Financial Analysis Summary
31 May 2022

ISSUER

The Ona p.l.c. (C 101370)

MZ INVESTMENT SERVICES

MZ INVESTMENT SERVICES

The Directors
The Ona p.l.c.
Gap Group Head Office
Ċensu Scerri Street
Tigné, Sliema, SLM 3060
Malta

31 May 2022

Dear Directors,

Financial Analysis Summary

In accordance with your instructions, and in line with the requirements of the MFSA Listing Policies, we have compiled the Financial Analysis Summary (the "**Analysis**") set out in the following pages and which is being forwarded to you together with this letter.

The purpose of the financial analysis is that of summarising key financial data appertaining to The Ona p.l.c. (the "**Issuer**", or "**Company**"), and The Ona Property Development Ltd, The Ona Real Estate Ltd and The Ona Hospitality Ltd being the guarantors in relation to the issue of 4.50% secured bonds 2028 – 2034 (ISIN: MT0002661206) (the "**Guarantors**" together with the Issuer, the "**Group**"). The data is derived from various sources or is based on our own computations as follows:

(a) Historical financial data for the years ended 31 December 2019, 31 December 2020 and 31 December 2021 has been extracted from the audited financial statements of The Ona Property Development Ltd and The Ona Real Estate Ltd.
(b) Pro forma consolidated statement of financial position of the Issuer as at 31 December 2021.
(c) The projected consolidated financial data relating to the Issuer for the years ending 31 December 2022, 31 December 2023 and 31 December 2024 have been provided by management.
(d) Our commentary on the results of the Group and on its financial position is based on the explanations provided by management.
(e) The ratios quoted in the Analysis have been computed by us applying the definitions set out in Part 4 of the Analysis.
(f) Relevant financial data in respect of the companies included in Part 3 has been extracted from public sources such as the websites of the companies concerned, financial statements filed with the Registrar of Companies or websites providing financial data.

The Analysis is meant to assist investors in the Issuer's securities and potential investors by summarising the more important financial data of the Group. The Analysis does not contain all data that is relevant to investors or potential investors. The Analysis does not constitute an endorsement by our firm of any securities of the Issuer and should not be interpreted as a recommendation to invest in any of the Issuer's securities. We shall not accept any liability for any loss or damage arising out of the use of the Analysis. As with all investments, potential investors are encouraged to seek independent professional financial advice before investing in the Issuer's securities.

Yours faithfully,

Evan Mohnani
Senior Financial Advisor

MZ Investment Services Ltd
63, St Rita Street,
Rabat RBT 1523,
Malta
Tel: 2145 3739

MZ INVESTMENT SERVICES

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DEFINITIONS

Franchise Agreement	the franchise agreement between the Franchisor and TOH;
Franchisor	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;
Issuer	The Ona p.l.c., a public limited liability company duly registered and validly existing under the laws of Malta with company registration number C 101370 and having its registered office at Gap Group Head Office, Ċensu Scerri Street, Tigné, Sliema SLM 3060, Malta;
Group	the Issuer, TOPD, TORE and TOH;
Guarantors	each of TOPD, TORE and TOH;
Hotel	the 106-room four-star hotel to be developed on a site in Lourdes Lane, Swieqi, Limits of St Julians, Malta, measuring approximately 586m^2, and to be operated under the "AC Hotels by Marriott";
TOH	The Ona Hospitality Ltd (C 101371);
TOPD	The Ona Property Development Ltd (C 82490);
TORE	The Ona Real Estate Ltd (C 83842);

PART 1 – INFORMATION ABOUT THE GROUP

1. KEY ACTIVITIES

1.1 INTRODUCTION

The Issuer was incorporated on 20 January 2022 and is the holding company of the Group. It holds 100% of the shareholding in the Guarantors.

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; and (iii) to develop and construct properties acquired. 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.

As at the date of this report, the Issuer (as lender) has entered into two conditional intra-group agreements with; (i) TORE (as borrower) for the purposes of financing the acquisition as well as the development and construction costs of the Hotel; and (ii) TOH (as borrower) for the purposes of part financing the furnishing and finishing of the Hotel. From time to time, it may enter into additional 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.

2. DIRECTORS AND SENIOR MANAGEMENT

2.1 DIRECTORS OF THE ISSUER

The Issuer is managed by a Board comprising five directors who are entrusted with its overall direction and management. The Board members of the Issuer as at the date of this report are included hereunder:

Cliona Muscat	Executive Director
George Muscat	Non-Executive Director
Alfred Attard	Independent Non-Executive Director
Francis X Gouder	Independent Non-Executive Director
Ann Marie Agius	Independent Non-Executive Director

2.2 DIRECTORS OF THE GUARANTORS

The following are the directors of each of TOPD and TORE:

Cliona Muscat	Executive Director
George Muscat	Executive Director

The sole director of TOH is Cliona Muscat.

2.3 SENIOR MANAGEMENT

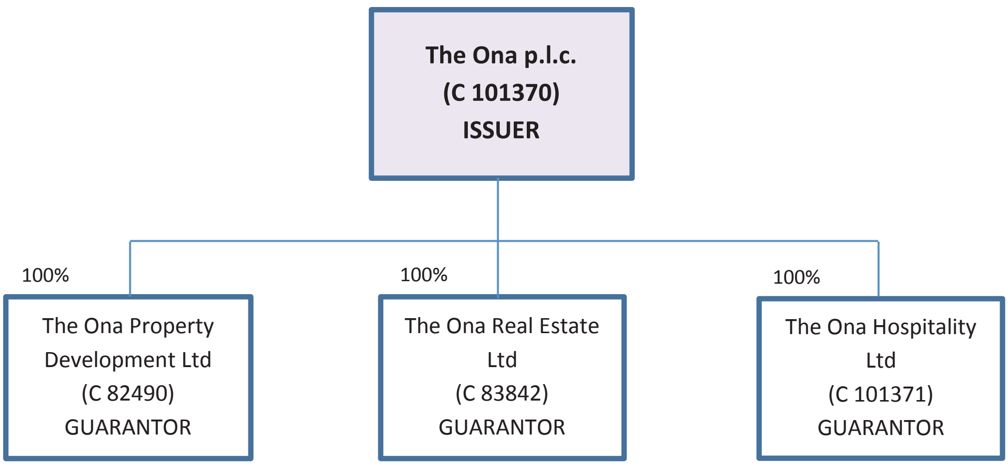
Cliona Muscat is the sole Executive Director of the Issuer entrusted with the day-to-day management of the Group. Ms Muscat is also a director or officer of other companies forming part of the Group. The Executive Director is supported in this role by several consultants and key management, and benefits from the know-how gained by members and officers of the Group.

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.

In terms of the Franchise Agreement, TORE undertook to lease the Hotel to TOH 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 TOH 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 report, the Hotel is not yet operational and will not open its doors until Q3 2023. For this reason, TOH 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, TOH 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.

