

SUMMARY

DATED 1 JUNE 2023

In respect of an issue of up to
€5,000,000 6.50% Unsecured Notes 2028
of a nominal value of €1,000 per Note, issued and redeemable at par by

THE ONA P.L.C.

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



ISIN: MT0002661214

THIS SUMMARY HAS BEEN APPROVED BY THE MALTA FINANCIAL SERVICES AUTHORITY, AS COMPETENT AUTHORITY UNDER THE PROSPECTUS REGULATION. THE MALTA FINANCIAL SERVICES AUTHORITY ONLY APPROVED THIS SUMMARY AS MEETING THE STANDARDS OF COMPLETENESS, COMPREHENSIBILITY AND CONSISTENCY IMPOSED BY THE PROSPECTUS REGULATION. SUCH APPROVAL SHOULD NOT BE CONSIDERED AS AN ENDORSEMENT OF THE ISSUER AND THE SECURITIES THAT ARE THE SUBJECT OF THIS SUMMARY.

THIS SUMMARY IS VALID FOR A PERIOD OF TWELVE (12) MONTHS FROM THE DATE THEREOF. FOLLOWING THE LAPSE OF THIS VALIDITY PERIOD, THE ISSUER IS NOT OBLIGED TO SUPPLEMENT THIS SUMMARY IN THE EVENT OF SIGNIFICANT NEW FACTORS, MATERIAL MISTAKES OR MATERIAL INACCURACIES.

Nominee & Placement Agent



MZ INVESTMENTS

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. INTRODUCTION AND WARNINGS

This Summary is prepared in accordance with the requirements of the Prospectus Regulation and the delegated acts issued thereunder. This Summary contains key information which investors require in order to understand the nature and the risks of the Issuer and the Global Note. Except where the context otherwise requires, the capitalised words and expressions used in this Summary shall bear the meanings assigned to them in the Registration Document and the Securities Note, as the case may be.

This Summary contains key information on the Issuer, the Group and the Global Note, summarised details of which are set out below:

| | |
|---|--|
| Issuer | The Ona p.l.c., a public limited liability company registered under the laws of Malta, bearing company registration number C 101370 and legal entity identifier (LEI) number 48510040FDCT4Q97XG85. |
| Address | GAP Holdings Head Office, Ċensu Scerri Street, Tigné, Sliema, SLM 3060, Malta. |
| Telephone number | +356 2327 1000 |
| Issuer website | www.theonagroup.mt |
| LEI number | 48510040FDCT4Q97XG85 |
| Competent authority approving the Prospectus | The MFSA, established in terms of the Financial Markets Act (Cap. 345 of the laws of Malta). |
| Address of the MFSA | Malta Financial Services Authority, Triq I-Imdina, Zone 1, Central Business District, Birkirkara CBD 1010, Malta. |
| Telephone number of the MFSA | +356 2144 1155 |
| MFSA Website | https://www.mfsa.mt/ |
| Name of the securities | 6.50% Unsecured Notes due 2028 issued by the Issuer |
| ISIN of the securities | MT0002661214 |
| Prospectus approval date | 1 June 2023 |

Prospective investors are hereby warned that:

- (i) this Summary should be read as an introduction to the Prospectus. It is being provided to convey the key characteristics and risks associated with the Issuer and the Global Note being offered pursuant to the Prospectus. It is not and does not purport to be exhaustive and investors are warned that they should not rely on the information contained in this Summary in making a decision as to whether to invest in the securities described in this document;
- (ii) any decision of the investor to invest in the Participating Notes should be based on a consideration of the Prospectus as a whole by the investor;
- (iii) an investor may lose all or part of the capital invested in subscribing for Participating Notes;
- (iv) where a claim relating to the information contained in the Prospectus is brought before a court, the plaintiff investor might, under the national legislation of Malta, have to bear the costs of translating the Prospectus before the legal proceedings are initiated; and
- (v) civil liability attaches only to those persons who have tabled the Summary, including any translation thereof, but only if the Summary, when read together with the other parts of the Prospectus, is misleading, inaccurate, or inconsistent or does not provide key information in order to aid investors when considering whether to invest in the Participating Notes.
- (vi) You are about to purchase securities that are not simple and may be difficult to understand.

