

SUMMARY

DATED 1 JUNE 2023

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

THE ONA P.L.C.

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



ISIN: MT0002661214

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

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

Nominee & Placement Agent



MZ INVESTMENTS

APPROVED BY THE BOARD OF DIRECTORS

A handwritten signature in blue ink, appearing to read "Cliona Muscat".

Cliona MuscatA handwritten signature in blue ink, appearing to read "George Muscat".

George Muscat

Signing in their own capacity as directors of the Issuer
and on behalf of each of Alfred Attard, Francis X Gouder and Ann Marie Agius as their duly appointed agents.

1. INTRODUCTION AND WARNINGS

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

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

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

Prospective investors are hereby warned that:

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

2. KEY INFORMATION ON THE ISSUER

2.1 Who is the Issuer of the Global Note?

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

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

2.1.2 Principal Activities of the Issuer

The Issuer is the holding and finance company of the Group and was incorporated for the purpose of financing its Subsidiaries' and associate companies' respective projects. The Issuer does not carry out any trading activities of its own and its revenue is limited to the dividends it receives from its Subsidiaries and associate companies and interest receivable due under intra-group loan agreements.

2.1.3 Organisational Structure of the Group

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

2.1.4 Major Shareholders of the Issuer

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

2.1.5 Key Managing Directors

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

2.1.6 Statutory Auditors

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

2.2 What is the key financial information regarding the Issuer?

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

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

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

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

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

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

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

2.4 **Risks relating to the Group**

2.4.1 *Economic and Financial Risks of the Group*

(a) *Risks relating to the economic repercussions of the COVID-19 pandemic*

As a direct result of the spread of COVID-19, global economic activity has experienced a general downturn, with certain industry sectors and market segments having been affected more harshly than others. The tourism and hospitality sectors have emerged as two of the sectors most severely impacted by the COVID-19 pandemic. Consequently, the Group's business, operations, and financial performance remain susceptible to the risk relating to the uncertainty surrounding the constantly changing circumstances within which it finds itself operating in, as well as the risks of the effects of the corresponding restrictive or prohibitive measures that have been, and may in the future, be introduced as a result thereof or in connection therewith.

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

The Group's projects have been part-financed through bank financing with local banks and the Secured Bonds. As at 31 December 2022, the Group maintained a net gearing ratio of 64.5%. The Group plans to incur additional debt for the purposes of financing future development projects. Should a Group company significantly increase its debt obligations, this may have an adverse effect on the profitability of the respective company and the Group as a whole.

Changes in banking risk appetite as a result of financial turmoil may decrease the willingness of banks to provide loans to companies and the terms thereof. Moreover, the Group may not be able to raise finance from the capital markets. As a result, a Group company may not be able to obtain the capital and financing it requires for the completion of a project and, or the operation of its business, on commercially viable terms, or at all.

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

From the start of the COVID-19 pandemic to date, the prices of raw materials have been subject to substantial increases caused by a combination of heightened market demand and low availability, ongoing global supply chain challenges, increase in shipping costs, shortages in containers, ships, and human resources. Should the volatility in prices continue in an upward trajectory over the rest of the year as well as subsequent years, the Group may be negatively affected if these increased costs are not capable of being reflected in increased charges for the delivery of certain products and services of the Group.

2.4.2 *Operational Risks of the Group*

(a) *Risks relating to the Franchise Agreement*

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

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

The development of the Mellieħa Project and St Paul's Bay Project have not yet been approved by the Planning Authority. In the event that these two projects are not approved in accordance with the plans submitted to the Planning Authority, the Group may need to alter their plans or seek new development opportunities in substitution of the aforementioned projects. This could result in delays and, or affect the projected revenue of the Group.

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

The Group undertakes activities in the property development and construction industry. Pursuant to such activities, the Group is subject to several specific risks which could have a material adverse effect on the Group's business, financial condition, and results of operations, including the increase of projected costs and times for completion of ongoing development projects.

(d) *Risks relating to competing projects*

The Hotel may compete with local hotels and facilities offering various types of lodging options and related services to the public. The Group's activities in the property development and rental sectors are also susceptible to competitive forces given the large number of properties and developments available on the local market. A reduction in reservations for hotel accommodation and, or the sale of units and prices which are lower than that projected may adversely effect the Group's business, financial condition, and results of operations.

3. KEY INFORMATION ON THE SECURITIES

3.1 What are the main features of the securities?

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

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

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

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

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

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

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

3.2 Where will the securities be traded?

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

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

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

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

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

(b) *Subsequent changes in interest rates*

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

(c) *Status and ranking of the Notes*

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

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

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

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

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

4.1.1 *Expected Timetable of the Bond Issue*

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

4.1.2 *Plan of Distribution, Allotment and Allocation Policy*

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

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

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

4.2 Total estimated expenses

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

4.3 Why is this Prospectus being produced?

4.3.1 *Reasons for the Issue and Use of Proceeds*

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

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

4.4 Underwriting

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

4.5 Conflicts of interest

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

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

REGISTRATION DOCUMENT

DATED 1 JUNE 2023

This document is a Registration Document issued in accordance with the provisions of the Prospectus Regulation.

By

THE ONA P.L.C.

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



THIS REGISTRATION DOCUMENT HAS BEEN APPROVED BY THE MALTA FINANCIAL SERVICES AUTHORITY AS THE COMPETENT AUTHORITY UNDER THE PROSPECTUS REGULATION. THE MALTA FINANCIAL SERVICES AUTHORITY ONLY APPROVED THIS REGISTRATION DOCUMENT AS MEETING THE STANDARDS OF COMPLETENESS, COMPREHENSIBILITY AND CONSISTENCY AS PRESCRIBED BY THE PROSPECTUS REGULATION. SUCH APPROVAL SHOULD NOT HOWEVER BE CONSIDERED AS AN ENDORSEMENT OF THE ISSUER THAT IS THE SUBJECT OF THIS REGISTRATION DOCUMENT. IN PROVIDING THIS AUTHORISATION, THE MALTA FINANCIAL SERVICES AUTHORITY DOES NOT GIVE ANY CERTIFICATION REGARDING THE POTENTIAL RISKS IN INVESTING IN THE SAID INSTRUMENT AND SUCH AUTHORISATION SHOULD NOT BE DEEMED OR BE CONSTRUED AS A REPRESENTATION OR WARRANTY AS TO THE SAFETY OF INVESTING IN SUCH INSTRUMENTS.

THE MALTA FINANCIAL SERVICES AUTHORITY ACCEPTS NO RESPONSIBILITY FOR THE CONTENTS OF THE PROSPECTUS, MAKES NO REPRESENTATIONS AS TO ITS ACCURACY OR COMPLETENESS AND EXPRESSLY DISCLAIMS ANY LIABILITY WHATSOEVER, FOR ANY LOSS HOWSOEVER ARISING FROM, OR IN RELIANCE UPON, THE WHOLE OR ANY PART OF THE CONTENTS OF THE PROSPECTUS, INCLUDING ANY LOSSES INCURRED BY INVESTING IN THE SECURITIES ISSUED BY THE ISSUER.

A PROSPECTIVE INVESTOR SHOULD ALWAYS SEEK FINANCIAL ADVICE BEFORE DECIDING TO INVEST IN ANY FINANCIAL INSTRUMENT. A PROSPECTIVE INVESTOR SHOULD BE AWARE OF THE POTENTIAL RISKS IN INVESTING IN THE SECURITIES OF AN ISSUER AND SHOULD MAKE THE DECISION TO INVEST ONLY AFTER CAREFUL CONSIDERATION AND CONSULTATION WITH HIS OR HER OWN FINANCIAL ADVISER.

Nominee & Placement Agent



MZ INVESTMENTS

APPROVED BY THE BOARD OF DIRECTORS

A blue ink signature of Cliona Muscat, written in a cursive style.

Cliona Muscat

A blue ink signature of George Muscat, written in a cursive style.

George Muscat

Signing in their own capacity as directors of the Issuer
and on behalf of each of Alfred Attard, Francis X Gouder and Ann Marie Agius as their duly appointed agents.

1. IMPORTANT INFORMATION

THIS REGISTRATION DOCUMENT CONTAINS INFORMATION ON THE ISSUER AND THE BUSINESS OF THE GROUP IN ACCORDANCE WITH THE REQUIREMENTS OF THE ACT AND THE PROSPECTUS REGULATION.

NO BROKER, DEALER, SALESMAN OR OTHER PERSON HAS BEEN AUTHORISED BY THE ISSUER OR ITS DIRECTORS, TO ISSUE ANY ADVERTISEMENT OR TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATIONS IN CONNECTION WITH THE SALE OF SECURITIES OF THE ISSUER OTHER THAN THOSE CONTAINED IN THIS REGISTRATION DOCUMENT AND IN THE DOCUMENTS REFERRED TO HEREIN, AND IF GIVEN OR MADE, SUCH INFORMATION OR REPRESENTATIONS MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORISED BY THE ISSUER OR ITS DIRECTORS OR ADVISERS.

THE MALTA FINANCIAL SERVICES AUTHORITY ACCEPTS NO RESPONSIBILITY FOR THE CONTENTS OF THE PROSPECTUS, MAKES NO REPRESENTATIONS AS TO ITS ACCURACY OR COMPLETENESS AND EXPRESSLY DISCLAIMS ANY LIABILITY WHATSOEVER FOR ANY LOSS HOWSOEVER ARISING FROM, OR IN RELIANCE UPON, THE WHOLE OR ANY PART OF THE CONTENTS OF THE PROSPECTUS.

THE PROSPECTUS DOES NOT CONSTITUTE, AND MAY NOT BE USED FOR PURPOSES OF, AN OFFER OR INVITATION TO SUBSCRIBE FOR SECURITIES ISSUED BY THE ISSUER: (I) BY ANY PERSON IN ANY JURISDICTION IN WHICH SUCH OFFER OR INVITATION IS NOT AUTHORISED OR IN WHICH THE PERSON MAKING SUCH OFFER OR INVITATION IS NOT QUALIFIED TO DO SO; OR (II) TO ANY PERSON TO WHOM IT IS UNLAWFUL TO MAKE SUCH OFFER OR INVITATION. THE DISTRIBUTION OF THE PROSPECTUS IN CERTAIN JURISDICTIONS MAY BE RESTRICTED AND, ACCORDINGLY, PERSONS INTO WHOSE POSSESSION IT IS RECEIVED ARE REQUIRED TO INFORM THEMSELVES ABOUT, AND TO OBSERVE, SUCH RESTRICTIONS.

THE PROSPECTUS AND THE OFFERING, SALE OR DELIVERY OF ANY SECURITIES MAY NOT BE TAKEN AS AN IMPLICATION: (I) THAT THE INFORMATION CONTAINED IN THE PROSPECTUS IS ACCURATE AND COMPLETE SUBSEQUENT TO ITS DATE OF ISSUE; OR (II) THAT THERE HAS BEEN NO MATERIAL ADVERSE CHANGE IN THE FINANCIAL POSITION OF THE ISSUER OR THE GROUP SINCE SUCH DATE; OR (III) THAT ANY OTHER INFORMATION SUPPLIED IN CONNECTION WITH THE PROSPECTUS IS ACCURATE AT ANY TIME SUBSEQUENT TO THE DATE ON WHICH IT IS SUPPLIED OR, IF DIFFERENT, THE DATE INDICATED IN THE DOCUMENT CONTAINING THE SAME.

THIS REGISTRATION DOCUMENT IS VALID FOR A PERIOD OF TWELVE MONTHS FROM THE DATE HEREOF. FOLLOWING THE LAPSE OF THIS VALIDITY PERIOD, THE ISSUER IS NOT OBLIGED TO SUPPLEMENT THE PROSPECTUS IN THE EVENT OF SIGNIFICANT NEW FACTORS, MATERIAL MISTAKES OR MATERIAL INACCURACIES.

IT IS THE RESPONSIBILITY OF ANY PERSON IN POSSESSION OF THIS DOCUMENT AND ANY PERSON WISHING TO APPLY FOR ANY SECURITIES ISSUED BY THE ISSUER TO INFORM THEMSELVES OF, AND TO OBSERVE AND COMPLY WITH, ALL APPLICABLE LAWS AND REGULATIONS OF ANY RELEVANT JURISDICTION. PROSPECTIVE INVESTORS FOR ANY SECURITIES THAT MAY BE ISSUED BY THE ISSUER SHOULD INFORM THEMSELVES AS TO THE LEGAL REQUIREMENTS OF APPLYING FOR ANY SUCH SECURITIES AND ANY APPLICABLE EXCHANGE CONTROL REQUIREMENTS AND TAXES IN THE COUNTRIES OF THEIR NATIONALITY, RESIDENCE OR DOMICILE.

SAVE FOR THE OFFERING IN THE REPUBLIC OF MALTA, NO ACTION HAS BEEN OR WILL BE TAKEN BY THE ISSUER THAT WOULD PERMIT A PUBLIC OFFERING OF THE SECURITIES DESCRIBED IN THE SECURITIES NOTE OR THE DISTRIBUTION OF THE PROSPECTUS (OR ANY PART THEREOF) OR ANY OFFERING MATERIAL IN ANY COUNTRY OR JURISDICTION WHERE ACTION FOR THAT PURPOSE IS REQUIRED. ACCORDINGLY, NO SECURITIES MAY BE OFFERED OR SOLD, DIRECTLY OR INDIRECTLY, AND NEITHER THIS PROSPECTUS NOR ANY ADVERTISEMENT OR OTHER OFFERING MATERIAL MAY BE DISTRIBUTED OR PUBLISHED IN ANY JURISDICTION, EXCEPT UNDER CIRCUMSTANCES THAT WILL RESULT IN COMPLIANCE WITH ANY APPLICABLE LAWS AND REGULATIONS. PERSONS INTO WHOSE POSSESSION THIS PROSPECTUS OR ANY SECURITIES MAY COME MUST INFORM THEMSELVES ABOUT, AND OBSERVE, ANY SUCH RESTRICTIONS ON THE DISTRIBUTION OF THIS PROSPECTUS AND THE OFFERING AND SALE OF SECURITIES.

THE SECURITIES DESCRIBED IN THE SECURITIES NOTE SHALL NOT BE ADMITTED TO LISTING ON ANY REGULATED MARKET.

A COPY OF THIS DOCUMENT HAS BEEN SUBMITTED TO THE MALTA FINANCIAL SERVICES AUTHORITY IN SATISFACTION OF THE FINANCIAL MARKETS ACT AND HAS BEEN DULY FILED WITH THE REGISTRAR OF COMPANIES AT THE MALTA BUSINESS REGISTRY IN ACCORDANCE WITH THE ACT.

STATEMENTS MADE IN THIS REGISTRATION DOCUMENT ARE, EXCEPT WHERE OTHERWISE STATED, BASED ON THE LAW AND PRACTICE CURRENTLY IN FORCE IN MALTA AND ARE SUBJECT TO CHANGES THEREIN.

THE ADVISERS TO THE ISSUER NAMED IN THIS REGISTRATION DOCUMENT UNDER THE HEADING “ADVISERS” IN SECTION 4.3 HAVE ACTED AND ARE ACTING EXCLUSIVELY FOR THE ISSUER IN RELATION TO THE PROSPECTUS AND HAVE NO CONTRACTUAL, FIDUCIARY OR OTHER OBLIGATION TOWARDS ANY OTHER PERSON AND WILL ACCORDINGLY NOT BE RESPONSIBLE TO ANY INVESTOR OR ANY OTHER PERSON WHOMSOEVER IN RELATION TO THE TRANSACTIONS PROPOSED IN THE PROSPECTUS.

THE CONTENTS OF THE ISSUER’S WEBSITE OR ANY WEBSITE DIRECTLY OR INDIRECTLY LINKED TO THE ISSUER’S WEBSITE DO NOT FORM PART OF THIS PROSPECTUS UNLESS SUCH CONTENTS ARE INCORPORATED BY REFERENCE INTO THE PROSPECTUS. ACCORDINGLY, NO RELIANCE OUGHT TO BE MADE BY ANY INVESTOR ON ANY INFORMATION OR OTHER DATA CONTAINED IN SUCH WEBSITES AS THE BASIS FOR A DECISION TO INVEST IN THE SECURITIES.

THE VALUE OF INVESTMENTS CAN GO UP OR DOWN AND PAST PERFORMANCE IS NOT NECESSARILY INDICATIVE OF FUTURE PERFORMANCE. PROSPECTIVE INVESTORS SHOULD CAREFULLY CONSIDER ALL THE INFORMATION CONTAINED IN THE PROSPECTUS AS A WHOLE AND SHOULD CONSULT THEIR OWN FINANCIAL AND OTHER PROFESSIONAL ADVISERS BEFORE DECIDING TO MAKE AN INVESTMENT IN THE SECURITIES OF THE ISSUER.

