

# **THE ONA HOSPITALITY LTD**

## **FINANCIAL STATEMENTS**

***FOR THE PERIOD ENDED 31<sup>ST</sup> DECEMBER 2025***

**Company No. C-10137**

# THE ONA HOSPITALITY LTD

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# THE ONA HOSPITALITY LTD

## DIRECTOR'S REPORT

FOR THE YEAR ENDED 31ST DECEMBER 2025

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Director: -	Ms. Cliona Muscat
Company Secretary: -	Ms. Cliona Muscat
Company number: -	C-101371
Registered Office: -	AC Hotel St. Julians 13, Lourdes Lane St. Julians Malta
Auditors: -	VCA Certified Public Accountants Finance House, First Floor, Princess Elizabeth Street Ta' Xbiex XBX 1102 Malta

The Director presents her report and the audited financial statements of The Ona Hospitality Ltd ('the Company') for the period ended 31 December 2025.

### Principal activities

The principal activity of the Company is to charge/ pay interest on loan receivable/ payable to related parties.

### Performance review

The Company was formed on 20<sup>th</sup> January 2022. The loss on the Company's activities for the year after taxation amounted to €4,284 (2024: €3,411).

### Results and dividends

The results for the year ended 31 December 2025 are shown in the statement of profit or loss and other comprehensive income on page 3. The Director does not recommend the payment of a dividend and proposes to transfer the loss to reserves.

### Director

The Director in office at the end of the year is listed above. The Director served on the board throughout the period and in accordance with the Company's articles of association, the Director has to remain in office.

# THE ONA HOSPITALITY LTD

## DIRECTOR'S REPORT

FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2025

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### Director's Responsibilities

The Director is required by the Companies Act (Chap. 386) to prepare financial statements in accordance with International Financial Reporting Standards as adopted by the EU which give a true and fair view of the state of affairs of the Company at the end of each financial year and of the profit or loss for the year then ended.

In preparing the financial statements, the Director should: -

- Select suitable accounting policies and apply them consistently.
- Make judgements and estimates that are reasonable; and
- Prepare the financial statements on a going concern basis, unless it is inappropriate to presume that the Company will continue in business as a going concern.

The Director is responsible for ensuring that proper accounting records are kept which disclose with reasonable accuracy at any time the financial position of the Company and which enable the Director to ensure that the financial statements comply with the Companies Act (Chap. 386). This responsibility includes designing, implementing and maintaining such internal control as the Director determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. The Director is also responsible for safeguarding the assets of the Company, and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### Auditors

A resolution to reappoint VCA Certified Public Accountants as auditors of the Company will be proposed at the forthcoming annual general meeting.

This report was approved by sole Director and authorized for issue on 29 April 2026 and signed on its behalf by:

  
\_\_\_\_\_  
Ms. Cliona Muscat  
Director

# THE ONA HOSPITALITY LTD

## STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31ST DECEMBER 2025

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	<i>Notes</i>	<b>2025</b>	<b>2024</b>
		<b>€</b>	<b>€</b>
Interest income	8.1	<b>110,240</b>	110,240
Interest expense	8.2	<b>(110,240)</b>	(110,240)
		<hr/>	<hr/>
		-	-
		<hr/>	<hr/>
Administrative expenses	8.3	<b>(4,284)</b>	(3,411)
<b>Loss before taxation</b>		<b>(4,284)</b>	(3,411)
		<hr/>	<hr/>
Tax charge	8.4	-	-
		<hr/>	<hr/>
<b>Total comprehensive loss for the period</b>		<b>(4,284)</b>	(3,411)
		<hr/>	<hr/>
<b>Total comprehensive loss attributable to:</b>			
Equity holders of the Company		<b>(4,284)</b>	(3,411)
		<hr/>	<hr/>

