

SUMMARY

DATED 31 MAY 2022

In respect of an issue of up to
€16,000,000 4.50% secured bonds 2028 – 2034
of a nominal value of €100 per bond, 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

with the joint and several guarantee of
The Ona Real Estate Ltd (C 83842)
The Ona Property Development Ltd (C 82490)
The Ona Hospitality Ltd (C 101371)

ISIN: MT0002661206



Sponsor, Manager & Registrar



M Z I N V E S T M E N T S E R V I C E S

Security Trustee

EQUINOX INTERNATIONAL
LIMITED

Legal Counsel

Dr Chris Cilia

YOU ARE ABOUT TO PURCHASE SECURITIES THAT ARE NOT SIMPLE AND MAY BE DIFFICULT TO UNDERSTAND. 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.

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 Secured Bonds. 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, or the Securities Note, as the case may be.

This Summary contains key information on the Issuer, the Guarantors and the Secured Bonds, 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 l-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	4.50% Secured Bonds due 2028-2034 issued by the Issuer
ISIN number of the Secured Bonds	MT0002661206
Prospectus approval date	31 May 2022

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 Secured Bonds 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 Secured Bonds 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 Secured Bonds;
- (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;
- (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 Secured Bonds; and
- (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 Secured Bonds?

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 (Cap. 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' 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.

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) (“**TOPD**”), The Ona Real Estate Ltd (C 83842) (“**TORE**”) and The Ona Hospitality Ltd (C 101371) (“**TOH**”).

2.1.4 Major Shareholders of the Issuer

The Issuer's majority shareholder is Cliona Muscat who holds 99.9% of the issued 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 TACS Malta Limited (C 84698) of 1, Tal-Providenza Mansions, Main Street Balzan, Malta. The Accountancy Board registration number of TACS Malta Limited is AB/2/17/22.

2.2 What is the key financial information regarding the Issuer?

The Issuer is a newly incorporated company and has not published its first set of audited financial statements. The Group came into existence in April 2022 following the acquisition of TORE, TOPD and TOH by virtue of a share for share exchange process. The financial information set out below represents key 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.

Pro Forma Consolidated Statement of Financial Position	31 December 2021
	€'000
Total assets	11,547
Equity	7,721
Net debt	1,505
<i>Breakdown as follows:</i>	
Bank loans	2,548
Cash and cash equivalents	(1,043)

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

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

2.3.1 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. The Issuer is therefore economically dependent on the performance and financial position of its Subsidiaries. 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.

2.3.2 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.

2.3.3 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. 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 and accordingly, 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.

2.3.4 Risks relating to rising costs for 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.

2.3.5 Risks relating to the Franchise Agreement

The Franchise Agreement entitles TOH to operate the Hotel under the “AC Hotels by Marriott” 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 Hotels by Marriott” brand.

2.3.6 Risks relating to the ability of the Group to secure approvals and licences

Once completed, the Hotel requires a license from the Malta Tourism Authority to operate as a Class 4 hotel. 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 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.

2.3.7 Risks relating to the property development and 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.

2.3.8 Risks relating to competing projects

Once completed, 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 Secured Bonds are being issued in an aggregate amount of up to €16,000,000 with a nominal value of €100 per Secured Bond issued at the rate of 4.5% per annum and redeemable at par on 21 June 2034 or, at the sole option of the Issuer, any date falling between 21 June 2028 and 20 June 2034. The first interest payment shall be effected on 21 June 2023 (covering the period from 21 June 2022 to 20 June 2023).

The Secured Bonds shall be issued in fully registered and dematerialised form and shall be represented in uncertificated form by the appropriate entry in the electronic register maintained on behalf of the Issuer at the CSD. On admission to trading, the Secured Bonds shall have the following ISIN: MT0002661206.

The Secured Bonds constitute the general, direct, unconditional, and secured obligations of the Issuer and shall be guaranteed in respect of both the interest due and the principal amount by the Guarantors on a joint and several basis (the “**Guarantees**”). The Secured Bonds shall at all times rank *pari passu* without any priority or preference among themselves. The Secured Bonds are secured by the following collateral constituted in favour of the Security Trustee for the benefit of Bondholders:

- (i) the first-ranking general hypothec for the full nominal value of the Secured Bonds and interest thereon over all the present and future property of each of the Issuer, TORE and TOH;
- (ii) the first-ranking special hypothec granted by TORE for the full nominal value of the Secured Bonds over the Paceville Site (and any developments and constructions thereon);
- (iii) the first-ranking special privilege over the Paceville Site for the amount of €6 million; and
- (iv) a pledge over insurance policy proceeds as security for the full nominal value of the Secured Bonds and interest thereon (the “**Pledge Agreement**”).