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2. DEFINITIONS

In this Registration Document the following words and expressions shall bear the following meanings except where the context otherwise requires:

ACMUS Group Limited	ACMUS Group Limited, a private limited liability company duly registered and validly existing under the laws of Malta, bearing company registration number C 104599, and having its registered address at Juel Group, Avian Hill, Triq I-Ispanjulett c/w Triq il-Gallina, Kappara, San Gwann, Malta;
Act	the Companies Act (Cap. 386 of the laws of Malta);
Birkirkara Project	means the property development project in Birkirkara, Malta, consisting of 19 residential units, 15 lock-up garages and 1 parking space, as better described in section 6.1 of this Registration Document;
Capital Markets Rules	the capital markets rules issued by the Malta Financial Services Authority in terms of the Financial Markets Act;
Directors or Board or Board of Directors	the directors of the Issuer whose names are set out in section 4.1 of this Registration Document under the heading “Directors of the Issuer”;
Euro or €	the lawful currency of the Republic of Malta;
Financial Markets Act	the Financial Markets Act (Cap. 345 of the laws of Malta);
Franchise Agreement	the franchise agreement between the Franchisor and The Ona Hospitality Ltd, further details of which are included in section 6.3.4 of this Registration Document;
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;
Global Note or Note	the Global Note to be issued by the Issuer in favour of the Nominee and Placement Agent representing the amount due by the Issuer to the Nominee and Placement Agent and creating, acknowledging and representing the indebtedness of the Issuer to the Nominee and Placement Agent under the terms and conditions set out in the form of Annex A1 to the Securities Note;
Global Note Obligations	the punctual performance by the Issuer of all of its obligations under the Global Note, including the repayment of principal and payment of interest thereon;
Global Noteholder	the holder of the Global Note;
Group	the Issuer and its Subsidiaries;
Hotel	the four-star hotel developed on the Paceville Site, operated as an “AC by Marriott Hotel”, as better described in section 6.3 of this Registration Document;
Hotel Project	the construction, development and finishing of the Hotel, as better described in section 6.3 of this Registration Document;
Issuer or Company	The Ona p.l.c., a public limited liability company registered under the laws of Malta, bearing company registration number C 101370, and having its registered office at GAP Holdings Head Office, Ċensu Scerri Street, Tigné, Sliema, SLM 3060, Malta;
Malta Financial Services Authority or MFSA	the Malta Financial Services Authority, established in terms of the Financial Markets Act as the competent authority to approve prospectuses of any offer of securities to the public in Malta;
Malta Stock Exchange or MSE	Malta Stock Exchange plc, as originally constituted in terms of the Financial Markets Act, bearing company registration number C 42525, and having its registered office at Garrison Chapel, Castille Place, Valletta VLT 1063, Malta;
Marsascala Project	the development consisting of 20 residential units and 20 lock-up garages developed on the Marsascala Site, as better described in section 6.1 of this Registration Document;
Marsascala Site	the site located in Kappara Street in Marsascala, Malta, measuring approximately 924 square metres, as better described in section 6.1 of this Registration Document;
Mellieħa Project	means the property development project in Mellieħa, Malta, as better described in section 6.1 of this Registration Document;

Mellieħa Site	the site located in North Street in Mellieħa, Malta, measuring approximately 225.75 square metres, as better described in section 6.1 of this Registration Document;
Memorandum and Articles of Association	the memorandum and articles of association of the Issuer in force at the time of publication of the Prospectus. The terms “ Memorandum ”, “ Articles ” and “ Articles of Association ” shall be construed accordingly;
Mosta Project	the development consisting of 12 residential units and 2 street-level lock-up garages, as better described in section 6.1 of this Registration Document;
Nominee and Placement Agent	M.Z. Investment Services Limited, a private limited liability company registered in Malta bearing company registration number C 23936 and having its registered office at 61, M.Z. House, St. Rita Street, Rabat RBT 1523, Malta, licensed by the MFSA and a member of the MSE;
Offer	the offer for participation in the Global Note through the issuance of Participation Notes;
Offer Amount	up to €5,000,000;
Paceville Site	the site in Lourdes Lane, in Swieqi, in the limits of St. Julian’s Malta, measuring approximately 586 square metres, as better described in section 6.3 of this Registration Document;
Participation Note	a transferable note of a nominal value of €1,000 issued by the Nominee and Placement Agent to a Participation Noteholder acknowledging the interest of the person named therein in the Global Note, and evidencing an entry in the Register of Investors;
Participation Noteholder	a holder of a Participation Note;
Prospectus	collectively, this Registration Document, the Securities Note and the Summary;
Prospectus Regulation	Regulation (EU) No. 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, as amended, and in accordance with the provisions of Commission Delegated Regulation No. 2019/979 and Commission Delegated Regulation No. 2019/980 issued thereunder;
Qawra Project	the development consisting of 15 residential units over seven floors and nine lock-up garages over the Qawra Site, as better described in section 6.1 of this Registration Document;
Qawra Site	the site having a façade and direct access from the unnamed street which abuts unto Andrew Cunningham Street in Qawra, in the limits of St. Paul’s Bay, Malta, measuring approximately 1,008 square metres, as better described in section 6.1 of this Registration Document;
Register of Investors	the register to be maintained by the Nominee and Placement Agent identifying the Participation Noteholders from time to time;
Registration Document	this document in its entirety;
Secured Bonds	the €16,000,000 4.50% secured bonds 2028 – 2034 of a nominal value of €100 per bond (ISIN: MT0002661206), issued in terms of a prospectus dated 31 May 2022;
Securities Note	the securities note issued by the Issuer dated 1 June 2023, forming part of the Prospectus;
St Paul’s Bay Project	the development consisting of 39 residential units, 1 commercial unit and 33 lock-up garages, as better described in section 6.1 of this Registration Document;
Subsidiary	an entity over which the parent has control. In terms of the International Financial Reporting Standards adopted by the European Union, a group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. The term “ Subsidiaries ” shall collectively refer to the said entities;
Summary	the summary issued by the Issuer dated 1 June 2023, forming part of the Prospectus;
The Ona Hospitality Ltd or TOH	The Ona Hospitality Ltd, a private limited liability company registered in Malta bearing company registration number C 101371 and having its registered office at GAP Holdings Head Office, Ċensu Scerri Street, Tigné, Sliema, SLM 3060, Malta;

The Ona Property Development Ltd or TOPD	The Ona Property Development Ltd, a private limited liability company registered in Malta bearing company registration number C 82490 and having its registered office at GAP Holdings Head Office, Ċensu Scerri Street, Tigné, Sliema, SLM 3060, Malta;
The Ona Real Estate Ltd or TORE	The Ona Real Estate Ltd, a private limited liability company registered in Malta bearing company registration number C 83842 and having its registered office at GAP Holdings Head Office, Ċensu Scerri Street, Tigné, Sliema, SLM 3060, Malta; and
Valuation Reports	has the meaning assigned to it in section 15 of this Registration Document.

Unless it appears otherwise from the context:

- a. words importing the singular shall include the plural and *vice versa*;
- b. words importing the masculine gender shall include the feminine gender and vice versa;
- c. the word “*may*” shall be construed as permissive and the word “*shall*” shall be construed as imperative;
- d. all references in this Registration Document to “Malta” shall be construed as defined in article 124 (1) of the Constitution of Malta;
- e. any phrase introduced by the terms “*including*”, “*include*”, “*in particular*” or any similar expression is illustrative only and does not limit the sense of the words preceding those terms; and
- f. any reference to a law, legislative act, and, or other legislation shall mean that particular law, legislative act and, or legislation as in force at the date of this Registration Document.

3. RISK FACTORS

PROSPECTIVE INVESTORS SHOULD CAREFULLY CONSIDER WITH THEIR OWN FINANCIAL AND OTHER PROFESSIONAL ADVISERS, THE FOLLOWING RISK FACTORS AND OTHER INVESTMENT CONSIDERATIONS AS WELL AS ALL THE OTHER INFORMATION CONTAINED IN THE PROSPECTUS, BEFORE MAKING ANY INVESTMENT DECISION WITH RESPECT TO THE ISSUER. SOME OF THESE RISKS ARE SUBJECT TO CONTINGENCIES WHICH MAY OR MAY NOT OCCUR AND THE ISSUER IS NOT IN A POSITION TO EXPRESS A VIEW ON THE LIKELIHOOD OF ANY SUCH CONTINGENCIES OCCURRING.

THE RISK FACTORS BELOW HAVE BEEN CATEGORISED UNDER TWO MAIN CATEGORIES, ACCORDING TO WHETHER THE RISK FACTORS RELATE TO: (I) THE ISSUER; OR (II) THE GROUP. THE RISK FACTOR FIRST APPEARING UNDER EACH CATEGORY CONSTITUTES THAT RISK FACTOR WHICH THE DIRECTORS HAVE ASSESSED TO BE THE MOST MATERIAL RISK FACTOR UNDER SUCH CATEGORY AS AT THE DATE OF THIS REGISTRATION DOCUMENT. IN MAKING THIS ASSESSMENT OF MATERIALITY, THE DIRECTORS HAVE EVALUATED THE COMBINATION OF: (I) THE PROBABILITY THAT THE RISK FACTOR OCCURS; AND (II) THE EXPECTED MAGNITUDE OF THE ADVERSE EFFECT ON THE FINANCIAL CONDITION AND PERFORMANCE OF THE ISSUER AND, OR THE GROUP, IF THE RISK FACTOR WERE TO MATERIALISE.

IF ANY OF THE RISKS DESCRIBED BELOW WERE TO MATERIALISE, THEY COULD HAVE A SERIOUS EFFECT ON THE GROUP’S FINANCIAL RESULTS, FINANCIAL CONDITION, OPERATIONAL PERFORMANCE, BUSINESS AND/OR TRADING PROSPECTS, AS WELL AS THE ABILITY OF THE ISSUER TO FULFIL ITS OBLIGATIONS UNDER THE SECURITIES ISSUED BY IT FROM TIME TO TIME. THE RISKS AND UNCERTAINTIES DISCUSSED BELOW ARE THOSE IDENTIFIED AS SUCH BY THE DIRECTORS AS AT THE DATE OF THIS REGISTRATION DOCUMENT, BUT THESE RISKS AND UNCERTAINTIES MAY NOT BE THE ONLY ONES THAT THE ISSUER OR GROUP FACES OR COULD FACE. ADDITIONAL RISKS AND UNCERTAINTIES, INCLUDING THOSE WHICH THE ISSUER’S DIRECTORS ARE NOT CURRENTLY AWARE OF, MAY WELL RESULT IN A MATERIAL ADVERSE IMPACT ON THE GROUP’S FINANCIAL RESULTS, FINANCIAL CONDITION, OPERATIONAL PERFORMANCE, BUSINESS AND, OR TRADING PROSPECTS.

THE PROSPECTUS, THE DOCUMENTATION INCORPORATED BY REFERENCE HEREIN, AND/OR ANY OTHER INFORMATION SUPPLIED IN CONNECTION WITH SECURITIES ISSUED BY THE ISSUER: (I) IS NOT INTENDED TO PROVIDE THE BASIS FOR ANY CREDIT OR OTHER EVALUATION; (II) IS NOT AND SHOULD NOT BE CONSIDERED AS A RECOMMENDATION BY THE ISSUER, THE DIRECTORS, OR ANY OF THE ADVISERS LISTED IN SECTION 4 BELOW, THAT ANY RECIPIENT OF THE PROSPECTUS, THE DOCUMENTATION INCORPORATED BY REFERENCE HEREIN, OR ANY OTHER INFORMATION SUPPLIED IN CONNECTION THEREWITH, SHOULD PURCHASE ANY SECURITIES ISSUED BY THE ISSUER, INCLUDING THE NOTES, AND, THEREFORE, PROSPECTIVE INVESTORS SHOULD MAKE THEIR OWN INDEPENDENT EVALUATION OF ALL RISK FACTORS, AND SHOULD CONSIDER ALL OTHER SECTIONS IN THE PROSPECTUS; AND (III) CONTAIN STATEMENTS THAT ARE, OR MAY BE DEEMED TO BE, “*FORWARD LOOKING STATEMENTS*”.

3.1 FORWARD-LOOKING STATEMENTS

Forward-looking statements can be identified by the use of forward-looking terminology, including the terms “believes”, “estimates”, “forecasts”, “projects”, “anticipates”, “expects”, “envisages”, “intends”, “may”, “will”, or “should” or, in each case, their negative or other variations or comparable terminology. These forward-looking statements relate to matters that are not historical facts. They appear in a number of places within the Prospectus and include statements regarding the intentions, beliefs, or current expectations of the Issuer and, or the Directors concerning, amongst other things, the Issuer’s strategy and business plans, financial condition and performance, results of operations, liquidity, prospects, investments, and the markets in which it operates.

By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may, or may not occur, in the future. Forward-looking statements are not guarantees of future performance and should therefore not be construed as such. The Issuer’s and, or the Group’s actual operational results, financial condition and performance, and trading prospects may differ materially from the impression created by the forward-looking statements contained in the Prospectus. In addition, even if the operational results, financial condition and performance, and trading prospects of the Issuer or the Group are consistent with the forward-looking statements contained in the Prospectus, those results, or developments may not be indicative of results or developments in subsequent periods. Important factors that may cause these differences include, but are not limited to, those factors identified under this section and elsewhere in the Prospectus.

All forward-looking statements contained in the Prospectus are made only as at the date hereof. Subject to applicable legal and regulatory obligations, the Issuer and its Directors expressly disclaim any obligations to update or revise any forward-looking statement contained herein to reflect any change in expectations with regard thereto or any change in events, conditions, or circumstances on which any such statement is based.

3.2 RISKS RELATING TO THE ISSUER

3.2.1 THE ISSUER IS DEPENDENT ON THE PERFORMANCE OF ITS SUBSIDIARIES AND, OR ITS ASSOCIATE COMPANIES

The Issuer is a finance and holding company of the Group and does not carry out any trading activities of its own. The Issuer is therefore economically dependent on the performance and financial position of its Subsidiaries and its associated companies. In the event that any Subsidiary and, or any associate company underperforms in any one financial year or otherwise experiences adverse fluctuations or volatility in cash flows, liquidity strains or other financial difficulties, such underperformance and, or adverse financial position and operational results would adversely affect the operational and financial results of the Group as a whole and consequently, that of the Issuer.

As a holding company, the majority of the Issuer’s assets consist of investment in Subsidiaries and loan receivables granted to its Subsidiaries and associated companies, which as at 31 December 2022 amounted to €22.2 million (in aggregate). The distribution of dividends, payment of interest and repayment of loan receivables to the Issuer is dependent on the cash flows and earnings of the relevant Subsidiary and, or associate company.

Pursuant to the Offer, the Issuer shall on-lend the net proceeds to TOPD and TORE to part finance the acquisition and development of certain projects described in section 6.1 of this Registration Document. The ability of each Subsidiary to make payments of principal and interest to the Issuer in repayment of the loan granted to it is dependent on the financial position of the respective Subsidiary.

In light of the above, the underperformance of any of the Issuer’s Subsidiaries and, or associate companies may have an adverse effect on the performance of the Issuer which may affect its ability to service payments under the Notes of both principal and interest.

3.3 RISKS RELATING TO THE GROUP

3.3.1 ECONOMIC AND FINANCIAL RISKS OF THE GROUP

3.3.1.1 Risks relating to the economic repercussions of the COVID-19 pandemic

As a direct result of the spread of COVID-19, global economic activity has experienced a general downturn, with certain industry sectors and market segments having been affected more harshly than others. The tourism and hospitality sectors have emerged as two of the sectors most severely impacted by the COVID-19 pandemic. The pandemic brought about a temporary decline in travel demand as a result of travel bans, travel restrictions, and a greater aversion to unnecessary travel. To date, despite the complete removal of travel restrictions, the tourism sector has not yet recovered to pre-pandemic levels. Should recovery take longer than anticipated and, or travel restrictions reimposed, this could negatively impact the operational results and financial performance of the Group.

Beyond the direct economic impacts of the pandemic, the pandemic also poses significant challenges to the continuity, efficacy, and proper functioning of the day-to-day operations of the Group. A spread of such disease amongst the employees of the Group, as well as any self-quarantine measures affecting the employees of the Group or the Group's properties, may negatively impact the ability of the Group's personnel to carry out their work at full-functionality or capacity, and thereby negatively affect the Group's operations.

The Issuer's and the Group's business, operations, and financial performance remain susceptible to the risk relating to the uncertainty surrounding the constantly changing circumstances within which it finds itself operating as a result of COVID-19, as well as the risks of the effects of the corresponding restrictive or prohibitive measures that have been, and may in the future, be introduced a result thereof or in connection therewith.

Any of the COVID-19 related factors could have an adverse effect on the Group's operational result, financial position and performance, trading prospects and its ability to continue on a going concern basis.

3.3.1.2 Risks relating to the financing of the Group's projects

The Group's projects have been part-financed through bank financing with local banks and the Secured Bonds. As at 31 December 2022, the Group maintained a net gearing ratio of 64.5%. The Group plans to incur additional debt for the purposes of financing future development projects. Notwithstanding that the Group aims at maintaining its debt-to-equity ratio at prudent levels with corresponding equity being injected at levels considered to be adequate and prudent under current banking practices, a substantial portion of the cash flow generated by the Group is utilised to repay the respective company's debt obligations pursuant to the terms of the facilities provided and the terms and conditions of the Secured Bonds. Should a Group company significantly increase its debt obligations, this may have an adverse effect on the profitability of the respective company and the Group as a whole.

The agreements regulating the borrowings of the companies forming part of the Group impose significant financial covenants on the borrowing companies. These covenants could limit the ability of the said companies to obtain future financing, make capital expenditure, withstand a future downturn in business or economic conditions generally or otherwise inhibit the ability to conduct necessary corporate activities. Changes in banking risk appetite as a result of financial turmoil may decrease the willingness of banks to provide loans to companies. Moreover, the Group may not be able to raise finance from the capital markets. As a result of the factors detailed herein, a Group company may not be able to obtain the capital and financing it requires for the completion of a project and, or the operation of its business, on commercially viable terms, or at all.

3.3.1.3 Risks relating to rising costs of materials, resources, and utilities

The Group operates in both the property industry and the hospitality industry. As part of the property development component of the Group's business, the Group has just completed the Hotel and is presently developing the Birkirkara Project. In FY2023, the Group will commence development of the Mellieha Project, the St Paul's Bay Project and the Mosta Project. On completion of the afore-mentioned projects, the Group will seek additional property development opportunities. As part of the hospitality component of its business, as of 23 May 2023, the Group commenced operating the Hotel. Both industries necessitate the availability of certain resources (including human resources), materials and utilities, at cost-effective prices.

The Group's principal operational risks relate to its ability to deliver projects within agreed upon project deliverables, including project design specifications, quantity requirements, the involvement of qualified and skilled personnel, adequacy of resources and equipment, technical and industry standards, certification requirements, scheduled programme of works, fitting and finishing specifications and, ultimately, within project budgeted costs and stipulated project deadlines. Non-compliance with the Group's committed projected deliverables could result in significant penalties (including daily penalties for mere delay), fines, pre-liquidated damages, or other damages, and, or early termination of project contracts and related contracts. Furthermore, the Group may be susceptible to liability for costs, expenses, losses, forfeit of or reduction in project revenue, or other liabilities incurred to remedy defects or repairs.