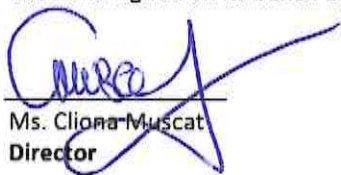
# THE ONA HOSPITALITY LTD

## STATEMENT OF FINANCIAL POSITION

AS AT 31<sup>ST</sup> DECEMBER 2025

	<i>Notes</i>	2025 €	2024 €
<b>ASSETS</b>			
<b>Non-Current</b>			
Loans and receivables	4.6	2,501,621	2,392,284
<b>Current assets</b>			
Cash and cash equivalents	6	163	25
<b>Total Assets</b>		<b>2,501,784</b>	<b>2,392,309</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Capital and Reserves</b>			
Share capital	11.1	1,200	1,200
Retained earnings		(14,116)	(9,832)
		<b>(12,916)</b>	<b>(8,632)</b>
<b>Non-Current liabilities</b>			
Borrowings	5.4	2,511,748	2,398,108
<b>Current liabilities</b>			
Other payables	5.5	2,952	2,833
<b>Total liabilities</b>		<b>2,514,700</b>	<b>2,400,941</b>
<b>Total Equity and Liabilities</b>		<b>2,501,784</b>	<b>2,392,309</b>

These financial statements on pages 6 to 19 were approved for issue by the sole Director on the 29 April 2026 and signed on its behalf by:

  
Ms. Cliona Muscat  
Director

# THE ONA HOSPITALITY LTD

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2025

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	Share capital €	Retained earnings €	Total €
Balance as at 1 <sup>st</sup> January 2024	1,200	(6,421)	(5,221)
Loss for the year	-	(3,411)	(3,411)
<b>Balance as at 31<sup>st</sup> December 2024</b>	<b>1,200</b>	<b>(9,832)</b>	<b>(8,632)</b>
Loss for the year	-	(4,284)	(4,284)
<b>Balance as at 31<sup>st</sup> December 2025</b>	<b>1,200</b>	<b>(14,116)</b>	<b>(12,916)</b>

# THE ONA HOSPITALITY LTD

## STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2025

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	<i>Notes</i>	2025	2024
		€	€
<b>Cash flows used in operating activities</b>			
Loss before taxation		<u>(4,284)</u>	<u>(3,411)</u>
<b><i>Operating loss before working capital changes</i></b>		<b>(4,284)</b>	<b>(3,411)</b>
Movement in other receivables		-	-
Movement in other payables		<b>118</b>	-
<b><i>Net cash used in operating activities</i></b>		<u><b>(4,166)</b></u>	<u><b>(3,411)</b></u>
<b>Cash flows from financing activities</b>			
Advances to commonly controlled entity		<b>(109,336)</b>	<b>(166,681)</b>
Advances from parent company		<b>113,640</b>	<b>169,647</b>
<b><i>Net cash generated from financing activities</i></b>		<u><b>4,304</b></u>	<u><b>2,966</b></u>
<b>Net movement in cash and cash equivalents</b>		<b>138</b>	<b>(445)</b>
Cash and cash equivalents at the beginning of the year		<u><b>25</b></u>	<u><b>470</b></u>
<b>Cash and cash equivalents at the end of the year</b>	<b>6</b>	<u><b>163</b></u>	<u><b>25</b></u>

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# THE ONA HOSPITALITY LTD

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2025

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### Notes to the financial statements

#### 1. General information

##### 1.1. Information about the Company

The Ona Hospitality Ltd (the 'Company') is a limited liability Company domiciled and incorporated in Malta. The registered office of the Company is AC Hotel St.Julians, 13, Lourdes Lane, St.Julians, San Giljan STJ3311, Malta.

The Company forms part of a Group of companies, the ultimate beneficial owner being The Ona p.l.c.

##### 1.2. Basis of preparation

###### **Compliance with IFRS and with the Maltese Companies Act**

The financial statements of the Company have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU and in accordance with the requirements of the Companies Act, 1995.