3. ORGANISATIONAL STRUCTURE



The organisational structure of the Group is depicted above. The Issuer is owned by Ms Cliona Muscat (ID: 224996M) as to 99.9%, whilst one share is held by Mr George Muscat (ID: 312355M).

3.1 GUARANTORS

3.1.1 The Ona Real Estate Ltd

TORE was established on 5 December 2017 and operates in the property development and property rental sectors. Since the date of its incorporation, TORE has been involved in the following business activities:

- In Q1 2021, TORE acquired a site in Qawra and is in the process of completing the Qawra Project as further described in section 4.2 of this report.

- In Q3 2021, TORE entered into a promise of sale agreement for the purchase of a site in Paceville which will be developed into the Hotel. Following its acquisition, the Hotel will be leased to TOH for a period of approximately 30 years. The project is further described in section 4.5 of this report.

- In Q4 2021, TORE 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 acquired in Q1 2018 for the aggregate consideration of €2.05 million and thereafter was previously leased to the purchaser of the property.

- In Q4 2021, TORE entered into a promise of sale agreement for the purchase of a site in Mellieħa. Following the conclusion of the final deed of sale, TORE plans to develop two semi-detached terraced houses. The project is further described in section 4.3 of this report.

3.1.2 The Ona Property Development Ltd

TOPD was incorporated on 11 September 2017 and operates in the property development and property rental sectors. Since the date of its incorporation, TOPD has been involved in the following business activities:

- In Q4 2017, TOPD acquired a commercial property named "CE House" located in Dun Karm Pirotta Street, Birkirkara. TOPD leases the property to a third party on a long-term basis. Further details on the lease agreement are set out in section 5 of this report.

- In Q3 2019, TOPD acquired a site in Marsascala for development. It completed the residential development in Q4 2021. The project is further described in section 4.1 of this report.

- In Q1 2022, TOPD entered into two separate promise of sale agreements for the purchase of two adjacent houses in Ġużè Orlando Street, Birkirkara. The project is further described in section 4.4 of this report.

3.1.3 The Ona Hospitality Ltd

TOH was incorporated with the purpose of managing the Hotel. It has entered into a franchise agreement with the Franchisor to operate the Hotel as a "AC Hotels by Marriott" hotel. Following the acquisition of the Hotel by TORE, it will lease the Hotel from TORE pursuant to a lease agreement. Further detail on the management of the Hotel and the principal terms of the lease agreement are set out in section 2.3 and section 4.3 to this report.

4. THE PROJECTS

4.1 MARSASCALA PROJECT

TOPD purchased a site in Marsascala on 27 September 2019 which was since 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 afore-mentioned units and garages was retained by the seller of the said 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, 4 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.

TOPD was responsible for the construction, development and finishing of this development. The Marsascala Project was financed through a bank loan and from the company's own funds.

The residential units and garages owned by TOPD 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 report, only one garage is available for sale. The aggregate net sales revenue from the Marsascala Project is expected to be in the region of €5.4 million.

4.2 QAWRA PROJECT

On 15 January 2021, TORE purchased a site in Qawra having a superficial area of approximately 1,008m², of which only 358m² has been designated as building area. TORE was responsible for the construction, development and finishing of the block, which project is now completed. The Qawra Project was financed through a bank loan and from the company's own funds.

The development consists of 15 residential units spread over seven floors and three lock-up garages and six car spaces. 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). All residential units are served with a passenger lift, which also accesses the underlying garage level.

As at the date of this report, all of the units forming part of the Qawra Project are subject to promise of sale agreements. 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.

4.3 MELLIEĦA PROJECT

On 14 December 2021, TORE entered into a promise of sale agreement for the purchase of a site in Mellieħa, 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 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 report has not yet been approved.

The expected date of completion of the Mellieha Project is Q4 2023 and aggregate net sales revenue 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.

4.4 BIRKIRKARA PROJECT

In Q1 2022, TOPD entered into two promise of sale agreements for the purchase of two adjacent houses in Guze Orlando Street, Birkirkara. The Group intends to demolish the two houses, which together have an area of approximately 695m², 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 development permits with the Planning Authority which as at the date of this report has not yet been approved.

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

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 Birkirkara Project is expected to be in the region of €5.4 million.

4.5 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 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. The restaurant "Ona Restaurant" shall be managed by TOH's own team of chefs and catering staff.

The Hotel is set to open its doors and commence operations in Q3 2023.

Acquisition of the Site

By virtue of a promise of sale agreement dated 6 September 2021, TORE undertook to purchase a site in Paceville 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 is anticipated to take place by Q2 2022. As at the date of this report, The Ona Real Estate Ltd has 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 Bilom Properties Ltd 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 Julians and has a total site area of 586m^2. As detailed in promise of sale agreement, the vendor agreed to transfer the site together with its subterrain and airspace on the final deed of sale. The site will be purchased free and unencumbered from any security interests and shall be freehold.

Construction and Development

Following its acquisition, the site shall be developed into a 4-star 106-room hotel which will comprise four levels below road level (two floors for parking spaces), an intermediate level between ground floor and basement level, and nine levels of hotel rooms and hotel amenities.

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 is expected to be in the region of €9 million, as detailed below.

Construction	€1.80 million
Finishing and furnishing	€6.40 million
Financial/commission/ancillary costs	€0.80 million

For the purposes of the development and construction of the Hotel, TORE has engaged a local construction company - Elbros Construction Limited (C 10925) - pursuant to a contract of works entered into between TORE and Elbros Construction Limited (C 10925) for a value of approximately €1.8 million. Finishing and furnishing of the Hotel will be carried out by TOH which will lease the Hotel from TORE.

The acquisition and development costs of the Hotel shall be part-financed through the net proceeds of the proposed €16 million 4.50% Secured Bonds 2028 - 2034. The Issuer will on-lend the amount of €13.6 million of the net bond proceeds to TORE for the purposes of funding the full acquisition costs and development costs. The balance of *circa* €2.08 million of the net bond proceeds shall be on-lent by the Issuer to TOH to part finance the finishing and furnishing of the Hotel. The remaining balance required to complete the Hotel will be financed from the Group's own funds.

The Franchise Agreement

Pursuant to the Franchise Agreement, TOH has been granted a non-exclusive licence 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 purposes of operating the Hotel under the "AC Hotels by Marriott" brand. The non-exclusive licence granted under the Franchise Agreement commenced on 31 January 2022 and is for a period of twenty years, renewable automatically for two additional five-year periods. In consideration for the grant of the non-exclusive licence, 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 finishing 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.

5. LEASED PROPERTY

TOPD owns a commercial property located in Dun Karm Pirotta Street, Birkirkara named "CE House". The property has a total built-up area of approximately 953m^2 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 passengers' 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 property currently generates *circa* €107,000 in annual rental income, which is contracted to increase at a compound annual growth rate of 4.50% per annum.

6. ECONOMIC AND SECTOR ANALYSIS

6.1 ECONOMIC UPDATE

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[1]. 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 [2].

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.