From the start of the COVID-19 pandemic to date, the prices of raw materials have been subject to substantial increases caused by a combination of heightened market demand and low availability, ongoing global supply chain challenges, increase in shipping costs, shortages in containers, ships, and human resources. Accordingly, a surge in prices has been witnessed for, inter alia, aluminium, steel, copper, oil, wood, and paper. Furthermore, in respect of the Group's hospitality arm, the Group is also exposed to an increase in food prices. Should the volatility in prices continue in an upward trajectory over the rest of the year as well as subsequent years, the Group may be negatively affected if these increased costs are not capable of being reflected in increased charges for the delivery of certain products and services of the Group.

The Group may be unable to maintain an adequate stock of the materials and resources it requires, including the appropriate workforce for the Group's development projects resulting in increased costs and project delays. The Group's inability to comply with its obligations in both the property development and hospitality sectors, could adversely impact the Group's relations with its customers and suppliers, prejudice its goodwill, prejudice its contractual commitments in terms of the Franchise Agreement and, or could result in a material adverse effect on the financial position, financial performance, and operational results of the Group.

3.3.1.4 Risks relating to aversion to travel due to the war in Ukraine

In response to the invasion of Ukraine by Russia, several industries implemented boycotts, bans and other forms of retaliation against Russia. With regards to the travel industry, a reduction in tourist arrivals (irrespective of nationality) may stem from a greater aversion to travel in times of political unrest and threats of conflict and war in other countries. Travellers may be reluctant to leave their home countries due to the uncertainty of the international situation and, or may postpone any travel arrangements to a future date amid the ongoing crisis. Other events which could bring about a reduction in travel include actual or threatened acts of terrorism and civil unrest.

The availability of flights at affordable rates may influence one's decision to travel to Malta over other destinations, specifically destinations which offer a similar experience. As a result of the invasion of Ukraine by Russia and the retaliatory efforts of other countries, the price of oil and gas soared and in turn fuel prices experienced an all-time high, potentially implying a greater cost for airlines. Increased costs for airlines may be subsequently borne by consumers through an increase in flight prices, rendering air travel more costly for interested travellers and thus serving as a deterrent for travel in general.

The exact duration and effects of the war in Ukraine and the financial and economic effects it will have on international travel and the local hospitality and tourism industry are inherently difficult to predict with any degree of accuracy. Consequently, the Group's business, operations, and financial performance remain susceptible to the risk of an increased aversion or appetite to travel directly or indirectly related to the effects of the war in Ukraine.

3.3.2 OPERATIONAL RISKS OF THE GROUP

3.3.2.1 Risks relating to the Franchise Agreement

The Hotel forms part of the "AC by Marriott Hotels" chain of hotels, a reputable international brand which has hotels across the globe. The Ona Hospitality Ltd is entitled to operate the Hotel under the "AC by Marriott Hotels" brand under a Franchise Agreement. Pursuant to the Franchise Agreement, the Franchisor granted a non-exclusive licence to The Ona Hospitality Ltd to use certain intellectual property of the Franchisor (including the "AC by Marriott Hotels" brand) as well as its systems. The Ona Hospitality Ltd (as franchisee) is required to comply with certain conditions as part of the Franchise Agreement, including but not limited to: (i) the timely construction, renovation and opening of the Hotel; (ii) the satisfaction of performance thresholds under quality assurance programs to which it is subject under the Franchise Agreement; and (iii) compliance with certain required standards under the Franchise Agreement. The breach of any of the conditions in the Franchise Agreement could result in the termination of the Franchise Agreement prior to the expiration of its term or the suspension thereof. Moreover, the Franchisor may impose penalties and, or seek to claim damages suffered as a result of the breach of any of the conditions of the Franchise Agreement. Accordingly, the success of the Hotel operations is dependent on the continuity of the contractual relationship with the Franchisor.

Should the Franchise Agreement be terminated or not renewed, the profitability and financial condition of the Group may be materially adversely affected in view of its inability to benefit from the reputation and standards of the "AC by Marriott Hotels" brand.

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

The development of the Mellieħa Project and St Paul's Bay Project have not yet been approved by the Planning Authority. In the event that these two projects are not approved in accordance with the plans submitted to the Planning Authority, the Group may need to alter their plans or seek new development opportunities in substitution of the aforementioned projects. Any delay in the approval of the Mellieħa Project and, or the St Paul's Bay Project and, or the refusal of the Planning Authority to approve any of the aforementioned projects could affect the projected revenue of the Group.

3.3.2.3 Risks relating to the loss of senior management and other key personnel

The Group believes that its growth is partially attributable to the efforts and abilities of its executive director, Cliona Muscat, and other key personnel, including members of senior management, sales, investment, and project management personnel and upon its ability to attract, develop and retain such key personnel to manage and grow the business.

If one or more of the members of this team were unable or unwilling to continue in their present position, particularly if such members are lost to competitors of the Group, the Group might not be able to replace them within the short term, which could have a material adverse effect on the Group's business, financial condition, and results of operations.

3.3.2.4 Risks relating to competing projects

The local hospitality industry is characterised by substantial competition given the variety of temporary accommodation available on the market. Accordingly, the Hotel may compete with local hotels and facilities offering various types of lodging options and related services to the public. Local competition is influenced by a variety of determining factors including price, variety and quality of services, availability, reliability, after-sales service and logistical arrangements, and the fluctuations in demand and supply in respect of both competing or substitute goods and services.

The Group's activities in the property development and rental sectors are also susceptible to competitive forces given the large number of properties and developments available on the local market. Should there be an increase in similar property developments which are of a similar quality and type to those being constructed, sold, or leased by the Group, particularly where such competing developments are available at cheaper prices, the Group may be unable to sell or otherwise lease the units, garages and, or developments (as applicable) forming part of the Group's property portfolio, in a cost-effective and efficient manner.

A reduction in reservations for hotel accommodation and, or the sale of units and prices which are lower than that projected may adversely affect the Group's business, financial condition, and results of operations.

3.3.2.5 Risks relating to changes in consumer preferences and demand

The Group's success in the property development, rental and hospitality sectors is dependent on its ability to offer products and services that have a strong consumer appeal. Such sectors are susceptible to fluctuations in consumer trends because of changes in taste, consumer habits, general economic conditions, social trends, consumer attitude, consumer satisfaction and any other similar factors which are linked to consumer demand. The property market, whether for resale or letting purposes, is subject to changing preferences in the style and location of immovable properties. In the case of the hospitality sector, consumer preferences are largely determined by brand image and reputation. Brand images are key to the business of the Group and thus the inability to maintain a positive brand image could have a material adverse effect on the Group's revenue and results of operations. It cannot be predicted whether advertising, marketing and promotional programs will have the desired impact on its products' and services' branding and on consumer preferences.

The Group's success in such sectors is dependent on its ability to swiftly anticipate, capitalise and adapt to changes in consumer attitude and preferences. Should the Group fail to do so, it may experience a reduction in revenue which could have a material adverse effect on its operational results and financial condition.

3.3.2.6 Risks relating to the Group's insurance policies

The Group has maintained insurance and, or otherwise plans to maintain insurance at levels determined by the Group to be appropriate in light of the cost of cover and the risk profiles of the sectors in which the Group operates. Notwithstanding such insurance coverage, which insures against, *inter alia*, claims for damages, it may be difficult and may take time to recover such losses from insurers. In addition, the Group may not be able to recover the full amount from the insurer due to procedural restrictions or formalities, or due to substantive exclusions, exemptions, limitations on coverage, *de minimis* liability coverage limitations, prescriptive time periods and limitations, reporting or other disclosure requirements, licensing or other authorisation or registration requirements, breach of restrictive covenants or undertakings, breach of warranties and, or, representations, as well as restrictions or formalities relating to the initiation of, and control over, litigation, investigations or other proceedings relating thereto.

No assurance can be given that the Group's current insurance coverage would be sufficient to cover all potential losses, regardless of the cause, nor can any assurance be given that an appropriate coverage would always be available at acceptable commercial rates. In addition, changes in legislation or judicial interpretation, or the issuance or alteration of directives, orders, or other measures (whether interim or otherwise), by the relevant authorities may impact the ability to recoup losses under insurance coverage held by the Group. Furthermore, the actions, or inactions of employees or other officials of the Group, or of contractors, sub-contractors, outsourcing parties, or other third-parties engaged by the Group from time to time, may affect the ability of the Group to successfully make a claim under its insurance policies.

3.3.3 RISKS SPECIFIC TO THE PROPERTY SECTOR

The Group is heavily invested in the property acquisition, development, and management markets, which are constantly evolving market segments characterised by specific risks and uncertainties. The Group is thus intrinsically susceptible to the risks associated with activities in these market segments.

The occurrence of any of the factors referred to below could negatively affect the Issuer's financial condition and results.

3.3.3.1 Risks relating to the property development and construction industry

The Group undertakes activities in the property development and construction industry. The Group has plans to develop the: (i) Mellieħa Project; (ii) St Paul's Bay and (iii) Mosta Project.

Pursuant to such activities, the Group is subject to several specific risks, including:

- (a) the risk of delays, including albeit not limited to delays (and, or refusals) in obtaining any necessary permits and cost overruns;
- (b) the possibility of delays pursuant to a strain on the availability of human and other capital resources required for the development and completion of such projects resulting from heightened levels of activity in the sector;
- (c) covenants, conditions, restrictions, and easements relating to the properties or their use, whether arising out of law, contractual arrangement, or orders or other decisions of the competent judicial or government authorities; and
- (d) government restrictions concerning the free movement of people and goods, which might result in delays or changes in terms of established trade supply routes, changes in macro-economic conditions, as well as market and regulatory changes affecting the construction and property development processes.

The occurrence of any of the risk factors described above could have a material adverse effect on the Group's business, financial condition, and results of operations, including the increase of projected costs and times for completion of ongoing development projects.

3.3.3.2 Risks relating to the sale of property

The Group's business contemplates the construction and finishing of property developments and the subsequent sale of the individual houses / units / garages / car spaces forming part of such property developments. Whilst the Group's activities in this sector, have been largely successful, there can be no assurance that the Group will be able to sell future developments in a profitable and efficient manner on account of: (a) market conditions; (b) the size and, or value of the property development; (c) specific local market conditions; (d) regulatory risks including, albeit not limited to, the delay in obtaining or the inability to obtain the necessary permits and, or authorisations; or (e) other local or international economic factors influencing the Group's operations or assets. It may also prove necessary to dispose of houses / units / garages / car spaces at values which management considers to be reasonable in the circumstances prevailing at the time, but which represent discounts to book values or earlier property valuation reports, in order to meet long-term strategy and financing objectives.

3.3.3.3 Risks relating to the engagement and, or involvement of third parties in connection with the Group's business and associated counterparty risks

The Group relies upon third-party service providers such as architects, building contractors and suppliers for the construction and completion of each of its developments. This gives rise to counter-party risks in those instances where such third parties do not perform in line with the Group's expectations and in accordance with their contractual obligations. If these risks were to materialise, this will result in delays in the development and completion of projects undertaken by the Group, which could have an adverse impact on the Group's business, its financial condition, results of operations and prospects.

3.3.3.4 Risks relating to the rental income of the Dun Karm Pirotta Street, Birkirkara, property

As detailed in section 6.2 of the Registration Document, The Ona Property Development Ltd owns a commercial property located in Birkirkara named "CE House". The Ona Property Development Ltd currently leases the property to a local service provider in accordance with the terms and conditions of a lease agreement. The revenue generated from this commercial property is dependent on the terms of the lease as well as the lessee's fulfilment of obligations under this agreement. The performance of the lessee's obligation under the lease agreement to make lease payments may be negatively impacted as a result of several reasons which are beyond The Ona Property Development Ltd's control, including the insolvency and lack of liquidity of the lessee. Moreover, The Ona Property Development Ltd is also susceptible to the risk that the lessee may terminate the lease agreement prior to the lease expiration date or elect not to renew the lease agreement.

In such instances, there is no guarantee that the new lessee will be able to lease the respective property in a timely manner and, or that, if the existing lease is terminated, any new lease agreement will be concluded on equally favourable terms. This could have a material adverse effect on the Group's profitability and its operational results as a whole.

3.3.3.5 Risks relating to property valuations and net realisable value

As stated above, the Group is involved in the acquisition and development of properties. Property values are affected by and may fluctuate, inter alia, as a result of changing demand, changes in general economic conditions, changing supply within a particular area of competing space and attractiveness of real estate relative to other investment choices. The value of the Group's property portfolio may also fluctuate as a result of other factors outside the Group's control, such as changes in regulatory requirements and applicable laws (including in relation to taxation and planning), political conditions, the condition of financial markets, potentially adverse tax consequences, interest and inflation rate fluctuations.

The Group's operating performance could be adversely affected by a downturn in the property market in terms of capital values. The valuation of property and property-related assets is inherently subjective, due to, among other things, the individual nature of each property and the assumptions upon which valuations are carried out. In consequence, the Group may purchase and, or have purchased property on the basis of inaccurate valuations.

Accordingly, there is no assurance that valuations of Group properties and property-related assets will reflect actual market values that could be achieved upon a sale. Actual values may be materially different from any future values that may be expressed or implied by forward-looking statements set out in the relative valuation or anticipated on the basis of historical trends, as reality may not match the assumptions made.

3.3.4 RISKS SPECIFIC TO THE HOSPITALITY AND TOURISM INDUSTRY

3.3.4.1 Risks relating to the utilisation of reservation systems

The Hotel utilises an online reservation system and other key technology platforms for the reservation of rooms at the Hotel. The Hotel's results of operations are partly derived from its ability to drive reservations through its reservation system and technology platforms which are highly integrated with internal processes and linked to multiple sales channels, including the Hotel's own website, call centre, third-party intermediaries, and travel agents. Lack of resilience and operational availability of these systems provided by the Group, or third-party technology providers could lead to prolonged service disruption and might result in significant business interruption, impact the guest booking experience and subsequently adversely impact the revenues and reputation of the Hotel and the Group, as the owner and operator of the Hotel.

3.3.5 LEGAL, REGULATORY AND COMPLIANCE RISKS

3.3.5.1 Risks relating to the regulatory environment in which the Group operates

The Group's activities in the construction and development industry as well as the Group's activities in the hospitality industry, are subject to a vast array of rules and regulations, including but not limited to, environmental protection, construction, property acquisition, property development, consumer law, health, fire and safety, among others. Furthermore, the regulatory environment in which the Group operates is constantly evolving, with the introduction of new rules and regulations, or the amendment or overhaul of existing ones. In addition, the Group is susceptible to changes in the application and, or interpretation of such rules and regulations, whether as a result of judicial interpretation or due to decisions, orders, directives, and, or guidelines issued by the competent regulatory authorities.

Laws and regulations, which may be amended over time, may also impose liability for the presence of certain materials or substances or the release of certain materials or substances into the air, land or water or the migration of certain materials or substances from a property investment, including asbestos, and such presence, release or migration could form the basis for liability to third parties for personal injury or other damages. These environmental liabilities, if realised, could have a material adverse effect on the Group's business, financial condition, and results of operations in the property development sector.

3.3.5.2 Risks relating to personal data protection and privacy laws

In the ordinary course of its activities, particularly with respect to the Group's hotel operations, the Group receives, processes, transmits and stores information relating to identifiable individuals ("**personal data**"). As a result, the Group is subject to various local laws and EU regulations relating to the collection and processing of personal data. These laws impose operational requirements for companies receiving or processing personal data and provide for significant penalties for non-compliance. These requirements with respect to personal data have subjected and may continue in the future to subject the Group to, among other things, additional costs and expenses and have required and may in the future require costly changes to their business practices and information security systems, policies, procedures, and practices.

Security controls over personal data, the training of employees on data privacy and data security, and the policies, procedures, and practices implemented, or which may be implemented in the future, may not prevent the improper disclosure of personal data by the Group. Unauthorized access or improper disclosure of personal data in violation of personal data protection or privacy laws could harm the reputation of the Group, cause loss of consumer confidence, subject it to regulatory enforcement actions (including fines), and result in private litigation against the Group and, or Group companies, which could result in loss of revenue, increased costs, liability for monetary damages, fines and, or criminal prosecution, all of which could negatively affect the business and operating results of the Group.

3.3.6 RISKS RELATING TO THE FAILURE TO IMPLEMENT SUSTAINABLE AND, OR ENVIRONMENTAL, SOCIAL AND GOVERNANCE CONSIDERATIONS IN THE GROUP'S BUSINESS MODEL

There is a growing expectation for companies to implement sustainability as a feature in their business strategies to reflect changing social norms and practices. With an increased emphasis on environmental, social and governance (“ESG”) considerations at global level, the implementation of sustainable factors in the Issuer’s business model is likely to become under increased scrutiny by investors, regulators, and the public at large.

The Group’s business entails two main sectors of operation: property development and hospitality. ESG considerations for the purposes of the Group’s business may include, but are not limited to, energy performance, energy and resource efficiency, waste management, energy and water use, the use of renewables, as well as social and employment considerations of workers and the health and safety thereof.

Should the Group fail to operate its business in both the property development sector as well as the hospitality sector in a sustainable manner, the failure to implement sustainable factors in the Group’s business operations may also have a material adverse effect on the Group’s reputation and public image in both sectors as well as its relationship with clients, suppliers, business partners (including the Franchisor) and other stakeholders. This in turn, may have a material adverse impact on the Group’s business activities, revenues, financial condition, and operations.