These financial statements have been prepared under the historical cost basis and on the going concern basis.

###### **Cost convention and presentation currency**

These financial statements have been prepared under the historical cost convention and are presented in euro ("€"), which is also the Company's functional currency and the currency in which its share capital is denominated.

###### **Voluntary change in accounting policy**

With effect from these financial statements, the Company has elected to present its notes by giving prominence to the areas of its activities that the directors consider to be most relevant to an understanding of the Company's financial performance and financial position. This change in accounting policy has impacted the systematic manner in which notes are grouped within the financial statements, but has not had any impact on the amounts recognised within the financial statements. Prior to the change in accounting policy, the notes to the financial statements were grouped following the order of the line items in the statement of financial position, income statements and statements of other comprehensive income and cash flows. Comparative information has been presented and disclosed in a manner that complies with this year's presentation.

##### 1.3. Going concern

As at date of signing these financial statements, based on the information currently available, the Director confirms that she has a reasonable expectation that the Company has adequate resources to continue in operation for the foreseeable future. Accordingly, she continues to adopt the going concern basis in preparing these financial statements.

#### 2. Standards, interpretations and amendments to published standards effective in 2025

The accounting policies adopted are consistent with those of the previous financial year, except for the following amendments to IFRS effective during the year:

- Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures Supplier Arrangements (issued on 25 May 2023) (effective for financial year beginning on or after 1 January 2024)
- Amendments to IFRS 16 Lease: Lease Liability in a Sale and Leaseback (issued on 22 September 2022) (effective for financial year beginning on or after 1 January 2024)

# THE ONA HOSPITALITY LTD

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2025

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### 2. Standards, interpretations and amendments to published standards effective in 2025 – *continued*

- Amendments to IAS 1 Presentation of Financial Statements:
  - i. Classification of liabilities as Current or Non-Current (issued on 23 January 2020 (effective for financial year beginning on or after 1 January 2024));
  - ii. Classification of Liabilities as Current or Non-Current – Deferral of Effective Date (issued on 15 July 2020) (effective for financial year beginning on or after 1 January 2024); and
  - iii. Non-Current Liabilities with Covenants (issued on 31 October 2022) (effective for financial year beginning on or after 1 January 2024).

The changes resulting from the above standards, interpretations and amendments are not expected to have a material effect on the financial statements of the Company.

### 3. Standards, interpretations and amendments to published standards that are not yet effective

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below. The Group intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

#### IFRS 18 Presentation and Disclosure in Financial Statements

In April 2024, the IASB issued IFRS 18, which replaces IAS 1 Presentation of Financial Statements. IFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Furthermore, entities are required to classify all income and expenses within the statement of profit or loss into one of five categories: operating, investing, financing, income taxes and discontinued operations, whereof the first three are new. The standard requires disclosure of newly defined management-defined performance measures, subtotals of income and expenses, and it also includes new requirements for aggregation and disaggregation of financial information based on the identified 'roles' of the primary financial statements (PFS) and the notes.

In addition, narrow-scope amendments have been made to IAS 7 Statement of Cash Flows, which include changing the starting point for determining cash flows from operations under the indirect method, from 'profit or loss' to 'operating profit or loss' and removing the optionality around classification of cash flows from dividends and interest.

In addition, there are consequential amendments to several other standards. IFRS 18, and the amendments to the other standards, are effective for reporting periods beginning on or after 1 January 2027, but earlier application is permitted and must be disclosed. IFRS 18 will apply retrospectively.

The Company is currently working to identify all impacts the amendments will have on the primary financial statements and notes to the financial statements. The initial expected material impacts on Company's financial statements are, as follows:

- a) New disclosure will be added:
  - a. management-defined performance measures;
  - b. specified expense by nature if expenses are presented by function in the operating category of the statement of profit or loss;
  - c. a reconciliation for each line item in the statement of profit or loss between the restated amounts presented applying IFRS 18 and the amounts previously presented applying IAS 1.
- b) Interest received and interest paid will be classified in the investing activities and financing activities, respectively, on the statement of cash flows.

