws of Luxembourg with its registered office at 33 rue du Puits Romain, L-8070 Bertrange, Grand-Duchy of Luxembourg and registered with the Luxembourg Trade and Companies Register under number B 157.487;
<b>Group</b>	the Issuer and its Subsidiaries;
<b>Guarantor</b>	each of: (i) The Ona Property Development Ltd; (ii) The Ona Real Estate Ltd; and (iii) The Ona Hospitality Ltd, and the term “ <b>Guarantors</b> ” shall collectively refer to the said companies;
<b>Hotel</b>	the four-star hotel to be developed on the Paceville Site, to be operated as a “AC Hotels by Marriott” hotel, as better described in section 6.3 of this Registration Document;
<b>Hotel Project</b>	the construction, development and finishing of the Hotel, as better described in section 6.3 of this Registration Document;
<b>Issuer</b>	The Ona p.l.c., a public limited liability company registered under the laws of Malta, bearing company registration number C 101370, and having its registered office at GAP Holdings Head Office, Ċensu Scerri Street, Tigné, Sliema, SLM 3060, Malta;
<b>Malta Financial Services Authority or MFSA</b>	the Malta Financial Services Authority, established in terms of the Financial Markets Act as the competent authority to approve prospectuses of any offer of securities to the public in Malta;
<b>Malta Stock Exchange or MSE</b>	Malta Stock Exchange plc, as originally constituted in terms of the Financial Markets Act, bearing company registration number C 42525, and having its registered office at Garrison Chapel, Castille Place, Valletta VLT 1063, Malta;
<b>Marsascala Project</b>	the development consisting of 20 residential units and 20 lock-up garages developed on the Marsascala Site, as better described in section 6.1 of this Registration Document;
<b>Marsascala Site</b>	the site located in Kappara Street in Marsascala, Malta, measuring approximately 924 square metres, as better described in section 6.1 of this Registration Document;
<b>Mellieħa Project</b>	the property development project in Mellieħa, Malta, as better described in section 6.1 of this Registration Document;
<b>Mellieħa Site</b>	the site located in North Street in Mellieħa, Malta, measuring approximately 225.75 square metres, as better described in section 6.1 of this Registration Document;
<b>Memorandum and Articles of Association</b>	the memorandum and articles of association of the Issuer in force at the time of publication of the Prospectus. The terms “ <b>Memorandum</b> ”, “ <b>Articles</b> ” and “ <b>Articles of Association</b> ” shall be construed accordingly;
<b>Paceville Site</b>	the vacant site in Lourdes Lane, in Swieqi, in the limits of St. Julian’s Malta, measuring approximately 586 square metres, as better described in section 6.3 of

this Registration Document;

<b>Prospectus</b>	collectively, this Registration Document, the Securities Note and the Summary;
<b>Prospectus Regulation</b>	Regulation (EU) No. 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, as amended, and in accordance with the provisions of Commission Delegated Regulation No. 2019/979 and Commission Delegated Regulation No. 2019/980 issued thereunder;
<b>Qawra Project</b>	the development consisting of 15 residential units over seven floors and nine lock-up garages over the Qawra Site, as better described in section 6.1 of this Registration Document;
<b>Qawra Site</b>	the site having a façade and direct access from the unnamed street which abuts unto Andrew Cunningham Street in Qawra, in the limits of St. Paul's Bay, Malta, measuring approximately 1,008 square metres, as better described in section 6.1 of this Registration Document;
<b>Redemption Date</b>	has the same meaning assigned to it in the Securities Note;
<b>Registration Document</b>	this document in its entirety;
<b>Secured Bonds</b>	the €16,000,000 secured bonds of a nominal value of €100 per bond payable in full upon subscription, redeemable at their nominal value on the Redemption Date or an Early Redemption Date and bearing interest at the rate of 4.50% per annum, as described in further detail in the Securities Note;
<b>Securities Note</b>	the securities note issued by the Issuer dated 31 May 2022, forming part of the Prospectus;
<b>Sponsor, Manager and Registrar or MZI</b>	M.Z. Investment Services Limited, a private limited liability company registered in Malta bearing company registration number C 23936 and having its registered office at 61, M.Z. House, St. Rita Street, Rabat RBT 1523, Malta, licensed by the MFSA and a member of the MSE;
<b>Subsidiaries</b>	an entity over which the parent has control. In terms of the International Financial Reporting Standards adopted by the European Union, a group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. The term " <b>Subsidiary</b> " shall be construed accordingly. The term " <b>Subsidiaries</b> " shall collectively refer to the said entities;
<b>Summary</b>	the summary issued by the Issuer dated 31 May 2022, forming part of the Prospectus;
<b>The Ona Hospitality Ltd or TOH</b>	The Ona Hospitality Ltd, a private limited liability company registered in Malta bearing company registration number C 101371 and having its registered office at GAP Holdings Head Office, Ċensu Scerri Street, Tigné, Sliema, SLM 3060, Malta;
<b>The Ona Property Development Ltd or TOPD</b>	The Ona Property Development Ltd (formerly known as Cliventi (I) Limited), a private limited liability company registered in Malta bearing company registration number C 82490 and having its registered office at GAP Holdings Head Office, Ċensu Scerri Street, Tigné, Sliema, SLM 3060, Malta;
<b>The Ona Real Estate Ltd or TORE</b>	The Ona Real Estate Ltd (formerly known as Cliventi (II) Limited), a private limited liability company registered in Malta bearing company registration number C 83842 and having its registered office at GAP Holdings Head Office, Ċensu Scerri Street, Tigné, Sliema, SLM 3060, Malta;
<b>Trust Deed</b>	the trust deed signed by and between the Issuer, the Guarantors and the Security Trustee dated 31 May 2022; and
<b>Valuation Report</b>	has the meaning assigned to it in section 15 of this Registration Document.

Unless it appears otherwise from the context:

- a. words importing the singular shall include the plural and *vice versa*;
- b. words importing the masculine gender shall include the feminine gender and *vice versa*;
- c. the word "may" shall be construed as permissive and the word "shall" shall be construed as imperative;
- d. all references in this Registration Document to "Malta" shall be construed as defined in article 124 (1) of the Constitution of Malta;
- e. any phrase introduced by the terms "including", "include", "in particular" or any similar expression is illustrative only and does not limit the sense of the words preceding those terms; and
- f. any reference to a law, legislative act, and, or other legislation shall mean that particular law, legislative act and, or legislation as in force at the date of this Registration Document.

### 3. RISK FACTORS

PROSPECTIVE INVESTORS SHOULD CAREFULLY CONSIDER WITH THEIR OWN INDEPENDENT FINANCIAL AND OTHER PROFESSIONAL ADVISERS, THE FOLLOWING RISK FACTORS AND OTHER INVESTMENT CONSIDERATIONS AS WELL AS ALL THE OTHER INFORMATION CONTAINED IN THIS PROSPECTUS, BEFORE MAKING ANY INVESTMENT DECISION WITH RESPECT TO THE ISSUER. SOME OF THESE RISKS ARE SUBJECT TO CONTINGENCIES WHICH MAY OR MAY NOT OCCUR AND THE ISSUER IS NOT IN A POSITION TO EXPRESS A VIEW ON THE LIKELIHOOD OF ANY SUCH CONTINGENCIES OCCURRING.

THE RISK FACTORS BELOW HAVE BEEN CATEGORISED UNDER TWO MAIN CATEGORIES, ACCORDING TO WHETHER THE RISK FACTORS RELATE TO: (I) THE ISSUER; OR (II) THE GROUP. THE RISK FACTOR FIRST APPEARING UNDER EACH CATEGORY CONSTITUTES THAT RISK FACTOR WHICH THE DIRECTORS HAVE ASSESSED TO BE THE MOST MATERIAL RISK FACTOR UNDER SUCH CATEGORY AS AT THE DATE OF THIS REGISTRATION DOCUMENT. IN MAKING THIS ASSESSMENT OF MATERIALITY, THE DIRECTORS HAVE EVALUATED THE COMBINATION OF: (I) THE PROBABILITY THAT THE RISK FACTOR OCCURS; AND (II) THE EXPECTED MAGNITUDE OF THE ADVERSE EFFECT ON THE FINANCIAL CONDITION AND PERFORMANCE OF THE ISSUER, THE GUARANTORS AND, OR THE GROUP, IF THE RISK FACTOR WERE TO MATERIALISE.

IF ANY OF THE RISKS DESCRIBED BELOW WERE TO MATERIALISE, THEY COULD HAVE A SERIOUS EFFECT ON THE GROUP'S FINANCIAL RESULTS, FINANCIAL CONDITION, OPERATIONAL PERFORMANCE, BUSINESS AND, OR TRADING PROSPECTS, AS WELL AS THE ABILITY OF THE ISSUER TO FULFIL ITS OBLIGATIONS UNDER THE SECURITIES ISSUED BY IT FROM TIME TO TIME. THE RISKS AND UNCERTAINTIES DISCUSSED BELOW ARE THOSE IDENTIFIED AS SUCH BY THE DIRECTORS AS AT THE DATE OF THIS REGISTRATION DOCUMENT, BUT THESE RISKS AND UNCERTAINTIES MAY NOT BE THE ONLY ONES THAT THE ISSUER OR GROUP FACES OR COULD FACE. ADDITIONAL RISKS AND UNCERTAINTIES, INCLUDING THOSE WHICH THE ISSUER'S DIRECTORS ARE NOT CURRENTLY AWARE OF, MAY WELL RESULT IN A MATERIAL ADVERSE IMPACT ON THE GROUP'S FINANCIAL RESULTS, FINANCIAL CONDITION, OPERATIONAL PERFORMANCE, BUSINESS AND, OR TRADING PROSPECTS.

THE PROSPECTUS, THE DOCUMENTATION INCORPORATED BY REFERENCE HEREIN, AND, OR ANY OTHER INFORMATION SUPPLIED IN CONNECTION WITH SECURITIES ISSUED BY THE ISSUER: (I) IS NOT INTENDED TO PROVIDE THE BASIS FOR ANY CREDIT OR OTHER EVALUATION; (II) IS NOT AND SHOULD NOT BE CONSIDERED AS A RECOMMENDATION BY THE ISSUER, THE DIRECTORS, ANY OF THE ADVISERS LISTED IN SECTION 4 BELOW, THE SPONSOR, OR ANY OF THE AUTHORISED FINANCIAL INTERMEDIARIES THAT ANY RECIPIENT OF THE PROSPECTUS, THE DOCUMENTATION INCORPORATED BY REFERENCE HEREIN, OR ANY OTHER INFORMATION SUPPLIED IN CONNECTION THEREWITH, SHOULD PURCHASE ANY SECURITIES ISSUED BY THE ISSUER, INCLUDING THE SECURED BONDS, AND, THEREFORE, PROSPECTIVE INVESTORS SHOULD MAKE THEIR OWN INDEPENDENT EVALUATION OF ALL RISK FACTORS, AND SHOULD CONSIDER ALL OTHER SECTIONS IN THE PROSPECTUS; AND (III) CONTAIN STATEMENTS THAT ARE, OR MAY BE DEEMED TO BE, "FORWARD LOOKING STATEMENTS".

#### 3.1 FORWARD-LOOKING STATEMENTS

Forward-looking statements can be identified by the use of forward-looking terminology, including the terms "*believes*", "*estimates*", "*forecasts*", "*projects*", "*anticipates*", "*expects*", "*envisages*", "*intends*", "*may*", "*will*", or "*should*" or, in each case, their negative or other variations or comparable terminology. These forward-looking statements relate to matters that are not historical facts. They appear in a number of places within the Prospectus and include statements regarding the intentions, beliefs, or current expectations of the Issuer and, or the Directors concerning, amongst other things, the Issuer's strategy and business plans, financial condition and performance, results of operations, liquidity, prospects, investments, and the markets in which it operates.

By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may, or may not occur, in the future. Forward-looking statements are not guarantees of future performance and should therefore not be construed as such. The Issuer's and, or the Guarantors' actual operational results, financial condition and performance, and trading prospects may differ materially from the impression created by the forward-looking statements contained in the Prospectus. In addition, even if the operational results, financial condition and performance, and trading prospects of the Issuer or the Group are consistent with the forward-looking statements contained in the Prospectus, those results, or developments may not be indicative of results or developments in subsequent periods. Important factors that may cause these differences include, but are not limited to, those factors identified under this section and elsewhere in the Prospectus.

All forward-looking statements contained in the Prospectus are made only as at the date hereof. Subject to applicable legal and regulatory obligations, the Issuer and its Directors expressly disclaim any obligations to update or revise any forward-looking statement contained herein to reflect any change in expectations with regard thereto or any change in events, conditions, or circumstances on which any such statement is based.

## 3.2 RISKS RELATING TO THE ISSUER

### 3.2.1 THE ISSUER IS DEPENDENT ON THE PERFORMANCE OF ITS SUBSIDIARIES

The Issuer is a finance and holding company of the Group and does not carry out any trading activities of its own. As a holding company, the majority of the Issuer's assets consist of the dividends and loan receivables it receives from its Subsidiaries. The distribution of dividends is dependent on the cash flows and earnings of the relevant Subsidiary. The Issuer is therefore economically dependent on the performance and financial position of its Subsidiaries. In the event that any Subsidiary underperforms in any one financial year or otherwise experiences adverse fluctuations or volatility in cash flows, liquidity strains or other financial difficulties, such underperformance and, or adverse financial position and operational results would adversely affect the operational and financial results of the Group as a whole and consequently, that of the Issuer.

Pursuant to the Bond Issue, the Issuer shall on-lend the Bond proceeds to The Ona Real Estate Ltd and to The Ona Hospitality Ltd to finance the acquisition of the Hotel and to part finance the construction, development and finishing thereof. For this purpose, the Issuer has entered into conditional loan agreements with The Ona Real Estate Ltd and The Ona Hospitality Ltd, whereby the Issuer undertook to advance the amounts of €13.6 million and €2.08 million to The Ona Real Estate Ltd and The Ona Hospitality Ltd, respectively, in accordance with the terms and conditions stipulated therein. The ability of each Subsidiary to make payments of principal and interest to the Issuer in repayment of the loan granted to it is dependent on the financial position of the respective Subsidiary.

In light of the above, the underperformance of any of the Issuer's Subsidiaries may have an adverse effect on the performance of the Issuer which may affect its ability to service payments under the Secured Bonds of both principal and interest.

## 3.3 RISKS RELATING TO THE GROUP

### 3.3.1 ECONOMIC AND FINANCIAL RISKS OF THE GROUP

#### 3.3.1.1 *Risks relating to the economic repercussions of the COVID-19 pandemic*

As a direct result of the spread of COVID-19, global economic activity has experienced a general downturn, with certain industry sectors and market segments having been affected more harshly than others. The tourism and hospitality sectors have emerged as two of the sectors most severely impacted by the COVID-19 pandemic. The pandemic brought about a temporary decline in travel demand as a result of travel bans, travel restrictions, and a greater aversion to unnecessary travel. There can be no assurances as to when tourism will rebound to pre-COVID-19 levels since this will depend on a number of factors outside of the Group's control (including the lifting of travel restrictions, government policies and the rate of vaccinated individuals), as well as whether new strains of the virus will emerge at a future date. A decrease in inbound tourism may adversely affect the projected revenue and profits of the hotel operations of the Group.