4. IDENTITY OF DIRECTORS, ADVISERS AND AUDITORS

4.1 DIRECTORS OF THE ISSUER

As at the date of this Registration Document, the Board of Directors of the Issuer is composed of the following persons:

Name	Designation	Date of Appointment
Cliona Muscat ID card number: 224996M	Executive Director	20 January 2022
George Muscat ID card number: 312355M	Non-Executive Director	20 January 2022
Alfred Attard ID card number: 481458M	Independent Non-Executive Director	19 May 2022
Francis X Gouder ID card number: 866550M	Independent Non-Executive Director	19 May 2022
Ann Marie Agius ID card number: 118784M	Independent Non-Executive Director	19 May 2022

The chairman of the Board of Directors is George Muscat (ID number: 312355M). The business address of the chairman and Directors is the same as that of the Issuer.

The *curriculum vitae* of each of the Directors is set out in section 8.5 of this Registration Document.

Justin Cutajar (ID card number: 302278M) is the company secretary of the Issuer.

4.2 RESPONSIBILITY AND AUTHORISATION STATEMENT

The Directors are the persons responsible for the information contained in this Registration Document. To the best of the knowledge and belief of the Directors (who have all taken reasonable care to ensure such is the case), the information contained in this Registration Document is in accordance with the facts and does not omit anything likely to affect the import of such information. The Directors accept responsibility accordingly.

This Registration Document has been approved by the Malta Financial Services Authority as the competent authority in Malta for the purposes of the Prospectus Regulation. The Malta Financial Services Authority has only approved this Registration Document as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation and such approval should not be considered as an endorsement of the Issuer and, or the Global Note.

4.3 ADVISERS

The persons listed hereunder have advised and assisted the Directors in the drafting and compilation of the Prospectus.

Nominee and Placement Agent

Name: **M.Z. Investment Services Limited**
Address: 61, M.Z. House, St. Rita Street,
Rabat RBT 1523, Malta

4.4 AUDITORS

Name: **VCA Certified Public Accountants**
Address: Finance House, First Floor, Princess Elizabeth Street,
Ta' Xbiex XBX 1102, Malta

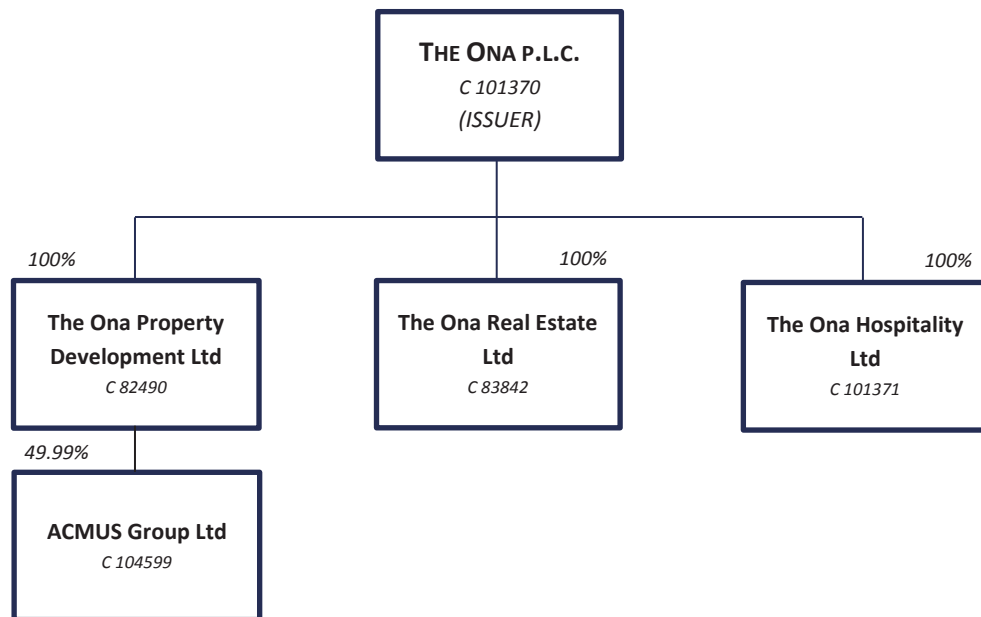
As of the date of this Registration Document, the auditors of the Issuer are VCA Certified Public Accountants. VCA Certified Public Accountants are a registered audit firm with the Accountancy Board of Malta in terms of the Accountancy Profession Act (Chapter 281 of the laws of Malta) with registration number AB/26/84/46.

The annual statutory financial statements of the Issuer for its first financial year ended 31 December 2022 have been audited by VCA Certified Public Accountants.

5. INFORMATION ABOUT THE ISSUER

5.1 ORGANISATIONAL STRUCTURE

The Issuer was incorporated on 20 January 2022 and is the holding company of the Group. It holds 100% of the shareholding in its Subsidiaries. The organisational structure of the Group as at the date of this Registration Document is illustrated in the diagram hereunder:



The Ona Property Development Ltd holds a 49.99% shareholding in ACMUS Group Ltd (a joint venture with Muscat Holdings II Ltd (C 89275) established in Q1 2023). The principal object of ACMUS Group Limited is to seek property development opportunities.

5.2 THE ISSUER

5.2.1 HISTORY AND DEVELOPMENT

Full legal and commercial name of the Issuer	The Ona p.l.c.
Registered address	GAP Holdings Head Office, Ċensu Scerri Street, Tigné, Sliema, SLM 3060, Malta
Place of registration and domicile	Malta
Company registration number	C 101370
Legal Entity Identifier ('LEI')	48510040FDCT4Q97XG85
Date of registration	20 January 2022
Legal form	The Issuer is lawfully existing and registered as a public limited liability company in terms of the Act.
Telephone number	+356 23271000
Email	info@theonagroup.mt
Website	www.theonagroup.mt

Unless otherwise incorporated by reference herein, the information on the Issuer's website does not form part of this Prospectus.

5.2.2 OVERVIEW OF THE ISSUER'S BUSINESS AND PRINCIPAL ACTIVITIES

The Issuer was established on 20 January 2022. It acquired the entire share capital of The Ona Real Estate Ltd, The Ona Property Development Ltd and The Ona Hospitality Ltd in April 2022 through a share for share exchange process which enabled the Group's majority shareholder to consolidate the operations of the Subsidiaries through a holding structure. 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; (iii) to develop and construct properties acquired; and (iv) the operation of the Hotel.

The Issuer is the holding and finance company of the Group and was incorporated for the purpose of financing its Subsidiaries' and, or associate companies' respective projects. The Issuer does not carry out any trading activities of its own and its revenue is limited to the dividends it receives from its Subsidiaries and associate companies and interest receivable due under intra-group loan agreements.

In June 2022, the Issuer issued €16,000,000 4.50% secured bonds 2028-2034 (ISIN: MT0002661206) guaranteed by The Ona Real Estate Ltd, The Ona Property Development Ltd and The Ona Hospitality Ltd. These bonds are listed and traded on the Malta Stock Exchange.

The Issuer may from time to time, enter into other loan agreements with its Subsidiaries and, or associate companies to fund their operating requirements, as the case so requirements. 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 borrower companies.

6 THE PROJECTS

6.1 THE RESIDENTIAL PROPERTIES

The operations of The Ona Property Development Ltd and The Ona Real Estate Ltd are focused on small to medium-sized projects with an individual value of up to *circa* €9 million in gross sales value.

This section provides an overview of the projects completed as well as the projects (both residential and commercial) which are in the process of being completed by the The Ona Property Development Ltd and The Ona Real Estate Ltd, respectively.

(a) *The Marsascala Project*

On 27 September 2019, The Ona Property Development Ltd purchased the Marsascala Site. The Marsascala Project was covered by a full development permit having permit number PA/10721/18 and was fully 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 aforementioned units and garages was retained by the seller of the Marsascala Site. The Marsascala Project was financed through bank financing with local banks and from the company's own funds.

The Marsascala Project comprises one block of residential units, with four maisonettes at ground floor level and 16 apartments at first, second, third and recessed floor levels, four 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.

The Ona Property Development Ltd was responsible for the construction, development and finishing of this development. The residential units and garages owned by The Ona Property Development Ltd 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 31 December 2022, 13 residential units were contracted while the remaining three units were subject to promise of sale agreements. Revenue generated from the sold units amounted to €4.24 million (€0.94 million in FY2021 and €3.30 million in FY2022). TOPD expects to generate €1.25 million from the last three units.

(b) The Qawra Project

On 15 January 2021, The Ona Real Estate Ltd purchased the Qawra Site. The Qawra Site has a superficial area of approximately 1,008 square metres, of which only 358 square metres has been designated as building area.

The Ona Real Estate Development Ltd was responsible for the construction, development and finishing of the block. The construction of the Qawra Project commenced in Q2 2021 and was completed in Q1 2022. The Qawra Project was covered by a full development permit having permit number PA/03043/20 and was financed through bank financing with local banks and from the company's own funds.

The development consists of a single block of 15 residential units spread over seven floors and nine lock-up garages. 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. The Qawra Project was primarily targeted at the medium segment of the market, specifically first-time buyers.

As at 31 December 2022, 13 units forming part of the Qawra Project were sold during the year for the consideration of €2.65 million. The remaining two units were subject to a promise of sales agreement and have an aggregate value of €0.5 million.

(c) The Mellieħa Project

On 14 December 2021, The Ona Real Estate Ltd entered into a promise of sale agreement for the purchase of the Mellieħa Site, which it intends to develop into two semi-detached terraced houses. TORE expects to conclude the acquisition of the Mellieħa Site in Q2 2023.

The Group intends to place the two houses on the market for resale once both houses are completed. The houses, which shall each have a garage, shall be sold in a finished state. The Group has submitted an application for a development permit with the Planning Authority (PA/2861/22) which as at the date of this Registration Document has not yet been approved. The expected date of completion of the Mellieħa Project is Q2 2024 and the aggregate net sales revenue from the Mellieħa Project is expected to be in the region of €1.2 million.

Total acquisition and development costs are expected to be in the region of €0.9 million. The Group intends to finance the acquisition and development through a mix of bank financing from local banks and own funds.

(d) The Birkirkara Project

On 29 July 2022, The Ona Property Development Ltd purchased two adjacent houses in Guze Orlando Street, Birkirkara. The Group has since demolished and excavated the site, measuring approximately 695 square metres, with the intention to develop four ground floor maisonettes, 12 apartments at first, second and third floor levels, three penthouses at receded fourth floor level and underlying 15 lock-up garages and one parking space. The Birkirkara Project is covered by a full development permit having permit number PA/220/22.

The Group intends to place such residential units and garages on the market for resale once the development is completed. The aggregate net sales revenue from the Birkirkara Project is expected to be in the region of €5.45 million.

Demolition and excavation works were completed in 2022. Development works relating to the Birkirkara Project commenced in Q1 2023 and are expected to be completed by Q2 2024. Total development costs are expected to be in the region of €2.03 million. The Group intends to finance the development through a mix of bank financing from local banks, proceeds from the Global Note and own funds.

Further information on the Birkirkara Project is included in the Valuation Report.

(e) The St Paul's Bay Project

In Q1 2022, The Ona Property Development Ltd entered into four promise of sale agreements for the purchase of two ground floor garages and a block of four apartments without an official number but named 'Josmar' in Triq l-Imrejkbā, Qawra, a block of two apartments bearing the official number 48 in Triq il-Fliegu, Qawra, the restaurant named 'The Bellik Bar and Restaurant' on Triq l-Imrejkbā and another façade on Triq il-Fliegu, Qawra and the plot of land measuring 267 square metres having a façade along Triq il-Konz and other facades on Triq l-Imrejkbā and Triq il-Fliegu, Qawra. The developable site measures in aggregate 691 square metres. TOPD expects to conclude the acquisition of the said properties in Q2 2023.

The Group intends to demolish existing properties and develop a property having one commercial outlet, 39 residential units and 33 lock-up garages. The Group has submitted an application for a development permit with the Planning Authority (PA/4270/22) which as at the date of this Registration Document has not yet been approved.

The Group intends to place such units and garages on the market for resale once the development is completed, excluding the ground floor commercial unit, one apartment at first floor level and two lock-up garages which will be transferred to the vendor as part of the acquisition consideration. Completion date of the St Paul's Bay Project is scheduled for Q1 2026. The aggregate net sales revenue from the St Paul's Bay Project is projected to be in the region of €8.6 million.

The total acquisition and development costs are expected to be in the region of €6.3 million, which shall be financed through a mix of bank financing from local banks, proceeds from the Global Note and own funds.

Further information on the St Paul's Bay Project is included in the Valuation Report.

(f) The Mosta Project

In Q2 2022, The Ona Property Development Ltd entered into a promise of sale agreement for the purchase of a garage and airspace in Triq il-Harifa, Mosta and a street-level garage and overlying maisonette named St Jude in Triq il-Glormu Cassar, Mosta. The site in aggregate measures 272 square metres. The purchase contract is expected to be signed in Q2 2023. The Group intends to demolish the said properties and develop two street-level garages and 12 residential units. The Mosta Project is covered by a full development permit having permit number PA/3373/22.

The Group intends to place such units and garages on the market for resale once the development is completed in Q1 2025. The aggregate net sales revenue from the Mosta Project is projected to be in the region of €2.8 million.

The total acquisition and development costs are expected to be in the region of €1.9 million and shall be financed through a mix of bank financing from local banks, proceeds from the Global Note and own funds.

Further information on the Mosta Project is included in the Valuation Report.

6.2 THE LEASED PROPERTY

The Ona Property Development Ltd owns a commercial property located in Dun Karm Pirotta Street, Birkirkara named “CE House”. The property has a total built-up area of approximately 953 square metres and comprises a corner commercial outlet on three levels, a recessed 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 recessed 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 and showroom spaces. The remaining duration of the lease agreement is for a period of approximately 10 years, with the lease terminating on 23 March 2033. The Group expects to generate net revenue of €1.37 million for the term of the lease.

6.3 THE HOTEL

As of 23 May 2023, the Group has entered the hospitality sector through the operation of the Hotel. The Hotel forms part of the “AC by Marriott Hotel” chain of hotels pursuant to the Franchise Agreement. The Hotel is 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 includes a wellness centre which comprises a gym and an indoor pool. For this purpose, the Hotel is equipped with state-of-the-art equipment and machinery, which meet the highest quality standards. Access to the wellness centre is available to Hotel patrons throughout their stay at the Hotel. In addition to the wellness centre, the Hotel has one restaurant which is open exclusively to Hotel patrons and is managed by The Ona Hospitality Ltd’s own team of chefs and catering staff. The Hotel also has a board room and a meeting room to be utilised for corporate business purposes. As a result, the Hotel expects to attract corporate clientele in addition to its leisure guests.

The hospitality sector is one of the main pillars of the local economy and the tourism industry contributes substantially to the Maltese economy. Given the success and reputation of the “AC Hotels by Marriott” chain of hotels, management believes that the Hotel shall be a strong contender in the local hospitality market. Moreover, the location of the Hotel is largely popular with tourists given the availability of restaurants, beaches, and nightlife.

6.3.1 ACQUISITION OF PACEVILLE SITE

On 30 June 2022, The Ona Real Estate Ltd purchased the Paceville Site from Bilom Properties Limited (C 48515) for a total consideration of €11,000,000, with an additional €800,000 incurred in relation to purchase expenses and tax due.

The site on which the Hotel has been built has a direct façade and access on Sqaq Lourdes (also referred to as Lourdes Lane), located in Swieqi, in the limits of St. Julian’s and has a total site area of 586 square metres. The Paceville Site was purchased free and unencumbered from any security interests and freehold.

6.3.2 PERMITS

Since its acquisition, the Group has been involved in the development of the Paceville Site into a 4-star “hotel” as defined in the Malta Travel and Tourism Services Act (Cap. 409 of the laws of Malta) and in accordance with Planning Authority permits PA/3654/20 and PA/2278/22. The mentioned Planning Authority permits provide for the construction of 97 rooms, nine (9) of which are twin interconnected rooms. Accordingly, an amount of 106 rooms may be used as individual rooms.

Construction of the Hotel commenced in Q1 2022 and was fully completed in May 2023. The costs for the overall construction and finishing expenditure of the Hotel, both with respect to works to be completed and finished under PA 3554/20 as well as PA/2278/22, amounted to circa €11 million.

The acquisition and development costs of the Hotel have been part-financed from the net proceeds of the Secured Bonds. The Issuer on-lent the amount of €13.6 million of the net bond proceeds to The Ona Real Estate Ltd for the purposes of funding the full acquisition costs and development costs. The balance of €2.08 million of the net bond proceeds was on-lent by the Issuer to The Ona Hospitality Ltd to part finance the finishing and furnishing of the Hotel. The remaining balance required to complete the Hotel has been financed through the Group's own funds.

6.3.3 LICENSES

The Paceville Site is characterised as a class 3B site in terms of the Development Planning (Use of Classes) Regulations (S.L. 552.15). The Hotel is licensed in terms of the Malta Travel and Tourism Services Act (Cap. 409 of the laws of Malta).

6.3.4 THE FRANCHISE AGREEMENT

Pursuant to the Franchise Agreement, The Ona Hospitality Ltd 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 purpose of operating the Hotel under the "AC by Marriott Hotel" 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 described in this section 6.3.4, 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 finish 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.

6.3.5 LEASE AND MANAGEMENT OF THE HOTEL

In terms of the Franchise Agreement, The Ona Real Estate Ltd has leased the Hotel to The Ona Hospitality Ltd for the duration of the Franchise Agreement. The Hotel (including its car park, pools, wellness centre and restaurant) shall be operated internally by a dedicated management team within The Ona Hospitality Ltd in accordance with the terms and conditions set out in the Franchise Agreement.

Management is presently involved in recruiting a taskforce of approximately 50 employees for the operation of the Hotel. All management staff and employees of the Hotel are to be of the requisite standard in line with the requirements set out in the Franchise Agreement. In addition, all Hotel staff are to be suitably qualified and must have completed mandatory training provided by the Franchisor.

7. FUNDING STRUCTURE AND SOLVENCY

There are no recent events particular to the Issuer or the Group which are to a material extent relevant to an evaluation of their respective solvency. The Directors are not aware of any material change in the Issuer's or the Group's borrowing and funding structure since the end of the latest financial year ended 31 December 2022.