# THE ONA HOSPITALITY LTD

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2025

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### 3. Standards, interpretations and amendments to published standards that are not yet effective – continued

#### IFRS 19 Subsidiaries without Public Accountability

In May 2024, the IASB issued IFRS 19, which allows eligible entities to elect to apply its reduced disclosure requirements while still applying the recognition, measurement and presentation requirements in other IFRS accounting standards. To be eligible, at the end of the reporting period, an entity must be a subsidiary as defined in IFRS 10, cannot have public accountability and must have a parent (ultimate or intermediate) that prepares consolidated financial statements, available for public use, which comply with IFRS accounting standards. IFRS 19 will become effective for reporting periods beginning on or after 1 January 2027, with early application permitted.

As the Group's instruments are publicly traded, it is not eligible to elect to apply IFRS 19.

#### Amendments to the Classification and Measurement of Financial Instruments—Amendments to IFRS 9 and IFRS 7

In May 2024, the IASB issued Amendments to IFRS 9 and IFRS 7, Amendments to the Classification and Measurement of Financial Instruments (the Amendments). The Amendments include:

- A) A clarification that financial liability is derecognised on the 'settlement date' and the introduction of an accounting policy choice (if specific conditions are met) to derecognise financial liabilities settled using an electronic payment system before the settlement date
- B) Additional guidance on how the contractual cash flows for financial assets with environmental, social and corporate governance (ESG) and similar features should be assessed
- C) Clarifications on what constitute 'non-recourse features' and what are the characteristics of contractually linked instruments
- D) The introduction of disclosures for financial instruments with contingent features and additional disclosure requirements for equity instruments classified at fair value through other comprehensive income (OCI)

The Amendments are effective for annual periods starting on or after 1 January 2026 with early adoption permitted for classification of financial assets and related disclosures only.

The Company does not anticipate that the amendments will have a material effect on the Group's financial statements.

### 4. Financial instruments

#### 4.1. Initial recognition and measurement

At initial recognition, the Company classify its financial assets as subsequently measured at amortised cost. Financial assets at amortised cost are measured using the effective interest method and are subject to impairment. The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. At initial recognition, the Company measures a financial asset at its fair value plus transaction costs that are directly attributable to the acquisition of the financial asset.

#### 4.2. Subsequent measurement

Financial assets at amortised cost are subsequently measured using the effective interest rate ("EIR") method and are subject to impairment in accordance with the expected credit loss model. Gains and losses are recognised in profit or loss when the financial asset is derecognised, modified or impaired.

#### 4.3. Debt instruments

The Company's financial assets include amounts due from subsidiaries in respect of bond proceeds and other funds advanced to those subsidiaries included under non-current financial assets.

# THE ONA HOSPITALITY LTD

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2025

### 3. Financial instruments – continued

#### 4.4. Derecognition

A financial asset is primarily derecognised when the rights to receive cash flows from the asset have expired or the Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either the Company has transferred substantially all the risks and rewards of the asset, or the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a passthrough arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of its continuing involvement.

#### 4.5. Impairment

Further disclosures relating to impairment of financial assets are also provided in the following notes:

- Disclosures for significant assumptions in note 4.7
- Financial management risk in note 9

The Company recognises an allowance for expected credit losses (ECLs) for all debt instruments. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms. ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

The Company considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

#### 4.6. Analysis of balance

	Note	2025 €	2024 €
<b>Non-Current</b>			
Loans to subsidiaries	i	<u>2,501,621</u>	<u>2,392,284</u>

##### Note i – Loans to subsidiaries

By virtue of the Prospectus dated 31<sup>ST</sup> May 2022, The Ona p.l.c. issued for subscription by the general public 160,000 Secured bonds having a nominal value of €100 each for an aggregate principal amount of €16,000,000.