There are no special rights attached to the Secured Bonds other than the right of Bondholders to: (i) attend, participate in and vote at meetings of Bondholders in accordance with the terms and conditions of the Secured Bonds; (ii) payment of capital and interest in accordance with the ranking of the Secured Bonds; (iii) the benefit of the Guarantees and the Collateral; and (iv) such other rights attached to the Secured Bonds emanating from the Securities Note.

There are no restrictions on the free transferability of the Secured Bonds.

3.2 Where will the securities be traded?

Application has been made to the Malta Stock Exchange for the Secured Bonds to be listed and traded on its Official List.

3.3 Is there a guarantee attached to the securities?

The Secured Bonds are guaranteed by the Guarantors on a joint and several basis. Accordingly, the Bondholders shall be entitled to request the Guarantors to pay both the interest due and the principal amount under said Secured Bonds on first demand (subject to the terms of the Guarantees) if the Issuer fails to meet any amount when due in terms of the Prospectus. The joint and several Guarantees also entitle the Bondholders to demand payment from any or all of the Guarantors without having to first take action against the Issuer.

3.3.1 The Guarantors

The Guarantors are TOH, TORE and TOPD.

TOH was established on 20 January 2022 as a private limited liability company registered in Malta in terms of the Companies Act (Cap. 386 of the laws of Malta) with company registration number C 101371. The LEI of TOH is 485100RELU3CJG7ROO57. TOH was incorporated with the purpose of managing the Hotel in accordance with the terms and conditions of the Franchise Agreement.

TORE was established on 5 December 2017 as a private limited liability company registered in Malta in terms of the Companies Act (Cap. 386 of the laws of Malta) with company registration number C 83842. The LEI of TORE is 485100XELPKN88BUBY54. TORE operates in the property development and property rental sectors and has entered into a promise of sale agreement for the purchase of the Paceville Site which will be developed into the Hotel.

TOPD was established on 11 September 2017 as a private limited liability company registered in Malta in terms of the Companies Act (Cap. 386 of the laws of Malta) with company registration number C 82490. The LEI of TOPD is 485100CA2BE8KDYF5U90. TOPD operates in the property development and property rental sectors. TOPD owns a commercial property located in Birkirkara ("CE House") which it leases to a third party on a long-term basis.

3.3.2 Key Financial Information of the Guarantors

TOH was incorporated in January 2022 and, accordingly, has not published its first set of audited financial statements. The key financial information of TORE and TOPD is set out below:

	FY2021 €'000	FY2020 €'000	FY2019 €'000
TORE			
Income Statement			
Operating profit	2,873	137	54
Statement of Financial Position			
Net financial debt	1,435	2,053	2,137
<i>Breakdown as follows:</i>			
Borrowings and other financial liabilities	2,362	2,192	2,260
Cash and cash equivalents	(927)	(139)	(123)
Cash Flow Statement			
Cash flows from (used in) operating activities	(3,767)	(43)	75
Cash flows from (used in) financing activities	(445)	59	-
Cash flows from (used in) investing activities	5,000	-	(1)
TOPD			
Income Statement			
Operating profit	309	87	84
Statement of Financial Position			
Net financial debt	3,991	4,236	3,484
<i>Breakdown as follows:</i>			
Borrowings and other financial liabilities	4,080	4,270	3,591
Cash and cash equivalents	(89)	(34)	(107)
Cash Flow Statement			
Cash flows from (used in) operating activities	244	(736)	(1,387)
Cash flows from (used in) financing activities	(189)	663	1,422

3.3.3 Key Risks that are Specific to the Guarantors and the Collateral

3.3.3.1 Risks relating to the Ranking of Collateral

The Collateral shall rank after the claims of privileged creditors should a note of inscription of a special privilege be registered with the Public Registry securing the privileged creditor's claim. The Security Trustee will be paid out of the assets of the Issuer after privileged creditors and those creditors which are given priority over the relevant Collateral by law. Accordingly, in the case of a competition of creditors, Bondholders may not recover their investment in the Secured Bonds, whether in full or in part.

3.3.3.2 Enforcement of security

Although the Secured Bonds are secured, there can be no assurance that the Collateral will be sufficient to cover the Issuer's payment obligations under the Secured Bonds in case of a default.

3.3.3.3 Risks relating to the Guarantees granted by the Guarantors

The strength of the undertakings given under the Guarantees and, accordingly, the level of recoverability by the Security Trustee from the Guarantors of any amounts due under any of the Secured Bonds, is dependent upon, and directly linked to, the financial position and solvency of the Guarantors.

3.4 What are the Key Risks that are specific to the Securities?

3.4.1 Complex financial instrument and suitability assessment

In view of the early redemption component, the Secured Bonds are complex financial instruments for the purposes of MIFID II and may not be suitable for all recipients of the Prospectus. In the event that an investor does not seek professional advice and, or does not read and fully understand the provisions of this Prospectus, there is a risk that such investor may acquire an investment which is not suitable for his or her risk profile.