The Directors expect the Issuer's and the Group's working capital and funding requirements to be met by a combination of the following sources of finance: (i) retained earnings and cash flow generated by the Group's operations; (ii) external bank credit and loan facilities; (iii) the proceeds from the Secured Bonds; and (iii) the proceeds from the Global Note.

8. ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES

8.1 THE BOARD OF DIRECTORS OF THE ISSUER

The Board of Directors of the Issuer consists of five Directors who are entrusted with the overall direction, administration, and management of the Group and which currently consists of one executive Director and four non-executive Directors.

As at the date of this Registration Document, the Board of Directors is constituted of the names which appear under section 4.1 of this Registration Document.

8.2 EXECUTIVE DIRECTOR

Cliona Muscat is the sole executive Director of the Issuer.

The executive Director of the Issuer is entrusted with the day-to-day management 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.

8.3 NON-EXECUTIVE DIRECTORS

The non-executive Directors' main functions are to monitor the operations and performance of the executive Director, as well as to review any proposals tabled by the executive Director, bringing to the Board the added value of independent judgment.

The non-executive Directors are George Muscat, Alfred Attard, Francis X Gouder and Ann Marie Agius

8.4 CURRICULUM VITAE OF THE DIRECTORS

Ms Cliona Muscat (*Executive Director of the Issuer*)

Cliona Muscat started her career as a brand manager of an international brand represented in Malta. In 2015, Cliventi Ltd (C 77775) (a company fully owned by Ms. Muscat) and Marketing and Consultancy Limited (C 8171) established the company International Fashion Company Limited (C 70771), which is involved in the retail industry. International Fashion Company Limited (C 70771) has signed franchise agreements with Tendam, one of the most important groups in the fashion sector in the premium mass market segment in the world. Cliona currently sits on the board of directors of the respective company.

International Fashion Company Limited (C 70771) currently operates eight shops, supplying brands such as Springfield, Women'ssecret, Cortefiel and Bortex. The company plans to continue growing its portfolio and open additional shops in both established and new shopping destinations.

Through the Subsidiaries, Cliona manages a commercial property in Birkirkara, a number of residential development projects and oversees the operational activities of the Hotel.

Mr George Muscat (Non-Executive Director)

George Muscat started his property development and construction business in the 1970s. Over the years, Mr Muscat has embarked on a variety of projects, from single block residential apartments to large and ambitious projects including Fort Cambridge in Sliema. George Muscat is a shareholder and director of several companies which do not form part of the GAP Group, but which are involved in the construction, property development, and real estate business, including Gap Holdings Limited (C 27803) which has undertaken various property developments.

As at the date of this Prospectus, under the leadership of Mr Muscat, the GAP Group has built up a considerable portfolio of residential and commercial developments at prices which service all sectors of the market. George Muscat is also a director and the ultimate beneficial holder of 50% of the equity capital of Bay Street Holdings Limited (C 12058) which owns, manages, and operates the Bay Street Entertainment Complex in Paceville, St Julian's. The Bay Street Entertainment Complex has today evolved into an entertainment hub with more than 70 retail outlets, restaurants, a language school, a 4-star hotel and a 5-star hotel.

Mr Alfred Attard (Independent Non-Executive Director)

After almost 45 years, in June 2021 Mr Attard retired from his employment with Bank of Valletta p.l.c. where he held several managerial and executive roles, but was mostly involved in business lending. Before his retirement Mr Attard held the post of Chief Officer Corporate Finance and was responsible for Bank of Valletta p.l.c. corporate finance unit which provides personalized attention and tailor-made financial solutions to the bank's high valued corporate clients. Throughout his career, Mr Attard was involved in the financing of several high-profile projects.

Mr Attard is an Associate of the Institute of Financial Services and holds a Diploma in Banking. In 1995 he spent 6 months at the Bank's representative offices in Australia and between April 2016 and April 2021 he served on the Board of Mapfre Middlesea p.l.c. as one of the Bank's nominated directors, where he also held the post of Chairman of the Audit Committee.

Mr Francis X Gouder (Independent Non-Executive Director)

Francis X Gouder began his career at Barclays Bank DCO (later Mid-Med Bank and HSBC Bank Malta p.l.c.). For a short period of time, he was seconded to Lohombus Corporation. At HSBC Bank Malta p.l.c., Mr Gouder was responsible for the efficient running of all HSBC branches forming part of southern Malta. In May 2009, Mr Gouder joined Banif Bank Malta p.l.c. as consultant to the executive committee and head of executive banking. Francis X Gouder presently holds several non-executive directorships on listed entities.

Dr. Ann Marie Agius (Independent Non-Executive Director)

Dr Ann Marie Agius is a Notary Public by profession. Her main practice areas apart from her notarial practice are trusts, fiduciaries, estate planning, corporate and contract law. Dr Agius worked for a number of years in the wealth management and trust department of one of Malta's major banks having been entrusted with legal and compliance duties. She has also worked with the Malta Financial Services Authority – the Maltese regulator for financial services - for a number of years before returning to her private practice. She currently holds directorships on entities licensed by the MFSA (trustees and a corporate service provider) and also on the board of Stivala Group Finance p.l.c. (C 82218), a company which has its debt securities listed on the Official List of the Malta Stock Exchange.

8.5 MANAGEMENT STRUCTURE

The Issuer is a holding and finance company incorporated under the laws of Malta. The business of the Issuer is managed by its Board of Directors and does not separately employ any senior management. The Directors believe that the present organisational structures are adequate for the current activities of the Issuer. The Directors will maintain these structures under continuous review to ensure that they meet the changing demands of the business and to strengthen the checks and balances necessary for better corporate governance.

The overall management of each Subsidiary is entrusted to its board of directors who are the persons responsible for establishing the strategy of each Subsidiary, including the responsibility for the appointment of all executive officers and other key members of management.

8.6 CONFLICTS OF INTEREST

Ms Cliona Muscat is a director of the Issuer as well as the Subsidiaries. Mr George Muscat, who is the father of Ms Cliona Muscat, is a director of the Issuer as well as a director on TORE and TOPD.

Other than as stated above, there are no other conflicts of interest or potential conflicts of interest between the duties of the Directors and the directors of the Subsidiaries and their private interests.

The audit committee of the Issuer has the task of ensuring that any potential conflicts of interest that may arise at any moment, pursuant to these different roles held by directors, are handled according to law. The presence of an audit committee has the task to ensure that any potential abuse is managed, controlled, and resolved in the best interests of the Issuer. The presence of independent non-executive directors on the board of the Issuer aims to minimise the possibility of any abuse of control by its major shareholder. Furthermore, in terms of the memorandum and articles of association of the Issuer, in the event that a director has a personal material interest, either directly or indirectly, in any contract or arrangement with the Issuer, such director is not entitled to vote on any decisions taken in connection therewith. This ensures that any director sitting on the boards of the Subsidiaries and the Issuer is precluded of using his vote on any decisions involving a contract or arrangement between the Subsidiaries and the Issuer.

8.7 BOARD PRACTICES

8.7.1 AUDIT COMMITTEE

The Audit Committee's primary objective is to assist the Board of Directors in fulfilling its oversight responsibilities over the financial reporting processes, financial policies, and internal control structure. The Audit Committee oversees the conduct of the internal and external audit and acts to facilitate communication between the Board, management, and the internal and external auditors. The external auditors are invited to attend the Audit Committee meetings. The Audit Committee reports directly to the Board.

The terms of reference of the Audit Committee include support to the Board in its responsibilities in dealing with issues of risk, control and governance, and associated assurance of the Issuer. The Board has set formal terms of establishment and the terms of reference of the Audit Committee which set out its composition, role and function, the parameters of its remit as well as the basis for the processes that it is required to comply with.

Briefly, the Audit Committee is expected to deal with and advise the Board of Directors on:

- (a) its monitoring responsibility over the financial reporting processes, financial policies, and internal control structures;
- (b) maintaining communications on such matters between the Board, management, and the external auditors; and
- (c) preserving the Issuer's assets by assessing the Issuer's risk environment and determining how to deal with those risks.

In addition, the Audit Committee has the role and function of evaluating any proposed transaction to be entered into by the Issuer and a related party to ensure that the execution of any such transaction is at arm's length, on a commercial basis and ultimately in the best interests of the Issuer.

Furthermore, the Audit Committee has the role of assessing any potential conflicts of interest between the duties of the Directors and their respective private interests or duties unrelated to the Issuer.

All Directors sitting on the Audit Committee are non-executive Directors. Dr Ann Marie Agius, Alfred Attard and Francis X Gouder are the independent non-executive Directors sitting on the Audit Committee. Audit Committee members are appointed for a period of three years, unless terminated earlier by the Board.

Alfred Attard is the independent non-executive Director who is competent in accounting and, or auditing matters in terms of the Capital Markets Rules. The Chairman of the Audit Committee, appointed by the Board, is entrusted with reporting to the Board on the workings and findings of the Audit Committee. Alfred Attard occupies the post of Chairman of the Audit Committee.

Pursuant to its terms of reference, the Audit Committee's remit covers the Issuer and each of the Subsidiaries.

8.7.2 COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE

The Issuer has debt securities listed on the Official List of the Malta Stock Exchange and accordingly is obliged to comply with the Capital Markets Rules. As such, the Issuer is required to comply with the provisions of the Code of Principles of Good Corporate Governance forming part of the Capital Markets Rules (the "Code"). The Issuer declares its full support of the Code and fully complies with the Code to the extent that this is considered complementary to the size, nature, and operations of the Issuer.

In view of the reporting structure adopted by the Code, the Issuer shall, on an annual basis in its annual report, explain the level of the Issuer's compliance with the principles of the Code, in line with the "comply or explain" philosophy of the Code, explaining the reasons for non-compliance, if any.

As at the date of this Registration Document, the Board considers the Issuer to be in compliance with the Code save for the following exceptions:

Principle 7 (Evaluation of the Board's Performance): The Board does not consider it necessary to appoint a committee to carry out a performance evaluation of its role, as the Board's performance is evaluated on an ongoing basis by, and is subject to the constant scrutiny of the Board itself (half of which is composed by independent non-executive Directors), the Issuer's shareholders, the market and all of the rules and regulations to which the Issuer is subject as a company with its securities listed on a regulated market.

Principle 8 (Committees): The Board considers that the size and operations of the Issuer do not warrant the setting up of remuneration and nomination committees. In particular, the Issuer does not believe it is necessary to establish a nomination committee as appointments to the Board are determined by the shareholders of the Issuer in accordance appointment process set out in the Issuer's Memorandum and Articles of Association. The Issuer considers that the members of the Board possess the level of skill, knowledge and experience expected in terms of the Code.

Principle 9 (Relations with Shareholders and with the Market): Currently there is no established mechanism disclosed in the Memorandum and Articles of Association of the Issuer to trigger arbitration in the case of conflict between the minority shareholders and the controlling shareholders. In any such cases should a conflict arise, the matter is dealt with in the Board meetings and through the open channel of communication between the Issuer and the minority shareholders via the office of the company secretary.

9. MAJOR SHAREHOLDERS

As at the date of this Registration Document, the majority of the issued share capital of the Issuer is held by Ms Cliona Muscat (99.9%) whilst one share is held by Mr George Muscat.

To the best of the Issuer's knowledge, there are no arrangements in place as at the date of this Registration Document the operation of which may at a subsequent date result in a change in control of the Issuer.

10. TREND INFORMATION AND FINANCIAL INFORMATION CONCERNING THE ISSUER'S ASSETS AND LIABILITIES, FINANCIAL POSITION AND PROFITS AND LOSSES

10.1 TREND INFORMATION

The Directors are of the view that the Issuer and each of the Subsidiaries shall, generally, be subject to the normal business risks associated with the property market and hospitality industry in Malta and barring unforeseen circumstances, do not anticipate any likely material adverse effect on the Issuer's and each of the Subsidiaries' prospects, at least for the next 12 months.

In 2022, Malta's real GDP growth reached 6.9%¹, which is higher than the 5.7% projected in autumn². The economy showed strong growth in both private and public consumption, which were partially offset by a decrease in gross fixed capital formation. In addition to strong performance by the services sectors in general, the export of tourism services in 2022 rebounded quickly, both in terms of total number of visitors and tourism expenditures, contributing to overall positive economic results.

In 2023, real GDP is forecast to grow at a slower pace, by 3.1%, following a wider economic slowdown in Malta's main trading partners. In 2024, real GDP growth is expected to reach 3.7%, supported by net exports and growth in domestic demand. The strong impulse to growth from the recovery in tourism is however set to moderate in 2024, as tourist flows approach pre-pandemic levels.

Harmonised Index of Consumer Prices (HICP) inflation in 2022 reached 6.1%, despite energy prices being kept at 2020 level by government intervention. The Maltese authorities announced that they will continue limiting energy inflation in 2023 and 2024. Nonetheless, inflation in 2023 is set to remain elevated at 4.3%, due to continuing pressures in food, transport, and imported goods prices. In 2024, inflation is expected to subside to 2.4% as imported price pressures are also set to moderate.³

The Group's long-term strategy is to focus on operating the Hotel and on acquiring suitable sites for the development of residential units. The Directors are cautiously optimistic on the health of the hospitality and property markets in Malta, which opinion is based on the assumption that international travel for leisure and, or business purposes will continue to grow, the general economy continues on its growth trend and that business confidence and disposable income remain positive.

In the near term, the Group will be principally focused on completing the Birkirkara Project. At the same time, the Group will direct resources towards the acquisition and construction of the Mellieha Project, St Paul's Bay Project and the Mosta Project.

There has been no material adverse change in the financial performance and prospects of the Issuer and the Group since 31 December 2022 (being the date of the last published consolidated financial statements of the Issuer) to the date of the Prospectus.

10.2 HISTORICAL FINANCIAL INFORMATION

The Issuer was incorporated on 20 January 2022 and as such has filed its first set of audited consolidated financial statements. The audited financial information of the Issuer is available for review on the Issuer's website and is available for inspection as detailed in section 16 of this Registration Document. The audited financial information is incorporated by reference in this Registration Document.

The table below provides a cross-reference list to key sections of the financial statements of the Issuer for the financial year ended 31 December 2022:

	Pages
Statement of comprehensive income	8
Statement of financial position	9
Statement of changes in equity	10
Statement of cash flows	11
Notes to the financial statements	12 – 41
Independent auditor's report	42 - 48

There has been no significant change in the financial position of the Issuer since 31 December 2022 (being the date of the last financial period for which financial information has been published).

10.3 OPERATING AND FINANCIAL REVIEW

The financial statements for the financial year ended 31 December 2022 and the audit report thereon are set out in the audited financial statements of the Issuer, which are incorporated by reference in this Registration Document. The financial information for 2021 has been extracted from the afore-mentioned audited financial statements. Although the Issuer was incorporated on 20 January 2022, it was determined that the substance of the acquisitions by the Issuer of the subsidiaries constituted a group restructuring or reorganisation and therefore, in terms of International Financial Reporting Standards, comparatives have been included. Such comparatives comprise the consolidation of financial information of the acquired entities for the year ended 31 December 2021.

Set out below is a condensed extract from the said financial statements.

¹ National Statistics Office Malta – News Release 036/2023

² European Economic Forecast – November 2022 (European Commission Institutional Paper 187, page 104)

³ European Economic Forecast – Winter 2023 (European Commission Institutional Paper 194 Feb'23)

The financial information for 2021 has been extracted from the afore-mentioned audited financial statements. Although the Issuer was incorporated on 20 January 2022, it was determined that the substance of the acquisitions by the Issuer of the subsidiaries constituted a group restructuring or reorganisation and therefore, in terms of International Financial Reporting Standards, comparatives have been included. Such comparatives comprise the consolidation of financial information of the acquired entities for the year ended 31 December 2021.

Set out below is a condensed extract from the said financial statements.

The Ona p.l.c.		
Consolidated Statement of Comprehensive Income		
for the year ending 31 December		
	2021	2022
	Actual	Actual
	€'000	€'000
Revenue - property development	940	5,961
Revenue - hotel operations	-	-
Rental income	256	104
Total revenue	1,196	6,065
Cost of sales	(732)	(4,468)
Net operating expenses	(28)	(51)
EBITDA	436	1,546
Profit on disposal of investment property	2,745	-
Depreciation	-	-
Operating profit	3,181	1,546
Gain on revaluation of investment property	836	-
Net finance costs	(88)	(35)
Profit before tax	3,929	1,511
Taxation	(569)	(334)
Profit for the year	3,360	1,177
Other comprehensive income		
Movement in fair value of property, net of tax	-	-
Total comprehensive income for the year	3,360	1,177

In 2022, the Group generated revenue amounting to €6.1 million (2021: €1.2 million), primarily from the sale of residential units and car spaces forming part of the Qawra Project and Marsascala Project. Rental income from the lease of "CE House" in Birkirkara amounted to €104,000.

Operating profit for the year amounted to €1.5 million compared to €3.2 million in the previous year. During 2021, the Group sold the Dino Fino Showroom in Valley Road, Msida for the consideration of €5.0 million and in consequence, profit on disposal amounted to €2.7 million.

In 2021, a commercial property in Triq Dun Karm Pirota, Birkirkara was revalued by €0.8 million. Overall, the Group registered a profit in 2022 of €1.2 million compared to €3.4 million a year earlier.

The Ona p.l.c.		
Consolidated Cash Flow Statement		
for the year ending 31 December		
	2021	2022
	Actual	Actual
	€'000	€'000
Net cash from (used in) operating activities	(4,124)	5,346
Net cash from (used in) investing activities	5,000	(18,756)
Net cash from (used in) financing activities	(49)	14,706
Net movement in cash and cash equivalents	827	1,296
Cash and cash equivalents at beginning of year	173	1,000
Cash and cash equivalents at end of year	1,000	2,296

Net cash from operating activities in FY2022 amounted to €5.3 million, principally reflecting net cash inflows generated from property sales and favourable movements in working capital (2021: cash outflows of €4.1 million).