Beyond the direct economic impact of the pandemic, the pandemic also poses significant challenges to the continuity, efficacy, and proper functioning of the day-to-day operations of the Group. A spread of such disease amongst the employees of the Group, as well as any self-quarantine measures affecting the employees of the Group or the Group's properties, may negatively impact the ability of the Group's personnel to carry out their work at full-functionality and, or capacity, and thereby negatively affect the Group's operations.

The exact depth and duration of the COVID-19 pandemic and its financial and economic effects are inherently difficult to predict with any degree of accuracy. Consequently, the Group's business, operations, and financial performance remain susceptible to the risk relating to the uncertainty surrounding the constantly changing circumstances within which it finds itself operating in, as well as the risks of the effects of the corresponding restrictive or prohibitive measures that have been, and may in the future, be introduced as a result thereof or in connection therewith.

#### 3.3.1.2 *Risks relating to the financing of the Group's projects*

The Group's projects have been part-financed through bank financing with local banks. The Group plans to incur additional debt for the purposes of financing future development projects. Notwithstanding that the Group aims at maintaining its debt-to-equity ratio at prudent levels with corresponding equity being injected at levels considered to be adequate and prudent under current banking practices, a substantial portion of the cash flow generated by the Group is utilised to repay the respective company's debt obligations pursuant to the terms of the facilities provided. Should a Group company significantly increase its debt obligations, this may have an adverse effect on the profitability of the respective company and the Group as a whole.



The agreements regulating the bank debt of the companies forming part of the Group impose significant financial covenants on the borrowing companies. These covenants could limit the ability of the said companies to obtain future financing, make capital expenditure, withstand a future downturn in business or economic conditions generally or otherwise inhibit the ability to conduct necessary corporate activities. Changes in banking risk appetite as a result of financial turmoil may decrease the willingness of banks to provide loans to companies and the terms thereof. As a result of the factors detailed herein, a Group company may not be able to obtain the capital and financing it requires for the completion of a project and, or the operation of its business, on commercially viable terms, or at all.

#### *3.3.1.3 Risks relating to rising costs for materials, resources, and utilities*

The Group operates in both the property industry and the hospitality industry. As part of the property development component of the Group's business, the Group has plans to develop the: (i) Hotel; (ii) Mellieha Project; and (iii) Birkirkara Project. On completion of the aforementioned projects, the Group will seek additional property development opportunities. As part of the hospitality component of its business, the Group will operate the Hotel. Both industries necessitate the availability of certain resources (including human resources), materials and utilities, at cost-effective prices.

The Group's principal operational risks relate to its ability to deliver projects within agreed upon project deliverables, including project design specifications, quantity requirements, the involvement of qualified and skilled personnel, adequacy of resources and equipment, technical and industry standards, certification requirements, scheduled programme of works, fitting and finishing specifications and, ultimately, within project budgeted costs and stipulated project deadlines. Non-compliance with the Group's committed projected deliverables could result in significant penalties (including daily penalties for mere delay), fines, pre-liquidated damages, or other damages, and, or early termination of project contracts and related contracts. Furthermore, the Group may be susceptible to liability for costs, expenses, losses, the forfeit of or reduction in project revenue, or other liabilities incurred to remedy defects or repairs.

From the start of the COVID-19 pandemic to date, the prices of raw materials have been subject to substantial increases caused by a combination of heightened market demand and low availability, ongoing global supply chain challenges, increase in shipping costs, shortages in containers, ships, and human resources. Accordingly, a surge in prices has been witnessed for, *inter alia*, aluminium, steel, copper, oil, wood, and paper. Furthermore, in respect of the Group's hospitality arm, the Group is also exposed to an increase in food prices. Should the volatility in prices continue in an upward trajectory over the rest of the year as well as subsequent years, the Group may be negatively affected if these increased costs are not capable of being reflected in increased charges for the delivery of certain products and services of the Group.

The Group may be unable to maintain an adequate stock of the materials and resources it requires, including the appropriate workforce for the Group's development projects resulting in increased costs and project delays. The Group's inability to comply with its obligations in both the property development and hospitality sectors, could adversely impact the Group's relations with its customers and suppliers, prejudice its goodwill, prejudice its contractual commitments in terms of the Franchise Agreement and, or could result in a material adverse effect on the financial position, financial performance, and operational results of the Group.

#### *3.3.1.4 Risks relating to aversion to travel due to the war in Ukraine*

In response to the invasion of Ukraine by Russia, several industries implemented boycotts, bans and other forms of retaliation against Russia. With regards to the travel industry, a reduction in tourist arrivals (irrespective of nationality) may stem from a greater aversion to travel in times of political unrest and threats of conflict and war in other countries. Travellers may be reluctant to leave their home countries due to the uncertainty of the international situation and, or may postpone any travel arrangements to a future date amid the ongoing crisis. Other events which could bring about a reduction in travel include actual or threatened acts of terrorism and civil unrest.

The availability of flights at affordable rates may influence one's decision to travel to Malta over other destinations, specifically destinations which offer a similar experience. As a result of the invasion of Ukraine by Russia and the retaliatory efforts of other countries, the price of oil and gas soared and in turn fuel prices experienced an all-time high, potentially implying a greater cost for airlines. Increased costs for airlines may be subsequently borne by consumers through an increase in flight prices, rendering air travel more costly for interested travellers and thus serving as a deterrent for travel in general.

The exact duration and effects of the war in Ukraine and the financial and economic effects it will have on international travel and the local hospitality and tourism industry are inherently difficult to predict with any degree of accuracy. Consequently, the Group's business, operations, and financial performance remain susceptible to the risk of an increased aversion or appetite to travel directly or indirectly related to the effects of the war in Ukraine.

### 3.3.2 OPERATIONAL RISKS OF THE GROUP

#### 3.3.2.1 Risks relating to the Franchise Agreement

The Hotel will form part of the “AC by Marriott Hotels” chain of hotels, a reputable international brand which has hotels across the globe. The Ona Hospitality Ltd is entitled to operate the Hotel under the “AC by Marriott Hotels” brand under a Franchise Agreement. Pursuant to the Franchise Agreement, the Franchisor granted a non-exclusive licence to The Ona Hospitality Ltd to use certain intellectual property of the Franchisor (including the “AC by Marriott Hotels” brand) as well as its systems. The Ona Hospitality Ltd (as franchisee) is required to comply with certain conditions as part of the Franchise Agreement, including but not limited to: (i) the timely construction, renovation and opening of the Hotel; (ii) the satisfaction of performance thresholds under quality assurance programs to which it is subject under the Franchise Agreement; and (iii) compliance with certain required standards under the Franchise Agreement. The breach of any of the conditions of the Franchise Agreement could result in the termination of the Franchise Agreement prior to the expiration of its term or the suspension thereof. Moreover, the Franchisor may impose penalties or seek to claim damages suffered as a result of the breach of any of the conditions of the Franchise Agreement. Accordingly, the success of the Hotel operations is dependent on the continuity of the contractual relationship with the Franchisor.

Should the Franchise Agreement be terminated or not renewed, the profitability and financial condition of the Group may be materially adversely affected in view of its inability to benefit from the reputation and standards of the “AC by Marriott Hotels” brand.

#### 3.3.2.2 Risks relating to the ability of the Group to secure approvals and licences

Once completed, the Hotel requires a licence from the Malta Tourism Authority to operate as a Class 4 hotel. Although it is the intention of the Group to construct the Hotel in accordance with licensing requirements and the standards of the Franchise Agreement, should the Malta Tourism Authority consider that all applicable licensing conditions have not been satisfied, there may be delays in the opening of the Hotel, which in turn could result in a breach of the Franchise Agreement.

The development of the Birkirkara Project and the Mellieħa Project has not yet been approved by the Planning Authority. In the event that these two projects are not approved in accordance with the plans submitted to the Planning Authority, the Group may need to alter their plans or seek new development opportunities in substitution of the aforementioned projects. Any delay in the approval of the Birkirkara Project and, or the Mellieħa Project and, or the refusal of the Planning Authority to approve any of the aforementioned projects could affect the projected revenue of the Group.

#### 3.3.2.3 Risks relating to the loss of senior management and other key personnel

The Group believes that its growth is partially attributable to the efforts and abilities of its executive director, Cliona Muscat, and other key personnel, including members of senior management, sales, investment, and project management personnel and upon its ability to attract, develop and retain such key personnel to manage and grow the business.

If one or more of the members of this team were unable or unwilling to continue in their present position, particularly if such members are lost to competitors of the Group, the Group might not be able to replace them within the short term, which could have a material adverse effect on the Group’s business, financial condition, and results of operations.

#### 3.3.2.4 Risks relating to competing projects

The local hospitality industry is characterised by substantial competition given the variety of temporary accommodation available on the market. Accordingly, once completed, the Hotel may compete with local hotels and facilities offering various types of lodging options and related services to the public. Although the Directors are of the view that, as at the date of this Registration Document, there are no direct competitors of the Hotel, there can be no assurances that the Hotel will not have strong competitors in the future in the surrounding areas in which it operates.

The Group’s activities in the property development and rental sectors are also susceptible to competitive forces given the large number of properties and developments available on the local market. Should there be an increase in similar property developments which are of a similar quality and type to those being constructed, sold, or leased by the Group, particularly where such competing developments are available at cheaper prices, the Group may be unable to sell or otherwise lease the units, garages and, or developments (as applicable) forming part of the Group’s property portfolio, in a cost-effective and efficient manner.

A reduction in reservations for hotel accommodation and, or the sale of units and prices which are lower than that projected may adversely effect the Group’s business, financial condition, and results of operations.

### 3.3.2.5 Risks relating to public relations, changes in consumer preferences and demand

The Group's success in the property development, rental and hospitality sectors is dependent on its ability to offer products and services that have a strong consumer appeal. Such sectors are susceptible to fluctuations in consumer trends because of changes in taste, consumer habits, general economic conditions, social trends, consumer attitude, consumer satisfaction and any other similar factors which are linked to consumer demand. The property market, whether for resale or letting purposes, is subject to changing preferences in the style and location of immovable properties. In the case of the hospitality sector, consumer preferences are largely determined by brand image and reputation. Brand images are key to the business of the Group and thus the inability to maintain a positive brand image could have a material adverse effect on the Group's revenue and results of operations. It cannot be predicted whether advertising, marketing and promotional programs will have the desired impact on its products' and services' branding and on consumer preferences.

The Group's success in such sectors is dependent on its ability to swiftly anticipate, capitalise and adapt to changes in consumer attitude and preferences. Should the Group fail to do so, it may experience a reduction in revenue which could have a material adverse effect on its operational results and financial condition.

### 3.3.2.6 Risks relating to the Group's insurance policies

The Group has maintained insurance and, or otherwise plans to maintain insurance at levels determined by the Group to be appropriate in light of the cost of cover and the risk profiles of the sectors in which the Group operates. Notwithstanding such insurance coverage, which insures against, *inter alia*, claims for damages, it may be difficult and may take time to recover such losses from insurers. In addition, the Group may not be able to recover the full amount from the insurer due to procedural restrictions or formalities, or due to substantive exclusions, exemptions, limitations on coverage, de minimis liability coverage limitations, prescriptive time periods and limitations, reporting or other disclosure requirements, licensing or other authorisation or registration requirements, breach of restrictive covenants or undertakings, breach of warranties and, or, representations, as well as restrictions or formalities relating to the initiation of, and control over, litigation, investigations or other proceedings relating thereto.

No assurance can be given that the Group's current insurance coverage would be sufficient to cover all potential losses, regardless of the cause, nor can any assurance be given that an appropriate coverage would always be available at acceptable commercial rates. In addition, changes in legislation or judicial interpretation, or the issuance or alteration of directives, orders, or other measures (whether interim or otherwise), by the relevant authorities may impact the ability to recoup losses under insurance coverage held by the Group. Furthermore, the actions or inactions of employees or other officials of the Group, or of contractors, sub-contractors, outsourcing parties, or other third-parties engaged by the Group from time to time, may affect the ability of the Group to successfully make a claim under its insurance policies.

## 3.3.3 RISKS SPECIFIC TO THE PROPERTY SECTOR

The Group is heavily invested in the property acquisition, development, and management markets, which are constantly evolving market segments characterised by specific risks and uncertainties. The Group is thus intrinsically susceptible to the risks associated with activities in these market segments.

The occurrence of any of the factors referred to below could negatively affect the Group's financial condition and results.

### 3.3.3.1 Risks relating to the property development and construction industry

The Group undertakes activities in the property development and construction industry. The Group has plans to develop the: (i) Hotel; (ii) Mellieha Project; and (iii) Birkirkara Project.

Pursuant to such activities, the Group is subject to several specific risks, including:

- (a) the risk of delays, including, albeit not limited to, delays (and, or refusals) in obtaining any necessary permits and cost overruns;
- (b) the possibility of delays pursuant to a strain on the availability of human and other capital resources required for the development and completion of such projects resulting from heightened levels of activity in the sector;
- (c) covenants, conditions, restrictions, and easements relating to the properties or their use, whether arising out of law, contractual arrangement, or orders or other decisions of the competent judicial or government authorities; and
- (d) government restrictions concerning the free movement of people and goods, which might result in delays or changes in terms of established trade supply routes, changes in macro-economic conditions, as well as market and regulatory changes affecting the construction and property development processes.

The occurrence of any of the risk factors described above could have a material adverse effect on the Group's business, financial condition, and results of operations, including the increase of projected costs and times for completion of ongoing development projects.

### *3.3.3.2 Risks relating to the sale of property*

The Group's business contemplates the construction and finishing of property developments and the subsequent sale of the individual houses / units / garages / car spaces forming part of such property developments. Whilst the Group's activities in this sector have been largely successful, there can be no assurance that the Group will be able to sell future developments in a profitable and efficient manner on account of: (a) market conditions; (b) the size and, or value of the property development; (c) specific local market conditions; (d) regulatory risks including, albeit not limited to, the delay in obtaining or the inability to obtain the necessary permits and, or authorisations; or (e) other local or international economic factors influencing the Group's operations or assets. It may also prove necessary to dispose of houses / units / garages / car spaces at values which management considers to be reasonable in the circumstances prevailing at the time, but which represent discounts to book values or earlier property valuation reports, in order to meet long-term strategy and financing objectives.

### *3.3.3.3 Risks relating to the engagement and, or involvement of third parties in connection with the Group's business and associated counterparty risks*

The Group relies upon third-party service providers such as architects, building contractors and suppliers for the construction and completion of each of its developments. The Group has engaged the services of third-party contractors (Elbros Construction Limited) for the purposes of the Hotel Project, including the excavation and construction of the Hotel in a timely manner and within agreed cost parameters. This gives rise to counter-party risks in those instances where such third parties including, albeit not limited to, Elbros Construction Limited, do not perform in line with the Group's expectations and in accordance with their contractual obligations. If these risks were to materialise, this will result in delays in the development and completion of the Hotel as well as other development projects undertaken by the Group, which could have an adverse impact on the Group's business, its financial condition, results of operations and prospects. Delays in the development and completion of the Hotel could have a material adverse impact on the Issuer's cash flows and revenue generation.