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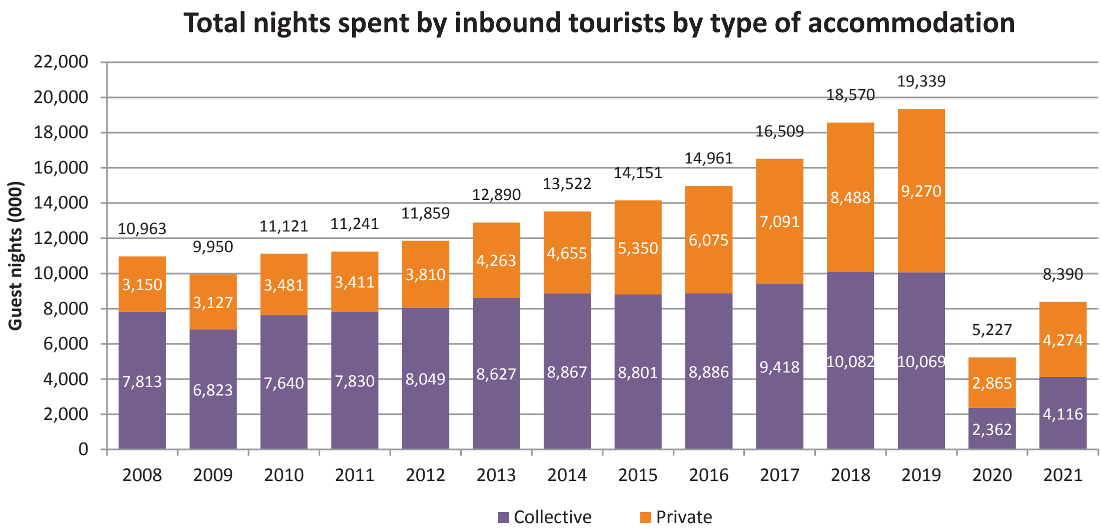
[1] The Recovery and Resilience Facility will make €672.5 billion in loans and grants available to support reforms and investments undertaken by Member States. The aim is to mitigate the economic and social impact of the coronavirus pandemic and make European economies and societies more sustainable,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

[2] European Economic Forecast – Winter 2022 (European Commission Institutional Paper 169 Feb'22)

6.2 HOSPITALITY [3]

Although COVID-19 related travel restrictions remained in place, 2021 regis¬tered a marked improvement in the number of inbound tourists, nights stayed and tourist expendi¬ture in Malta relative to those recorded in the corresponding period of 2020. Nonetheless, activity indicators for the sector generally remain well below 2019 levels.

In 2021, the number of inbound tourists increased by 47% over 2020, reaching 968,136 (2019: 2.8 million inbound tourists). In absolute terms, tourists visiting Malta for leisure purposes accounted for most of the year-on-year increase in arrivals although the number of visitors with business and other motives also increased. Meanwhile, the total number of guest nights that tourists spent in Malta during 2021 increased to around 8.4 million, from 5.2 million a year earlier (+62%) (2019: 19.3 million guest nights). Guest nights at collective accommodation made up 51% of the aggregate (2020: 55%), while rented accommodation (other than collective accommodation) held a 49% share (2020: 45%).



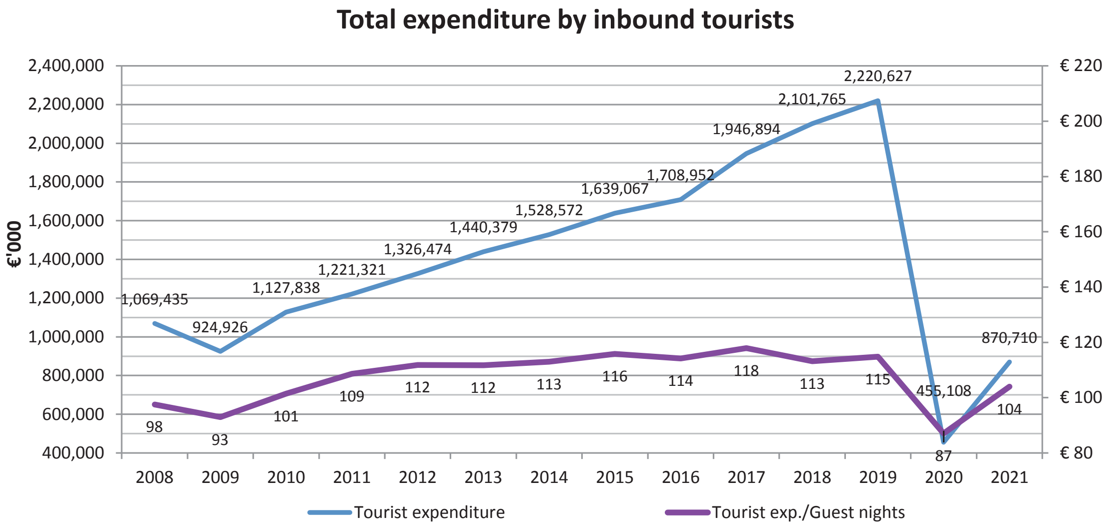
Source: National Statistics Office Malta

The total occupancy rate in collective accommodation establishments in 2021 increased to 33.1% from 25.4% in 2020 (2019: 65.7%). The 5-star category reported the largest increase – of 11.3 percentage points – followed by a rise of 8.8 percentage points in the 3-star category. Meanwhile, the smallest increase – of 1.2 percentage points – was recorded in the 2-star category.

Tourist expenditure in Malta almost doubled in 2021 to €870.7 million relative to the prior year. The increase relative to 2020 was driven by higher other expenditure (being expenditure other than package and non-package expenditure) and non-package expenditure (comprising air/sea fares and accommodation), although spending on package holidays also increased significantly. Following this increase, tourist expenditure in Malta was 61% below its level two years earlier.

[3] National Statistics Office Malta – News Release 019/2022 and 033/2022

Expenditure per capita increased to €899 from €691 in 2020, while average length of stay also increased from 7.9 nights in 2020 to 8.7 nights in 2021.



Source: National Statistics Office Malta

6.3 PROPERTY MARKET

The Property Price Index (PPI) – which is based on actual transactions involving apartments, maisonettes and terraced houses – continued to increase in annual terms. The annual rate of change reached 5.9% in the third quarter of 2021, up from 5.4% in the previous quarter (see chart below). Nevertheless, house price inflation in Malta remained below that in the euro area where prices increased at an annual rate of 8.8%. Notwithstanding the acceleration in the third quarter of 2021, house price recorded in the years before the pandemic.

