**The ONA p.l.c.**
**Pro forma consolidated financial information**
For the year ended 31 December 2021

Page

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Date: 5 May 2022

The Directors
GAP Holdings Head Office
Censu Scerri Street,
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Dear Sirs,

**Accountant's Report on the compilation of pro forma consolidated financial information for The ONA p.l.c.**

We have completed our assurance engagement to report on the compilation of pro forma financial information of The ONA p.l.c. ("the Company") and its subsidiaries ("the Group") by the directors of the Company.

The pro forma financial information consists of:

- The pro forma consolidated statement of financial position as at 31 December 2021;
- Relevant notes to the pro forma consolidated financial information.

The basis on which the directors of the Company have compiled the pro forma financial information are specified in the applicable criteria ("the applicable criteria") as set out in sections 5.43 to 5.53 of the Capital Market rules issued by the Malta Financial Services Authority ("the Capital Market rules"). The basis of preparation of the pro forma consolidated financial information is set on page [6].

The pro forma consolidated financial information has been compiled by the directors of the Company to illustrate the impact of the acquisition of the subsidiary entities of The ONA p.l.c. during 2022 on the Company's financial position as at 31 December 2021 and the Group's financial performance for the year ended 31 December 2021 as if the event or transactions had taken place as at 31 December 2021.

As part of the compilation process, information about the Group's financial position and financial performance has been extracted by the directors of the Company from the audited financial statements of Cliventi I Limited and The Ona Real Estate Limited (formerly named Cliventi II Limited) for the year ended 31 December 2021.

*The responsibility of the directors' of the Company for the pro forma consolidated financial information.*

The directors of the Company are responsible for compiling the pro forma consolidated financial information on the basis of the applicable criteria and for selecting reliable and appropriate accounting policies. The accounting policies of the Group are set out in note [2] to the pro forma consolidated financial information.

*Our responsibilities*

Our responsibility is to express an opinion, as required by section 5.52 of the Capital Market Rules, about whether the pro forma consolidated financial information has been compiled in all material respects, by the directors of the Company, on the basis of the applicable criteria.

*Basis of opinion*

We conducted our engagement in accordance with 'International Standard on Assurance Engagements 3420 – Assurance Engagements to Report on the Compilation of Pro forma Financial Information Included in a Prospectus' ("ISAE 3420") issued by the International Auditing and Assurance Standards Board.

This standard requires that we plan and perform procedures to obtain reasonable assurance about whether the directors of the Company have compiled, in all material respects, the pro forma consolidated financial information on the basis of the applicable criteria.

For the purpose of this engagement, we are not responsible for updating or re issuing any reports or opinions on any historical financial information used in compiling the pro forma financial information, nor have we in the course of this engagement, performed an audit of the financial information used in compiling the pro forma consolidated financial information.

The purpose of the pro forma financial information included in a Prospectus is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the entity as if the event had occurred or the transaction had been undertaken at an earlier date selected for the purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the event or transaction in 2022 would have been as presented.

A reasonable assurance engagement to report on whether the pro forma consolidated financial information has been compiled in all material respects on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the directors of the Company in the compilation of the pro forma consolidated financial information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction and to obtain appropriate evidence about whether:

- The related pro forma adjustments give appropriate effect to those criteria; and
- The pro forma consolidated financial information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on our judgement having regard to our understanding of the nature of the Company, the event or transaction in respect of which pro forma consolidated financial information has been compiled, and other relevant engagement information. The engagement also involves evaluating the overall presentation of the pro forma consolidated financial information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

*Opinion*

In our opinion

- The pro forma consolidated financial information has been properly compiled in accordance with the basis of preparation stated;

- The basis of preparation of the pro forma consolidated financial information is consistent with the Group accounting policies of the Issuer; and

- The pro forma adjustments are appropriate for the purposes of the pro forma financial information as disclosed pursuant to Capital Market Rules 5.46.

Yours faithfully,

Pamela Fenech

Director

TACS Malta Limited

**Purpose of the pro forma consolidated financial information**

The pro forma consolidated financial information has been prepared for illustrative purposes only.

The pro forma financial information relates to The ONA p.l.c. ("the Company") and it's subsidiaries ("the Group") and illustrates the Group's financial performance for the year ended and financial position as at 31 December 2021. Because of its nature, the pro forma consolidated financial information addresses a hypothetical situation and therefore does not represent the Group's actual financial results or position as at 31 December 2021.