### *3.3.3.4 Risks relating to the rental income of the property located on Dun Karm Pirota Street, Birkirkara*

As detailed in section 6.2 of the Registration Document, The Ona Property Development Ltd owns a commercial property located in Birkirkara named "CE House". The Ona Property Development Ltd currently leases the property to a local service provider in accordance with the terms and conditions of a lease agreement. The revenue generated from this commercial property is dependent on the terms of the lease as well as the lessee's fulfilment of obligations under this agreement. The performance of the lessee's obligation under the lease agreement to make lease payments may be negatively impacted as a result of several reasons which are beyond The Ona Property Development Ltd's control, including the insolvency and lack of liquidity of the lessee. Moreover, The Ona Property Development Ltd is also susceptible to the risk that the lessee may terminate the lease agreement prior to the lease expiration date or elect not to renew the lease agreement.

In such instances, there is no guarantee that the new lessee will be able to lease the respective property in a timely manner and, or that, if the existing lease is terminated, any new lease agreement will be concluded on equally favourable terms. This could have a material adverse effect on the Group's profitability and its operational results as a whole.

### *3.3.3.5 Risks relating to property valuations and net realisable value*

The Valuation Report is prepared by independent qualified architects in accordance with the valuation standards published by the Royal Institution of Chartered Surveyors ('RICS'). However, the valuation of property is intrinsically subjective and based on several assumptions at a given point in time. In providing a market value of the Hotel, the architect has made certain assumptions which ultimately may cause the actual values to be materially different from any future values that may be expressed or implied by such forward-looking statements or anticipated on the basis of historical trends as reality may not match the assumptions. Moreover, property valuations are largely dependent on current and, or, expected market conditions which may fluctuate from time to time. Subsequently, the Group may purchase and, or have purchased property on the basis of inaccurate valuations. There can be no assurance that such property valuations and property-related assets will reflect actual market values.

## **3.3.4 RISKS SPECIFIC TO THE HOSPITALITY AND TOURISM INDUSTRY**

### *3.3.4.1 Risks relating to the utilisation of reservation systems*

The Hotel intends to utilise an online reservation system and other key technology platforms for the reservation of rooms at the Hotel. The Hotel's results of operations are partly derived from its ability to drive reservations through its reservation system and technology platforms which are highly integrated with internal processes and linked to multiple sales channels, including the Hotel's own website, call centre, third-party intermediaries, and travel agents. Lack of resilience and operational availability of these systems provided by the Group, or third-party technology providers could lead to prolonged service disruption and might result in significant business interruption, impact the guest booking experience and subsequently adversely impact the revenues and reputation of the Hotel and the Group, as the owner and operator of the Hotel.

### 3.3.5 LEGAL, REGULATORY AND COMPLIANCE RISKS

#### 3.3.5.1 Risks relating to the regulatory environment in which the Group operates

The Group's activities in the construction and development industry as well as the Group's future activities in the hospitality industry, are subject to a vast array of rules and regulations, including but not limited to, environmental protection, construction, property acquisition, property development, consumer law, health, fire and safety, among others. Furthermore, the regulatory environment in which the Group operates is constantly evolving, with the introduction of new rules and regulations, or the amendment or overhaul of existing ones. In addition, the Group is susceptible to changes in the application and, or interpretation of such rules and regulations, whether as a result of judicial interpretation or due to decisions, orders, directives, and, or guidelines issued by the competent regulatory authorities.

Laws and regulations, which may be amended over time, may also impose liability for the presence of certain materials or substances or the release of certain materials or substances into the air, land or water or the migration of certain materials or substances from a property investment, including asbestos, and such presence, release or migration could form the basis for liability to third parties for personal injury or other damages. These environmental liabilities, if realized, could have a material adverse effect on the Group's business, financial condition, and results of operations in the property development sector.

#### 3.3.5.2 Risks relating to personal data protection and privacy laws

In the ordinary course of its activities, the Group receives, processes, transmits and stores information relating to identifiable individuals ("**personal data**"). As a result, the Group is subject to various local laws and EU regulations relating to the collection and processing of personal data. These laws impose operational requirements for companies receiving or processing personal data and provide for significant penalties for non-compliance. These requirements with respect to personal data have subjected and may continue in the future to subject the Group to, among other things, additional costs and expenses and have required and may in the future require costly changes to their business practices and information security systems, policies, procedures, and practices.

Security controls over personal data, the training of employees on data privacy and data security, and the policies, procedures, and practices implemented, or which may be implemented in the future, may not prevent the improper disclosure of personal data by the Group. Unauthorized access or improper disclosure of personal data in violation of personal data protection or privacy laws could harm the reputation of the Group, cause loss of consumer confidence, subject it to regulatory enforcement actions (including fines), and result in private litigation against the Group and, or Group companies, which could result in loss of revenue, increased costs, liability for monetary damages, fines and, or criminal prosecution, all of which could negatively affect the business and operating results of the Group.

### 3.3.6 RISKS RELATING TO THE FAILURE TO IMPLEMENT SUSTAINABLE AND, OR ENVIRONMENTAL, SOCIAL AND GOVERNANCE CONSIDERATIONS IN THE GROUP'S BUSINESS MODEL

There is a growing expectation for companies to implement sustainability as a feature in their business strategies to reflect changing social norms and practices. With an increased emphasis on environmental, social and governance ("**ESG**") considerations at global level, the implementation of sustainable factors in the Group's business model is likely to become under increased scrutiny by investors, regulators, and the public at large.

The Group's business entails two main sectors of operation: property development and hospitality. ESG considerations for the purposes of the Group's business may include, but are not limited to, energy performance, energy and resource efficiency, waste management, energy and water use, the use of renewables, as well as social and employment considerations of workers and the health and safety thereof.

Should the Group fail to operate its business in both the property development sector as well as the hospitality sector in a sustainable manner, this may have a material adverse effect on the Group's reputation and public image in both sectors as well as its relationship with clients, suppliers, business partners (including the Franchisor) and other stakeholders. This in turn, may have a material adverse impact on the Group's business activities, revenues, financial condition, and operations.

## 4. IDENTITY OF DIRECTORS, ADVISERS AND AUDITORS

### 4.1 DIRECTORS OF THE ISSUER

As at the date of this Registration Document, the Board of Directors of the Issuer is composed of the following persons:

<b>Name</b>	<b>Designation</b>	<b>Date of Appointment</b>
<b>Cliona Muscat</b> ID card number: 224996M	Executive Director	20 January 2022
<b>George Muscat</b> ID card number: 312355M	Non-Executive Director	20 January 2022
<b>Alfred Attard</b> ID card number: 481458M	Independent Non-Executive Director	19 May 2022
<b>Francis X Gouder</b> ID card number: 866550M	Independent Non-Executive Director	19 May 2022
<b>Ann Marie Agius</b> ID card number: 118784M	Independent Non-Executive Director	19 May 2022

The chairman of the Board of Directors is George Muscat (ID number: 312355M). The business address of the chairman and Directors is the same as that of the Issuer.

The *curriculum vitae* of each of the Directors is set out in section 8.5 of this Registration Document.

### 4.2 DIRECTORS OF THE GUARANTORS

#### 4.2.1 DIRECTORS OF THE ONA PROPERTY DEVELOPMENT LTD

As at the date of this Registration Document, the board of directors of The Ona Property Development Ltd is composed of the following persons:

<b>Name</b>	<b>Designation</b>	<b>Date of Appointment</b>
<b>Cliona Muscat</b> ID card number: 224996M	Executive Director	13 March 2018
<b>George Muscat</b> ID card number: 312355M	Executive Director	11 September 2017

The business address of the directors of The Ona Property Development Ltd is the same as that of The Ona Property Development Ltd.

The *curriculum vitae* of each of the directors of The Ona Property Development Ltd is set out in section 8.5 of this Registration Document.

#### 4.2.2 DIRECTORS OF THE ONA REAL ESTATE LTD

As at the date of this Registration Document, the board of directors of The Ona Real Estate Ltd is composed of the following persons:

<b>Name</b>	<b>Designation</b>	<b>Date of Appointment</b>
<b>Cliona Muscat</b> ID card number: 224996M	Executive Director	5 December 2017
<b>George Muscat</b> ID card number: 312355M	Executive Director	5 December 2017

The business address of the directors of The Ona Real Estate Ltd is the same as that of The Ona Real Estate Ltd.

The *curriculum vitae* of each of the directors of The Ona Real Estate Ltd is set out in section 8.5 of this Registration Document.

#### 4.2.3 DIRECTORS OF THE ONA HOSPITALITY LTD

As at the date of this Registration Document, the board of directors of The Ona Hospitality Ltd is composed of the following persons:

<b>Name</b>	<b>Designation</b>	<b>Date of Appointment</b>
<b>Cliona Muscat</b> ID card number: 224996M	Executive Director	20 January 2022

The business address of the directors of The Ona Hospitality Ltd is the same as that of The Ona Hospitality Ltd.

The *curriculum vitae* of each of the directors of The Ona Hospitality Ltd is set out in section 8.5 of this Registration Document.

#### 4.3 COMPANY SECRETARY OF THE ISSUER AND THE GUARANTORS

Justin Cutajar (ID card number: 302278M) is the company secretary of the Issuer.

George Muscat (ID card number: 312355M) is the company secretary of each of the Guarantors.

#### 4.4 RESPONSIBILITY AND AUTHORISATION STATEMENT

The Directors are the persons responsible for the information contained in this Registration Document. To the best of the knowledge and belief of the Directors (who have all taken reasonable care to ensure such is the case), the information contained in this Registration Document is in accordance with the facts and does not omit anything likely to affect the import of such information. The Directors accept responsibility accordingly.

This Registration Document has been approved by the Malta Financial Services Authority as the competent authority in Malta for the purposes of the Prospectus Regulation. The Malta Financial Services Authority has only approved this Registration Document as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation and such approval should not be considered as an endorsement of the Issuer and, or the Secured Bonds.

#### 4.5 ADVISERS

The persons listed hereunder have advised and assisted the Directors in the drafting and compilation of the Prospectus.

##### **Legal Advisers to the Issuer and Guarantors**

Name: Dr **Chris Cilia**  
Address: 54, Doni Street,  
Rabat RBT 05, Malta

##### **Financial Advisers to the Issuer and Guarantors**

Name: **Deloitte Advisory and Technology Limited**  
Address: Deloitte Place, Triq L-Intornjatur, Zone 3,  
Central Business District, Birkirkara CBD 3050, Malta

### **Sponsor, Manager and Registrar**

Name: **M.Z. Investment Services Limited**  
Address: 61, M.Z. House, St. Rita Street,  
Rabat RBT 1523, Malta

### **Security Trustee**

Name: **Equinox International Limited**  
Address: Level 3, Valletta Buildings, South Street,  
Valletta VLT 1103, Malta

## **4.6 AUDITORS OF THE ISSUER AND THE GUARANTORS**

The following are the auditors of the Issuer and the Guarantors:

**(a) The Issuer** – As of the date of this Registration Document, the auditors of the Issuer are TACS Malta Limited (C 84698), having its registered office at 1, Tal-Providenza Mansions, Main Street, Balzan BZN 1254, Malta. TACS Malta Limited are a registered audit firm with the Accountancy Board of Malta in terms of the Accountancy Profession Act (Cap. 281 of the laws of Malta) with registration number AB/2/17/22.

The Issuer is a newly incorporated company and has not published its first set of audited financial statements.

**(b) The Ona Real Estate Ltd** – As at the date of this Registration Document, the auditor of The Ona Real Estate Ltd is Ms Pamela Fenech, holding a warrant to practice the profession of accountant in terms of the Accountancy Profession Act (Cap. 281 of the laws of Malta), with warrant number 10795.

The annual statutory financial statements of The Ona Real Estate Ltd for the financial years ended 2019, 2020 and 2021 have been audited by Ms Pamela Fenech.

**(c) The Ona Property Development Ltd** – As at the date of this Registration Document, the auditor of The Ona Property Development Ltd is Ms Pamela Fenech, holding a warrant to practice the profession of accountant in terms of the Accountancy Profession Act (Cap. 281 of the laws of Malta), with warrant number 10795.

The annual statutory financial statements of The Ona Property Development Ltd for the financial years ended 2019, 2020 and 2021 have been audited by Ms Pamela Fenech.

**(d) The Ona Hospitality Ltd** – As at the date of this Registration Document, the auditor of The Ona Hospitality Ltd is Ms Pamela Fenech, holding a warrant to practice the profession of accountant in terms of the Accountancy Profession Act (Cap. 281 of the laws of Malta), with warrant number 10795.

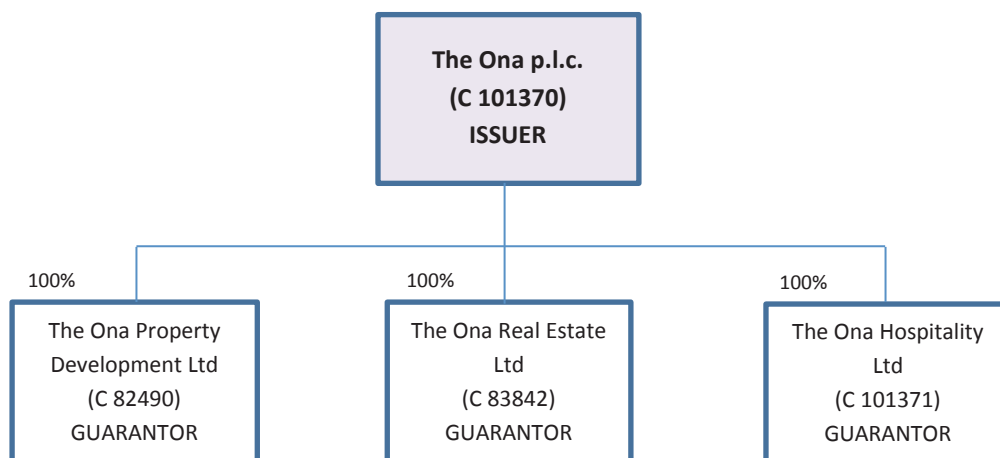
The Ona Hospitality Ltd is a newly incorporated company and has not published its first set of audited financial statements.



## 5. INFORMATION ABOUT THE ISSUER AND THE GUARANTORS

### 5.1 ORGANISATIONAL STRUCTURE OF THE GROUP

The Issuer was incorporated on 20 January 2022 and is the holding company of the Group. It holds 100% of the shareholding in its Subsidiaries, which act as the Guarantors. The organisational structure of the Group as at the date of this Registration Document is illustrated in the diagram hereunder:



### 5.2 THE ISSUER

#### 5.2.1 HISTORY AND DEVELOPMENT OF THE ISSUER

Full legal and commercial name of the Issuer	The Ona p.l.c.
Registered address	GAP Holdings Head Office, Ċensu Scerri Street, Tigné, Sliema, SLM 3060, Malta
Place of registration and domicile	Malta
Company registration number	C 101370
Legal Entity Identifier ('LEI')	48510040FDCT4Q97XG85
Date of registration	20 January 2022
Legal form	The Issuer is lawfully existing and registered as a public limited liability company in terms of the Act.
Telephone number	+356 23271000
Email	info@theonagroup.mt
Website	www.theonagroup.mt

Unless otherwise incorporated by reference herein, the information on the Issuer's website does not form part of this Prospectus.