Movements in Residential Property Prices

Source: Eurostat

From a shorter-term perspective, residential property prices seem to have returned to a growth trend following the sharp slowdown during the initial stages of the pandemic. Residential property prices continue to be supported by numerous factors including the low-interest rate environment that makes property more attractive as an investment as well as the Government's schemes related to the property market. Property prices were also supported by the enhancement of gov¬ernment support in response to the pandemic such as lower property tax rate and stamp duty to eligible transfers of immovable property. In particular, the property tax and stamp duty on the first €400,000 of the value of the transfer were reduced to 5.0% and 1.5% respectively. These mea¬sures were initially intended for final transfers made before 1 April 2021 but were later extended. Moreover, Budget 2021 extended or introduced more favourable terms on several schemes sup¬porting the property market that were in place before the pandemic.[4]

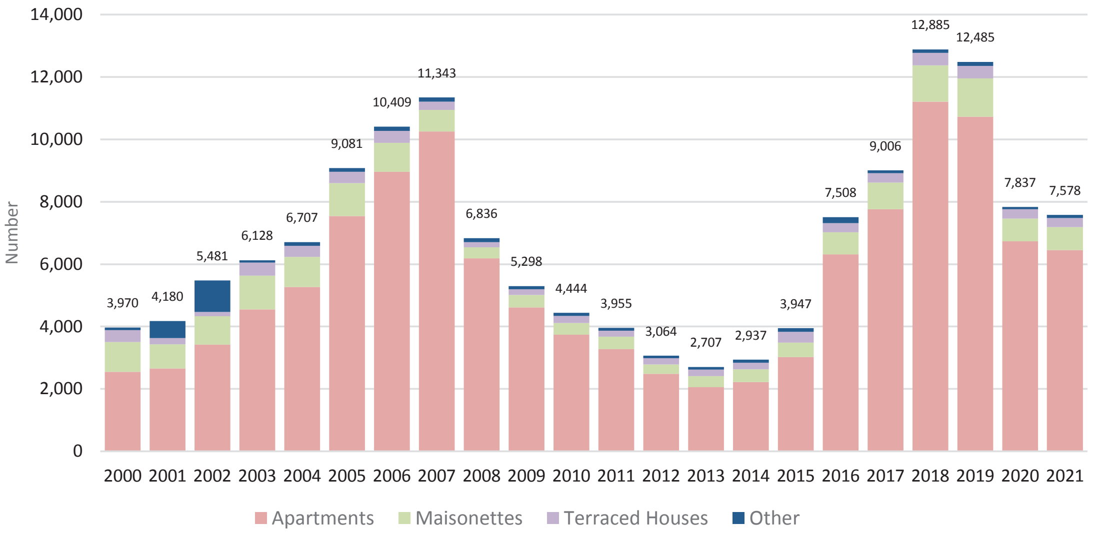
In 2021, the number of final deeds of sale relating to residential property amounted to 14,349 compared to 11,057 deeds in 2020 (+30%). The value of deeds completed in 2021 amounted to €3,120.3 million, an increase of 47% when compared to the prior year (2020: €2,125.7 million).[5]

The number of permits issued in 2021 for the construction of residential dwellings amounted to 4,956 permits, compared to 4,938 permits in the prior year, for the development of 7,578 residential units (2020: 7,837 residential units). As shown in the below chart, the number of units in 2021 (7,578) reflects a decrease of 41% from the all-time high of 12,885 units in 2018.

[4] Central Bank of Malta Quarterly Review – 2022 Vol. 55 No. 1

[5] National Statistics Office Malta – News Release 006/2022

Development Permits for Dwellings (number of units)



Source: Central Bank of Malta

Market data relating to commercial property in Malta (which includes industrial, logistics, warehousing, retail, hospitality and a predominant portion in the office asset class) is not available and thus makes it more difficult to gauge the health of this sector.

A trend accelerated by the pandemic is the rise of e-commerce across consumers. Not only does more online shopping challenge traditional brick and mortar retailers, but it raises the demand for warehousing and distribution centres.

With regard to the office sector, its future performance is highly uncertain. Debate is ongoing on the longevity of the pandemic-driven work-from-home (WFH) phenomenon. While WFH provides flexibility, convenience, no commuting, and a reduced wardrobe budget, there are obvious downsides: the difficulty in building teams, innovating, mentoring, and creating and sustaining culture. The longer people are isolated away from the office environment, the less they will develop relationships with their co-workers and feel connected to their companies. At some point, likely sooner than later, businesses will discover that full-time WFH arrangements simply cannot work and retaining talent will become an even greater challenge.

It is likely that most businesses will require their employees to come to the office for teamwork, company meetings, training and other collaborative activities with the remainder of the time retaining the flexibility of WFH if desired by the employee. That means office space will be configured for more group interactive and therefore companies will need less space. As such, tenants will be thinking harder about space needs and configuration going forward, and many companies may take the opportunity to upgrade to smaller, higher quality office space.

The hospitality industry is expected to fully recover in 2024, with business and conference travel gaining momentum so long as COVID variants stop emerging. The biggest issue the sector is dealing with at the moment is a labour shortage and the need to pay higher wages to attract talent. Due to the expected sector recovery, both equity and debt capital is set to continue to flow to the hospitality industry.

PART 2 – GROUP PERFORMANCE REVIEW

7. FINANCIAL INFORMATION RELATING TO THE GUARANTORS

TOH was incorporated on 20 January 2022 and, accordingly, as at the date of this report has not filed any audited financial statements. The historical financial information pertaining to TOPD and TORE relates to the financial years ended 31 December 2019, 31 December 2020, and 31 December 2021.

The Ona Property Development Ltd (previously Cliventi (I) Limited)
Income Statement

for the year ended 31 December	**2019**	**2020**	**2021**
	Audited	**Audited**	**Audited**
	(€'000)	**(€'000)**	**(€'000)**
Turnover	-	-	940
Cost of sales	-	-	(695)
Gross profit	**-**	**-**	**245**
Rental income	92	95	106
Administrative expenses	(8)	(8)	(42)
Operating profit	**84**	**87**	**309**
Gain on revaluation of investment property	-	-	620
Interest payable	(69)	(22)	(29)
Profit before taxation	**15**	**65**	**900**
Taxation	-	(14)	(61)
Profit after taxation	**15**	**51**	**839**

The Ona Property Development Ltd (previously Cliventi (I) Limited)
Statement of financial position
as at 31 December

	2019 Audited (€'000)	2020 Audited (€'000)	2021 Audited (€'000)
Non-current assets			
Property, plant and equipment	20	15	10
Investment property	1,864	1,864	2,700
	1,884	1,879	2,710
Current assets			
Inventory - development project	1,639	2,395	3,381
Trade and other receivables	13	34	358
Cash and cash equivalents	107	34	89
	1,759	2,463	3,828
Total assets	**3,643**	**4,342**	**6,538**
EQUITY			
Capital and reserves			
Called up share capital	1	1	1
Retained earnings (accumulated losses)	(18)	33	872
	(17)	**34**	**873**
LIABILITIES			
Non-current liabilities			
Bank loans	2,056	1,355	1,480
Deferred tax	-	-	216
	2,056	**1,355**	**1,696**
Current liabilities			
Bank loans	271	753	302
Trade and other payables	69	38	1,369
Other financial liabilities	1,264	2,162	2,298
	1,604	2,953	3,969
	3,660	**4,308**	**5,665**
Total equity and liabilities	**3,643**	**4,342**	**6,538**

The Ona Property Development Ltd (previously Cliventi (I) Limited) Cash Flow Statement for the year ended 31 December	2019 Audited (€'000)	2020 Audited (€'000)	2021 Audited (€'000)
Net cash from (used in) operating activities	(1,387)	(736)	244
Net cash from (used in) financing activities	1,422	663	(189)
Net movement in cash and cash equivalents	**35**	**(73)**	**55**
Cash and cash equivalents at beginning of year	72	107	34
Cash and cash equivalents at end of year	**107**	**34**	**89**

During the years under review, the business activities of TOPD 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, TOPD completed the sale of 3 residential units and generated revenue amounting to €940,000. As at year end, 7 residential units were subject to promise of sale agreements, with another 4 units to be exchanged as part of a barter agreement on acquisition of the site. Management indicated that as at the date of this report, only 1 garage remains unsold.