2. KEY INFORMATION ON THE ISSUER

2.1 Who is the Issuer of the Global Note?

2.1.1 Domicile and Legal Form, its LEI and Country of Incorporation

The Issuer is The Ona p.l.c., a public limited liability company registered in Malta in terms of the Companies Act (Chapter 386 of the laws of Malta). The Issuer was incorporated and is domiciled in Malta, with legal entity identifier (LEI) number 48510040FDCT4Q97XG85.

2.1.2 Principal Activities of the Issuer

The Issuer is the holding and finance company of the Group and was incorporated for the purpose of financing its Subsidiaries' and associate companies' 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 associate companies and interest receivable due under intra-group loan agreements.

2.1.3 Organisational Structure of the Group

The Issuer is the holding company of the Group and holds 100% of the shareholding in its Subsidiaries - The Ona Property Development Ltd (C 82490), The Ona Real Estate Ltd (C 83842) and The Ona Hospitality Ltd (C 101371). The Ona Property Development Ltd holds a 49.99% shareholding in ACMUS Group Ltd.

2.1.4 Major Shareholders of the Issuer

The Issuer's majority shareholder is Cliona Muscat who holds 99.9% of the issue share capital of the Issuer.

2.1.5 Key Managing Directors

The board of Directors of the Issuer is composed of the following persons: Cliona Muscat (Executive Director), George Muscat (Non-Executive Director), Alfred Attard (Independent Non-Executive Director), Francis X Gouder (Independent Non-Executive Director), and Ann Marie Agius (Independent Non-Executive Director).

2.1.6 Statutory Auditors

The auditors of the Issuer as of the date of this Summary are VCA Certified Public Accountants of Finance House, First Floor, Princess Elizabeth Street, Ta' Xbiex XBX 1102, Malta. The Accountancy Board registration number of VCA Certified Public Accountants is AB/26/84/46.

2.2 What is the key financial information regarding the Issuer?

Set out below are highlights taken from the first published audited consolidated financial statements of the Issuer for the year ended 31 December 2022.

The Ona p.l.c.
Extracts from the Audited Consolidated Financial Statements
For the year ended 31 December 2022

| | 2022 | 2021 |
|--|--------------|--------------|
| | €'000 | €'000 |
| Operating profit | 1,546 | 3,181 |
| Total assets | 29,498 | 11,844 |
| Equity | 8,449 | 3,688 |
| Net debt | 15,095 | 1,796 |
| Cash flows from / (used in) operating activities | 5,346 | (4,124) |
| Cash flows from / (used in) investing activities | (18,756) | 5,000 |
| Cash flows from / (used in) financing activities | 14,706 | (49) |

2.3 What are the key risks that are specific to the Issuer?

The most material risk factors specific to the Issuer, which may adversely impact the operations and financial position of the Issuer should the circumstances mentioned therein materialise, are as follows:

2.3.1 *The Issuer is dependent on the performance of its Subsidiaries and, or its associate companies*

The Issuer is a finance and holding company of the Group and does not carry out any trading activities of its own. The Issuer is therefore economically dependent on the performance and financial position of its Subsidiaries and its associate companies. The underperformance of any of the Issuer's Subsidiaries and, or associate companies may have an adverse effect on the performance of the Issuer which may affect its ability to service payments under the Global Note of both principal and interest.

2.4 **Risks relating to the Group**

2.4.1 *Economic and Financial Risks of the Group*

(a) *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. 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.

(b) *Risks relating to the financing of the Group's projects*

The Group's projects have been part-financed through bank financing with local banks and the Secured Bonds. As at 31 December 2022, the Group maintained a net gearing ratio of 64.5%. The Group plans to incur additional debt for the purposes of financing future development projects. 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.

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. Moreover, the Group may not be able to raise finance from the capital markets. As a result, 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.

(c) *Risks relating to rising costs of materials, resources, and utilities*

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. 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.