#### 5.2.2 OVERVIEW OF THE ISSUER'S BUSINESS & PRINCIPAL ACTIVITIES

The Issuer was established on 20 January 2022. It acquired the entire share capital of The Ona Real Estate Ltd, The Ona Property Development Ltd and The Ona Hospitality Ltd in April 2022 through a share for share exchange process which enabled the Group's majority shareholder to consolidate the operations of the Guarantors through a holding structure. The principal business objectives of the Group are: (i) to hold investment property for rental; (ii) to acquire new sites for residential properties for resale; (iii) to develop and construct properties acquired; and (iv) the operation of the Hotel.

The Issuer is the holding and finance company of the Group and was incorporated for the purpose financing its Subsidiaries' respective projects. The Issuer does not carry out any trading activities of its own and its revenue is limited to the dividends it receives from its Subsidiaries and interest receivable due under intra-group loan agreements.

As at the date of this Registration Document, the Issuer (as lender) has entered into two conditional intra-group loan agreements with:

- The Ona Real Estate Ltd (as borrower) for the purposes of financing the acquisition as well as the development and construction costs of the Hotel; and
- The Ona Hospitality Ltd (as borrower) for the purposes of part financing the furnishing and finishing of the Hotel.

Further details of the said loan agreements are contained in section 5.1 of the Securities Note.

The Issuer may from time to time, enter into other loan agreements with its Subsidiaries to fund their operating requirements, as the case so requires. In view of the financing activities of the Issuer, it is economically dependent on the operational results, the financial position, and the financial performance of its borrowing companies.

## 5.3 THE GUARANTORS

### 5.3.1 THE ONA REAL ESTATE LTD

#### *(a) History and Development of The Ona Real Estate Ltd*

Full legal and commercial name of TORE	The Ona Real Estate Ltd
Registered address	GAP Holdings Head Office, Ċensu Scerri Street, Tigné, Sliema, SLM 3060, Malta
Place of registration and domicile	Malta
Company registration number	C 83842
Legal Entity Identifier ('LEI')	485100XELPKN88BUBY54
Date of registration	5 December 2017
Legal form	The Ona Real Estate Ltd is lawfully existing and registered as a private limited liability company in terms of the Act.
Telephone number	+356 23271000
Email	info@theonagroup.mt
Website	www.theonagroup.mt

#### *(b) Overview of Business and Principal Activities of The Ona Real Estate Ltd*

The Ona Real Estate Ltd operates in the property development and property rental sectors. Since the date of its incorporation, it has completed or is in the process of completing the following projects:

- In Q1 2021, The Ona Real Estate Ltd acquired the Qawra Site and is in the process of completing the Qawra Project. The project is further described in section 6.1 of this Registration Document.
- In Q3 2021, The Ona Real Estate Ltd entered into a promise of sale agreement for the purchase of the Paceville Site which will be developed into the Hotel. Following its acquisition, the Hotel will be leased to The Ona Hospitality Ltd for a period of approximately 30 years. The project as well as the management of the Hotel is further described in section 6.3 of this Registration Document.
- In Q4 2021, The Ona Real Estate Ltd sold a commercial property located in Valley Road, Birkirkara for the price of €5 million. The property, which consisted of a showroom space, an office space, storage facilities and a car parking area was previously leased to the purchaser of the property. The funds received by The Ona Real Estate Ltd from the sale of the property shall be re-invested by The Ona Real Estate Ltd to finance the completion of the Hotel.
- In Q4 2021, The Ona Real Estate Ltd entered into a promise of sale agreement for the purchase of the Mellieha Site. Following the conclusion of the final deed of sale, The Ona Real Estate Ltd plans to develop the Mellieha Site into two semi-detached terraced houses. The project is further described in section 6.1 of this Registration Document.

### 5.3.2 THE ONA PROPERTY DEVELOPMENT LTD

#### *(a) History and Development of The Ona Property Development Ltd*

Full legal and commercial name of TOPD	The Ona Property Development Ltd
Registered address	GAP Holdings Head Office, Ċensu Scerri Street, Tigné, Sliema, SLM 3060, Malta
Place of registration and domicile	Malta
Company registration number	C 82490
Legal Entity Identifier ('LEI')	485100CA2BE8KDYF5U90
Date of registration	11 September 2017
Legal form	The Ona Property Development Ltd is lawfully existing and registered as a private limited liability company in terms of the Act.
Telephone number	+356 23271000
Email	info@theonagroup.mt
Website	www.theonagroup.mt

#### *(b) Overview of Business and Principal Activities of The Ona Property Development Ltd*

The Ona Property Development Ltd operates in the property development and property rental sectors. Since the date of its incorporation, it has completed or is in the process of completing the following projects:

- In Q4 2017, The Ona Property Development Ltd acquired a commercial property named "CE House" located in Dun Karm Pirotta Street, Birkirkara. The Ona Property Development Ltd leases the property to a third party on a long-term basis. Further details on the lease agreement are set out in section 6.2 of this Registration Document.
- In Q3 2019, The Ona Property Development Ltd acquired the Marsascala Site for development. It completed the residential development in Q4 2021. The project is further described in section 6.1 of this Registration Document.
- In Q1 2022, The Ona Property Development Ltd entered into two separate promise of sale agreements for the purchase of two adjacent houses in Ġuże Orlando Street, Birkirkara. The project is further described in section 6.1 of this Registration Document.

### 5.3.3 THE ONA HOSPITALITY LTD

#### (a) History and Development of The Ona Hospitality Ltd

Full legal and commercial name of TOPD	The Ona Hospitality Ltd
Registered address	GAP Holdings Head Office, Ċensu Scerri Street, Tigné, Sliema, SLM 3060, Malta
Place of registration and domicile	Malta
Company registration number	C 101371
Legal Entity Identifier ('LEI')	485100RELU3CJG7ROO57
Date of registration	20 January 2022
Legal form	The Ona Hospitality Ltd is lawfully existing and registered as a private limited liability company in terms of the Act.
Telephone number	+356 23271000
Email	info@theonagroup.mt
Website	www.theonagroup.mt

#### (b) Overview of Business and Principal Activities of The Ona Hospitality Ltd

The Ona Hospitality Ltd was incorporated with the purpose of managing the Hotel. It has entered into the Franchise Agreement with the Franchisor to operate the Hotel under the "AC Hotels by Marriott" brand. Following the acquisition of the Hotel by the Ona Real Estate Ltd, it will lease the Hotel from The Ona Real Estate Ltd. Further detail on the management of the Hotel and the expected principal terms of the lease agreement are set out in section 6.3 of this Registration Document.

## 6. THE PROJECTS

### 6.1 THE RESIDENTIAL PROJECTS

The operations of The Ona Property Development Ltd and The Ona Real Estate Ltd are focused on small to medium-sized projects with an individual value of approximately €4 million – €8 million in gross sales value.

This section provides an overview of the projects completed as well as the projects which are in the process of being completed by the The Ona Property Development Ltd and The Ona Real Estate Ltd.

#### (a) The Marsascala Project

On 27 September 2019, The Ona Property Development Ltd purchased the Marsascala Site. The Marsascala Project was fully developed and finished in Q4 2021. The Marsascala Project consists of a total of 20 residential units and 20 lock-up garages, however, four of the residential units and four of the garages will not be sold by the Group as ownership of the aforementioned units and garages was retained by the seller of the Marsascala Site.

The Marsascala Project comprises one block of residential units, with four maisonettes at ground floor level and 16 apartments at first, second, third and receded floor levels, four of the apartments being penthouses. In addition to the residential units, the development also has 20 lock-up garages spread over basement level of the block.

The Ona Property Development Ltd was responsible for the construction, development and finishing of this development. The residential units and garages owned by The Ona Property Development Ltd forming part of the Marsascala Project (16 residential units and 16 lock-up garages) were placed on the market in Q4 2021 and were primarily targeted at the medium segment of the market, specifically first-time buyers. As at the date of this Registration Document, only one garage is not yet subject to a promise of sale agreement. The aggregate net sales revenue from the Marsascala Project is expected to be in the region of €5.4 million.

The Marsascala Project was financed through bank financing with local banks and from the company's own funds.

#### (b) The Qawra Project

On 15 January 2021, The Ona Real Estate Ltd purchased the Qawra Site. The Qawra Site has a superficial area of approximately 1,008 square metres, of which only 358 square metres has been designated as building area.

The Ona Real Estate Ltd was responsible for the construction, development and finishing of the block. The construction of the Qawra Project commenced in Q2 2021 and was completed in Q1 2022.

The development consists of 15 residential units spread over seven floors and nine lock-up garages. The residential units include two maisonettes at ground floor level and 13 apartments and are all being sold in a finished state (without internal doors and bathrooms). The Qawra Project consists of a single block. All residential units are served with a passenger lift, which also accesses the underlying garage level. The Qawra Project will primarily target the medium segment of the market, specifically first-time buyers.

As at the date of this Registration Document, all of the units forming part of the Qawra Project are subject to a promise of sale agreement. All sales are expected to be finalised by Q3 2022. The aggregate net sales revenue from the Qawra Project is expected to be in the region of €3.3 million.

The Qawra Project was covered by a full development permit having permit number PA/3043/20 and was financed through bank financing with local banks and from the company's own funds.

### **(c) The Mellieha Project**

On 14 December 2021, The Ona Real Estate Ltd entered into a promise of sale agreement for the purchase of the Mellieha Site, which it intends to develop into two semi-detached terraced houses. The Group intends to place the two houses on the market for resale once both houses are completed. The houses, which shall each have a garage, shall be sold in a finished state. The Group has since submitted an application for development permits with the Planning Authority which as at the date of this Registration Document has not yet been approved. The expected date of completion of the Mellieha Project is Q4 2023. The aggregate net sales revenue from the Mellieha Project is expected to be in the region of €1.8 million.

The Group expects to finance the development through a mix of bank financing from local banks and own funds.

### **(d) The Birkirkara Project**

In Q1 2022, The Ona Property Development Ltd entered into two promise of sale agreements for the purchase of two adjacent houses in Ġuże Orlando Street, Birkirkara. The Group intends to demolish the two houses, which together have an area of approximately 695 square metres, and develop the site into a block of apartments having 19 residential units and 15 lock-up garages. The Group has submitted an application for a development permit with the Planning Authority which as at the date of this Registration Document has not yet been approved. If approved, the development shall comprise four maisonettes at basement level and 15 apartments at first, second, third and receded floor levels.

The Group intends to place such units and garages on the market for resale once the development is completed. The expected date of completion of the Birkirkara Project is Q1 2024. The aggregate net sales revenue from the Qawra Project is expected to be in the region of €5.4 million.

The total amount of development costs is expected to be in the region of €4 million. The Group expects to finance the development through a mix of bank financing from local banks and own funds.

## **6.2 THE LEASED PROPERTY**

The Ona Property Development Ltd owns a commercial property located in Dun Karm Pirotta Street, Birkirkara named "CE House". The property has a total built-up area of approximately 953 square metres and comprises a corner commercial outlet on three levels, a receded floor, and a semi basement level. The layout of the property consists of a showroom at elevated ground floor level and offices with a separate entrance on the first, second and receded floor levels. The property is located in a prime location and enjoys a front garden onto Dun Karm Pirotta Street. The offices and showroom are in a finished state and the offices are serviced with a passenger lift which accesses all levels.

The property is currently being leased to a local service provider and is being utilised as office space and showroom space. The remaining duration of the lease agreement is for a period of approximately 11 years, with the lease terminating on 23 March 2033. The Group expects to generate a net revenue of €1.37 million for the remaining term of the lease.

## **6.3 THE HOTEL**

The Group plans to enter the hospitality sector through the construction, development, and operation of the Hotel. The Hotel will form part of the "AC Hotels by Marriott" chain of hotels pursuant to the Franchise Agreement. The Hotel will be the first hotel in Malta forming part of this international chain of hotels which has over 150 hotels around the world and several new hotels currently in the pipeline. The hotels forming part of this chain are characterised by classic modern design stemming from the brand's Spanish roots, attracting both business and leisure clientele. The Hotel will include a wellness centre which shall comprise a gym and an indoor pool. For this purpose, the Hotel shall be equipped with state-of-the-art equipment and machinery, which meet the highest quality standards. Access to the wellness centre shall be available to Hotel patrons throughout their stay at the Hotel. In addition to the wellness centre, the Hotel shall also have one restaurant which shall be open exclusively to Hotel patrons and will be managed by The Ona Hospitality Ltd's own team of chefs and catering staff. The Hotel shall also have a board room and a meeting room to be utilised for corporate business purposes. As a result, the Hotel expects to attract corporate clientele in addition to its leisure guests.

The hospitality sector is one of the main pillars of the local economy and the tourism industry contributes substantially to the Maltese economy. Given the success and reputation of the "AC Hotels by Marriott" chain of hotels, management believes that the Hotel, once constructed, shall be a strong contender in the local hospitality market. Moreover, the location of the Hotel is largely popular with tourists given the availability of restaurants, beaches, and nightlife.

The Hotel is set to open its doors and commence operations in Q2 2023.

### 6.3.1 ACQUISITION OF PACEVILLE SITE

By virtue of a promise of sale agreement dated 6 September 2021, The Ona Real Estate Ltd undertook to purchase the Paceville Site from Bilom Properties Limited (C 48515) for a total consideration of €11 million, with an additional €0.8 million to be incurred in relation to purchase expenses and tax due. The deed of sale for the acquisition of the Paceville Site is anticipated to take place by Q2 2022. As at the date of this Registration Document, The Ona Real Estate Ltd paid €5 million to Bilom Properties Ltd on account of the purchase price. Accordingly, on the final deed of sale, The Ona Real Estate Ltd will be required to pay the vendor the balance of €6 million.

The site on which the Hotel shall be built has a direct façade and access on Sqaq Lourdes (also referred to as Lourdes Lane), located in Swieqi, in the limits of St. Julian's and has a total site area of 586 square metres. As detailed in promise of sale agreement, the respective vendor agreed to transfer the Paceville Site together with its subterrain and airspace on the final deed of sale. The Paceville Site will be purchased free and unencumbered from any security interests and freehold.

### 6.3.2 PERMITS

Following its acquisition, the Paceville Site shall be developed into a 4-star "hotel" as defined in the Malta Travel and Tourism Services Act (Cap. 409 of the laws of Malta). As at the date of this Registration Document, a full development permit (PA/3654/20) has been granted for 88 rooms, 18 of which are twin interconnected rooms. Accordingly, an amount of 106 rooms may be used as individual rooms.

In accordance with the full development permit with reference number PA/3654/20, on completion the Hotel will be structured as follows:

Level	Proposed Use
-4	Indoor pool, spa, and wellness area
-3	Back office, hotel administration and conference hall
-2	Parking area
-1	Parking area
Ground Floor	Hotel reception, lounge area, and parking area
Levels 1 - 8	Hotel rooms
Level 9	Dining area (comprising of a breakfast and bar lounge) and outdoor pool amenities

The Group has submitted an additional planning application to the Planning Authority with reference number PA/2278/22 which, as at the date of this Registration Document, has not yet been approved. The principal changes proposed under the aforementioned planning application are for the outdoor pool to be moved to Level 10 and for the amount of approved rooms to be increased from 88 to 97 rooms, nine of which will be interconnected. Accordingly, the amount of independent rooms which can be used as individual rooms shall remain unchanged at 106 rooms, however, by virtue of this permit application the number of interconnecting family rooms will be reduced from 18 to nine rooms. A final decision on the said application is expected in July 2022.