# THE ONA HOSPITALITY LTD

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2025

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### 4. Financial instruments – continued

#### 4.6. Analysis of balance – continued

€2,080,000 of these amounts have been loaned to the Company's at an annual rate of 5.3%. These amounts were loaned to the sister company, The Ona Real Estate Limited (see note 5.4). These loans are secured and to be repaid in full by 21 June 2034. The remaining amount of €421,621 (2024: €312,284) is unsecured, interest free and repayable on demand with 12 months notice.

The Company is the guarantor in respect of the bond issue and has undertaken to pay all amounts of principal and interest that will become due and payable by the Parent company to the bondholders.

The carrying amount of the loan is considered a reasonable approximation of its fair value. No loss allowance has been recognised as any such impairment would be insignificant.

#### 4.7. Estimates and judgements

The Company measures expected credit losses ("ECLs") on amounts due from subsidiaries relating to bond proceeds and other funds advanced to finance the acquisition, development and construction of property projects. These balances are subject to impairment using the general approach under IFRS 9.

##### - *Loans to subsidiaries*

Under the general approach, the Company measure ECLs using a probability-weighted estimate of credit losses determined by applying estimates of probability of default (PD), loss given default (LGD) and exposure at default (EAD). The ECL assessment incorporates reasonable and supportable forward-looking information, including assumptions regarding the expected performance of the underlying property development projects and broader economic conditions. The estimation of PDs reflects the likelihood that the subsidiaries will be unable to meet their repayment obligations, taking into consideration factors such as the subsidiaries' financial position, expected cash flows from property developments, project completion timelines and prevailing market conditions. LGD estimates reflect the expected recoverability of amounts advanced, including consideration of the value of underlying assets and projects being financed.

At each reporting date, the Company assesses whether there has been a significant increase in credit risk since initial recognition and update the assumptions used in estimating PD, LGD and EAD accordingly. The measurement of ECLs on amounts due from subsidiaries requires significant estimates. Changes in assumptions regarding project cash flows, property market conditions, development timelines and broader economic factors may result in material adjustments to the recognised ECL allowance.

### 5. Financial liabilities

#### 5.1. Initial recognition, measurement and presentation

Financial liabilities are classified, at initial recognition, as loans and borrowings or payables as appropriate. All financial liabilities are recognised initially at fair value net of directly attributable transaction costs. The Company's financial liabilities include trade and other payables and borrowings comprising bank borrowings and bonds.

#### 5.2. Subsequent measurement

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by considering any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss. This category generally applies to interest-bearing loans and borrowings.

# THE ONA HOSPITALITY LTD

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2025

### 5. Financial liabilities – continued

#### 5.3. Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

#### 5.4. Borrowings

	Note	2025 €	2024 €
<b>Non- Current interest-bearing borrowings</b>			
Amounts due to Parent Company	i	2,511,748	2,398,108
<b>Total non-current borrowings</b>		<b>2,511,748</b>	<b>2,398,108</b>
<b>Total borrowings</b>		<b>2,511,748</b>	<b>2,398,108</b>

Detailed information

	2025 €	2024 €	Interest rate %	Maturity
Amounts due to Parent Company - Note i	2,511,748	2,511,748	5.3	2028 - 2034

#### Note i – Amounts due to Parent Company

By virtue of the Prospectus dated 31<sup>st</sup> May 2022, The Ona p.l.c. issued for subscription by the general public 160,000 secured bonds having a nominal value of €100 each for an aggregate principal amount of €16,000,000. These bonds have been issued at par.

The bonds are subject to a fixed interest rate of 4.5% per annum payable on the 21 of June of each year up to redemption date. All bonds, unless previously purchased and cancelled, will be redeemable at par on 21 June 2034 or, at the sole option of the Group, any date falling between 21 June 2028 and 20 June 2034.