2.4.2 *Operational Risks of the Group*

(a) *Risks relating to the Franchise Agreement*

The Franchise Agreement entitles The Ona Hospitality Ltd (C 101371) ("**TOH**") to operate the Hotel under the "AC by Marriott Hotels" brand, subject to certain terms and conditions as detailed therein. Accordingly, the success of the Hotel operations is dependent on the continuity of the contractual relationship with the Franchisor and subsequently, the ability of the Group to benefit from the reputation and standards of the "AC by Marriott Hotels" brand.

(b) *Risks relating to the ability of the Group to secure approvals and licences*

The development of the Mellieħa Project and St Paul's Bay Project have 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. This could result in delays and, or affect the projected revenue of the Group.

(c) *Risks relating to property development and the construction industry*

The Group undertakes activities in the property development and construction industry. Pursuant to such activities, the Group is subject to several specific risks which 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.

(d) *Risks relating to competing projects*

The Hotel may compete with local hotels and facilities offering various types of lodging options and related services to the public. 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. 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. KEY INFORMATION ON THE SECURITIES

3.1 What are the main features of the securities?

The Global Note is being issued to the Nominee and Placement Agent in an aggregate amount of up to €5,000,000 with a nominal value of €1,000 per Note, at the rate of 6.50% per annum and redeemable at par on 23 June 2028. Investors in Malta can participate in the Global Note by virtue of the subscription to Participation Notes. The Global Note bears interest at the rate of 6.50% per annum on the nominal value of the Global Note. The first interest payment shall be effected on 23 June 2024 (covering the period 23 June 2023 to 22 June 2024).

The Global Note constitutes the general, direct, unconditional and unsecured obligations of the Issuer, and will rank without priority and preference over all other present and future unsecured and unsubordinated obligations of the Issuer.

The Global Note and Participation Notes will not be listed on the Malta Stock Exchange or on any other regulated market on 26 June 2023 (the "**Issue Date**"). The Global Note shall have the following ISIN: MT0002661214.

There are no special rights attached to the Participation Notes other than the right of the Noteholders to payment of interest and capital; ranking with respect to other indebtedness of the Issuer; attend, participate in and vote at meetings of Noteholders in accordance with the terms and conditions of the Participation Notes; and enjoy all such other rights attached to the Participation Notes emanating from the Prospectus.

Participation Notes are transferable certificates issued by the Nominee and Placement Agent to a Registered Investor acknowledging the interest of the Registered Investor named therein in the Fiduciary Asset and evidences an entry in the Register of Investors held by the Nominee and Placement Agent. The Participation Notes will be issued in registered form and will not be issued in bearer form.

The minimum subscription amount of Participation Notes that can be subscribed for by Applicants is €5,000, and in multiples of €1,000 thereafter.

The Participation Notes are freely transferable and, once registered by the Nominee and Placement Agent, may be transferable in whole for a minimum face value of €1,000 and multiples of €1,000 thereafter.

3.2 Where will the securities be traded?

The Global Note and the Participation Notes are transferable but shall NOT be traded on any regulated market or other trading facility.

3.3 What are the key risks that are specific to the securities?

(a) *The Global Note and Participation Notes are not traded on any regulated market*

The Global Note and the Participation Notes are transferable but shall NOT be traded on any regulated market or other trading facility and, as a result, there may be no liquid market for the Participation Notes. The market for the Participation Notes may be less liquid than a regulated market or other trading facility and Participation Noteholders may find it more difficult to identify willing buyers for their Participation Notes.

Participation Noteholders who wish to sell their Participation Notes may be unable to do so at an acceptable price, or at all, if insufficient liquidity exists in the market for the Participation Notes. The ease of transferability of the Global Note and the Participation Notes depends on factors beyond the Issuer's control which could impact the trading value of the Global Note and the Participation Notes, such as the willingness or otherwise of potential buyers and sellers of the Global Note and the Participation Notes. The trading value of the Global Note and the Participation Notes may also be impacted by other factors, such as the time remaining for maturity of the Global Note and the Participation Notes, the outstanding amount of the Global Note and the Participation Notes and the level, direction and volatility of market interest rates generally.