Construction of the Hotel commenced in Q1 2022. The construction, finishing and furnishing of the Hotel is expected to be completed by Q2 2023. The costs for the overall construction and finishing expenditure of the Hotel, both with respect to works to be completed and finished under the permit with reference number PA/3654/20 as well as the permit with reference number PA/2278/22 if so approved, are expected to be in the region of €9 million, as detailed below:

Construction	€1.8 million
Finishing and furnishing	€6.4 million
Contingency	€0.8 million

For the purposes of the development and construction of the Hotel, The Ona Real Estate Ltd has engaged a local construction company Elbros Construction Limited (C 10925) pursuant to a contract of works between The Ona Real Estate Ltd and Elbros Construction Limited (C 10925) for a value of approximately €1.8 million (excluding VAT). Finishing and furnishing of the Hotel will be carried out by The Ona Hospitality Ltd.

The acquisition and development costs of the Hotel shall be part-financed through the net proceeds of the Secured Bonds. The Issuer will on-lend the amount of €13.6 million of the net bond proceeds to The Ona Real Estate Ltd for the purposes of funding the full acquisition costs and development costs of the Hotel. The balance of €2.08 million of the net bond proceeds shall be on-lent by the Issuer to The Ona Hospitality Ltd to part finance the finishing and furnishing of the Hotel. The remaining balance required to complete the Hotel, will be financed through the Group's own funds.

Further information on the Paceville Site and the Hotel is included in the Valuation Report.

### 6.3.3 LICENSES

The Paceville Site is characterized as a class 3B site in terms of the Development Planning (Use of Classes) Regulations (S.L. 552.15). On the completion of the Hotel, the Hotel shall be required to obtain a license in terms of the Malta Travel and Tourism Services Act (Cap. 409 of the laws of Malta). The Group expects the license to be issued by Q2 2023, following completion of the Hotel.

#### 6.3.4 THE FRANCHISE AGREEMENT

Pursuant to the Franchise Agreement, The Ona Hospitality Ltd has been granted a non-exclusive license to use the intellectual property, brand, and systems (including electronic systems, loyalty programs, training programs and sales and marketing programs) owned by the Franchisor and its affiliates for the purpose of operating the Hotel under the “AC Hotels by Marriott” brand. The non-exclusive license granted under the Franchise Agreement commenced on 31 January 2022 and is for a period of 20 years, renewable automatically for two additional five-year periods. In consideration for the grant of the non-exclusive license described in this section 6.3.4. The Ona Hospitality Ltd must pay the Franchisor fees which are computed in accordance with a percentage of gross sales revenue of hotel rooms and gross sales revenue of food and beverage sales at the Hotel.

The Franchise Agreement sets out requirements and restrictions on the design and finish of the Hotel as well as the expected standards of operation and maintenance of the Hotel once the Hotel opens its doors to guests. Marketing strategies adopted by the Hotel must also be in line with the standards and requirements of the Franchise Agreement and the Franchisor’s material must be used for advertising and marketing purposes. Most of the marketing campaigns shall focus on the international market with limited marketing activities in the domestic market.

The Franchisor is entitled to carry out quality assurance inspections to ensure that the standards that were contractually agreed to in the Franchise Agreement are consistently maintained throughout the term of the Franchise Agreement and is entitled to terminate the Franchise Agreement should such standards not be maintained.

#### 6.3.5 LEASE AND MANAGEMENT OF THE HOTEL

In terms of the Franchise Agreement, The Ona Real Estate Ltd undertook to lease the Hotel to The Ona Hospitality Ltd by 30 June 2023 for the duration of the Franchise Agreement. Once completed and operational, The Hotel (including its car park, pools, wellness centre and restaurant), shall be operated internally by a dedicated management team within The Ona Hospitality Ltd in accordance with the terms and conditions set out in the Franchise Agreement.

Management intends to employ a taskforce of approximately 50 employees for the operation of the Hotel. As at the date of this Registration document, the Hotel is not yet operational and will not open its doors until Q3 2023. For this reason, The Ona Hospitality Ltd has not yet selected the management team of the Hotel or employed Hotel staff. All management staff and employees of the Hotel are to be, however, of the requisite standard in line with the requirements set out in the Franchise Agreement. Although the employees and the management team of the Hotel are not subject to the approval of the Franchisor, prior to engaging a general manager of the Hotel, The Ona Hospitality Ltd is required to consult with the Franchisor to obtain its input. In addition, all Hotel staff are to be suitably qualified and must have completed mandatory training provided by the Franchisor, as applicable.

## 7. FUNDING STRUCTURE AND SOLVENCY

There are no recent events particular to the Issuer or the Guarantors which are to a material extent relevant to an evaluation of their respective solvency. The Directors are not aware of any material change in the Issuer’s borrowing and funding structure since the date of its incorporation and of any material change in the Guarantors’ borrowing and funding structure since the end of their latest financial year ending 31 December 2021 (excluding the Ona Hospitality Ltd which was incorporated in January 2022).

The Directors expect the Issuer’s and the Guarantors’ working capital and funding requirements to be met by a combination of the following sources of finance: (i) retained earnings and cash flow generated by the Group’s operations; (ii) external bank credit and loan facilities; and (iii) the net proceeds from the Secured Bonds.

## 8. ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES

### 8.1 THE BOARD OF DIRECTORS OF THE ISSUER

The Board of Directors of the Issuer consists of five Directors who are entrusted with the overall direction, administration, and management of the Issuer and which currently consists of one executive director and four non-executive directors.

As at the date of this Registration Document, the Board of Directors is constituted of the names which appear under section 4.1 of this Registration Document.

### 8.2 EXECUTIVE DIRECTOR

Cliona Muscat is the sole executive director of the Issuer.

The executive director of the Issuer is entrusted with the day-to-day management of the Group. The executive director is supported in this role by several consultants and key management, and benefits from the know-how gained by members and officers of the Group.

### 8.3 NON-EXECUTIVE DIRECTORS

The non-executive directors' main functions are to monitor the operations and performance of the executive director, as well as to review any proposals tabled by the executive director, bringing to the Board the added value of independent judgment.

The non-executive directors are George Muscat, Alfred Attard, Francis X Gouder and Ann Marie Agius.

### 8.4 THE BOARD OF DIRECTORS OF THE GUARANTORS

As at the date of this Registration Document, the board of directors of the Guarantors is constituted of the names which appear under section 4.2 of this Registration Document.

### 8.5 CURRICULUM VITAE OF THE DIRECTORS OF THE ISSUER AND THE GUARANTORS

#### **Ms Cliona Muscat** (*Executive Director of the Issuer and director of the Guarantors*)

Cliona Muscat started her career as a brand manager of an international brand represented in Malta. In 2015, Cliventi Ltd C 77775) (a company fully owned by Ms. Muscat) and Marketing and Consultancy Limited (C 8171) established the Maltese company International Fashion Company Limited (C 70771), which is involved in the retail industry. International Fashion Company Limited (C 70771) has signed franchise agreements with "Tendam", one of the most important groups in the fashion sector in the premium mass market segment. Cliona currently holds office as director on the board of International Fashion Company Limited (C 70771)

International Fashion Company Limited (C 70771) currently operates eight shops, supplying brands such as "Springfield", "Women'secret", "Cortefiel" and "Bortex". The company plans to continue growing its portfolio and open additional shops in both established and new shopping destinations.

Through The Ona Real Estate Ltd and The Ona Property Development Ltd, Cliona manages a commercial property in Birkirkara and is currently involved in residential development projects in both Qawra and Marsascula.

#### **Mr George Muscat** (*Non-Executive Director of the Issuer, director of The Ona Real Estate Ltd and The Ona Property Development Ltd*)

George Muscat started his property development and construction business in the 1970s. Over the years, Mr Muscat has embarked on a variety of development projects, from single block residential apartments to large projects including Fort Cambridge in Sliema. George Muscat is a shareholder and director of several companies which do not form part of the Group, but which are involved in the construction, property development, and real estate business, including Gap Holdings Limited (C 27803) which has undertaken various property developments.

As at the date of this Registration Document, under the leadership of Mr Muscat, the GAP Group of companies has built a considerable portfolio of residential and commercial developments at prices which service all sectors of the market. George Muscat is also a director and the ultimate beneficial holder of 50% of the share capital of Bay Street Holdings Limited (C 12058) which owns, manages, and operates the Bay Street Entertainment Complex in Paceville, St Julian's. The Bay Street Entertainment Complex has today evolved into an entertainment hub with more than 70 retail outlets, restaurants, a language school, a 4-star hotel and a 5-star hotel.

#### **Mr Alfred Attard** (*Independent Non-Executive Director of the Issuer*)

Mr Attard spent 35 years employed with Bank of Valletta p.l.c. where he held several managerial and executive roles, but was mostly involved in business lending. Before his retirement from Bank of Valletta p.l.c. in 2021 Mr Attard held the post of Chief Officer Corporate Finance and was responsible for Bank of Valletta p.l.c.'s corporate finance unit which provides personalized attention and tailor-made financial solutions to the bank's high valued corporate clients. Throughout his career with the bank, Mr Attard was involved in the financing of several high-profile projects.

Mr Attard is an associate of the Institute of Financial Services and holds a diploma in banking. In 1995 he spent six months at Bank of Valletta p.l.c. representative offices in Australia and between April 2016 and April 2021 he served on the board of Mapfre Middlesea p.l.c. as one of the bank's nominated directors, where he also held the post of chairman of the audit committee.

#### **Mr Francis X Gouder** (*Independent Non-Executive Director of the Issuer*)

Francis X Gouder began his career at Barclays Bank DCO (later Mid-Med Bank and HSBC Bank Malta p.l.c.). For a short period of time, he was seconded to Lohombus Corporation. At HSBC Bank Malta p.l.c., Mr Gouder was responsible for the efficient running of all HSBC branches forming part of southern Malta. In May 2009, Mr Gouder joined Banif Bank Malta p.l.c. as consultant to the executive committee and head of executive banking. Francis X Gouder presently holds several non-executive directorships on listed entities.

#### **Dr Ann Marie Agius** (*Independent Non-Executive Director of the Issuer*)

Dr Ann Marie Agius is a Notary Public by profession. Her main practice areas apart from her notarial practice are trusts, fiduciaries, estate planning, corporate and contract law. Dr Agius worked for a number of years in the wealth management and trust department of one of Malta's major banks having been entrusted with legal and compliance duties. She has also worked with the Malta

Financial Services Authority for a number of years before returning to her private practice. She currently holds directorships on entities licensed by the MFSA (trustees and a corporate service provider) and also on the board of Stivala Group Finance p.l.c. (C 82218), a company which has its debt securities listed on the Official List of the Malta Stock Exchange.

## **8.6 MANAGEMENT STRUCTURE**

The Issuer is a holding and finance company incorporated under the laws of Malta. The business of the Issuer is managed by its Board of Directors and does not separately employ any senior management. The Directors believe that the present organisational structure is adequate for the current activities of the Issuer. The Directors will maintain this structure under continuous review to ensure that it merits the changing demands of the business and to strengthen the checks and balances necessary for better corporate governance.

The overall management of each Guarantor is entrusted to its board of directors who are the persons responsible for establishing the strategy of each Guarantor, including the responsibility for the appointment of all executive officers and other key members of management.

## **8.7 CONFLICTS OF INTEREST**

Ciiona Muscat is a director of the Issuer as well as the Guarantors. George Muscat, who is the father of Ciiona Muscat, is a director of the Issuer as well as a director of The Ona Real Estate Ltd and The Ona Property Development Ltd. Such directorships are disclosed in section 4.2 of this Registration Document.

Other than as stated above, there are no other conflicts of interest or potential conflicts of interest between the duties of the Directors and the directors of the Guarantors and their private interests.

The Audit Committee of the Issuer has the task of ensuring that any potential conflicts of interest that may arise at any moment, pursuant to these different roles held by directors, are handled according to law. The presence of an audit committee has the task to ensure that any potential abuse is managed, controlled, and resolved in the best interests of the Issuer. The presence of independent non-executive directors on the board of the Issuer aims to minimise the possibility of any abuse of control by its major shareholder. Furthermore, in terms of the memorandum and articles of association of the Issuer, in the event that a director has a personal material interest, either directly or indirectly, in any contract or arrangement with the Issuer, such director is not entitled to vote on any decisions taken in connection therewith. This ensures that any director sitting on the boards of the Guarantors and the Issuer is precluded of using his or her vote on any decisions involving a contract or arrangement between the Guarantors and the Issuer.

## **8.8 BOARD PRACTICES**

### **8.8.1 AUDIT COMMITTEE**

The Audit Committee's primary objective is to assist the Board of Directors in fulfilling its oversight responsibilities over the financial reporting processes, financial policies, and internal control structure. The Audit Committee oversees the conduct of the internal and external audit and acts to facilitate communication between the Board, management, and the internal and external auditors. The external auditors are invited to attend the Audit Committee meetings. The Audit Committee reports directly to the Board.

The terms of reference of the Audit Committee include support to the Board in its responsibilities in dealing with issues of risk, control and governance, and associated assurance of the Issuer. The Board has set formal terms of establishment and the terms of reference of the Audit Committee which set out its composition, role and function, the parameters of its remit as well as the basis for the processes that it is required to comply with.

Briefly, the Audit Committee is expected to deal with and advise the Board of Directors on:

- (a) its monitoring responsibility over the financial reporting processes, financial policies, and internal control structures;
- (b) maintaining communications on such matters between the Board, management, and the external auditors; and
- (c) preserving the Issuer's assets by assessing the Issuer's risk environment and determining how to deal with those risks.

In addition, the Audit Committee has the role and function of evaluating any proposed transaction to be entered into by the Issuer and a related party to ensure that the execution of any such transaction is at arm's length, on a commercial basis and ultimately in the best interests of the Issuer.

Furthermore, the Audit Committee has the role of assessing any potential conflicts of interest between the duties of the Directors and their respective private interests or duties unrelated to the Issuer.

All Directors sitting on the Audit Committee are non-executive directors. Ann Marie Agius, Alfred Attard and Francis X Gouder are the independent non-executive directors sitting on the Audit Committee. Audit Committee members are appointed for a period of three years, unless terminated earlier by the Board.

Alfred Attard is the independent non-executive director who is competent in accounting and, or auditing matters in terms of the Capital Markets Rules. The Chairperson of the Audit Committee, appointed by the Board, is entrusted with reporting to the Board on the workings and findings of the Audit Committee. Francis X Gouder occupies the post of Chairperson of the Audit Committee.

Pursuant to its terms of reference, the Audit Committee's remit covers the Issuer and each of the Guarantors.



## 8.8.2 COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE

Prior to the date of the Prospectus, the Issuer was not regulated by the Capital Markets Rules and accordingly was not required to comply with the Code of Principles of Good Corporate Governance forming part of the Capital Markets Rules (the “Code”). As a consequence of the Bond Issue, in accordance with the terms of the Capital Markets Rules, the Issuer is required to comply with the provisions of the Code. The Issuer declares its full support of the Code and undertakes to fully comply with the Code to the extent that this is considered complementary to the size, nature, and operations of the Issuer.