The pro forma consolidated financial information has been prepared to provide information about the financial position and performance of the Group for the year ended 31 December 2021, assuming that acquisitions undertaken by the Company during 2022 had been executed as at 31 December 2021.

*Acquisitions included in the pro forma consolidated financial information*

The pro forma consolidated financial information reflects the acquisition of subsidiary entities by the Group, being The ONA p.l.c on the assumption that these acquisitions were executed on 31 December 2021.

*Acquisition by the Group of The ONA p.l.c.*

During 2022, the Group concluded an agreement to acquire 100 per cent of the shares in the following companies: Cliventi I Limited, The ONA Real Estate Limited (formerly named Cliventi II Limited) and The ONA Hospitality Limited. The purchase agreement became effective on 28 April 2022.

**Basis of preparation of the pro forma consolidated financial information**

The pro forma consolidated financial information has been prepared and presented assuming that The ONA p.l.c. had obtained control over subsidiaries acquired during 2022 as from 31 December 2021.

The pro forma consolidated financial information shows the financial performance and position of The ONA p.l.c. and its subsidiary entities in accordance with International Financial Reporting Standards as adopted by the European Union ("eu-IFRS") except that, due to the nature of the pro forma financial information:

- The pro forma consolidated financial information does not include all the disclosure requirements under eu-IFRS and other laws or securities regulations, including but not limited to the Maltese Companies Act (Cap 386) and the Capital Market Rules;
- Do not necessarily present line items (including totals and sub totals) and the classification thereof in the pro forma consolidated statement of profit or loss and other comprehensive income and the pro forma consolidated statement of financial position in accordance with eu-IFRS;
- Do not consider certain recognition or measurement criteria; and
- Do not show comparative amounts.

The pro forma consolidated financial information has been prepared in a manner consistent with the Group accounting policies in force as at 31 December 2021, as amended, where applicable, to incorporate new eu-IFRSs that are applicable for annual period beginnings on 1 January 2021 and any new accounting policies adopted by the Group as from 1 January 2021.

The pro forma consolidated financial information has been prepared under the assumption that the following transactions which were carried out during 2022 were effected on 31 December 2021:

- The company The Ona p.l.c. is to be incorporated with a share capital of €1,200 funded from related parties.
- The ONA p.l.c. is to set up a company for the hotel's operations, The ONA Hospitality Limited with a share capital of €1,200 funded from related parties.
- An exchange of shares of the subsidiaries, namely Cliventi (I), The Ona Real Estate Limited (formerly named Cliventi (II) Limited) and The Ona Hospitality Limited will be made with the allotment of new shares in The ONA p.l.c. The exchange is assumed to be carried out at net asset value (excluding related party balances).
- The Ona p.l.c is to increase its share capital by €3,581k by means of a further allotment of shares. The consideration for the issue and allotment of the shares by the company will be in the form of: The capitalization of a shareholder's loan of €250k; and the capitalization of the currently outstanding balances to related parties following the assignments of such balances.
- On consolidation, the investment in subsidiaries are to be eliminated against the pre-acquisition reserves.
- A receipt of €43k undeposited cheque and €265k held by a notary following a contract of sale which funds will be released following year end.
- Eur18k was paid to the shareholder in Q1 2022 prior to capitalization of the remaining shareholders' loan.

The pro forma consolidated financial information amounts were derived from the audited financial statements of Cliventi I Limited and The ONA Real Estate Limited (formerly Cliventi II limited) for the year ending 31 December 2021.

## PROFORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION - 31st DECEMBER 2021

| | Notes | Group |
|---|---|---|
| | | € |
| **ASSETS** | | €000 |
| **Non-current assets** | | |
| Property, plant and equipment | | 10 |
| Investment property | 3 | 2,700 |
| | | 2,710 |
| **Current assets** | | |
| Inventory | 4 | 5,027 |
| Trade and other receivables | 5 | 2,767 |
| Cash and bank balances | | 1,043 |
| | | 8,837 |
| **Total Assets** | | 11,547 |
| **EQUITY AND LIABILITIES** | | |
| **Capital and reserves** | | |
| Share capital | 6 | 7,271 |
| Retained earnings | | - |
| Total equity | | 7,271 |
| **Non-current liabilities** | | |
| Bank loans | 7 | 2,495 |
| Other financial liabilities | 8 | - |
| Deferred tax | | 216 |
| Total non-current liabilities | | 2,711 |
| **Current liabilities** | | |
| Bank overdraft and loans | 7 | 53 |
| Trade and other payables | 8 | 1,461 |
| Other financial liabilities | 8 | - |
| Taxation due | | 51 |
| Total current liabilities | | 1,565 |
| Total liabilities | | 4,276 |
| **Total equity and liabilities** | | 11,547 |