Net cash used in investing activities amounted to €18.8 million and related to the acquisition of the site in Swieqi, St Julians and development thereon of the Hotel. In the prior year, the Group received €5.0 million from the sale of a commercial property in Valley Road, Birkirkara.

In 2022, net cash from financing activities amounted to €14.7 million, mainly on account of net proceeds received from the Secured Bonds. Net cash outflows of €0.7 million related to net repayment of related party balances and bank borrowings (2021: cash outflows of €49,000).

The Ona p.l.c.		
Consolidated Statement of Financial Position		
as at 31 December	2021	2022
	Actual	Actual
	€'000	€'000
ASSETS		
Non-current assets		
Property, plant and equipment	10	5
Property, plant and equipment (under development)	-	18,756
Investment property	2,700	2,700
	<u>2,710</u>	<u>21,461</u>
Current assets		
Inventory	5,027	3,600
Trade and other receivables	3,091	2,141
Cash and cash equivalents	1,016	2,296
	<u>9,134</u>	<u>8,037</u>
Total assets	<u>11,844</u>	<u>29,498</u>
EQUITY		
Capital and reserves		
Called up share capital	301	7,272
Other reserves	-	(3,387)
Revaluation reserve	836	836
Retained earnings	2,551	3,728
	<u>3,688</u>	<u>8,449</u>
LIABILITIES		
Non-current liabilities		
Bank borrowings	2,495	1,927
Debt securities	-	15,406
Other financial liabilities	268	-
Deferred taxation	216	216
Other non-current liabilities	-	-
	<u>2,979</u>	<u>17,549</u>
Current liabilities		
Bank borrowings	317	58
Other financial liabilities	3,347	246
Trade and other payables	1,461	3,146
Capital creditors	-	-
Other current liabilities	52	50
	<u>5,177</u>	<u>3,500</u>
	<u>8,156</u>	<u>21,049</u>
Total equity and liabilities	<u>11,844</u>	<u>29,498</u>

Total assets as at 31 December 2022 amounted to €29.5 million and mainly comprised the Hotel and “CE House” valued at €18.8 million (2021: nil) and €2.7 million (2021: €2.7 million) respectively, inventory (work-in-progress on property development) of €3.6 million (2021: €5.0 million) and cash balances of €2.3 million (2021: €1.0 million). In addition, total assets include prepayments of €1.2 million which relate to advance payments to suppliers and contractors involved in the development of the Hotel (2021: €2.7 million).

Total liabilities at year end principally included the Secured Bonds of €15.4 million (2021: nil), accruals of €2.6 million (2021: €1.3 million) related to the Hotel project, and bank loans granted for property development purposes amounting to €2.0 million (2021: €2.8 million).

As at 31 December 2022, the Group’s equity amounted to €8.4 million (2021: €3.7 million).

11. LEGAL AND ARBITRATION PROCEEDINGS

There have been no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened or of which the Issuer is aware) during the period covering 12 months prior to the date of the Prospectus which may have, or have had in the recent past, significant effects on the Group's financial position or profitability.

12. SHARE CAPITAL

As at the date of this Registration Document, the issued share capital of the Issuer is €7,271,693 divided into 7,271,692 Ordinary "A" shares of a nominal value of one Euro (€1.00) each and one Ordinary "B" share of one Euro (€1.00), fully paid-up.

In terms of the Issuer's Memorandum and Articles of Association, none of the capital shall be issued in such a way as would effectively alter the control of the Issuer without the prior approval of the Issuer in a general meeting.

The shares of the Issuer are not listed on the Malta Stock Exchange and no application has been filed for the shares of the Issuer to be quoted on the Malta Stock Exchange.

There is no capital of the Issuer, which is currently under option, nor is there any agreement by virtue of which any part of the capital of the Issuer is to be put under option.

13. MEMORANDUM AND ARTICLES OF ASSOCIATION

The Memorandum and Articles of Association of the Issuer are registered with the Registrar of Companies at the Malta Business Registry. A full list of the objects for which the Issuer is established is set out in clause 4 of the Memorandum of Association. These objects include:

- (a) to act as a holding company and invest and hold share participations and debentures in any other company, partnership, or business.
- (b) to provide management, administration, technical, financial, and professional services and to provide human resources to its subsidiaries and, or associated companies of other companies relative and incidental to its business.
- (c) to obtain loans, overdrafts, credits and other financial and monetary facilities without limited and otherwise borrow or raise money in such a manner as the Company shall think fit and to secure the repayment of any money borrowed, raised or owing by privilege, hypothec, mortgage or charge upon the whole or any part of the Company's property and assets (whether present or future) including all or any of the uncalled capital for the time being of the Company, and also by similar privilege, hypothec, mortgage or charge to secure and guarantee the performance of the Company of any contracts, obligations or liabilities it may undertake.
- (d) to issue bonds, commercial paper or other instruments creating or acknowledging indebtedness and the sale or offer thereof to the public.

14. MATERIAL CONTRACTS

The entities forming part of the Group, including albeit not limited to, the Issuer, have not entered into any material contracts that are not in the ordinary course of their respective business and which could result in either of the said entities being under an obligation or entitlement that is material to the Group as at the date of this Registration Document.

15. PROPERTY VALUATION REPORT, STATEMENTS BY EXPERTS AND DECLARATIONS OF ANY INTEREST

The Issuer commissioned architect Tancred Mifsud to issue property valuation reports on the Birkirkara Project, the Mosta Project and the St Paul's Bay Project (the "Valuation Reports"). The following are the details of Tancred Mifsud: Business Address: Ralmant, Flat No. 1, B. Bontadini Street, Balzan, BZN 1370 Qualifications: B.E.&A. (Hons) A.&C.E.

The Valuation Reports are incorporated by reference to this prospectus and are accessible at the following hyperlink:
<https://theonagroup.mt/investor-relations/>

Save for the Valuation Reports, the Prospectus does not contain any statement or report attributed to any person as an expert.

The Valuation Reports have been included in the form and context in which they appear with the authorisation of Architect Tancred Mifsud of Tancred Mifsud Services Limited (C 37957) who has given and has not withdrawn his consent to the inclusion of the reports herein. Architect Tancred Mifsud does not have any material interest in the Issuer.

The Issuer confirms that the property valuation reports have been accurately reproduced in the Prospectus and as far as the Issuer is aware and is able to ascertain from the information contained therein, no facts have been omitted which render the reproduced information inaccurate or misleading.

16. DOCUMENTS AVAILABLE FOR INSPECTION AND INCORPORATED BY REFERENCE

For the duration of the Registration Document, the audited consolidated financial statements of the Issuer for the financial year ended 31 December 2022 shall be available for inspection at the registered address of the Issuer and incorporated by reference in this Prospectus.

A copy of the memorandum and articles of association of the Issuer shall be available for inspection at the registered address of the Issuer.

The above-mentioned documents as well as the Valuation Reports (together with the site plans and permits related thereto) are also available for inspection in electronic form on the Issuer's website at www.theonagroup.mt

SECURITIES NOTE

DATED 1 JUNE 2023

This document is a Securities Note issued in accordance with the provisions of the Prospectus Regulation.

This Securities Note should be read in conjunction with the most updated Registration Document issued from time to time containing information about the Issuer.

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

THE ONA P.L.C.

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



ISIN: MT0002661214

THIS SECURITIES NOTE HAS BEEN APPROVED BY THE MALTA FINANCIAL SERVICES AUTHORITY AS THE COMPETENT AUTHORITY UNDER THE PROSPECTUS REGULATION. THE MALTA FINANCIAL SERVICES AUTHORITY HAS ONLY APPROVED THIS SECURITIES NOTE AS MEETING THE STANDARDS OF COMPLETENESS, COMPREHENSIBILITY AND CONSISTENCY AS PRESCRIBED BY THE PROSPECTUS REGULATION. SUCH APPROVAL SHOULD NOT HOWEVER BE CONSIDERED AS AN ENDORSEMENT OF THE SECURITIES THAT ARE THE SUBJECT OF THIS SECURITIES NOTE. IN PROVIDING THIS AUTHORISATION, THE MALTA FINANCIAL SERVICES AUTHORITY DOES NOT GIVE ANY CERTIFICATION REGARDING THE POTENTIAL RISKS IN INVESTING IN THE SAID INSTRUMENTS AND SUCH AUTHORISATION SHOULD NOT BE DEEMED OR BE CONSTRUED AS A REPRESENTATION OR WARRANTY AS TO THE SAFETY OF INVESTING IN SUCH INSTRUMENTS.

THE MALTA FINANCIAL SERVICES AUTHORITY ACCEPTS NO RESPONSIBILITY FOR THE CONTENTS OF THE PROSPECTUS, MAKES NO REPRESENTATIONS AS TO ITS ACCURACY OR COMPLETENESS AND EXPRESSLY DISCLAIMS ANY LIABILITY WHATSOEVER, FOR ANY LOSS HOWSOEVER ARISING FROM, OR IN RELIANCE UPON, THE WHOLE OR ANY PART OF THE CONTENTS OF THE PROSPECTUS INCLUDING ANY LOSSES INCURRED BY INVESTING IN THE SECURITIES.

THESE SECURITIES MAY NOT BE SUITABLE FOR ALL TYPES OF INVESTORS. A POTENTIAL INVESTOR SHOULD NOT INVEST IN THE SECURITIES UNLESS: (I) HE/SHE HAS THE NECESSARY KNOWLEDGE AND EXPERIENCE TO UNDERSTAND THE RISKS RELATING TO THIS TYPE OF FINANCIAL INSTRUMENT; (II) THE SECURITIES MEET THE INVESTMENT OBJECTIVES OF THE POTENTIAL INVESTOR; AND (III) SUCH PROSPECTIVE INVESTOR IS ABLE TO BEAR THE INVESTMENT AND FINANCIAL RISKS WHICH RESULT FROM INVESTMENT IN THESE SECURITIES.

A PROSPECTIVE INVESTOR SHOULD ALWAYS SEEK FINANCIAL ADVICE BEFORE DECIDING TO INVEST IN ANY LISTED FINANCIAL INSTRUMENT. A PROSPECTIVE INVESTOR SHOULD BE AWARE OF THE POTENTIAL RISKS IN INVESTING IN THE SECURITIES OF AN ISSUER AND SHOULD MAKE THE DECISION TO INVEST ONLY AFTER CAREFUL CONSIDERATION AND CONSULTATION WITH HIS OR HER OWN FINANCIAL ADVISER. A PROSPECTIVE INVESTOR SHOULD MAKE HIS OR HER OWN ASSESSMENT AS TO THE SUITABILITY OF INVESTING IN THE SECURITIES SUBJECT OF THIS SECURITIES NOTE.

Nominee & Placement Agent



MZ INVESTMENTS

APPROVED BY THE BOARD OF DIRECTORS

A handwritten signature in blue ink, appearing to read "Cliona Muscat".

Cliona Muscat

A handwritten signature in blue ink, appearing to read "George Muscat".

George Muscat

Signing in their own capacity as directors of the Issuer and on behalf of each of Alfred Attard, Francis X Gouder and Ann Marie Agius as their duly appointed agents.

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1. IMPORTANT INFORMATION

THIS SECURITIES NOTE CONTAINS INFORMATION ON AN ISSUE BY THE ONA PLC (THE “ISSUER”) OF UP TO €5,000,000 UNSECURED NOTES 2028 OF A NOMINAL VALUE OF €1,000 PER NOTE ISSUED AT PAR AND BEARING INTEREST AT THE RATE OF 6.50% PER ANNUM PAYABLE ANNUALLY ON 23 JUNE OF EACH YEAR. THE NOMINAL VALUE OF THE NOTES SHALL BE REPAYABLE IN FULL AT MATURITY ON THE REDEMPTION DATE UNLESS OTHERWISE PREVIOUSLY REPURCHASED FOR CANCELLATION (THE “GLOBAL NOTE”).

THIS SECURITIES NOTE SETS OUT THE CONTRACTUAL TERMS UNDER WHICH THE GLOBAL NOTE IS ISSUED BY THE ISSUER IN FAVOUR OF THE NOMINEE AND THE SUBSEQUENT TRANSFER OF PARTICIPATIONS IN THE GLOBAL NOTE THROUGH THE ISSUE OF PARTICIPATION NOTES, WHICH TERMS SHALL REMAIN BINDING UNTIL THE REDEMPTION DATE OF THE GLOBAL NOTE. NO BROKER, DEALER, SALESMAN OR OTHER PERSON HAS BEEN AUTHORISED BY THE ISSUER OR ITS DIRECTORS TO ISSUE ANY ADVERTISEMENT OR TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATIONS IN CONNECTION WITH THE SECURITIES OF THE ISSUER OTHER THAN THOSE CONTAINED IN THIS SECURITIES NOTE AND IN THE DOCUMENTS REFERRED TO HEREIN, AND IF GIVEN OR MADE, SUCH INFORMATION OR REPRESENTATIONS MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORISED BY THE ISSUER OR ITS DIRECTORS OR ADVISERS.

THE MALTA FINANCIAL SERVICES AUTHORITY ACCEPTS NO RESPONSIBILITY FOR THE CONTENTS OF THE PROSPECTUS, MAKES NO REPRESENTATIONS AS TO ITS ACCURACY OR COMPLETENESS AND EXPRESSLY DISCLAIMS ANY LIABILITY WHATSOEVER FOR ANY LOSS HOWSOEVER ARISING FROM, OR IN RELIANCE UPON, THE WHOLE OR ANY PART OF THE CONTENTS OF THE PROSPECTUS.

THE PROSPECTUS DOES NOT CONSTITUTE, AND MAY NOT BE USED FOR PURPOSES OF, AN OFFER OR INVITATION TO SUBSCRIBE FOR SECURITIES ISSUED BY THE ISSUER: (I) BY ANY PERSON IN ANY JURISDICTION IN WHICH SUCH OFFER OR INVITATION IS NOT AUTHORISED OR IN WHICH THE PERSON MAKING SUCH OFFER OR INVITATION IS NOT QUALIFIED TO DO SO; OR (II) TO ANY PERSON TO WHOM IT IS UNLAWFUL TO MAKE SUCH OFFER OR INVITATION. THE DISTRIBUTION OF THE PROSPECTUS IN CERTAIN JURISDICTIONS MAY BE RESTRICTED AND, ACCORDINGLY, PERSONS INTO WHOSE POSSESSION IT IS RECEIVED ARE REQUIRED TO INFORM THEMSELVES ABOUT, AND TO OBSERVE, SUCH RESTRICTIONS.

THE PROSPECTUS AND THE OFFERING, SALE OR DELIVERY OF ANY SECURITIES MAY NOT BE TAKEN AS AN IMPLICATION: (I) THAT THE INFORMATION CONTAINED IN THE PROSPECTUS IS ACCURATE AND COMPLETE SUBSEQUENT TO ITS DATE OF ISSUE; OR (II) THAT THERE HAS BEEN NO MATERIAL ADVERSE CHANGE IN THE FINANCIAL POSITION OF THE ISSUER SINCE SUCH DATE; OR (III) THAT ANY OTHER INFORMATION SUPPLIED IN CONNECTION WITH THE PROSPECTUS IS ACCURATE AT ANY TIME SUBSEQUENT TO THE DATE ON WHICH IT IS SUPPLIED OR, IF DIFFERENT, THE DATE INDICATED IN THE DOCUMENT CONTAINING THE SAME.

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

IT IS THE RESPONSIBILITY OF ANY PERSON IN POSSESSION OF THIS DOCUMENT AND ANY PERSON WISHING TO APPLY FOR ANY SECURITIES ISSUED BY THE ISSUER TO INFORM THEMSELVES OF, AND TO OBSERVE AND COMPLY WITH, ALL APPLICABLE LAWS AND REGULATIONS OF ANY RELEVANT JURISDICTION. PROSPECTIVE INVESTORS FOR ANY SECURITIES THAT MAY BE ISSUED BY THE ISSUER SHOULD INFORM THEMSELVES AS TO THE LEGAL REQUIREMENTS OF APPLYING FOR ANY SUCH SECURITIES AND ANY APPLICABLE EXCHANGE CONTROL REQUIREMENTS AND TAXES IN THE COUNTRIES OF THEIR NATIONALITY, RESIDENCE OR DOMICILE.

SAVE FOR THE OFFERING IN THE REPUBLIC OF MALTA, NO ACTION HAS BEEN OR WILL BE TAKEN BY THE ISSUER THAT WOULD PERMIT A PUBLIC OFFERING OF THE SECURITIES DESCRIBED IN THE SECURITIES NOTE OR THE DISTRIBUTION OF THE PROSPECTUS (OR ANY PART THEREOF) OR ANY OFFERING MATERIAL IN ANY COUNTRY OR JURISDICTION WHERE ACTION FOR THAT PURPOSE IS REQUIRED. ACCORDINGLY, NO SECURITIES MAY BE OFFERED OR SOLD, DIRECTLY OR INDIRECTLY, AND NEITHER THIS PROSPECTUS NOR ANY ADVERTISEMENT OR OTHER OFFERING MATERIAL MAY BE DISTRIBUTED OR PUBLISHED IN ANY JURISDICTION, EXCEPT UNDER CIRCUMSTANCES THAT WILL RESULT IN COMPLIANCE WITH ANY APPLICABLE LAWS AND REGULATIONS. IT IS THE RESPONSIBILITY OF PERSONS WHO HAVE POSSESSION OF THIS DOCUMENT TO INFORM THEMSELVES ABOUT, AND OBSERVE, ANY SUCH RESTRICTIONS ON THE DISTRIBUTION OF THIS PROSPECTUS AND THE OFFERING AND SALE OF SECURITIES.