The Issuer supports the Code and is confident that the application thereof shall result in positive effects accruing to the Issuer.

Going forward, in view of the reporting structure adopted by the Code, the Issuer shall, on an annual basis in its annual report, explain the level of the Issuer’s compliance with the principles of the Code, in line with the “comply or explain” philosophy of the Code, explaining the reasons for non-compliance, if any.

As at the date of this Registration Document, the Board considers the Issuer to be in compliance with the Code save for the following exceptions:

**Principle 7** (Evaluation of the Board’s Performance): The Board does not consider it necessary to appoint a committee to carry out a performance evaluation of its role, as the Board’s performance is evaluated on an ongoing basis by, and is subject to the constant scrutiny of the Board itself (more than half of which is composed by independent non-executive directors), the Issuer’s shareholders, the market and all the rules and regulations to which the Issuer is subject as a company with its securities listed on a regulated market.

**Principle 8** (Committees): The Board considers that the size and operations of the Issuer do not warrant the setting up of remuneration and nomination committees. In particular, the Issuer does not believe it is necessary to establish a nomination committee as appointments to the Board are determined by the shareholders of the Issuer in accordance appointment process set out in the Memorandum and Articles of Association. The Issuer considers that the members of the Board possess the level of skill, knowledge and experience expected in terms of the Code.

**Principle 9** (Relations with Shareholders and with the Market): currently there is no established mechanism disclosed in the Memorandum and Articles of Association to trigger arbitration in the case of conflict between the minority shareholders and the controlling shareholders. In any such cases, should a conflict arise, the matter is dealt with in the Board meetings and through the open channel of communication between the Issuer and the minority shareholders via the office of the company secretary.

## 9. MAJOR SHAREHOLDERS

### 9.1 THE ISSUER

As at the date of this Registration Document, the majority of the issued share capital of the Issuer is held by Cliona Muscat (99.9%) whilst one share is held by George Muscat.

To the best of the Issuer’s knowledge, there are no arrangements in place, as at the date of this Registration Document, the operation of which may at a subsequent date result in a change in control of the Issuer.

### 9.2 THE GUARANTORS

The entire issued share capital of: (i) The Ona Real Estate Ltd; (ii) The Ona Property Development Ltd; and (iii) The Ona Hospitality Ltd, is held by the Issuer (100%).

There are no arrangements in place as at the date of this Registration Document, the operation of which may at a subsequent date, result in a change in control of each of the Guarantors.

## 10. TREND INFORMATION AND FINANCIAL INFORMATION CONCERNING THE ISSUER'S AND THE GUARANTORS' ASSETS AND LIABILITIES, FINANCIAL POSITION AND PROFITS AND LOSSES

### 10.1 TREND INFORMATION

The Directors are of the view that the Issuer and each of the Guarantors shall, generally, be subject to the normal business risks associated with the property market in Malta and barring unforeseen circumstances, do not anticipate any likely material adverse effect on the Issuer's and each of the Guarantors' prospects, at least for the next 12 months. Upon completion of development and commencement of operations of the Hotel in 2023, the Group shall be subject to the normal business risks associated with the hospitality industry in Malta.

Real GDP growth in Malta is estimated to have rebounded strongly to 5.9% in 2021 after a considerable decline (-8.2%) in 2020. Growth was driven by the strong performance in the first three quarters of the year, when the improvement of the public health situation in Malta allowed for a significant relaxation of restriction measures. Improved business and consumer sentiment, as well as a recovery in tourism supported the economy. Growth is estimated to have been negative in the last quarter of 2021 and to remain muted in the first quarter of 2022, affected by the surge in infections in late 2021, the tightening of restrictions, low tourist numbers, continued disruptions in global value chains and negative effects of price increases in shipping and transport.

In the course of 2022, growth is expected to pick up again as domestic demand recovers, supported also by the implementation of the Recovery and Resilience Plan<sup>1</sup>. Prior to Russia's invasion of Ukraine on 24 February 2022, real GDP was forecasted to grow by 6.0% in 2022 and 5.0% in 2023. Malta was expected to reach pre-pandemic levels of economic activity around mid-2022.<sup>2</sup>

The war in Ukraine has created a new negative supply shock for the world economy, just when some of the supply-chain challenges seen since the beginning of the pandemic appeared to be starting to fade. The effects of the war will operate through many different channels and are likely to evolve if the conflict deepens further. In some respects, the direct role of Russia and Ukraine in the global economy is small. However, both countries are large producers and exporters of key food items, minerals, and energy. The prices of many of these commodities have increased sharply since the onset of the war, even in the absence of any significant disruption of production or export volumes.

The authorities in Malta have expressed a commitment to continue to limit energy prices growth in 2022. Nonetheless, the increase in food, transport and imported goods prices and a gradual recovery in the tourism and hospitality sectors are set to drive up price pressures in 2022.

The Group's long-term strategy is to focus on operating the Hotel and on acquiring suitable sites for the development of residential units. The Directors are cautiously optimistic on the health of the hospitality and property markets in Malta, which opinion is based on the assumption that the tourism sector will gradually return to pre-COVID 19 levels in the next 24 months, the general economy continues on its growth trend and that business confidence and disposable income remain positive.

In the near term, the Group will be principally focused on completing the Marsascala Project and Qawra Project and will continue to market the remaining units available for sale at the Marsascala Project and Qawra Project. At the same time, the Group will direct resources towards the acquisition and construction of the Mellieħa Project and Birkirkara Project and the acquisition and development of the Hotel pursuant to the Bond Issue.

There has been no material adverse change in the financial performance and prospects of the Guarantors (excluding The Ona Hospitality Ltd), since 31 December 2021 (being the date of the last published financial statements of both Guarantors), and of the Issuer and The Ona Hospitality Ltd, since their respective date of incorporation, to the date of this Registration Document.

### 10.2 HISTORICAL FINANCIAL INFORMATION

The Issuer and The Ona Hospitality Ltd were both incorporated on 20 January 2022 and, accordingly, as at the date of this Registration Document have not filed any audited financial statements. The financial information pertaining to The Ona Property Development Ltd and The Ona Real Estate Ltd relates to the financial years ended 31 December 2019, 31 December 2020, and 31 December 2021. The historical financial information of The Ona Property Development Ltd and The Ona Real Estate Ltd for the respective financial years, as audited by Pamela Fenech, is set out in the annual financial statements of the relative companies.

The audited financial information of The Ona Property Development Ltd and The Ona Real Estate Ltd is available for review on the Issuer's website and is available for inspection as detailed in section 17 of this Registration Document. The audited financial information is incorporated by reference in this Registration Document.

<sup>1</sup> The Recovery and Resilience Facility will make €672.5 billion in loans and grants available to support reforms and investments undertaken by Member States. The aim is to mitigate the economic and social impact of the coronavirus pandemic and make European economies and societies more sustainable, resilient, and better prepared for the challenges and opportunities of the green and digital transitions.

<sup>2</sup> European Economic Forecast – Winter 2022 (European Commission Institutional Paper 169 Feb'22)

The table below provides a cross-reference list to key sections of the financial statements of The Ona Property Development Ltd and The Ona Real Estate Ltd for the financial years ended 31 December 2019, 31 December 2020, and 31 December 2021:

	2021	2020	2019
<b>The Ona Property Development Ltd:</b>			
Independent auditor's report	3 – 5	17 – 18	17 - 18
Statement of comprehensive income	6	3	3
Statement of financial position	7	4	4
Statement of changes in equity	8	-	-
Statement of cash flows	9	-	-
Notes to the financial statements	10 – 24	5 – 16	5 – 16
<b>The Ona Real Estate Ltd:</b>			
Independent auditor's report	3 – 5	15 – 16	15 - 16
Statement of comprehensive income	6	3	3
Statement of financial position	7	4	4
Statement of changes in equity	8	-	-
Statement of cash flows	9	-	-
Notes to the financial statements	10 – 25	5 – 14	5 - 14

There has been no significant change in the financial position of The Ona Property Development Ltd and The Ona Real Estate Ltd since 31 December 2021 (being the date of the last financial period for which financial information has been published).

### 10.3 OPERATING AND FINANCIAL REVIEW

The financial statements for the financial years ended 31 December 2019, 2020, and 2021 and the audit reports thereon are set out in the audited financial statements of The Ona Property Development Ltd and The Ona Real Estate Ltd for the respective financial years, all of which are incorporated by reference in this Registration Document. Set out below are condensed extracts from the said stand-alone financial statements for such years.

<b>The Ona Property Development Ltd (previously Cliventi (I) Limited)</b>			
<b>Income Statement</b>			
<b>for the year ended 31 December</b>			
	<b>2019</b>	<b>2020</b>	<b>2021</b>
	<b>Audited</b>	<b>Audited</b>	<b>Audited</b>
	<b>(€'000)</b>	<b>(€'000)</b>	<b>(€'000)</b>
Turnover	-	-	940
Cost of sales	-	-	(695)
<b>Gross profit</b>	<b>-</b>	<b>-</b>	<b>245</b>
Rental income	92	95	106
Administrative expenses	(8)	(8)	(42)
<b>Operating profit</b>	<b>84</b>	<b>87</b>	<b>309</b>
Gain on revaluation of investment property	-	-	620
Interest payable	(69)	(22)	(29)
<b>Profit before taxation</b>	<b>15</b>	<b>65</b>	<b>900</b>
Taxation	-	(14)	(61)
<b>Profit after taxation</b>	<b>15</b>	<b>51</b>	<b>839</b>

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**The Ona Property Development Ltd (previously Cliventi (I) Limited)****Cash Flow Statement**

for the year ended 31 December

	2019	2020	2021
	Audited	Audited	Audited
	(€'000)	(€'000)	(€'000)
Net cash from (used in) operating activities	(1,387)	(736)	244
Net cash from (used in) financing activities	1,422	663	(189)
<b>Net movement in cash and cash equivalents</b>	<b>35</b>	<b>(73)</b>	<b>55</b>
Cash and cash equivalents at beginning of year	72	107	34
<b>Cash and cash equivalents at end of year</b>	<b>107</b>	<b>34</b>	<b>89</b>

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**The Ona Property Development Ltd (previously Cliventi (I) Limited)****Statement of financial position**

as at 31 December

	2019	2020	2021
	Audited	Audited	Audited
	(€'000)	(€'000)	(€'000)
<b>Non-current assets</b>			
Property, plant and equipment	20	15	10
Investment property	1,864	1,864	2,700
	<u>1,884</u>	<u>1,879</u>	<u>2,710</u>
<b>Current assets</b>			
Inventory - development project	1,639	2,395	3,382
Trade and other receivables	13	34	358
Cash and cash equivalents	107	34	89
	<u>1,759</u>	<u>2,463</u>	<u>3,829</u>
<b>Total assets</b>	<b>3,643</b>	<b>4,342</b>	<b>6,539</b>
<b>EQUITY</b>			
<b>Capital and reserves</b>			
Called up share capital	1	1	1
Retained earnings (accumulated losses)	(18)	33	872
	<u>(17)</u>	<u>34</u>	<u>873</u>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Bank loans	2,056	1,355	1,480
Deferred tax	-	-	216
	<u>2,056</u>	<u>1,355</u>	<u>1,696</u>
<b>Current liabilities</b>			
Bank loans	271	753	302
Trade and other payables	69	38	1,370
Other financial liabilities	1,264	2,162	2,298
	<u>1,604</u>	<u>2,953</u>	<u>3,970</u>
	<u>3,660</u>	<u>4,308</u>	<u>5,666</u>
<b>Total equity and liabilities</b>	<b>3,643</b>	<b>4,342</b>	<b>6,539</b>

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During the years under review, the business activities of The Ona Property Development Ltd primarily involved the acquisition of a site in Marsascala measuring *circa* 924 sqm for the consideration of €2.05 million plus a barter of four maisonettes and four garages. The development project comprised 20 residential units and 20 garages, which was completed in November 2021 and financed from bank borrowings and other financial liabilities (related parties balances).

In FY2021, The Ona Property Development Ltd completed the sale of three residential units and generated revenue amounting to €940,000. As at year end, seven residential units were subject to promise of sale agreements, with another four units to be exchanged as part of a barter agreement on acquisition of the site. Management indicated that as at the date of the Registration Document, only one garage remains unsold.

Rental income relates to the lease of a commercial property to a third party situated in Triq Dun Karm Pirota, Birkirkara. The lease contract commenced on 23 November 2017 and expires on 23 March 2033. The said property is classified in the balance sheet as investment property at a value of €2.70 million (FY2020: €1.86 million). The said property was revalued during the year by €620,000 (net of deferred tax).

For the year ended 31 December 2021, The Ona Property Development Ltd registered a profit after tax of €0.84 million (FY2020: €0.05 million).

The Ona Property Development Ltd's inventory (being costs incurred in the development of residential property relating to the Marsascala project) as at 31 December 2021 amounted to €3.38 million (FY2020: €2.40 million), while outstanding bank loans amounted to €1.78 million (FY2020: €2.11 million).

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### The Ona Real Estate Ltd (previously Cliventi (II) Limited)

#### Income Statement

for the year ended 31 December

	2019	2020	2021
	Audited	Audited	Audited
	(€'000)	(€'000)	(€'000)
Turnover	-	357	211
Cost of sales	-	(357)	(211)
<b>Gross profit</b>	-	-	-
Rental income	61	145	150
Profit on disposal of property	-	-	2,745
Administrative expenses	(7)	(8)	(22)
<b>Operating profit</b>	<b>54</b>	<b>137</b>	<b>2,873</b>
Interest payable	(69)	(68)	(60)
<b>Profit (loss) before taxation</b>	<b>(15)</b>	<b>69</b>	<b>2,813</b>
Taxation	-	21	(292)
<b>Profit (loss) after taxation</b>	<b>(15)</b>	<b>90</b>	<b>2,521</b>

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### The Ona Real Estate Ltd (previously Cliventi (II) Limited)

#### Cash Flow Statement

for the year ended 31 December

	2019	2020	2021
	Audited	Audited	Audited
	(€'000)	(€'000)	(€'000)
Net cash from (used in) operating activities	75	(43)	(3,767)
Net cash from investing activities	(1)	-	5,000
Net cash from (used in) financing activities	-	59	(445)
<b>Net movement in cash and cash equivalents</b>	<b>74</b>	<b>16</b>	<b>788</b>
Cash and cash equivalents at beginning of year	49	123	139
<b>Cash and cash equivalents at end of year</b>	<b>123</b>	<b>139</b>	<b>927</b>

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**The Ona Real Estate Ltd (previously Cliventi (II) Limited)****Statement of financial position**

as at 31 December

	2019 Audited (€'000)	2020 Audited (€'000)	2021 Audited (€'000)
<b>Non-current assets</b>			
Property, plant and equipment	80	80	-
Investment property	2,175	2,175	-
Deferred taxation	-	21	-
	<u>2,255</u>	<u>2,276</u>	<u>-</u>
<b>Current assets</b>			
Inventory - development project	-	-	1,645
Deposit and related costs on hotel property	-	-	2,678
Deposit and related costs on Mellieha site			61
Trade and other receivables	1	102	9
Cash and cash equivalents	123	139	927
	<u>124</u>	<u>241</u>	<u>5,320</u>
<b>Total assets</b>	<b><u>2,379</u></b>	<b><u>2,517</u></b>	<b><u>5,320</u></b>
<b>EQUITY</b>			
<b>Capital and reserves</b>			
Called up share capital	175	300	300
Retained earnings (accumulated losses)	(97)	(6)	2,515
	<u>78</u>	<u>294</u>	<u>2,815</u>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Bank loans	1,443	1,459	1,015
Other financial liabilities	300	300	268
	<u>1,743</u>	<u>1,759</u>	<u>1,283</u>
<b>Current liabilities</b>			
Bank loans	82	-	16
Trade and other payables	41	31	143
Other financial liabilities	435	433	1,063
	<u>558</u>	<u>464</u>	<u>1,222</u>
	<b><u>2,301</u></b>	<b><u>2,223</u></b>	<b><u>2,505</u></b>
<b>Total equity and liabilities</b>	<b><u>2,379</u></b>	<b><u>2,517</u></b>	<b><u>5,320</u></b>

During the years under review, turnover and cost of sales reflected the invoicing and back-to-back recharge with other related parties for services rendered. Rental income was generated from the lease of the Dino Fino Showroom in Valley Road, Msida, which property was sold in November 2021 for the consideration of €5.0 million. Profit on disposal of said showroom amounted to €2.74 million. As a result, in FY2021, The Ona Real Estate Ltd reported a net profit amounting to €2.5 million (FY2020: €0.09 million).