The pro forma consolidated financial information was approved by the Board of Directors, authorised for issue on 28 April 2022 and signed on its behalf by:

George Muscat
**Director**

Cliona Muscat
**Director**

## Notes to the Pro forma consolidated financial information

### 1 . Group undertakings

On 28 April 2022, The ONA p.l.c acquired the shares of Cliventi I Limited and Cliventi II Limited and The ONA Hospitality Limited for the hotel's operations. These proforma consolidated financial statements constitute the consolidation of the financial results of the following companies for the year/period ended 31st December 2021:

- Cliventi I Limited
- The ONA Real Estate Limited (formely Cliventi II Limited)
- The ONA Hospitality Limited

The financial information was extracted from the financial statements of these companies prepared for the year ended 31st December 2021.

### 2 . Significant group accounting policies

The principal accounting policies adopted in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all periods presented, unless otherwise stated.

### a ) Basis of preparation

These consolidated financial statements have been prepared under the historical cost convention, except as disclosed in the accounting policies below.

### b ) Consolidation

The consolidated financial statements incorporate the financial statements of The ONA p.l.c. (or the "company") and Subsidiary undertakings controlled by the company. Subsidiary undertakings, which are those companies in which the Group, directly or indirectly, has an interest of more than one half of the voting rights or otherwise has power to govern the financial and operating policies have been consolidated. Subsidiaries are consolidated from the date on which effective control is transferred to the Group and are no longer consolidated from the date of disposal. Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group.

**Notes to the Pro forma consolidated financial information**

**d ) Recognition of revenues and costs**

Sales of property are recognised when the significant risks and rewards of ownership of the property being sold effectively transferred to the buyer. This is generally considered to occur at the later of the contract of sale and the date when all the company's obligations relating to the property are completed and the possession of the property can be transferred in the manner stipulated by the contract of sale. Amounts received in respect of sales that have not yet been recognised in the financial statements, due to the fact that the significant risks and rewards of ownership still rest with the company, are treated as payments received on account and presented within trade and other payables.

Other operating income consisting of the following is recognised on an accruals basis:
Rental income
Interest

Costs are recognised when the related goods and services are sold, consumed or allocated, or when their future useful lives cannot be determined.

**e ) Borrowing costs**

Borrowing costs directly attributable to the acquisition and construction of property are capitalised as part of the cost of the project and are included in its carrying amount. Capitalisation of borrowing costs ceases when substantially all the activities necessary to prepare any distinct part of the project for its sale or intended use is completed. Borrowing costs which are incurred for the purpose of acquiring or constructing qualifying property, plant and equipment or investment property are capitalized as part of its cost. Borrowing costs are capitalized which acquisition or construction is actively underway and cease once the asset is substantially complete, or suspended if the development of the asset is suspended. All other borrowing costs are recognized as an expense in the profit and loss account in the period as incurred.

**f ) Bank borrowings**

Subsequent to initial recognition, interest-bearing bank loans are measured at amortised cost using the effective interest method unless the effect of discounting is immaterial. Bank loans are carried at face value due to their market rate of interest.

Subsequent to initial recognition, interest-bearing bank overdrafts are carried at face value in view of their short-term maturities.

**g ) Other financial liabilities**

Other financial liabilities are recognized initially at fair value of proceeds received, net of transaction costs incurred. Other financial liabilities are subsequently measured at amortised cost using the effective interest method unless the effect of discounting is immaterial. Any difference between the proceeds, net of transaction costs, and the settlement or redemption of other borrowings is recognised in profit or loss over the term of the borrowings, unless the interest on such borrowings is capitalised in accordance with the company's accounting policy on borrowing costs.

**Notes to the Pro forma consolidated financial information**

**h ) Property, plant and equipment**

All property, plant and equipment are initially recorded at cost and subsequently stated at cost less depreciation.

Cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the asset's carrying amount when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. Expenditure on repairs and maintenance of property, plant and equipment is recognised as an expense when incurred.

Property, plant and equipment are stated at cost or valuation less accumulated depreciation. Depreciation is provided for on the straight line method in order to write off cost over the expected useful economic lives of the assets as follows:

| | Years |
|---|---|
| Furniture & Fittings | 6 |

The assets' residual values and useful lives are reviewed and adjusted if appropriate, at each statement of financial position date.

Gains and losses on disposal of property, plant and equipment are determined by comparing proceeds with the carrying amount, and are taken into account in determining operating profit.

An asset's carrying amount is written down immediately to its recoverable amount if its carrying amount is greater than its estimated recoverable amount.

**h ) Investment property**

Investment property is stated at fair value.

**Notes to the Pro forma consolidated financial information**

**i ) Stock - Development project**

The main object of the Group is the development of land acquired for development and resale. This development is intended in the main for resale purposes, and is accordingly classified in the financial statements as stock. Any elements of a project which are identified for business operation or long-term investment properties are transferred at their carrying amount to Property, plant and equipment or investment properties when such identification is made and the cost thereof can reliably be segregated.

As stated in the accounting policy 2 (c) above the immovable properties comprising of land held for development and resale are stated in these pro forma consolidated financial statements at their fair value based on an expert valuation carried out by an architect.

The development is carried at the lower of cost and net realisable value. Cost comprises the purchase cost, net realisable value or the fair value as described in the paragraph above. Cost comprises the purchase cost of acquiring the land together with other costs incurred during its subsequent development, including:

(i) The cost incurred on development works, including demolition, site clearance, excavation, construction, etc., together with the costs of ancillary activities such as site security.

(ii) The cost of various design and other studies conducted in connection with the project, together with all other expenses incurred in connection therewith.

(iii) Any borrowing costs, including imputed interest, attributable to the development phases of the project.

The purchase cost of acquiring the land represents the cash equivalent of the contracted price. This was determined at date of purchase by discounting to present value the future cash outflows comprising the purchase consideration.

Net realisable value is the estimated selling price in the ordinary course of business, less the costs of completion and selling expenses.

**j ) Currency translation**

The presentation currency of the financial statements is Euro. Euro is also considered to be the functional currency as this is the currency of the primary economic environment in which the company operates. Transactions in foreign currencies are converted to Euro at the rates of exchange ruling on the date of the transaction. Assets and liabilities denominated in foreign currencies are translated into Euro at the rates of exchange ruling on the statement of financial position date. All exchange differences are taken to the profit and loss account.

## Notes to the Pro forma consolidated financial information

k ) **Trade and other receivables**

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of trade and other receivables is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that the receivable is impaired. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the income statement within selling and other direct expenses.

When a receivable is uncollectible, it is written off against the allowance account for trade and other receivables. Subsequent recoveries of amounts previously written off are credited against selling and other direct expenses in the income statement.

l ) **Cash and cash equivalents**

Cash and cash equivalents as shown in the cashflow statement comprise cash in hand and deposits repayable on demand less bank overdrafts. Bank overdrafts are included in the statement of financial position as borrowings under current liabilities.

m ) **Taxation**

Current and deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited directly to equity, in which case the current tax is also dealt within equity.

The charge/credit for current tax is based on the taxable result for the period. The taxable result for the period differs from the result as reported in profit or loss because it excludes items which are not assessable or disallowed and it further excludes items that are taxable or deductible in other periods. It is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Provision is made for deferred taxation, using the liability method, in respect of timing differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes. Deferred tax debits are only carried forward in so far as it is probable that future taxable profits will be available against which the tax losses and unabsorbed capital allowances can be utilised.

## NOTES TO THE FINANCIAL STATEMENTS - 31st DECEMBER 2021

### 3 . Investment property

| | 2021 |
|---|---|
| | €000 |
| Cost/Revaluation | |
| At 1st January | 1,864 |
| Revaluation during the year | 836 |
| At 31st December | 2,700 |

The market value of the immovable property as at 31st December 2021 amounted to €2,700,000. The amount of €2,700,000 was based on a valuation of the property carried out by an independent architect in March 2022. The increase in fair value was accounted for through profit and loss.