€2,080,000 (2024: €2,080,000) of these amounts have been loaned to the Company's at an annual rate of 5.3% (2024: 5.3%). The company advanced these amounts to its sister Company at a rate of 5.3% (2024: 5.3%). Refer to note 4.6. The remaining amount of €431,748 (2024: €318,108) is unsecured, interest free and the company has the right to defer settlement of at least 12 months after the reporting period.

#### 5.5. Trade and other payables

	2025 €	2024 €
Accruals	2,952	2,833

### 6. Cash and cash equivalents

Cash and cash equivalents are carried in the statement of financial position at face value. In the statement of cash flows, cash and cash equivalents include cash in hand and deposits held at call with banks.

For the purposes of the statement of cash flows, cash and cash equivalents comprise the following:

	2025 €	2024 €
Cash at bank and in hand	163	25

# THE ONA HOSPITALITY LTD

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2025

### 7. Fair values

Management assessed that the fair values of cash and short-term deposits, trade receivables, trade payables, bank overdrafts and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

### 8. Other income and expenditure

#### 8.1. Finance income

Finance income comprises interest income earned on financing arrangements with subsidiary undertakings. The Company advances funds to its subsidiaries primarily from the proceeds of bonds issued by the Parent Company. These balances bear interest at a fixed rate of 5.3% per annum. Interest income is recognised in profit or loss using the effective interest method over the period in which it accrues.

	2025 €	2024 €
Interest income on loans to subsidiaries	<u>110,240</u>	<u>110,240</u>

#### 8.2. Finance costs

Finance costs consist primarily of interest expense arising on the Company's debt securities in issue. Given that the proceeds of these debt-securities are used to finance property development activities within the Company, the related borrowing costs are capitalised in accordance with the Company's accounting policy on borrowing costs.

	2025 €	2024 €
Interest expense on debt securities	<u>110,240</u>	<u>110,240</u>

#### 8.3. Expenses by nature

	2025	2024
<u>Administrative expenses</u>		
Auditor's Fees	2,950	2,832
Licences and permits	85	85
<u>Operating expenses</u>		
Other expenses (administrative and operating expenses)	<u>1,249</u>	<u>494</u>
	<u>4,284</u>	<u>3,411</u>

#### 8.4. Income taxes

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantially enacted at the reporting date in the country where the Company operates and generates taxable income.

Current income tax is charged or credited to profit or loss. Current income tax relating to items realised directly in equity is realised in equity and not in the statement of profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

The charge 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 non-assessable or disallowed and it further excludes items that are taxable or deductible in other periods.

# THE ONA HOSPITALITY LTD

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2025

### 8. Other income and expenditure – continued

#### 8.4. Income taxes - continued

	2025	2024
	€	€
Loss before tax	(4,284)	(3,411)
Tax thereon at 35%	(1,499)	(1,194)
Expenses disallowed for tax purposes	1,499	1,194
	-	-

### 9. Financial instruments risk management objectives and policies

The Group's principal financial liabilities, other than derivatives, comprise loans and borrowings, and trade and other payables. The main purpose of these financial liabilities is to finance the Group's operations. The Company's principal financial assets include other receivables, cash and cash equivalents and loans advanced to subsidiaries.

The Group is exposed to market risk, credit risk and liquidity risk. The Company's risk management is coordinated by the Director and focuses on actively securing the Company's short-term to medium-term cash flows by minimising the exposure to financial risks. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

#### 9.1. Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

##### Related party loans

Credit risk arising from loans advanced to related companies is managed at Group level. These balances primarily comprise funds advanced to subsidiaries from bond proceeds in accordance with the terms of the bond prospectus, as well as other advances funded by shareholder companies. The loans advanced from bond proceeds bear interest at a rate of 5.3% and are secured by collateral, including the constitution of first-ranking special hypothecs over the underlying properties being developed by the subsidiaries. The terms of these loans are structured on a back-to-back basis with the underlying bond arrangements.