Rental income relates to the lease of a commercial property to a third party situated at CE House, Triq Dun Karm Pirotta, 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 and thus a net gain of €620,000 was recognised in the income statement.

For the year ended 31 December 2021, TOPD registered a profit after tax of €0.84 million (FY2020: €0.05 million).

The company'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).

Outstanding bank loans amounted to €1.78 million compared to €2.1 million in FY2020. Repayments are being made from proceeds derived from the sale of residential property. Other financial liabilities amounted to €2.3 million in FY2021 (FY2020: €2.2 million) and comprise transactions entered into with related undertakings arising in the ordinary course of business.

The Ona Real Estate Ltd (previously Cliventi (II) Limited) Income Statement for the year ended 31 December	2019 Audited (€'000)	2020 Audited (€'000)	2021 Audited (€'000)
Turnover	-	357	211
Cost of sales	-	(357)	(211)
Gross profit	**-**	**-**	**-**
Rental income	61	145	150
Profit on disposal of property	-	-	2,745
Administrative expenses	(7)	(8)	(22)
Operating profit	**54**	**137**	**2,873**
Interest payable	(69)	(68)	(60)
Profit (loss) before taxation	**(15)**	**69**	**2,813**
Taxation	-	21	(292)
Profit (loss) after taxation	**(15)**	**90**	**2,521**

The Ona Real Estate Ltd (previously Cliventi (II) Limited) Cash Flow Statement for the year ended 31 December	2019 Audited (€'000)	2020 Audited (€'000)	2021 Audited (€'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)
Net movement in cash and cash equivalents	**74**	**16**	**788**
Cash and cash equivalents at beginning of year	49	123	139
Cash and cash equivalents at end of year	**123**	**139**	**927**

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)
Non-current assets			
Property, plant and equipment	80	80	-
Investment property	2,175	2,175	-
Deferred taxation	-	21	-
	2,255	2,276	-
Current assets			
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
	124	241	5,320
Total assets	**2,379**	**2,517**	**5,320**
EQUITY			
Capital and reserves			
Called up share capital	175	300	300
Retained earnings (accumulated losses)	(97)	(6)	2,515
	78	**294**	**2,815**
LIABILITIES			
Non-current liabilities			
Bank loans	1,443	1,459	1,015
Other financial liabilities	300	300	268
	1,743	1,759	1,283
Current liabilities			
Bank loans	82	-	16
Trade and other payables	41	31	143
Other financial liabilities	435	433	1,063
	558	464	1,222
	2,301	**2,223**	**2,505**
Total equity and liabilities	**2,379**	**2,517**	**5,320**

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, TORE reported a net profit amounting to €2.5 million (FY2020: €0.09 million).

In January 2021, TORE acquired a plot in Qawra for the development of 15 residential units and 9 garages/car spaces. The project is fully completed and has been financed from a bank loan facility and other financial liabilities (related parties and shareholder's funds). All sales are expected to be finalised by Q3 2022.

On 6 September 2021, TORE entered into a promise of sale agreement for the purchase of a site in Triq Sqaq Lourdes, Swieqi, St Julians 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 TOH and operated as a 4-star hotel under the "AC Hotels by Marriott" brand.

On 14 December 2021, TORE entered into a promise of sale agreement for the purchase of a site in Mellieħa, which it intends to develop into two semi-detached terraced houses.

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.

Other financial liabilities amounted to €1.3 million in FY2021 (FY2020: €0.7 million) and comprise transactions entered into with related undertakings arising in the ordinary course of business.

8. PRO FORMA FINANCIAL INFORMATION RELATING TO THE ISSUER

The Group came into existance in April 2022 following the acquisition of TORE, TOH and TOPD 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.

A statement of financial position of the Group as at 31 December 2021, reflecting the combined balance sheets of TOPD

The Ona p.l.c.
Pro forma consolidated statement of financial position
as at 31 December 2021

	Combined	Adjustments								Group
		(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	
	(€'000)	(€'000)	(€'000)	(€'000)	(€'000)	(€'000)	(€'000)	(€'000)	(€'000)	(€'000)
Non-current assets										
Investment property	2,700	-	-	-	-	-	-	-	-	2,700
Property, plant and equipment	10	-	-	-	-	-	-	-	-	10
Investment in subsidiaries	-	-	-	3,689	-	(3,689)	-	-	-	-
	2,710	-	-	3,689	-	(3,689)	-	-	-	2,710
Current assets										
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
	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										
Capital and reserves										
Called up share capital and reserves	301	1	1	3,689	3,581	(302)	-	-	-	7,271
Retained earnings	3,387	-	-	-	-	(3,387)	-	-	-	-
	3,688	**1**	**1**	**3,689**	**3,581**	**(3,689)**	**-**	**-**	**-**	**7,271**
LIABILITIES										
Non-current liabilities										
Bank loans	2,495	-	-	-	-	-	-	-	-	2,495
Other financial liabilities	268	-	-	-	(250)	-	-	(18)	-	-
Deferred tax	216	-	-	-	-	-	-	-	-	216
	2,979	-	-	-	(250)	-	-	(18)	-	2,711
Current liabilities										
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
	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**

The pro forma adjustments include the following:

(I) Being the incorporation of the Issuer;
(II) Being the incorporation of TOH;
(III) Relates to the transfer of TOPD, TORE and TOH 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 statement of financial position 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 (including 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 Street, Birkirkara (investment property), inventory of development projects in Marsascala and Qawra of €5.0 million, deposit and related costs amounting to €2.8 million relating to the Hotel and cash balances of €1.0 million.

9. PROJECTED FINANCIAL INFORMATION RELATING TO THE ISSUER

The projected consolidated financial information for the years ending 31 December 2022, 31 December 2023 and 31 December 2024 of the Group has been provided by management of the Issuer.

The projected financial information relates to events in the future and is based on assumptions which the Issuer believes to be reasonable. Consequently, the actual outcome may be adversely affected by unforeseen situations and the variation between forecast and actual results may be material.