3.4.2 The Secured Bonds are redeemable at the option of the Issuer

If Secured Bonds are redeemed on a Designated Early Redemption Date, a Bondholder would not receive the same return on investment that it would have received if they were redeemed on the Redemption Date. In addition, Bondholders may not be able to re-invest the proceeds from an early redemption at yields that would have been received had they not been redeemed. This optional redemption feature may also have a negative impact on the market value of the Secured Bonds.

3.4.3 No prior market for the Secured Bonds

Prior to the Bond Issue and Admission, there has been no public market for the Secured Bonds within or outside Malta. Due to the absence of any prior market for the Secured Bonds, there can be no assurance that the price of the Secured Bonds will correspond to the price at which the Secured Bonds will trade in the market subsequent to the Bond Issue.

3.4.4 Amendments to the Terms and Conditions of the Secured Bonds

If the Issuer wishes to amend any of the Terms and Conditions of the Secured Bonds, it may call a meeting of Bondholders. Defined majorities of Bondholders may bind all Bondholders including Bondholders who did not attend and vote at the relevant meeting and Bondholders who voted in a manner contrary to the majority. Moreover, this must be considered in light of the power of each Guarantor to veto any changes to the Terms and Conditions of the Secured Bonds which are issued with the benefit of its Guarantee.

4. KEY INFORMATION ON THE OFFER OF SECURITIES TO THE PUBLIC AND THE ADMISSION TO TRADING ON A REGULATED MARKET

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

4.1.1 The Intermediaries' Offer

Pursuant to the Intermediaries' Offer, the Issuer shall enter into subscription agreements with Authorised Financial Intermediaries whereby the Issuer shall bind itself to allocate a total amount of up to €16,000,000 in nominal value of Secured Bonds to such Authorised Financial Intermediaries, which in turn shall bind themselves to subscribe to, for their own account or for the account of their underlying clients, a specified number of Secured Bonds. Authorised Financial Intermediaries must effect payment to the Issuer for the Secured Bonds subscribed to by not later than the closing of the Offer Period.

4.1.2 Expected Timetable of the Bond Issue

1. Offer Period	6 June 2022 to 17 June 2022
2. Commencement of interest on the Secured Bonds	21 June 2022
3. Expected date of announcement of basis of acceptance	21 June 2022
4. Refunds of unallocated monies (if any)	28 June 2022
5. Expected dispatch of allotment advices	28 June 2022
6. Expected date of admission of the securities to listing	28 June 2022
7. Expected date of commencement of trading in the securities	30 June 2022
8. Expected date of constitution of Collateral	not later than 29 July 2022

4.1.3 Plan of Distribution, Allotment and Allocation Policy

The Secured Bonds shall be made available for subscription to all categories of investors. The Secured Bonds shall be offered exclusively to the Authorised Financial Intermediaries. Applications may be made through any of the Authorised Financial Intermediaries pursuant to the Intermediaries' Offer. The allocation of the Secured Bonds shall be conditional upon the Secured Bonds being admitted to the Official List.

The Issuer has established a minimum aggregate subscription amount of €11.8 million on which the Bond Issue is conditional. In the event that the Bond Issue is not fully taken up, but the said minimum is satisfied or exceeded, the Issuer shall issue Secured Bonds up to the amount subscribed for by the Authorised Financial Intermediaries.

The Issuer shall announce the result of the Bond Issue through a company announcement by not later than 21 June 2022. Dealings in the Secured Bonds shall not commence prior to the Secured Bonds being admitted to the Official List.

4.2 Total estimated expenses

Professional fees, and costs related to publicity, advertising, printing, listing, registration, Sponsor, management, Registrar fees, selling commission, and other miscellaneous expenses in connection with this Bond Issue are estimated not to exceed €320,000 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 Bond Issue, which net of Bond Issue expenses are expected to amount to approximately €15.68 million shall be used by the Issuer for the following purposes, in the amounts and order of priority set out below:

- €11.8 million shall be used to finance the acquisition of the Paceville Site by TORE;
- €1.8 million shall be used to finance costs required to develop and complete the Hotel Project in accordance with approved planning permits. The amount of €1.8 million shall be released by the Security Trustee in a corresponding value contained in an architect's confirmation of value of works; and
- €2.08 million shall be used to part finance costs required to finish and furnish the Hotel Project. The amount of €2.08 million shall be released by the Security Trustee in a corresponding value contained in an architect's confirmation of value of works of finishing and furnishing or against evidence that such costs were incurred.

Should the Bond Issue not be fully subscribed to pursuant to the Intermediaries' Offer, the proceeds from the Bond Issue shall first be utilised for the purposes set out in section (a) above. Any remaining balance shall be utilised for the purposes set out in sections (b) and (c) above, in the order of priority indicated above.

4.4 Underwriting

The Bond Issue 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 Guarantors, 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 the directors of the Guarantors and their private interests.