The Company monitors the creditworthiness of the related counterparties on an ongoing basis. In assessing credit risk, management considers the financial position of the subsidiaries, projected cash flows from property development activities, expected proceeds from the sale of completed units and the value of the underlying secured properties as well as from hospitality operations. The Group therefore considers the credit risk associated with these balances to be linked primarily to the performance and cash-generating ability of the underlying property development projects and the hospitality operations.

An impairment assessment is performed at each reporting date in accordance with IFRS 9 using the general expected credit loss approach. Expected credit losses are estimated using a probability-weighted model based on probability of default (PD), loss given default (LGD) and exposure at default (EAD). The assessment incorporates reasonable and supportable forward-looking information, including assumptions regarding the expected timing of property sales, projected development cash flows and prevailing property market conditions.

# THE ONA HOSPITALITY LTD

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2025

### 9. Financial instruments risk management objectives and policies – continued

#### 9.1. Credit risk – continued

For loans advanced from bond proceeds, the existence of collateral in the form of first-ranking special hypothecs over the secured properties is considered in determining the LGD component of the ECL model. Management also considers the expected recoverability of the underlying assets and projected sales values when assessing potential credit losses.

The Company also has other advances to related companies funded by shareholder companies. These balances bear interest and are unsecured. The recoverability of these advances is assessed based on the expected future cash flows of the borrowing entities and the Company's ongoing financial support of those entities.

The maximum exposure to credit risk at the reporting date is the carrying amount of these financial assets as disclosed in Note 4.6. Based on the impairment assessment performed at the reporting date, management considers the expected credit losses on these balances to be immaterial.

#### Banks and cash

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the Company's Board of Directors on an annual basis and may be updated throughout the year. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through a counterparty's potential failure to make payments.

The Group's maximum exposure to credit risk for the components of the statement of financial position at 31 December 2025 and 2024 is the carrying amounts are:

	2025 €	2024 €
Cash at bank and in hand	163	25

#### 9.2. Liquidity risk

The Company's exposure to liquidity risk arises from its obligations to meet financial liabilities, which comprise debt securities, trade and other payables and other financial liabilities. Prudent liquidity risk management includes maintaining sufficient cash and committed credit facilities to ensure the availability of an adequate amount of funding to meet the Company's obligations when they become due.

#### Maturities of financial liabilities

The table below analyses the Company's financial liabilities into relevant maturity groupings based on the remaining period at the end of the reporting period to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

	On demand €	Within 1 year €	2 – 5 years €	Over 5 years €	Total €
<b>Company 2025</b>					
Other payables	2,952	2,952	-	-	2,952
Borrowings	2,511,748	110,240	440,960	2,463,390	3,014,590
<b>Total contractual cashflows</b>	<b>2,514,700</b>	<b>113,192</b>	<b>440,960</b>	<b>2,463,390</b>	<b>3,017,542</b>

# THE ONA HOSPITALITY LTD

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2025

### 9. Financial instruments risk management objectives and policies – continued

#### 9.2. Liquidity risk – continued

	On demand €	Within 1 year €	2 – 5 years €	Over 5 years €	Total €
<b>Company 2024</b>					
Other payables	2,833	2,833	-	-	2,833
Borrowings	2,392,284	110,240	440,960	2,573,630	3,124,830
<b>Total contractual cashflows</b>	<b>2,395,117</b>	<b>113,073</b>	<b>440,960</b>	<b>2,573,630</b>	<b>3,127,663</b>

The amount of trade and other payables classified as repayable within one year in the table above are contractually repayable on demand.