The Ona p.l.c. Consolidated Statement of Comprehensive Income for the year ending 31 December	**2022 Forecast €'000**	**2023 Projection €'000**	**2024 Projection €'000**
Revenue - property development	7,824	-	7,499
Revenue - hotel operations	-	2,021	4,020
Rental income	95	107	109
Cost of sales	(5,762)	(1,136)	(7,735)
Net operating expenses	-	(544)	(96)
Operating profit	**2,157**	**448**	**3,797**
Depreciation	-	(194)	(392)
Finance costs	(48)	(380)	(780)
Profit (loss) before tax	**2,109**	**(126)**	**2,625**
Taxation	(662)	(18)	(640)
Profit (loss) for the year	**1,447**	**(144)**	**1,985**
Other comprehensive income			
Movement in fair value of property, net of tax	-	1,564	352
Total comprehensive income for the year	**1,447**	**1,420**	**2,337**

Key Accounting Ratios

	FY2022 Forecast	FY2023 Projection	FY2024 Projection
Operating profit margin *(Operating profit/revenue)*	27%	21%	33%
Interest cover (times) *(Operating profit/net finance cost)*	44.94	1.18	4.87
Interest cover 2 (times) *(Operating profit/finance cost)*	44.94	1.18	4.87
Net profit margin *(Profit after tax/revenue)*	18%	-7%	17%
Earnings per share (€) *(Profit after tax/number of shares)*	0.23	-0.02	0.31
Return on equity *(Profit after tax/shareholders' equity)*	17%	-1%	16%
Return on capital employed *(Operating profit/total assets less current liabilities)*	8%	2%	13%
Return on assets *(Profit after tax/total assets)*	5%	0%	6%

Source: MZ Investment Services Limited

In FY2022, the Group expects to generate revenue amounting to €7.8 million from the sale of residential units and car spaces forming part of the Qawra Project and Marsascala Project, all of which are already subject to promise of sale agreements except for 1 garage at the Marsascala Project. Rental income from the lease of "CE House" in Birkirkara is projected to amount to €95,000. Overall, profit for the year is estimated to amount to €1.4 million.

No property sales have been projected for FY2023 since the Mellieħa Project is expected to be completed in Q4 2023 while the Birkirkara Project is due for completion in Q1 2024. Revenue for the said year is estimated at €2.0 million and is expected to be generated from Hotel operations between July 2023 (being the date of commencement of operations) and December 2023. Rental income is projected to amount to €107,000 (FY2022: €95,000). The Group expects to register an operating profit of €0.4 million (FY2022: €2.2 million) but incur a net loss for the year of €0.1 million (FY2022: €1.4 million) after accounting for depreciation, finance costs and taxation.

On completion of the Hotel and commencement of operations thereof in FY2023, the Group anticipates that the fair value of the property will increase by €1.6 million to €23.0 million.

In FY2024, the Group is projected to dispose of all residential units and garages at the Mellieħa Project and Birkirkara Project and as such expects to generate gross revenue of €7.5 million. The said financial year will be the Hotel's first full year of operation whereby it is projected to achieve €4.0 million in revenue. Aggregate revenue of the Group is expected to reach €11.6 million compared to €2.1 million in the prior year.

Given the increase in operational activities, operating profit is projected to increase from €0.4 million in FY2023 to €4.8 million in FY2024. The Group expects to realise an operating profit margin of 33% in FY2024 (FY2023: 21%), while interest cover is estimated at 4.87 times (FY2023: 1.18 times).

Profit for the year is expected to amount to €2.0 million (FY2023: loss of €0.1 million). After accounting for an uplift in the carrying value of the Hotel of €0.35 million, the Group is projected to report total comprehensive income of €2.3 million compared to €1.4 million a year earlier.

The Ona p.l.c. Consolidated Statement of Financial Position as at 31 December	**2022 Forecast €'000**	**2023 Projection €'000**	**2024 Projection €'000**
ASSETS			
Non-current assets			
Property, plant and equipment	15,650	23,010	23,010
Investment property	2,700	2,700	2,700
	18,350	25,710	25,710
Current assets			
Inventory	2,861	4,840	2,264
Trade and other receivables	29	193	193
Cash and cash equivalents	8,518	2,980	3,903
	11,408	8,013	6,360
Total assets	**29,758**	**33,723**	**32,070**
EQUITY			
Capital and reserves			
Called up share capital	7,272	7,272	7,272
Revaluation reserve	-	1,564	1,916
Retained earnings	1,447	1,303	3,289
	8,719	**10,139**	**12,477**
LIABILITIES			
Non-current liabilities			
Bank borrowings	2,066	301	-
Debt securities	15,702	15,736	15,769
Deferred taxation	216	1,006	1,006
Other non-current liabilities	-	278	-
	17,984	17,321	16,775
Current liabilities			
Bank borrowings	53	2,500	1,616
Trade and other payables	523	648	648
Capital creditors	2,479	2,491	278
Other current liabilities	-	624	276
	3,055	6,263	2,818
	21,039	**23,584**	**19,593**
Total equity and liabilities	**29,758**	**33,723**	**32,070**

Key Accounting Ratios

	FY2022 Forecast	FY2023 Projection	FY2024 Projection
Gearing ratio *(Total net debt/net debt and shareholders' equity)*	52%	61%	52%
Gearing ratio 2 (times) *(Total net debt/shareholders' equity)*	1.07	1.53	1.08
Net debt to Operating profit (years) *(Net debt/Operating profit)*	4.31	34.73	3.55
Net assets per share (€) *(Net asset value/number of shares)*	1.20	1.39	1.72
Liquidity ratio (times) *(Current assets/current liabilities)*	3.73	1.28	2.26

Source: MZ Investment Services Limited

Total assets as at 31 December 2022 is forecasted to amount to €29.8 million and shall mainly comprise the Hotel and "CE House" valued at €15.7 million and €2.7 million respectively, inventory (work-in-progress on property development) of €2.9 million and cash balances of €8.5 million. In FY2023, total assets are expected to increase by €4.0 million primarily on account of an increase in value of the Hotel of €7.4 million and inventory of €2.0 million, while cash balances are expected to decrease by €5.5 million.

As at 31 December 2024, total assets are projected to amount to €32.1 million and shall principally comprise the Hotel and "CE House" amounting to €25.7 million and cash balances of €3.9 million. Furthermore, inventory is estimated at €2.3 million and in the main will include property development works-in-progress.

The Group's equity is projected to amount to €8.7 million in FY2022 and increase to €10.1 million in the subsequent financial year due to an uplift in the carrying value of the Hotel. On account of an increase in retained earnings in FY2024, total equity is projected to increase by 23% y-o-y to €12.5 million.

Total liabilities of the Group shall mainly comprise the proposed bond issue amounting to €15.7 million, while bank loans and capital creditors which primarily relate to property developments are expected to amount to €4.5 million and €5.3 million in FY2022 and FY2023 respectively.

In FY2024, no material movements are projected in total liabilities compared to the prior year, other than a decrease in bank loans from €2.8 million in FY2023 to €1.6 million.