In January 2021, The Ona Real Estate Ltd acquired a plot in Qawra for the development of 15 residential units and nine garages. The project is currently at the final stages of development and has been financed from a bank loan facility and other financial liabilities (related parties and shareholder's funds). As at 31 December 2021, inventory amounted to €1.65 million (FY2020: nil) and outstanding bank loans amounted to €1.03 million (FY2020: €1.46 million). At year end, all units were subject to promise of sale agreements except for one residential unit and five garages.

On 6 September 2021, The Ona Real Estate Ltd entered into a promise of sale agreement for the purchase of a site measuring *circa* 586 sqm in Triq Sqaq Lourdes, Swieqi, St Julian's which will be developed into the Hotel. A deposit of €2.50 million was paid as part of the said agreement. Once developed, the Hotel will be leased to The Ona Hospitality Ltd and operated as a 4-star branded hotel.

Furthermore, on 14 December 2021, The Ona Real Estate Ltd entered into a promise of sale agreement for the purchase of a site in Mellieha which is described in more detail in section 6.1 of this Registration Document.

## 10.4 PRO FORMA FINANCIAL INFORMATION

The Group came into existence in April 2022 following the acquisition of The Ona Real Estate Ltd and The Ona Property Development Ltd by virtue of a share for share exchange process. The financial information set out in this review represents pro forma consolidated financial information. This pro forma information presents what the Issuer's consolidated statement of financial position would have looked like had the Group existed in its current form, comprising all its current constituent components, as at 31 December 2021.

Details relating to the basis for preparation and the pro forma adjustments for the compilation of the pro forma statement of financial position at 31 December 2021 are available for review on the Issuer's website and is available for inspection as detailed in section 17 of this Registration Document. The pro forma statement of financial position is incorporated by reference in this Registration Document.

The table below provides a cross-reference list to key sections of the pro forma consolidated financial information:

	Page No.
Accountant's report	2 - 4
Purpose of the pro forma consolidated financial information	5
Basis of preparation	6 - 7
Pro forma consolidated statement of financial position	8
Notes to the pro forma financial information	9 - 15
Statement of pro forma adjustments	16 – 18

A statement of financial position of the Group as at 31 December 2021, reflecting the combined balance sheets of The Ona Property Development Ltd and The Ona Real Estate Ltd, including comparatives based on pro forma adjustments as at the same financial period, are set out below:

<b>The Ona p.l.c.</b>										
<b>Pro forma consolidated statement of financial position</b>										
<b>as at 31 December 2021</b>										
	Combined				Adjustments					Group
	(€'000)	(I) (€'000)	(II) (€'000)	(III) (€'000)	(IV) (€'000)	(V) (€'000)	(VI) (€'000)	(VII) (€'000)	(VIII) (€'000)	(€'000)
<b>Non-current assets</b>										
Investment property	2,700	-	-	-	-	-	-	-	-	2,700
Property, plant and equipment	10	-	-	-	-	-	-	-	-	10
Investment in subsidiaries	-	-	-	3,689	-	(3,689)	-	-	-	-
	<u>2,710</u>	<u>-</u>	<u>-</u>	<u>3,689</u>	<u>-</u>	<u>(3,689)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,710</u>
<b>Current assets</b>										
Inventory - development project	5,027	-	-	-	-	-	-	-	-	5,027
Trade and other receivables	3,106	-	-	-	-	-	(308)	-	(31)	2,767
Cash and cash equivalents	1,016	1	1	-	-	-	43	(18)	-	1,043
	<u>9,149</u>	<u>1</u>	<u>1</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(265)</u>	<u>(18)</u>	<u>(31)</u>	<u>8,837</u>
<b>Total assets</b>	<b><u>11,859</u></b>	<b><u>1</u></b>	<b><u>1</u></b>	<b><u>3,689</u></b>	<b><u>-</u></b>	<b><u>(3,689)</u></b>	<b><u>(265)</u></b>	<b><u>(18)</u></b>	<b><u>(31)</u></b>	<b><u>11,547</u></b>
<b>EQUITY</b>										
<b>Capital and reserves</b>										
Called up share capital and reserves	301	1	1	3,689	3,581	(302)	-	-	-	7,271
Retained earnings	3,387	-	-	-	-	(3,387)	-	-	-	-
	<u>3,688</u>	<u>1</u>	<u>1</u>	<u>3,689</u>	<u>3,581</u>	<u>(3,689)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,271</u>
<b>LIABILITIES</b>										
<b>Non-current liabilities</b>										
Bank loans	2,495	-	-	-	-	-	-	-	-	2,495
Other financial liabilities	268	-	-	-	(250)	-	-	(18)	-	-
Deferred tax	216	-	-	-	-	-	-	-	-	216
	<u>2,979</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(250)</u>	<u>-</u>	<u>-</u>	<u>(18)</u>	<u>-</u>	<u>2,711</u>
<b>Current liabilities</b>										
Bank loans	318	-	-	-	-	-	(265)	-	-	53
Trade and other payables	1,461	-	-	-	-	-	-	-	-	1,461
Other financial liabilities	3,362	-	-	-	(3,331)	-	-	-	(31)	-
Taxation due	51	-	-	-	-	-	-	-	-	51
	<u>8,171</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(3,581)</u>	<u>-</u>	<u>(265)</u>	<u>(18)</u>	<u>(31)</u>	<u>4,276</u>
<b>Total equity and liabilities</b>	<b><u>11,859</u></b>	<b><u>1</u></b>	<b><u>1</u></b>	<b><u>3,689</u></b>	<b><u>-</u></b>	<b><u>(3,689)</u></b>	<b><u>(265)</u></b>	<b><u>(18)</u></b>	<b><u>(31)</u></b>	<b><u>11,547</u></b>

The pro forma adjustments include the following:

- I) Being the incorporation of the Issuer;
- II) Being the incorporation of The Ona Hospitality Ltd;
- III) Relates to the transfer of The Ona Property Development Ltd, The Ona Real Estate Ltd and The Ona Hospitality Ltd to the Issuer through an exchange of shares which is assumed to be carried out at net asset value (excluding related party balances);
- IV) Includes the capitalisation of amounts due to the shareholder following adjustment (III) above, and the capitalisation of amounts due to related parties;
- V) Reflects the consolidation adjustment eliminating investment in subsidiary balances and pre-acquisition reserves.
- VI) To account for the receipt of €43,000 undeposited cheque and €265,000 held by a notary following a contract of sale which funds have been released following year end;
- VII) Management indicated that €18,000 was paid to Cliona Muscat (as shareholder) in Q1 2022 prior to capitalising the remaining shareholder's loan balances;
- VIII) Some reclassifications were done in the pro forma financial information to account for differences in the individual audited financial statements.

On a pro forma basis, total equity of the Group as at 31 December 2021 amounted to €7.3 million.

Total liabilities amounted to €4.3 million, primarily made up of outstanding bank loans amounting to €2.5 million and capital creditors of €1.2 million (included in trade and other payables).

Total assets amounted to €11.5 million and principally comprised a commercial property amounting to €2.7 million in Dun Karm Pirota Street, Birkirkara (investment property), inventory of development projects in Marsascala and Qawra of €5 million, deposit and related costs amounting to €2.8 million relating to the Hotel Project in St Julian's and cash balances of €1 million.

## 11. LEGAL AND ARBITRATION PROCEEDINGS

There have been no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened or of which the Issuer or the Guarantors are aware) during the period covering 12 months prior to the date of the Prospectus which may have, or have had in the recent past, significant effects on the Group's financial position or profitability.

## 12. SHARE CAPITAL

### 12.1 SHARE CAPITAL OF THE ISSUER

As at the date of this Registration Document, the issued share capital of the Issuer is €7,270,493 divided into 7,270,492 Ordinary "A" shares of a nominal value of one Euro (€1.00) each and one Ordinary "B" share of one Euro (€1.00), fully paid-up.

In terms of the Memorandum and Articles of Association, none of the capital shall be issued in such a way as would effectively alter the control of the Issuer without the prior approval of the Issuer in a general meeting.

The shares of the Issuer are not listed on the Malta Stock Exchange and no application has been filed for the shares of the Issuer to be quoted on the Malta Stock Exchange.

There is no capital of the Issuer, which is currently under option, nor is there any agreement by virtue of which any part of the capital of the Issuer is to be put under option.

### 12.2 SHARE CAPITAL OF THE GUARANTORS

The Guarantors are private companies established under the Act and none of their share capital is admitted to listing or trading on an exchange.

There is no capital of any Guarantor, which is currently under option, nor is there any agreement by virtue of which any part of the capital of each Guarantor is to be put under option.

The issued share capital of the Guarantors is set out below:

<b>Guarantor</b>	<b>Issued share capital</b>
The Ona Property Development Ltd	€1,200 divided into 1,200 Ordinary Shares having a nominal value of €1.00 each, fully paid-up.
The Ona Real Estate Ltd	€300,000 divided into 300,000 Ordinary Shares having a nominal value of €1.00 each, fully paid-up.
The Ona Hospitality Ltd	€1,200 divided into 1,200 Ordinary Shares having a nominal value of €1.00 each, fully paid-up.



## 13. MEMORANDUM AND ARTICLES OF ASSOCIATION

### 13.1 THE ISSUER

The Memorandum and Articles of Association are registered with the Registrar of Companies at the Malta Business Registry. A full list of the objects for which the Issuer is established is set out in clause 4 of the Memorandum of Association. These objects include:

- (a) to act as a holding company and invest and hold share participations and debentures in any other company, partnership, or business.
- (b) to provide management, administration, technical, financial, and professional services and to provide human resources to its subsidiaries and, or associated companies of other companies relative and incidental to its business.
- (c) to obtain loans, overdrafts, credits and other financial and monetary facilities without limited and otherwise borrow or raise money in such a manner as the Company shall think fit and to secure the repayment of any money borrowed, raised or owing by privilege, hypothec, mortgage or charge upon the whole or any part of the Company's property and assets (whether present or future) including all or any of the uncalled capital for the time being of the Company, and also by similar privilege, hypothec, mortgage or charge to secure and guarantee the performance of the Company of any contracts, obligations or liabilities it may undertake.
- (d) to issue bonds, commercial paper or other instruments creating or acknowledging indebtedness and the sale or offer thereof to the public.

### 13.2 THE GUARANTORS

#### (i) The Ona Property Development Ltd

The memorandum and articles of association of The Ona Property Development Ltd are registered with the Registrar of Companies at the Malta Business Registry. A full list of the objects for which The Ona Property Development Ltd is established is set out in clause 4 of the memorandum of association. The main trading activity of The Ona Property Development Ltd is as follows:

- (a) To purchase, sell, exchange, improve, mortgage, charge, rent, let on, lease, hire, surrender, license, accept surrenders of, and otherwise acquire and/or deal with any freehold, leasehold, or other immovable property, chattels and effects, erect, pull down, repair, alter, develop, sell or otherwise deal in any immovable property.

Other objects include:

- (b) To operate and carry on trade and/or business either directly or indirectly through concession by agreement or in any other way whatsoever, so long as it is permissible according to the laws of Malta.
- (c) To stand as surety for third parties by means of hypothec or otherwise to secure loans/overdrafts and other banking facilities in favour of third parties.

#### (ii) The Ona Real Estate Ltd

The memorandum and articles of association of The Ona Real Estate Ltd are registered with the Registrar of Companies at the Malta Business Registry. A full list of the objects for which The Ona Real Estate Ltd is established is set out in clause 4 of the memorandum of association. The main trading activity of The Ona Real Estate Ltd is as follows:

- (a) To purchase, sell, exchange, improve, mortgage, charge, rent, let on, lease, hire, surrender, license, accept surrenders of, and otherwise acquire and/or deal with any freehold, leasehold, or other immovable property, chattels and effects, erect, pull down, repair, alter, develop, sell or otherwise deal in any immovable property.

Other objects include:

- (b) To operate and carry on trade and/or business either directly or indirectly through concession by agreement or in any other way whatsoever, so long as it is permissible according to the laws of Malta.
- (c) To stand as surety for third parties by means of hypothec or otherwise to secure loans/overdrafts and other banking facilities in favour of third parties.

#### (iii) The Ona Hospitality Ltd

The memorandum and articles of association of The Ona Hospitality Ltd are registered with the Registrar of Companies at the Malta Business Registry. A full list of the objects for which The Ona Hospitality Ltd is established is set out in clause 4 of the memorandum of association. The main trading activity of The Ona Hospitality Ltd is as follows:

- (a) To carry on the business of owners and/or operators of hotels, and of guest houses, restaurants, and catering establishments forming part of the hotel and carried out as part of such hotel.

Other objects include:

- (b) To commission the construction of hotels and the furnishing, decoration and embellishment thereof consistent with their classification.
- (c) To borrow or raise money in such manner as the company shall think fit and in particular by the issue of debentures or debenture stock, perpetual or otherwise, or by loans and to secure the repayment of any money borrowed or raised by mortgage, hypothec, charge or lien upon the undertaking and the whole or any part of the company's property or assets whether present or future including its uncalled capital and also by a similar mortgage, hypothec, charge or lien to secure and guarantee the performance by the company of any obligation or liability it may undertake.

## 14. MATERIAL CONTRACTS

The entities forming part of the Group, including albeit not limited to, the Issuer and the Guarantors, have not entered into any material contracts that are not in the ordinary course of their respective business and which could result in any of the said entities being under an obligation or entitlement that is material to the Group as at the date of this Registration Document.

## 15. PROPERTY VALUATION REPORT

The Issuer commissioned architect Tancred Mifsud at Tancred Mifsud Services Limited (C 37957) to issue a property valuation report on the Paceville Site and the Hotel (the “**Valuation Report**”). The following are the details of Tancred Mifsud:

- Business Address: Ralmant, Flat No. 1, B. Bontadini Street, Balzan, BZN 1370
- Qualifications: B.E.&A. (Hons) A.&C.E.