THE GLOBAL NOTE HAS NOT BEEN, NOR WILL THEY BE, REGISTERED UNDER THE UNITED STATES SECURITIES ACT, 1933, AS AMENDED, OR UNDER ANY FEDERAL OR STATE SECURITIES LAW AND MAY NOT BE OFFERED, SOLD OR OTHERWISE TRANSFERRED, DIRECTLY OR INDIRECTLY, IN THE UNITED STATES OF AMERICA, ITS TERRITORIES OR POSSESSIONS, OR ANY AREA SUBJECT TO ITS JURISDICTION (THE “U.S.”) OR TO OR FOR THE BENEFIT OF, DIRECTLY OR INDIRECTLY, ANY U.S. PERSON (AS DEFINED IN REGULATION “S” OF THE SAID ACT). FURTHERMORE, THE ISSUER WILL NOT BE REGISTERED UNDER THE UNITED STATES INVESTMENT COMPANY ACT, 1940 AS AMENDED AND INVESTORS WILL NOT BE ENTITLED TO THE BENEFITS SET OUT THEREIN.

THE GLOBAL NOTE SHALL NOT BE ADMITTED TO LISTING ON ANY REGULATED MARKET.

A COPY OF THIS DOCUMENT HAS BEEN SUBMITTED TO THE MFSA IN SATISFACTION OF THE FINANCIAL MARKETS ACT AND HAS BEEN DULY FILED WITH THE REGISTRAR OF COMPANIES AT THE MALTA BUSINESS REGISTRY IN ACCORDANCE WITH THE ACT.

STATEMENTS MADE IN THIS PROSPECTUS ARE, EXCEPT WHERE OTHERWISE STATED, BASED ON THE LAW AND PRACTICE CURRENTLY IN FORCE IN MALTA AND ARE SUBJECT TO CHANGES THEREIN.

THE ADVISERS TO THE ISSUER NAMED IN THE REGISTRATION DOCUMENT UNDER THE HEADING “**ADVISERS**” IN SECTION 4.3. OF THE REGISTRATION DOCUMENT HAVE ACTED AND ARE ACTING EXCLUSIVELY FOR THE ISSUER IN RELATION TO THE PROSPECTUS AND HAVE NO CONTRACTUAL, FIDUCIARY OR OTHER OBLIGATION TOWARDS ANY OTHER PERSON AND WILL ACCORDINGLY NOT BE RESPONSIBLE TO ANY INVESTOR OR ANY OTHER PERSON WHOMSOEVER IN RELATION TO THE TRANSACTIONS PROPOSED IN THE PROSPECTUS.

A SUBSCRIPTION AGREEMENT IS PROVIDED WITH THIS DOCUMENT. THE GLOBAL NOTE AND THE PARTICIPATION NOTES ARE ISSUED AS SUBJECT TO THE TERMS AND CONDITIONS AS SET OUT IN THIS SECURITIES NOTE, AND THE RELEVANT SCHEDULES OF THE FIDUCIARY AGREEMENT. **INVESTORS PARTICIPATING IN THE GLOBAL NOTE THROUGH SUBSCRIPTION FOR PARTICIPATION NOTES ARE ENTITLED TO THE BENEFIT OF, ARE BOUND BY, AND ARE DEEMED TO HAVE NOTICE OF, ALL THE PROVISIONS OF THE FIDUCIARY AGREEMENT APPLICABLE TO THEM.**

THE PARTICIPATION NOTES REPRESENT PARTICIPATION IN THE GLOBAL NOTE. THE PARTICIPATION NOTES ARE TRANSFERABLE NOTES WHICH MAY BE REDEEMED BY THE ISSUER OR THE NOMINEE AND PLACEMENT AGENT IN ACCORDANCE WITH THE TERMS AND CONDITIONS CONTAINED THEREIN.

UNLESS INCORPORATED BY REFERENCE IN THIS SECURITIES NOTE, THE CONTENTS OF THE ISSUER’S WEBSITE OR ANY WEBSITE DIRECTLY OR INDIRECTLY LINKED TO THE ISSUER’S WEBSITE DO NOT FORM PART OF THIS PROSPECTUS AND NO RELIANCE OUGHT TO BE MADE BY ANY INVESTOR ON ANY INFORMATION OR OTHER DATA CONTAINED IN SUCH WEBSITE AS THE BASIS FOR A DECISION TO INVEST IN THE SECURITIES.

THE ISSUER DISCLAIMS ANY AND ALL RESPONSIBILITY FOR ANY DEALINGS MADE, REPRESENTATIONS GIVEN, PROCESSES ADOPTED, FUNDS COLLECTED OR APPLICATIONS ISSUED BY NOMINEE AND PLACEMENT AGENT IN ITS EFFORT TO PLACE OR RE-SELL THE NOTES SUBSCRIBED BY IT.

THE VALUE OF INVESTMENTS CAN GO UP OR DOWN AND PAST PERFORMANCE IS NOT NECESSARILY INDICATIVE OF FUTURE PERFORMANCE. PROSPECTIVE INVESTORS SHOULD CAREFULLY CONSIDER ALL THE INFORMATION CONTAINED IN THE PROSPECTUS AS A WHOLE AND SHOULD CONSULT THEIR OWN FINANCIAL AND OTHER PROFESSIONAL ADVISERS BEFORE DECIDING TO MAKE AN INVESTMENT IN THE SECURITIES.

2. DEFINITIONS

Words, expressions, and capitalised terms used in this Securities Note shall, except where the context otherwise requires and except where otherwise defined herein, bear the same meaning as the meaning given to such words, expressions and capitalised terms as indicated in the Registration Document forming part of the Prospectus. Additionally, the following words and expressions as used in this Securities Note shall bear the following meanings whenever such words and expressions are used in their capitalised form, except where the context otherwise requires:

Applicant/s	a person or persons who subscribes for the Participation Notes;
Business Day	any day between Monday and Friday (both days included) on which commercial banks in Malta settle payments and are open for normal banking business;
Civil Code	the Civil Code (Cap. 16 of the laws of Malta);
Fiduciary Agreement	the agreement entered into by and between the Issuer and the Nominee and Placement Agent dated 1 June 2023;
Fiduciary Asset	the rights attaching to and emanating from the Global Note and the Fiduciary Agreement including the right of payment of principal and interest under the Global Note;
Interest Payment Date	23 June of each year between and including each of the years 2024 and the year 2028, provided that if any such day is not a Business Day such Interest Payment Date shall be carried over to the next following day that is a Business Day;
Issue Date	expected on 26 June 2023;
Offer Price	the price of €1,000 per Participation Note;
Offer Period	the period between 08:30 hours on 5 June 2023 and 14:00 hours on 23 June 2023, during which the Participation Notes representing the Global Note are to be issued, PROVIDED THAT the Offer Period may be extended by the Nominee and Placement Agent by giving written notice thereof to the Issuer by not later than 16 June 2023;
Redemption Date	23 June 2028;
Redemption Value	the nominal value of each Note (€1,000 per Note);
Registration Document	the registration document issued by the Issuer dated 1 June 2023, forming part of the Prospectus;
Register of Global Noteholders	the register maintained by the Issuer identifying the holder of the Global Note;
Registered Investor	a person participating in the Global Note and whose interest and benefit therein is recognised by the Nominee and Placement Agent by means of an entry in the Register of Investors;
Securities Note	this document in its entirety;
Subscription Agreement	the agreement to subscribe for the Participation Notes; and
Terms and Conditions	the terms and conditions applicable to the Participation Notes set out in Annex A2 of this Securities Note.

Unless it appears otherwise from the context:

- (i) words importing the singular shall include the plural and *vice-versa*;
- (ii) words importing the masculine gender shall also include the feminine gender and *vice-versa*;
- (iii) the word “*may*” shall be construed as permissive and the word “*shall*” shall be construed as imperative;
- (iv) all references in this Securities Note to “Malta” shall be construed as defined in Article 124 (1) of the Constitution of Malta;
- (v) any phrase introduced by the terms “*including*”, “*include*”, “*in particular*” or any similar expression is illustrative only and does not limit the sense of the words preceding those terms; and
- (vi) any reference to a law, legislative act, and, or other legislation shall mean that particular law, legislative act and, or legislation as in force as the date of this Securities Note.

3. RISK FACTORS

THE VALUE OF INVESTMENTS CAN GO UP OR DOWN AND PAST PERFORMANCE IS NOT NECESSARILY INDICATIVE OF FUTURE PERFORMANCE.

AN INVESTMENT IN THE NOTES INVOLVES CERTAIN RISKS INCLUDING THOSE DESCRIBED BELOW. PROSPECTIVE INVESTORS SHOULD CAREFULLY CONSIDER, WITH THEIR OWN FINANCIAL AND OTHER PROFESSIONAL ADVISERS, THE FOLLOWING RISK FACTORS AND OTHER INVESTMENT CONSIDERATIONS AS WELL AS ALL THE OTHER INFORMATION CONTAINED IN THE PROSPECTUS BEFORE DECIDING TO MAKE AN INVESTMENT IN THE NOTES. THE RISK FACTOR FIRST APPEARING UNDER EACH CATEGORY CONSTITUTES THAT RISK FACTOR THAT THE DIRECTORS OF THE ISSUER HAVE ASSESSED TO BE, AT THE DATE OF THIS SECURITIES NOTE, THE MOST MATERIAL RISK FACTOR UNDER SUCH CATEGORY. IN MAKING THIS ASSESSMENT OF MATERIALITY, THE DIRECTORS OF THE ISSUER HAVE EVALUATED THE COMBINATION OF: (I) THE PROBABILITY THAT A RISK FACTOR OCCURS; AND (II) THE EXPECTED MAGNITUDE OF THE ADVERSE EFFECT ON THE FINANCIAL CONDITION AND PERFORMANCE OF THE ISSUER AND ITS SECURITIES IF SUCH RISK FACTOR WERE TO MATERIALISE.

NEITHER THIS SECURITIES NOTE, NOR ANY OTHER PARTS OF THE PROSPECTUS OR ANY OTHER INFORMATION SUPPLIED IN CONNECTION WITH THE NOTES: (I) IS INTENDED TO PROVIDE THE BASIS OF ANY CREDIT OR OTHER EVALUATION; OR (II) SHOULD BE CONSIDERED AS A RECOMMENDATION BY THE ISSUER OR THE NOMINEE AND PLACEMENT AGENT OR ANY OF THE AUTHORISED FINANCIAL INTERMEDIARIES THAT ANY RECIPIENT OF THIS SECURITIES NOTE OR ANY OTHER PART OF THE PROSPECTUS OR ANY OTHER INFORMATION SUPPLIED IN CONNECTION WITH THE PROSPECTUS OR ANY NOTES, SHOULD PURCHASE ANY PARTICIPATION NOTES. ACCORDINGLY, PROSPECTIVE INVESTORS SHOULD MAKE THEIR OWN INDEPENDENT EVALUATION OF ALL RISK FACTORS AND SHOULD CONSIDER ALL OTHER SECTIONS IN THIS DOCUMENT.

3.1 FORWARD LOOKING STATEMENTS

This Securities Note contains statements that are, or may be deemed to be, “forward-looking statements”. These forward-looking statements can be identified by the use of forward-looking terminology, such as the terms “believes”, “estimates”, “anticipates”, “expects”, “intends”, “may”, “will” or “should” or, in each case, their negative or other variations or comparable terminology. Forward-looking statements relate to matters that are not historical facts. They appear in a number of places throughout the Prospectus, and documents incorporated therein by reference, and include statements regarding the intentions, beliefs, or current expectations of the Issuer and, or the Directors concerning, amongst other things, the Issuer’s and, or the Group’s strategy and business plans, capital requirements, results of operations, financial condition, liquidity, prospects, the markets in which it operates and general market conditions. By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Forward-looking statements are not guarantees of future performance and should therefore not be construed as such. The Issuer’s and, or the Group’s actual results of operations, financial condition, liquidity, and the development of its business may differ materially from the impression created by the forward-looking statements contained in the Prospectus. In addition, even if the results of operations, financial condition, and, or liquidity of the Issuer and, or the Group are consistent with the forward-looking statements contained in the Prospectus, those results, or developments may not be indicative of results or developments in subsequent periods.

Potential investors are advised to read the Prospectus in its entirety and, in particular, all the risks set out in this section and in the section entitled “**Risk Factors**” in the Registration Document, for a review of the factors that could affect the Issuer’s performance. In light of these risks, uncertainties and assumptions, the events described in the forward-looking statements in this document may not occur.

All forward-looking statements contained in this document are made only as at the date hereof. Subject to applicable legal and regulatory obligations, the Issuer and its Directors expressly disclaim any obligations to update or revise any forward-looking statement contained herein to reflect any change in expectations with regard thereto or any change in events, conditions, or circumstances on which any such statement is based.

3.2 RISKS RELATING TO THE NOTES

3.2.1 Notes not traded on any regulated market

The Participation Notes are transferable but shall not be traded on any regulated market or other trading facility and, as a result, there may be no liquid market for the Participation Notes. The market for the Participation Notes may be less liquid than a regulated market or other trading facility and Participation Noteholders may find it more difficult to identify willing buyers for their Participation Notes. Participation Noteholders who wish to sell their Participation Notes may be unable to do so at an acceptable price, or at all, if insufficient liquidity exists in the market for the Participation Notes. The ease of transferability of the Participation Notes depends on factors beyond the Issuer’s control which could impact the trading value of the Participation Notes, such as the willingness or otherwise of potential buyers and sellers of the Participation Notes. The trading value of the Notes may also be impacted by other factors, such as the time remaining for maturity of the Global Note and Participation Notes, the outstanding amount of the Global Note and Participation Notes, and the level, direction and volatility of market interest rates generally.

3.2.2 Status and ranking of the Notes and additional indebtedness or security

The Global Note and Participation Notes, as and when issued and allotted, shall constitute the general, direct, unsecured and unconditional obligations of the Issuer. The Participation Notes shall at all times rank *pari passu* without any priority or preference among themselves and, save for such exceptions as may be provided by applicable law, shall rank without priority and preference to all other present and future unsecured obligations of the Issuer, if any. Any secured or privileged debts of the Issuer shall rank at all times ahead of the obligations of the Issuer under the Global Note and the Participation Notes, as a result of which the Noteholders may not be able to recover their investment in the Global Note and Participation Notes in the case of insolvency or an equivalent situation, whether in full or in part. Furthermore, third party security interests may be registered which will rank in priority to the Global Note against the assets of the Issuer for so long as such security interests remain in effect, which registration may further impede the ability of the Noteholders to recover their investment upon enforcement of such security interests, whether in full or in part.

3.2.3 Future public offers

No prediction can be made about the effect which any future public offerings of the Issuer's securities (including but not limited to the effects arising out of a change in the cash flow requirements of the Issuer or other commitments of the Issuer vis-à-vis the new security holders), or any takeover or merger activity involving the Issuer will have on the market price of the Notes prevailing from time to time.

3.2.4 Subsequent changes in interest rates

The Notes shall carry fixed interest rates. Investment in the Participation Notes involves the risk that subsequent changes in market interest rates may adversely affect the value of the Participation Notes. Investors should also be aware that the price of fixed rate debt securities should theoretically move adversely to changes in interest rates. When prevailing market interest rates are rising, their prices decline and conversely, if market interest rates are declining, the prices of fixed rate debt securities rise. This is called market risk since it arises only if a Participation Noteholder decides to sell the Notes before maturity on the secondary market.

3.2.5 Currency of reference

A Participation Noteholder will bear the risk of any adverse fluctuations in exchange rates between the currency of denomination of the Participation Notes (€) and the Participation Noteholder's currency of reference, if different. Such adverse fluctuations may impair the return of investment of the Participation Noteholder in real terms after taking into account the relevant exchange rate.

3.2.6 Amendments to or waivers of the terms and conditions of the Notes

In the event that the Issuer wishes to amend any of the Terms and Conditions of the Global Note it shall call upon the Nominee to call a meeting of Participation Noteholders in accordance with the provisions of sub-section 12 of Annex A2 of this Securities Note. These provisions permit defined majorities to bind all Participation Noteholders, including Participation Noteholders who do not attend and vote at the relevant meeting and Participation Noteholders who vote in a manner contrary to the majority.

3.2.7 Changes in law

The Terms and Conditions of the Global Note and the Terms and Conditions of the Participation Notes are based on Maltese law in effect as at the date of this Base Prospectus. No assurance can be given as to the impact of any possible judicial decision or change in Maltese law or administrative practice after the date of this Base Prospectus.

4 PERSONS RESPONSIBLE

This document includes information given in compliance with the Prospectus Regulation for the purpose of providing prospective investors with information with regards to the Issuer. All of the Directors, whose names appear in section 4.1 of the Registration Document entitled "**Directors**" accept responsibility for the information contained in this Securities Note.

To the best of the knowledge and belief of the Directors, who have taken all reasonable care to ensure that such is the case, the information contained in this Securities Note is in accordance with the facts and does not omit anything likely to affect the import of such information. The directors of the Issuer accept responsibility accordingly.

All representations and other statements made in the Prospectus are made by the Issuer, and the Directors take sole responsibility for all such representations and statements. The Nominee and Placement Agent has advised and assisted the Issuer in the preparation of this document, but does not make any representation or statement, unless otherwise expressly stated in the Prospectus, and disclaims any responsibility for any representations and other statements made in the Prospectus.

4.1 CONSENT FOR USE OF THE PROSPECTUS

Consent required in connection with the use of the Prospectus by the Nominee and Placement Agent:

The Issuer has given its express written consent to the Nominee and Placement Agent for the use of the Prospectus by the same Nominee and Placement Agent for the purpose of final placement and, or subsequent resale of the Participation Notes taking place within the period of 60 days from the date of this Prospectus. The Issuer accepts full responsibility for the content of the Prospectus also with respect to any subsequent resale or final placement of the Participation Notes by the Nominee and Placement Agent.

The Nominee and Placement Agent will only be permitted to use the Prospectus in the Republic of Malta.

There are no other conditions attached to the consent given by the Issuer to the Nominee and Placement Agent which are relevant for the use of the Prospectus.

The Nominee and Placement Agent is the only financial intermediary that is permitted to use the Prospectus for the purpose of final placement of the Participation Notes. Should there be any new information with respect to the Nominee and Placement Agent, such information shall be made available on its website.