### 4 . Inventory

| | 2021 |
|---|---|
| | €000 |
| Stock of properties held for development and resale | 4,817 |
| Stock of properties held for development and resale - Capitalised interest | 210 |
| | 5,027 |

### 5 . Trade and other receivables

| | 2021 |
|---|---|
| | €000 |
| Other debtors | 326 |
| Prepayments | 2,405 |
| Due from related parties | 32 |
| Other taxation | 4 |
| | 2,767 |

### 6 . Share capital

| | 2021 |
|---|---|
| | €000 |
| **Authorised share capital** | 10,000 |
| 9,999,999 'A' Ordinary shares of €1 each | |
| 1 Ordinary 'B' share of €1 each | |
| **Issue share capital** | 7,271 |
| 7,271,692 Ordinary 'A' shares of €1 each | |
| 1 Ordinary 'B' share of €1 each | |

## NOTES TO THE FINANCIAL STATEMENTS - 31st DECEMBER 2021

### 7 . Borrowings

| | 2021 |
|---|---|
| | €000 |
| **Short term - falling due within one year** | |
| Bank overdrafts | 16 |
| Bank loans | 302 |
| Total short term borrowings | 318 |
| **Long term - falling due after one year** | |
| Bank loans | 2,230 |
| Total long term borrowings | 2,230 |
| **Total borrowings** | 2,548 |

As at 31st December 2021, the company had a bank loan of €1,015,118 (2020 - €1,459,330) which was granted to end-finance the acquisition and the development of the Qawra project. The interest rate is at 4% per annum. Repayments are to be made from proceeds derived from the sale of the Qawra project as laid out in the repayment terms in the sanction letter. The loans are guaranteed by Cliventi (II) Limited and its shareholders, which have bound themselves jointly and severally liable for the repayment of the loan and the interest thereon, pursuant and subject to the terms and conditions in the sanction letter.

As at 31st December 2021, the company had a bank loan of €460,000 (2020 - €530,000) which was granted to end-finance the acquisition and the development of the Birkirkara project. The interest rate is at 4.5% per annum. Repayments are to be made in monthly installments and from proceeds from the sale of property of Geom Projects as laid out in the repayment terms in the sanction letter. The loans are guaranteed by Cliventi I Limited and its shareholders, which have bound themselves jointly and severally liable for the repayment of the loan and the interest thereon, pursuant and subject to the terms and conditions in the sanction letter.

As at 31st December 2021, the company had a bank loan €1,322,090 (2020 - €1,578,273) which was split into 2 tranches, one tranche to finance the acquisition and another tranche to finance the development of the Marsascala project. The interest rate is at 4.25% per annum. Repayments are to be made from proceeds from the sale of the Marsascala project as laid out in the repayment terms in the sanction letter. The loans are guaranteed by Cliventi I Limited and its shareholders, which have bound themselves jointly and severally liable for the repayment of the loan and the interest thereon, pursuant and subject to the terms and conditions in the sanction letter.

As at 31 December 2021, Cliventi (II) Limited had a bank overdraft of €15,549 which was secured by a cash security account with the same bank.

### 8 . Creditors

| | 2021 |
|---|---|
| | €000 |
| **Trade and other payables** | |
| Trade creditors | 44 |
| Other creditors | 1,339 |
| Trade accounts payable to related parties | 75 |
| Other taxation | 3 |
| | 1,461 |
| **Total trade and other creditors** | 1,461 |

### 9 . Deferred tax liability

The deferred tax liablity arose from the deferred tax effect on the revaluation of the investment property