(b) *Subsequent changes in interest rates*

Investment in the Participation Notes involves the risk that subsequent changes in market interest rates may adversely affect the value of the Participation Notes. Investors should also be aware that the price of fixed rate debt securities should, theoretically, move adversely to changes in interest rates.

(c) *Status and ranking of the Notes*

The Global Note and Participation Notes, as and when issued and allotted, shall constitute the general, direct, unsecured and unconditional obligations of the Issuer. The Participation Notes shall at all times rank *pari passu* without any priority or preference among themselves and, save for such exceptions as may be provided by applicable law, shall rank without priority and preference to all other present and future unsecured obligations of the Issuer, if any.

(d) *Amendments to the terms and conditions of the Notes*

In the event that the Issuer wishes to amend any of the Terms and Conditions of the Global Note it shall call upon the Nominee and Placement Agent to call a meeting of Participation Noteholders. These provisions permit defined majorities to bind all Participation Noteholders, including Participation Noteholders who do not attend and vote at the relevant meeting and Participation Noteholders who vote in a manner contrary to the majority.

4. KEY INFORMATION ON THE OFFER OF SECURITIES TO THE PUBLIC

4.1 Under which conditions and timetable can I invest in this security?

4.1.1 *Expected Timetable of the Bond Issue*

| | |
|---|-----------------------------|
| 1. Offer Period | 5 June 2023 to 23 June 2023 |
| 2. Commencement of interest on the Notes | 23 June 2023 |
| 3. Expected date of announcement of basis of acceptance | 26 June 2023 |
| 4. Refunds of unallocated monies (if any) | 26 June 2023 |
| 5. Issuance of Participation Notes certificates | 26 June 2023 |
| 6. Issue date of the Global Note | 26 June 2023 |

4.1.2 *Plan of Distribution, Allotment and Allocation Policy*

The Participation Notes shall be made available for subscription to all categories of investors. Applications for subscriptions to the Participation Notes may be made through the Nominee and Placement Agent subject to a minimum Application of €5,000 and in multiples of €1,000 thereafter.

It is expected that Participation Notes certificates will be dispatched to Applicants by latest 26 June 2023. By not later than 26 June 2023, the Issuer shall announce the results of the Offer through a company announcement. Dealings in the Participation Notes shall not commence prior to the said notification.

The Offer Period shall close immediately upon attaining full subscription. The Issuer has not established an aggregate minimum subscription level for the Global Note. Accordingly, in the event that the Participation Notes representing the rights and interests of the Participation Noteholders in the Global Note are not fully subscribed, the subscribed portion

4.2 Total estimated expenses

Professional fees, and costs related to publicity, advertising, printing, listing, registration, nominee and placement agent, management, selling commission and other miscellaneous expenses in connection with this Offer are estimated not to exceed €150,000 in the aggregate. There is no particular order of priority with respect to such expenses.

4.3 Why is this Prospectus being produced?

4.3.1 *Reasons for the Issue and Use of Proceeds*

The proceeds from the Offer, which net of Offer expenses are expected to amount to approximately €4,850,000 shall be used by the Issuer to part finance any of the Birkirkara Project, St Paul's Bay Project and, or the Mosta Project.

In the event that the Offer is not fully subscribed, the Issuer will proceed with issuing the amount of Notes so subscribed and the proceeds from the Offer shall be applied for the purpose set out above. The residual amount required by the Issuer for the purpose of the use specified above which shall not have been raised through the Offer shall be financed from the Group's own funds or bank financing.

4.4 Underwriting

The Global Note is not subject to an underwriting agreement on a firm commitment basis.

4.5 Conflicts of interest

Cliona Muscat is a director of the Issuer as well as the Subsidiaries, whilst George Muscat (who is the father of Cliona Muscat) is a director of the Issuer as well as a director of TORE and TOPD.

Other than as stated above, so far as the Issuer is aware, there are no other conflicts of interest or potential conflicts of interest between the duties of the Directors and their private interests.