#### Changes in liabilities arising from financing activities

	At 1 January 2025 €	Cash flows €	Other €	At 31 December 2025 €
Related party borrowings	2,398,108	113,640	-	2,511,748

	At 1 January 2024 €	Cash flows €	Other €	At 31 December 2024 €
Related party borrowings	2,228,461	169,647	-	2,398,108

### 10. Capital management

For the purpose of the Company's capital management, capital includes issued capital and all other equity reserves attributable to the equity holders of the parent. The primary objective of the Group's and the Company's capital maximise the shareholder value. The Company manage their capital structure and make adjustments in light of changes in economic conditions.

The Company's objectives when managing capital are to safeguard its ability to continue as a going concern while maintaining an appropriate capital structure to support its property development activities.

### 11. Equity

#### 11.1. Share capital

Ordinary shares issued by the Company are classified as equity instruments. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

	2025 €	2024 €
<b>Authorised</b>		
1,200 Ordinary Shares of €1 each	1,200	1,200
<b>Issued</b>		
1,200 Ordinary Shares of € 1 each 100% paid-up	1,200	1,200

# THE ONA HOSPITALITY LTD

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2025

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### 12. Related party transactions

The ultimate parent Company of The Ona Hospitality Ltd is The Ona p.l.c.

Related party transactions are traded on a commercial basis with entities that are related by way of common shareholders who are able to exercise significant influence over the Company's operations.

Movements in advances to/from related parties are set out in the Statement of Cash flows.

Year end balances with related parties are disclosed in notes 4.6 and 5.4 to the financial statements.

## **INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF THE ONA HOSPITALITY LTD**

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### **Report on the Audit of the Financial Statements**

#### **Opinion**

We have audited the financial statements of The Ona Hospitality Ltd ('the Company'), set out on pages 3 to 17, which comprise the Company's statement of financial position as at 31 December 2025, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the period then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2025, and of its financial performance and its cash flows for the period then ended in accordance with International Financial Reporting Standards as adopted by the EU and have been prepared in accordance with the requirements of the Companies Act (Cap. 386), enacted in Malta.

#### **Basis for Opinion**

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Independence**

We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in accordance with the Accountancy Profession (Code of Ethics for Warrant Holders) Directive issued in terms of the Accountancy Profession Act (Cap. 281) in Malta, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

#### **Other Information**

The Director is responsible for the other information. The other information comprises the Director's report. Our opinion on the financial statements does not cover this information, including the Director's report. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

With respect to the Director's report, we also considered whether the Director's report includes the disclosures required by Article 177 of the Maltese Companies Act (Cap. 386). Based on the work we have performed, in our opinion:

- The information given in the Director's report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- The Director's report has been prepared in accordance with the Maltese Companies Act (Cap.386).



CERTIFIED PUBLIC ACCOUNTANTS

## INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF THE ONA HOSPITALITY LTD

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In light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we are required to report if we have identified material misstatements in the Director's report. We have nothing to report in this regard.

### **Responsibilities of the Director**

The Director is responsible for the preparation of the financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the EU, and for such internal control as the Director determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Director is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Director either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

### **Auditors' Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We are also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Director.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



CERTIFIED PUBLIC ACCOUNTANTS

## INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF THE ONA HOSPITALITY LTD

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- Conclude on the appropriateness of the Director's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

### **Auditors' Responsibilities for the Audit of the Financial Statements (continued)**

We communicate with the Director regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provided those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

### **Report on Other Legal and Regulatory Requirements**

Under the Maltese Companies Act (Cap. 386) we are required to report to you if, in our opinion:

- We have not received all the information and explanations we require for our audit.
- Adequate accounting records have not been kept, or that returns adequate for our audit have not been received from branches not visited by us.
- The financial statements are not in agreement with the accounting records and returns.

We have nothing to report to you in respect of these responsibilities.

This copy of the audit report has been signed by:

A handwritten signature in blue ink, appearing to read 'Michael Curmi', is written over a horizontal line.

**MICHAEL CURMI**

for and on behalf of

**VCA CERTIFIED PUBLIC ACCOUNTANTS**

29 April 2026