The leverage of the Group (gearing) is expected to reach 61% in FY2023 on account of an increase in borrowings used for the purposes of developing residential units and the Hotel, which should improve to 52% in FY2024 as cash balances accumulate from Hotel operations and disposal of residential units. The liquidity ratio is projected at 1.28 times in FY2023 and 2.26 times in the subsequent financial year.

The Ona p.l.c. Consolidated Cash Flow Statement for the year ending 31 December	2022 Forecast €'000	2023 Projection €'000	2024 Projection €'000
Net cash from (used in) operating activities	2,392	227	4,491
Net cash from (used in) investing activities	(10,085)	(5,629)	(1,571)
Net cash from (used in) financing activities	15,168	(136)	(1,997)
Net movement in cash and cash equivalents	**7,475**	**(5,538)**	**923**
Cash and cash equivalents at beginning of year	1,043	8,518	2,980
Cash and cash equivalents at end of year	**8,518**	**2,980**	**3,903**
Free cash flow[1]	**(7,693)**	**(5,402)**	**2,920**

[1] *Free cash flow is arrived at by deducting capital expenditure from cash generated from operating activities.*

Net cash from operating activities in FY2022 is expected to amount to €2.4 million, principally reflecting net cash inflows to be generated from property sales. In FY2023, net cash from operating activities will comprise a half year's operation of the Hotel and an adverse movement in working capital on account of property development works-in-progress. As such, net cash inflows for the year is expected to amount to €0.2 million.

In the subsequent year (FY2024), net cash inflows from operating activities is projected to increase to €4.5 million on account of a full year's operation of the Hotel and the execution of sale contracts relating to all units within the Mellieħa Project and Birkirkara Project.

Net cash used in investing activities is estimated to amount to €15.7 million during FY2022 and FY2023 (in aggregate) and relates to the acquisition of the site in Swieqi, limits of St Julians and development thereon of the Hotel. The final payments relating to the development of the Hotel amounting to €1.6 million are projected to be settled in FY2024.

In FY2022, net cash from financing activities is projected to amount to €15.2 million and shall mainly comprise net proceeds from the proposed bond issue of €15.7 million. The Group is expected to effect bank loan repayments of €0.4 million and incur bank loan interest of €0.1 million. In FY2023, net cash used is estimated to amount to €0.1 million and includes bond and bank loan interests of €0.8 million which is expected to be partly offset by bank loan drawdowns of €0.7 million.

Net cash used in financing activities in FY2024 is estimated at €2.0 million and shall comprise the settlement in full of bank loans amounting to €1.2 million in relation to the Mellieħa Project and Birkirkara Project and interest payments on account of bank borrowings and bonds of €0.8 million.

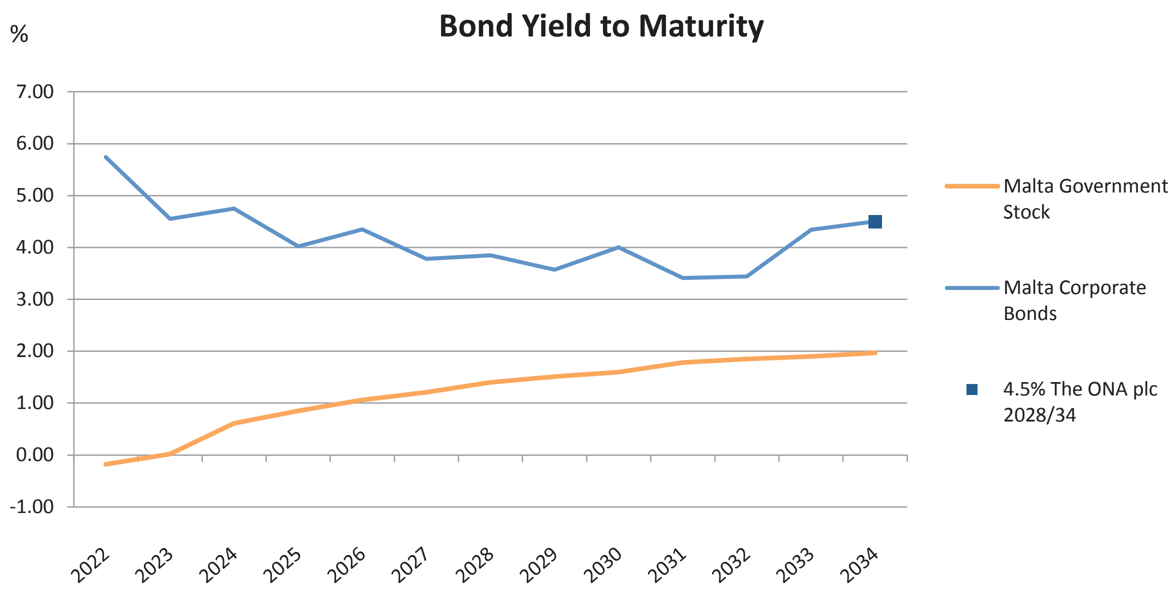
PART 3 - COMPARABLES

The table below compares the Issuer and its bond issue to other debt issuers listed on the Malta Stock Exchange and their respective debt securities. The list includes issuers (excluding financial institutions) that have listed bonds. Although there are significant variances between the activities of the Issuer and other issuers (including different industries, principal markets, competition, capital requirements etc), and material differences between the risks associated with the Group's business and that of other issuers, the comparative analysis provides an indication of the financial performance and strength of the Group.