STATEMENT OF PRO FORMA ADJUSTMENTS

**Consolidated statement of financial position**
**As at 31 December 2021**

| | Audited Group financial statemets | Pro forma adjustments | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | Adj 1 | Adj 2 | Adj 3 | Adj 4 | Adj 5 | Adj 6 | Adj 7 | Adj 8 | Aggregated financial information |
| | €000 | €000 | €000 | €000 | €000 | €000 | €000 | €000 | €000 | €000 |
| **ASSETS** | | | | | | | | | | |
| **Non-current assets** | | | | | | | | | | |
| Property, plant and equipment | 10 | | | | | | | | | 10 |
| Investment property | 2,700 | | | - | | - | | | | 2,700 |
| Investment in subsidiaries | - | | | 3,689 | | (3,689) | | | | - |
| | 2,710 | - | - | 3,689 | - | (3,689) | - | - | - | 2,710 |
| **Current assets** | | | | | | | | | | |
| Inventory | 5,027 | | | | | | | | | 5,027 |
| Trade and other receivables | 3,106 | | | | | | (308) | | (31) | 2,767 |
| Cash and bank balances | 1,016 | 1 | 1 | | | | 43 | (18) | | 1,043 |
| | 9,149 | 1 | 1 | - | - | - | (265) | (18) | (31) | 8,837 |
| **Total Assets** | 11,859 | 1 | 1 | 3,689 | - | (3,689) | (265) | (18) | (31) | 11,547 |
| **EQUITY AND LIABILITIES** | | | | | | | | | | |
| **Capital and reserves** | | | | | | | | | | |
| Share capital | 301 | 1 | 1 | 3,689 | 3,581 | (302) | | | | 7,271 |
| Retained profits | 3,387 | | | | | (3,387) | | | | - |
| Total equity | 3,688 | 1 | 1 | 3,689 | 3,581 | (3,689) | - | - | - | 7,271 |
| **Non-current liabilities** | | | | | | | | | | |
| Bank loans | 2,495 | | | | | | | | | 2,495 |
| Other financial liabilities | 268 | | | | (250) | | | (18) | - | - |
| Deferred tax | 216 | | | | | | | | | 216 |
| Total non-current liabilities | 2,979 | - | - | - | (250) | - | - | (18) | - | 2,711 |
| **Current liabilities** | | | | | | | | | | |
| Bank overdraft and loans | 318 | | | | | | (265) | | | 53 |
| Trade and other payables | 1,461 | | | | | | | | | 1,461 |
| Other financial liabilities | 3,362 | | | | (3,331) | | | - | (31) | - |
| Taxation due | 51 | | | | | | | | | 51 |
| Total current liabilities | 5,192 | - | - | - | (3,331) | - | (265) | - | (31) | 1,565 |
| Total liabilities | 8,171 | - | - | - | (3,581) | - | (265) | (18) | (31) | 4,276 |
| **Total equity and liabilities** | 11,859 | 1 | 1 | 3,689 | - | (3,689) | (265) | (18) | (31) | 11,547 |

## Notes to the statement of pro forma adjustments

. **Statement of pro forma adjustments**

The statement of pro forma adjustments provides a reconciliation between the consolidated financial statements of the subsidiaries and the pro forma consolidated financial statements of the Group.

The adjustments, which relate to transactions carried out in 2022 but were reflected in the pro forma financial statements as if these wre effected on 31 December 2021 are explained below.

1 . **Incorporation of The ONA p.l.c.**

The company The Ona p.l.c. is to be incorporated with a share capital of €1.2k funded from related parties.

2 . **Incorporation of a subsidiary within the group**

The ONA p.l.c. is to set up a company for the hotel's operations, The ONA Hospitality Limited which will be a subsidiary of the group, with a share capital of €1.2k funded from related parties.

3 **Allotment of new shares in Ona p.l.c.**

An exchange of shares of the subsidiaries, namely Cliventi (I) Limited, The Ona Real Estate Limited (formely named Cliventi (II) Limited) and The Ona Hospitality Limited will be made with the allotment of new shares in The ONA p.l.c. The exchange is assumed to be carried out at net asset value (excluding related party balances).

4 . **Further allotment of shares in Ona p.l.c**

The Ona p.l.c is to increase its share capital by €3,581k by means of a further allotment of shares. The consideration for the issue and allotment of the shares by the company will be in the form of:
- The capitalisation of a shareholder's loan of €250k; and
- The capitalisation of the curently outstanding balances to related parties following the assignments of such balances.

5 . **Eliminiation of pre-acquisition reserves**

On consolidation, the investment in subsidiaries are to be eliminated against the pre-acquisition reserves.

6 . **Released funds**

A receipt of €43k undeposited cheque and €265k held by a notary following a contract of sale which funds will be released following year end.

7 . **Payment to shareholder**

Management indicated that Eur18k was paid to the shareholder in Q1 2022 prior to capitalising the remaining shareholders' loan balances.

8 . **Other reclassifications**

Some reclassifications were done in the proforma consolidated financial statements to account for reclassifications relating to intragroup balances and/or set offs of related parties.