The Valuation Report is dated 20 May 2022 and is annexed to this Registration Document as Annex I.

## 16. STATEMENTS BY EXPERTS AND DECLARATIONS OF ANY INTEREST

Save for the Valuation Report incorporated by reference in this Prospectus and the financial analysis summary, the Prospectus does not contain any statement or report attributed to any person as an expert.

The financial analysis summary has been included in the form and context in which it appears with the authorisation of MZI which has given and has not withdrawn its consent to the inclusion of such report herein. The author of the financial analysis summary, Evan Mohnani, Senior Financial Advisor at MZI, does not have any material interest in the Issuer.

The Valuation Report has been included in the form and context in which it appears with the authorisation of Arch. Tancred Mifsud of Tancred Mifsud Services Limited (C 37957) who has given and has not withdrawn his consent to the inclusion of the Valuation Report. Arch. Tancred Mifsud does not have any material interest in the Issuer.

The Issuer confirms that the financial analysis summary and the Valuation Report have been accurately reproduced in the Prospectus and as far as the Issuer is aware and is able to ascertain from the information contained therein, no facts have been omitted which render the reproduced information inaccurate or misleading.

## 17. DOCUMENTS AVAILABLE FOR INSPECTION AND INCORPORATED BY REFERENCE

For the duration of the Registration Document, the following documents are available for inspection at the registered address of the Issuer and are incorporated by reference in this Prospectus:

- (a) the audited financial statements of: (i) The Ona Real Estate Ltd; and (ii) The Ona Property Development Ltd for the three financial years ended 31 December 2019, 31 December 2020, and 31 December 2021;
- (b) the pro forma statement of financial position of the Issuer as at 31 December 2021;
- (c) the Financial Analysis Summary, prepared by the Sponsor and dated 31 May 2022; and
- (d) the Trust Deed.

Copies of the memorandum and articles of association of the Issuer and of each of the Guarantors (or copies thereof) shall be available for inspection at the registered address of the Issuer.

The above-mentioned documents as well as the Valuation Report (together with the site plans and permits related thereto) are also available for inspection in electronic form on the Issuer’s website at [www.theonagroup.mt](http://www.theonagroup.mt).

## ANNEX I – PROPERTY VALUATION REPORT

**The Directors**  
**The Ona p.l.c. (C 101370)**  
**GAP Holdings Head Office,**  
**Triq Censu Scerri,**  
**Sliema SLM 3060**  
**Malta**  
**(the “Company”)**

**Date:20.05.2022**

**Subject: Valuation Report**

**Location: No.10 and No.12 Lourdes Lane, Swieqi, Malta (the “Property”)**

The undersigned, a warranted architect and civil engineer, holding warrant number 471 (four hundred seventy-one) has been commissioned by The Ona p.l.c. (C 101370) (the “**Issuer**”) to issue a property valuation report in respect of the vacant site with official address No.10, and No.12, Lourdes Lane, Swieqi, Malta

### **General:**

The following valuation has been prepared in accordance with Chapter 7, of the Capital Markets Rules published by the Malta Financial Services Authority.

### **Requirement for a Valuation Report:**

The purpose of this valuation report is for the inclusion thereof within the Prospectus to be published in connection with the proposed bond issue by the Issuer of €16,000,000 4.50% secured bonds having a nominal value of €100 each and issued at par having ISIN no. MT0002661206.

### **Reporting Standards:**

The undersigned valuer is an independent valuer, in terms of the UK Royal Institute of Chartered Surveyors Appraisal and Valuation Manual.

### **Independence of Valuer:**

The undersigned confirms that there is no conflict of interest related to the compilation of this valuation report since the undersigned and, or his associates will not benefit from the valuation instruction, other than the professional fees related to this valuation report.

### **Valuation Report**

#### **1. Location:**

The official address of the Property is No.10, and No.12, Lourdes Lane, Swieqi, Malta. A site plan is being attached hereto as Annex TM1.

architect, civil & structural consultant



## **2. Nature of Valuer's inspection:**

The undersigned declares that he has inspected the Property and declares that a detailed analysis of the Property has been carried out, including a site history related to Planning permissions on site. The undersigned has also reviewed all planning applications submitted by The Ona Real Estate Ltd (C 83842) to the Planning Authority which are pending approval as well as the planning permissions which were duly approved the Planning Authority. The valuation below is based on an open market value for existing or permitted use.

## **3. Description of Property**

The Property consists of a construction site within a development zone. As at the date of this valuation report, the Property has been fully excavated up to level -4 (four (4) floors below road level). Levels -4, -3, -2, -1 and level 0 are fully constructed whilst level 1 is under construction. The Property has a frontage of 23.63 meters and an average depth of 24.80 meters, with a total site area of 586 square meters.

### **Permits**

The Property shall be constructed into a four-star hotel (Class 3B) as detailed in the permits set out below:

- (i) Permit with reference number PA/3654/20

The Property is subject to a development permit with reference number PA/3654/20, which permit proposal reads as follows:

*To combine hotel and guesthouse as approved in PA/03692/18 and PA/04201/18 respectively into one four star hotel (Class 3B) with related amenities and signage, having a uniform height as approved in PA/03692/18 and part providing an infill between two blank third party walls. Proposed development is to have two (2) basement floors comprising of hotel amenity spaces, three (3) levels of underground parking, a double height ground floor lobby with a mezzanine, seven (7) floors with rooms (96 bedrooms in total), and a recessed floor with breakfast/bar/lounge and pool amenities with overlying services at roof level."*

The Planning Authority approved the proposal as set out in planning proposal with reference number PA/3654/20, however, eighty-eight (88) rooms and not ninety-six (96) rooms were approved. Eighteen (18) of the eighty-eight (88) rooms shall be twin interconnected rooms in order to provide family room requests, resulting in a total amount of one hundred and six (106) independent rooms if the interconnected rooms are used separately.

The permit with reference number PA/3654/20 was approved on 15 October 2020. The permit with reference number PA/3654/20 and the related approved plans are available for inspection at the registered office of the Company

- (ii) Amendments to permit with reference number PA/3654/20

An application to make minor amendments to permit application with reference number PA/3654/20 was submitted to the Planning Authority on 11 January 2022 and approved on 15 March 2022.

The minor amendments relate to the reorganization of the internal layout of the hotel rooms, hotel back office and hotel amenities, following consultation with the Italian architecture firm, Fabrizio

architect, civil & structural consultant

Fabris and Partners, which specializes in hotel design. The resultant minor amendments will improve the layout of the rooms, improve the amenities that will be provided and increase the standard (services) offered by the hotel operator.

(iii) Planning application with reference number PA/2278/22

A further application with reference number PA/2278/22 has also been submitted to the Planning Authority for the purposes of increasing the number of rooms from eighty-eight (88) to ninety-seven (97) rooms at levels 0 to 8 as well as the relocation of the swimming pool from level 9 to level 10. If approved, nine (9) of the rooms out of the ninety-seven (97) rooms shall be twin interconnected rooms, resulting in a total number of one hundred and six (106) rooms if the interconnected rooms are used separately. Accordingly, pursuant to the pending application with reference number PA/2278/22, the number of twin interconnected rooms shall be reduced from eighteen (18) to nine (9), if so approved.

The pending application with reference number PA/2278/22 will retain the same approved building structure of the approved layout covered by the permit with reference number PA/3654/20, however if so approved, it will amend the interconnection of rooms to increase the number of hotel rooms and change the configuration of the pool and restaurant area at levels 9 and 10, as explained further above.

The layout of the proposed development to be constructed on the Property comprises four (4) levels below road level consisting of two (2) levels of parking spaces and two (2) levels of hotel amenities and administration area.

From road level upwards, one finds approved nine (9) levels of hotel rooms and hotel amenities -at upper most level with a pool and deck area at roof level (roof over recessed floor level).

The pending application with reference number PA/2278/22 together with the plans related thereto are available for inspection at the registered office of the Company.

**Detailed breakdown of the Property**

A detailed breakdown of the proposed development covered by the permit with reference number PA/3654/20 (as amended by the minor amendments approved by the Planning Authority on 15 March 2022), is given in the table below:

Level	Net Floor area (sq.mts)	Proposed use	Proposed Description
-4	586	Pool/ spa / wellness area	Hotel amenities
-3	586	Back office/ administration/ conference hall	Hotel amenities
-2	586	Parking area	Parking
-1	586	Parking area	Parking
Ground floor	586	Reception area / part parking /lounge area	Hotel rooms
Levels 1- 8	586	Hotel rooms	Hotel rooms

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Level 9	586	Dining/ pool/ deck area	Hotel related uses
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In the event that the pending application with reference number PA/2278/22 is approved, the number of bedrooms at levels 0 – 8 shall be increased from eighty-eight (88) rooms to ninety-seven (97) rooms, nine (9) of which shall be twin interconnected rooms. The pending application also caters for the relocation of the swimming pool from level 9 to level 10.

#### **Expected Date of Completion**

It is expected that the project will be completed in Q2 2023.

Excavation and the construction and development of the Property commenced in Q1 2022 with all construction works to be finalized by Q4 2022. The finishing and furnishing of the hotel shall commence immediately after the finalization of all construction works.

Following the acquisition of the Property by The Ona Real Estate Ltd (C 83842), it is expected that the Property will be leased to The Ona Hospitality Ltd (C 101371), which forms part of the same group as The Ona Real Estate Ltd, by 30 June 2022. The Property is expected to be operational as a Class 3B hotel by Q2 2023.

#### **4. Existing use**

The Property is currently a construction site. Once completed, the Property shall be used as a four-star hotel (Class 3B).

#### **5. Relevant Planning Applications**

The proposed development is subject to a permit with reference number PA/3654/20. This permit was amended by virtue of the minor amendments approved by the Planning Authority on 15 March 2022.

The abovementioned permit is fully executable. This means that the time allowed by law for persons to bring a claim contesting the said application has, at the date of this valuation report, lapsed and no appeals have been filed. There are no material or onerous conditions attached to the issue of the abovementioned permit.

Previous permits relating to the Property are PA/3692/18 and PA/4201/18.

The Property is also subject to a pending application with reference number PA/2278/22, which was submitted to the Planning Authority on 15 March 2022.

#### **6. Material Contravention of statutory requirements**

As at the date of this report, there have not been any contraventions of statutory requirements.

#### **7. Tenure**

The Property is freehold.

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#### **8. Main terms of tenant's lease or sublease obligations**

As at the date of this report, there are no lease agreements in effect relating to the Property. However, management of the Issuer has expressed that a lease agreement between The Ona Real Estate Ltd (C 83842) and The Ona Hospitality Ltd (C 101371) will be entered into by 30 June 2022.

#### **9. Approximate age of building**

The Property is currently a construction site. Accordingly, Capital Markets Rule 7.4.1.9 is not applicable to this valuation report.

#### **10. Present capital value in existing state**

The estimated present capital value of the Property in its existing state is calculated using a capitalization rate of 7.6% worked out on gross operating profit per available room (GOPAR) and worked out on one hundred and six (106) rooms. In the event that the pending application with reference number PA/2278/22 is approved, there shall be no variation in the estimated capital value since such an assessment is based on the number of rooms, which shall remain one hundred and six (106) rooms.

This capital value is based on the full potential value of the Property (once the full development is constructed, finished and operational) of €23,000,000.00, and deducting the cost of stamp duty, commissions, notary fees, civil and finishing / furnishings the development and including a conservative risk factor of execution of 4% added to the global cost of execution. The present capital value takes also into consideration cost of civil / construction works carried out to date.

**Thus, the present capital value of the Property in its current state is estimated to be €11,500,000.00 (eleven million and five hundred thousand Euro).**

The estimated market value of the Property once all construction works are complete is €13,600,000.00 (thirteen million and six hundred thousand Euro).

The above estimates exclude borrowing costs.

**The estimated capital value of the Property was calculated using a GOPAR of €16,500.00 per room p.a. with a total of one hundred and six (106) rooms resulting in a global annual GOPAR of €1,749,000.00 and a capitalization rate of 7.6%.**

Assumptions included in the above GOPAR include a daily rate of €105.00, an occupancy rate of 40.3 % for year 2023, an occupancy rate of 80% for years 2024-2034, and deducting operating costs, administrative costs, and franchise fees.

architect, civil & structural consultant 

### **11. Estimated Total Cost of the Development**

The estimated total cost of the development is divided as per below:

<b>Excavation</b>	no cost as the Property shall be purchased fully excavated
<b>Construction</b>	€1.80 million
<b>Finishes</b>	€6.40 million
<b>Financial/ commissions/ ancillary costs</b>	€0.80 million

The costs of development referred to above apply both in the case where: (a) the development of the Property is carried out in accordance with the approved development permit as amended having planning application with reference number PA/3654/20; and (b) the development of the Property is carried out in accordance with the pending application with reference number PA/2278/22. The proposed changes as submitted to the Planning Authority pursuant to pending application with reference number PA/2278/22 will not affect estimated cost of construction / finishes, since the respective proposal does not vary the structure and finishes.

### **12. Terms of any intra-group lease on Property occupied by the Group (identifying the Properties) to the extent that such leases are taken into account in the valuation:**

As at the date of this report, there are no lease agreements in effect relating to the Property. However, management of the Issuer has expressed that a lease agreement between The Ona Real Estate Ltd (C 83842) and The Ona Hospitality Ltd (C 101371) will be entered into by June 2022 on an arm's length basis.

The said lease will not affect the value of the Property.

### **13. Any other matters which materially affect the value (including any assumptions and information on contamination, if any)**

CMR 7.4.1.12: Not applicable

### **14. Source of information and verification**

Information related to planning permits and building information was sourced or otherwise compiled by the undersigned and his associates, including full survey of the existing condition of the Property and site measurements.

Information related to details of land have been obtained from the directors of the Issuer.

### **15. Details of registered mortgages and privileges and other charges, real rights thereon including details of emphyteutical concessions, easements, and other burdens**

None.

architect, civil & structural consultant



**Details of Valuer**

Perit Tancred Mifsud  
B.E.&A. (Hons) A.&C.E.  
Ralmant, Flat 1,  
B.Bontadini Street,  
Balzan BZN 1730  
Email: [tmperit@outlook.com](mailto:tmperit@outlook.com)  
Warrant number 471

**Date of valuation**

20.05.2022

**Benefits/ detriments of contractual agreement**

Not applicable

**Acquisition/ Disposal Interests**

Not applicable

**Other relevant matters**

No responsibility is being assumed to the third parties to whom this report may be disclosed and no liability is accepted in contract, negligence, restitution with regards to any loss including profits, goodwill or opportunity. While the above is deemed to provide a reasonable valuation of the Property, such estimates may also vary between one valuer and another. This valuation is also subject to changes over relatively short periods due to current economic / future conditions.

**Standards and guidelines**

This valuation has been carried out in accordance with standards and guidelines issued by the Royal Institute of Chartered Surveyors (RICS).

Perit Tancred Mifsud  
B.E.&A. (Hons), A.&C.E.

Att: Site Plan: TM1  
Encl Permit docs PA 3654/20  
Encl Application drawings PA 2278/22



TANCREDMIFSUD  
B.E.&A. (Hons) A. & CE  
PERIT  
M: 79444293  
E: [tancredm@malta.net.net](mailto:tancredm@malta.net.net)

architect, civil & structural consultant