Comparative Analysis	Nominal Value (€)	Yield to Maturity (%)	Interest Cover (times)	Total Assets (€'000)	Net Asset Value (€'000)	Gearing Ratio (%)
6.00% Pendergardens Developments plc Secured € 2022 Series	21,093,400	5.74	1.79	60,578	29,491	36.39
4.25% GAP Group plc Secured € 2023	8,367,900	5.29	14.81	112,173	21,575	60.31
5.30% United Finance Plc Unsecured € Bonds 2023	8,500,000	4.55	0.67	37,298	6,677	75.91
5.80% International Hotel Investments plc 2023	10,000,000	4.54	1.06	1,695,229	838,216	40.59
5.5% Mediterranean Investments Holding plc € 2023	20,000,000	4.64	2.01	310,941	188,651	27.06
6.00% AX Investments Plc € 2024	40,000,000	3.57	1.69	374,099	237,143	25.10
6.00% International Hotel Investments plc € 2024	35,000,000	5.47	1.06	1,695,229	838,216	40.59
5.30% Mariner Finance plc Unsecured € 2024	35,000,000	4.75	3.30	102,348	52,929	46.65
5.00% Hal Mann Vella Group plc Secured € 2024	30,000,000	3.72	2.60	123,752	48,512	53.05
5.10% 1923 Investments plc Unsecured € 2024	36,000,000	4.36	4.58	149,687	52,831	49.89
4.25% Best Deal Properties Holding plc Secured € 2024	12,136,700	2.45	-	24,561	6,893	62.61
3.70% GAP Group plc Secured € 2023-2025 Series 1	21,000,000	3.55	14.81	112,173	21,575	60.31
5.75% International Hotel Investments plc Unsecured € 2025	45,000,000	4.66	1.06	1,695,229	838,216	40.59
5.10% 6PM Holdings plc Unsecured € 2025	13,000,000	4.59	52.47	162,889	74,159	14.82
4.50% Hili Properties plc Unsecured € 2025	37,000,000	4.02	1.41	208,696	110,881	32.31
4.35% Hudson Malta plc Unsecured € 2026	12,000,000	4.35	4.51	58,951	12,557	68.49
4.25% Corinthia Finance plc Unsecured € 2026	40,000,000	4.11	- 0.51	1,717,057	828,470	42.64
4.00% International Hotel Investments plc Secured € 2026	55,000,000	3.36	1.06	1,695,229	838,216	40.59
5.00% Dizz Finance plc Unsecured € 2026	8,000,000	4.99	0.45	72,112	4,763	91.27
3.75% Premier Capital plc Unsecured € 2026	65,000,000	3.51	11.70	317,675	60,118	74.24
4.00% International Hotel Investments plc Unsecured € 2026	60,000,000	4.02	1.06	1,695,229	838,216	40.59
3.25% AX Group plc Unsec Bds 2026 Series I	15,000,000	3.25	1.69	374,099	237,143	25.10
3.90% GAP Group plc Secured € 2024-2026	21,000,000	3.90	14.81	112,173	21,575	60.31
4.35% SD Finance plc Unsecured € 2027	65,000,000	4.35	0.88	328,464	131,504	30.32
4.00% Eden Finance plc Unsecured € 2027	40,000,000	3.78	3.63	193,529	109,284	28.55
4.00% Stivala Group Finance plc Secured € 2027	45,000,000	3.49	3.25	362,955	235,392	26.66
3.85% Hili Finance Company plc Unsecured € 2028	40,000,000	3.85	3.44	624,222	106,811	78.42
3.65% Stivala Group Finance plc Secured € 2029	15,000,000	3.57	3.25	362,955	235,392	26.66
3.80% Hili Finance Company plc Unsecured € 2029	80,000,000	3.88	3.44	624,222	106,811	78.42
3.75% AX Group plc Unsec Bds 2029 Series II	10,000,000	3.79	1.69	374,099	237,143	25.10
3.65% International Hotel Investments plc Unsecured € 2031	80,000,000	3.68	1.06	1,695,229	838,216	40.59
3.50% AX Real Estate plc Unsec Bds 2032	40,000,000	3.44	-	238,228	78,698	63.41
4.50% The Ona plc € 2028 - 2034	**16,000,000**	**4.50**	**44.94**	**29,758**	**8,719**	**51.62**

29-Apr-22

Source: Malta Stock Exchange, Audited Accounts of Listed Companies, MZ Investment Services Ltd



Source: Malta Stock Exchange, Central Bank of Malta, MZ Investment Services Ltd 29 April 2022

To date, there are no corporate bonds which have a redemption date beyond 2034. The Malta Government Stock yield curve has been included as it is the benchmark risk-free rate for Malta.

The Bonds are priced at a yield of 4.50%, which is at par when compared to other corporate bonds maturing in the same year. The premium over FY2034 Malta Government Stock is 253 basis points.

PART 4 - EXPLANATORY DEFINITIONS

INCOME STATEMENT	
Revenue	Total revenue generated by the Group from its business activities during the financial year.
Cost of sales	Operating expenses include the cost of construction, cost of hotel operations and other related expenses.
Operating profit	Operating profit can be used to analyse and compare profitability between companies and industries because it eliminates the effects of financing and accounting decisions.
Profit after tax	Profit after tax is the profit made by the Issuer during the financial year both from its operating as well as non-operating activities.
PROFITABILITY RATIOS	
Operating profit margin	Operating profit margin is operating income or EBITDA (earnings before interest, tax, depreciation & amortisation) as a percentage of total revenue.
Net profit margin	Net profit margin is profit after tax achieved during the financial year expressed as a percentage of total revenue.
EFFICIENCY RATIOS	
Return on equity	Return on equity (ROE) measures the rate of return on the shareholders' equity of the owners of issued share capital, computed by dividing profit after tax by shareholders' equity.
Return on capital employed	Return on capital employed (ROCE) indicates the efficiency and profitability of a company's capital investments, estimated by dividing operating profit by capital employed.
Return on assets	Return on assets (ROA) is computed by dividing profit after tax by total assets.
EQUITY RATIOS	
Earnings per share	Earnings per share (EPS) is the amount of earnings per outstanding share of a company's share capital. It is computed by dividing net income available to equity shareholders by total shares outstanding as at balance sheet date.
CASH FLOW STATEMENT	
Cash flow from operating activities	Cash generated from the principal revenue-producing activities of the Group.
Cash flow from investing activities	Cash generated from activities dealing with the acquisition, disposal and development of long-term assets and other investments of the Issuer.
Cash flow from financing activities	Cash generated from the activities that result in change in share capital and borrowings of the Issuer.

BALANCE SHEET	
Non-current assets	Non-current asset are the Issuer's long-term investments, which full value will not be realised within the accounting year. Non-current assets are capitalised rather than expensed, meaning that the Issuer amortises the cost of the asset over the number of years for which the asset will be in use, instead of allocating the entire cost to the accounting year in which the asset was acquired. Such assets include property, plant & equipment, and investment property.
Current assets	Current assets are all assets of the Issuer, which are realisable within one year from the balance sheet date. Such amounts include development stock, accounts receivable, cash and bank balances.
Current liabilities	Current liabilities are all liabilities payable by the Issuer within a period of one year from the balance sheet date, and include accounts payable and short-term debt, including current portion of bank loans.
Non-current liabilities	Non-current liabilities are the Issuer's long-term financial obligations that are not due within the present accounting year. The Issuer's non-current liabilities include long-term borrowings and debt securities.
Total equity	Total equity includes share capital, reserves & other equity components, and retained earnings.
Net assets per share	Net assets per share are the otal assets less total liabilities divided by the number of equity shares in issue.
FINANCIAL STRENGTH RATIOS	
Liquidity ratio	The liquidity ratio (also known as current ratio) is a financial ratio that measures whether or not a company has enough resources to pay its debts over the next 12 months. It compares a company's current assets to its current liabilities.
Interest cover	The interest coverage ratio is calculated by dividing a company's operating profit of one period by the company's interest expense of the same period.
Net debt to operating profit	The net debt to operating profit ratio is a measurement of leverage, calculated as a company's interest bearing liabilities minus cash or cash equivalents, divided by its operating profit. This ratio shows how many years it would take for a company to pay back its debt if net debt and operating profit are held constant.
Gearing ratio	The gearing ratio indicates the relative proportion of shareholders' equity and debt used to finance a company's assets, and is calculated by dividing a company's net debt by net debt plus shareholders' equity. Alternatively, the gearing ratio can be calculated by dividing a company's net debt by shareholders' equity. Shareholders' equity comprises 'other capital' as defined hereinabove.