All information on the Terms and Conditions of the Participation Notes which are offered to any investor by the Nominee and Placement Agent is to be provided by the Nominee and Placement Agent to the investor prior to such investor subscribing to any Participation Notes. Any interested investor has the right to request that the Nominee and Placement Agent provide the investor with all and any information on the Prospectus, including the Terms and Conditions of the Participation Notes.

The Nominee and Placement Agent using the Prospectus in connection with a resale or placement of Participation Notes subsequent to the Offer shall, limitedly for the period of 60 days from the date of the Prospectus, publish on its website a notice to the effect that it is using the Prospectus for such resale and placement in accordance with the consent of the Issuer and the conditions attached thereto. The consent provided herein shall no longer apply following the lapse of such period, as applicable.

Other than as set out above, neither the Issuer, nor the Nominee and Placement Agent, has authorised (nor do they authorise or consent to the use of the Prospectus in connection with) the making of any public offer of the Participation Notes by any person in any circumstances. Any such unauthorised offers are not made on behalf of the Issuer or the Nominee and Placement Agent and neither the Issuer nor the Nominee and Placement Agent has any responsibility or liability for the actions of any person making such offers.

If the investor is in doubt as to whether he/she can rely on the Prospectus and, or who is responsible for its contents, the investor should obtain legal advice in that regard.

No person has been authorised to give any information or to make any representation not contained in or inconsistent with the Prospectus. If given or made, such information and, or representation must not be relied upon as having been authorised by the Issuer or the Nominee and Placement Agent. The Issuer does not accept responsibility for any information not contained in the Prospectus.

Any resale, placement or offering of Participation Notes to an investor by the Nominee and Placement Agent will be made in accordance with any terms and other arrangements in place between such Nominee and Placement Agent and such investor, including as to price, allocations, and settlement arrangements. Where such information is not contained in the Prospectus, it will be the responsibility of the Nominee and Placement Agent at the time of such resale, placement or offering to provide the investor with that information, and the Issuer has no responsibility or liability for such information.

5 ESSENTIAL INFORMATION

5.1 REASONS FOR THE ISSUE AND USE OF PROCEEDS

The proceeds from the Offer, which net of Offer expenses are expected to amount to approximately €4,850,000, will be used by the Issuer to part finance any of the Birkirkara Project, St Paul's Bay Project and, or the Mosta Project. The said property development projects are described in section 6.1 of the Registration Document.

In the event that the Offer is not fully subscribed, the Issuer will proceed with issuing the amount of Notes so subscribed and the proceeds from the Offer shall be applied for the purpose set out above. The residual amount required by the Issuer for the purpose of the use specified in this sub-section 5.1 which shall not have been raised through the Offer shall be financed from the Group's own funds or bank financing.

5.2 EXPENSES

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

5.3 OFFER STATISTICS

Amount:	up to €5,000,000;
Form:	the Global Note will be issued in fully certificated and registered form, without a coupon;
Denomination:	Euro (€);
ISIN:	MT0002661214;
Minimum amount per subscription agreement:	minimum of €5,000 and multiples of €1,000 thereafter, applicable to each subscription agreement and to each underlying Applicant applying for Participation Notes;
Issue Date:	26 June 2023;
Redemption Date:	23 June 2028;
Offer Price:	at par (€1,000 per Participation Note);
Plan of Distribution:	the Participation Notes are open for subscription through the Nominee and Placement Agent;
Listing:	no application has been made, nor is it intended that an application be made, for the Global Notes and Participation Notes to be admitted on a regulated market or other trading platform;
Offer Period:	08:30 hours on 5 June 2023 to 14:00 hours on 26 June 2023, both days included;
Interest:	6.5% per annum;
Interest Payment Date/s:	annually on 23 June as from 23 June 2024 (the first Interest Payment date);
Governing Law of the Global Note:	the Global Note is governed by and shall be construed in accordance with Maltese law; and
Underwriting:	the Global Note and Participation Notes are not underwritten;
Jurisdiction:	the Maltese courts shall have exclusive jurisdiction to settle any disputes that may arise out of or in connection with the Global Note.

5.4 INTEREST OF NATURAL AND LEGAL PERSONS INVOLVED IN THE OFFER

Save for the possible subscription of the Notes by the Nominee and Placement Agent, and any fees payable to the Nominee and Placement Agent in connection with the Offer, so far as the Issuer is aware no person involved in the Offer has an interest material to the Offer.

5.5 EXPECTED TIMETABLE OF PRINCIPAL EVENTS

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

6. INFORMATION CONCERNING THE GLOBAL NOTE AND PARTICIPATION NOTES

Each Note shall be issued on the terms and conditions set out in this Securities Note and, by subscribing to or otherwise acquiring Participation Notes, the Noteholders are deemed to have knowledge of all the terms and conditions of the Notes hereafter described and to accept and be bound by the said terms and conditions.

6.1 GENERAL

- (i) The Issuer is making an offer to the public for participation in the Global Note through the issuance of Participation Notes.
- (ii) The Global Note represents a principal amount of €5,000,000 (five million euro) due by the Issuer to the Nominee and Placement Agent under the terms of the Global Note and shall be assigned ISIN MT0002661214. The Global Note is redeemable on the Redemption Date.
- (iii) The currency of the Global Note is Euro (€).
- (iv) The Global Note constitutes the general, direct, unconditional and unsecured obligations of the Issuer, and will rank without priority and preference over all other present and future unsecured and unsubordinated obligations of the Issuer.
- (v) The Participation Notes represent participations in the Global Note corresponding to the amount stated in the Participation Notes. A Participation Note represents the proportionate entitlement of a Participation Noteholder to the rights over the Global Note and in particular shall entitle the Participation Noteholder to receive the repayment of principal and interest on the Global Note. By executing the Subscription Agreement, the Participation Noteholder acknowledges and accepts that all enforcement action against the Issuer shall vest in the Nominee and Placement Agent and the Participation Noteholder shall not have the right to make any claim against the Issuer other than through the Nominee and Placement Agent. By subscribing to the Participation Notes, the Participation Noteholders irrevocably authorise the Nominee and Placement Agent for and on their behalf to exercise such rights, powers and discretions as are specifically delegated to it by the terms of the Fiduciary Agreement, together with all such rights, powers and discretions as are incidental thereto, and to give a good discharge for any moneys payable under the Global Note.

6.2 DESCRIPTION OF THE OFFER

- (i) The Offer by the Issuer consists of the issue of up to €5,000,000 (five million euro) 6.5% (six point five per cent) Global Note 2028, to be issued to the Nominee and Placement Agent pursuant to and under the terms and conditions of the Global Note. Investors in Malta can participate in the Global Note by virtue of the subscription to Participation Notes.
- (ii) The Participation Notes relating to the Global Note shall be available for subscription during the Offer Period. Such subscription shall be for an amount of up to €5,000,000 and the Issuer shall make use of such proceeds in the manner set out in sub-section 5.1 above.
- (iii) The Offer Period shall close immediately upon attaining full subscription. The Issuer has not established an aggregate minimum subscription level for the Global Note. Accordingly, in the event that the Participation Notes representing the rights and interests of the Participation Noteholders in the Global Note are not fully subscribed, the subscribed portion of the Global Note shall be allocated in accordance with the terms of this Prospectus.
- (iv) The Global Note and Participation Notes will NOT be listed on the Malta Stock Exchange or on any other regulated market on the Issue Date. The Directors have no intention of submitting an application for the admissibility of the Global Note and Participation Notes to listing and subsequent trading on any regulated market.
- (v) In the event that Applicants applying for Participation Notes have not been allocated any Participation Notes or have been allocated a number of Participation Notes which is less than the number applied for, the respective Applicant shall receive a full refund or, as the case may be, the balance of the price of the Participation Notes applied for but not allocated, without interest by direct credit into the Applicant's bank account as indicated by the Applicant in the Subscription Agreement by not later than 26 June 2023. Neither the Issuer nor the Nominee and Placement Agent will be responsible for any charges, loss or delays in transmission of the refunds. In this regard, any monies returnable to Applicants may be retained pending clearance of the remittance and any verification of identity as required by the Prevention of Money Laundering Act, 1994 (Chapter 373 of the laws of Malta) and regulations made thereunder. Such monies will not bear interest while retained as aforesaid.
- (vi) There are no special rights attached to the Participation Notes other than the right of the Noteholders to payment of interest and capital (as detailed in sub-section 6.5 below).
- (vii) The minimum subscription amount of Participation Notes that can be subscribed for by Applicants is €5,000 and in multiples of €1,000 thereafter.
- (viii) Participation Notes shall be placed by the Nominee and Placement Agent.
- (ix) The issue of the Global Note is made in accordance with the requirements of the Act and the Prospectus Regulation.
- (x) The Global Note and Participation Notes are not underwritten. In the event that the Global Note and Participation Notes are not fully subscribed the Issuer will proceed with the issue of the amount of Notes subscribed for.
- (xi) All Subscription Agreements shall be subject to the terms and conditions of the Participation Notes as set out in Annex A2 below, the terms of which shall form an integral part hereof.

6.3 PLAN OF DISTRIBUTION AND ALLOTMENT

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

It is expected that Participation Notes certificates will be dispatched to Applicants by latest 26 June 2023. The said certificate and other documents and any monies returnable to Applicants may be retained pending clearance of the remittance and any verification of identity as required by the Prevention of Money Laundering Act, 1994 (Chapter 373 of the laws of Malta) and regulations made thereunder. Such monies will not bear interest while retained as aforesaid.

By not later than 26 June 2023, the Issuer shall announce the results of the Offer through a company announcement.

Dealings in the Participation Notes shall not commence prior to the said notification.

6.4 STATUS AND RANKING OF THE GLOBAL NOTE

The Global Note, as and when issued and allotted, shall constitute the general, direct, unsecured and unconditional obligations of the Issuer, and shall at all times rank *pari passu*, without any priority or preference among themselves and with other outstanding and unsecured debt of the Issuer, present and future, if any, save for such exceptions as may be provided by applicable law. Furthermore, subject to the negative pledge clause (sub-section 4 of Annex A1 of this Securities Note), third party security interests may be registered which will rank in priority to the Global Note against the assets of the Issuer for so long as such security interests remain in effect. As at the date of this Securities Note, the Issuer does not have any subordinated indebtedness.

6.5 RIGHTS OF PARTICIPATION NOTEHOLDERS

Investors wishing to participate in the Global Note will be able to do so by duly executing a Subscription Agreement in relation to the Participation Notes. Execution of the Subscription Agreement will entitle such investor:

- (i) to participate in the Global Note with respect to the rights and benefits under the Global Note in the proportion that the amount of that subscription constitutes in relation to the face value of the Global Note;
- (ii) to have his/her name entered in the Register of Investors by the Nominee and Placement Agent as a Registered Investor in the Global Note;
- (iii) to receive from the Nominee and Placement Agent an acknowledgement of his/her interest in the Global Note by the issue of a Participation Note;
- (iv) to all such rights and benefits applicable to Participation Noteholders as set out in the Prospectus;
- (v) to all such applicable rights and benefits applicable to Participation Noteholders as set out in the Fiduciary Agreement.

Upon execution of the Subscription Agreement, an investor will also be bound by and be deemed to have notice of, all the provisions of the Fiduciary Agreement and the terms and conditions of the Global Note.

The Participation Note shall entitle the Participation Noteholders to rank *pari passu* according to the rights and interests held by each Participation Noteholder in the Fiduciary Asset in accordance with the terms of the Fiduciary Agreement.

6.6 PARTICIPATION NOTES

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

6.7 THE NOMINEE AND PLACEMENT AGENT

The Issuer, as principal, has entered into the Fiduciary Agreement pursuant to which MZ Investment Services Ltd has been appointed as the Nominee and Placement Agent to hold the Fiduciary Asset on behalf of and as nominee for the Registered Investors *pari passu* according to the rights and interests held by each Registered Investor in the Fiduciary Asset as evidenced in the Register of Investors in accordance with the provisions of the Fiduciary Agreement.

The Nominee and Placement Agent will be the legal owner of the Fiduciary Asset which consists of the covenants of the Issuer to pay the principal under the Participation Notes and interests thereon and all the rights and benefits emanating from the Fiduciary Agreement. The Nominee and Placement Agent recognises the interests of the Registered Investors and in effect holds the Fiduciary Asset in the interest of and acts for the benefit of the Registered Investors under the Fiduciary Agreement.

The Nominee and Placement Agent's role therefore includes the status of the Nominee and Placement Agent to enforce all the rights under the Participation Notes and the Fiduciary Agreement as well as to hold the Fiduciary Asset. As the legal owner of the Global Note and all rights attaching thereto the Nominee and Placement Agent will receive all payments of interest for distribution to the Registered Investors.

Similarly, the Issuer has appointed MZ Investment Services Ltd as the Nominee and Placement Agent to hold the Global Note for the benefit of the Registered Investors *pari passu* according to the rights and interests held by each Registered Investor in the Global Note as evidenced in the Register of Investors in accordance with the provisions of the Prospectus. As the holder of the Global Note, the Nominee and Placement Agent will receive all payments of interest and principal for distribution to the Registered Investors.

6.8 INTEREST

The Global Note shall bear interest from and including 23 June 2023 at the rate of 6.50% per annum on the nominal value thereof, payable annually in arrears on each Interest Payment Date. The first interest payment shall be affected on 23 June 2024 (covering the period 23 June 2023 to 22 June 2024). Any Interest Payment Date which falls on a day other than a Business Day shall be carried over to the next following day that is a Business Day.

When interest is required to be calculated for any period of less than a full year, it shall be calculated on the basis of a 360-day year consisting of 12 months of 30 days each, and in the case of an incomplete month, the number of days elapsed.

6.9 THE LIMITS OF THE VALIDITY OF CLAIMS

In terms of article 2156 of the Civil Code, the right of Noteholders to bring claims for payment of interest and repayment of the principal on the Notes is barred by the lapse of five years.

6.10 YIELD

The gross yield calculated on the basis of the Interest, the Offer Price and the Redemption Value of the Notes is 6.50% per annum.

6.11 REDEMPTION AND PURCHASE

Unless previously purchased and cancelled, the Notes shall be redeemed at their nominal value (together with interest accrued to the date fixed for redemption) on 23 June 2028.

Subject to the provisions of this section 6.11, the Issuer may at any time purchase Participation Notes from willing sellers as agreed between both parties from time to time. Any purchase by tender shall be made available to all Participation Noteholders alike.

All Participation Notes so redeemed or purchased will be cancelled forthwith and may not be re-issued or re-sold. The Nominee and Placement Agent shall accordingly cancel the participations in accordance with the terms of the Fiduciary Agreement and the Participation Note.

7 TAXATION

7.1 GENERAL

Investors and prospective investors are urged to seek professional advice as regards both Maltese and any foreign tax legislation which may be applicable to them in respect of the Participation Notes, including their acquisition, holding and transfer as well as on any income derived therefrom or on any gains derived on the transfer of such Participation Notes. The following is a summary of the anticipated tax treatment applicable to Noteholders in so far as taxation in Malta is concerned. This information does not constitute legal or tax advice and does not purport to be exhaustive.

The information below is based on an interpretation of tax law and practice relative to the applicable legislation, as known to the Issuer at the date of the Prospectus, in respect of a subject on which no official guidelines exist. Investors are reminded that tax law and practice and their interpretation as well as the levels of tax on the subject matter referred to in the preceding paragraph, may change from time to time.

This information is being given solely for the general information of investors. The precise implications for investors will depend, among other things, on their particular circumstances and on the classification of the Participation Notes from a Maltese tax perspective, and professional advice in this respect should be sought accordingly.

7.2 MALTA TAX ON INTEREST

Since interest is payable in respect of a Secured Bond which is the subject of a public issue and such interest should constitute "investment income" in terms of article 41(a)(iv)(1) of the Income Tax Act, Chapter 123 of the laws of Malta (the "Income Tax Act"), unless the Noteholder elects, by means of an instruction in writing sent to the Issuer in terms of article 35 of the Income Tax Act, to receive the interest gross of any withholding tax, or if the Noteholder does not fall within the definition of "recipient" in terms of article 41(c) of the Income Tax Act, interest shall be paid to such Noteholder net of a final withholding tax, currently at the rate of fifteen percent (15%) (ten percent (10%) in the case of certain types of collective investment schemes) of the gross amount of the interest, pursuant to article 33 of the Income Tax Act. Noteholders who do not fall within the definition of a "recipient" do not qualify for the abovementioned "investment income" final withholding tax and should seek advice on the taxation of such income as special rules may apply.

Article 41(c) of the Income Tax Act defines the term "recipient" for the purposes of the provisions applicable to "investment income", and includes, inter alia, a person (or a receiver, guardian, tutor, curator, judicial sequestrator, trustee, foundation or other fiduciary acting on behalf of a person) who is resident in Malta during the year in which "investment income" is payable to him/her, and EU/EEA nationals (and their spouse where applicable) who are not resident in Malta for Maltese tax purposes but who apply the tax rates applicable to Maltese residents on the basis that the income that arises in Malta is at least 90% of their worldwide income.

The aforementioned withholding tax is considered a final tax and a Maltese resident individual Noteholder is not obliged to declare the interest so received in his or her income tax return (to the extent that the interest is paid net of tax). No person shall be charged to further tax in respect of such income. Furthermore, such tax should not be available as a credit against the recipient's tax liability or for a refund, as the case may be, for the relevant year of assessment in Malta. The Issuer is required to submit to the Maltese Commissioner for Revenue, the tax withheld by the fourteenth day following the end of the month in which the payment is made. The Issuer will also render an account to the Maltese Commissioner for Revenue of all payments of qualifying "investment income" as well as an account of the amounts so deducted, including the identity of the recipient.

In the case of a valid election in terms of article 35 of the Income Tax Act made by an eligible Noteholder resident in Malta to receive the interest due without the deduction of final tax, interest will be paid gross and such person will be obliged to declare the interest so received in his or her Maltese income tax return and be subject to tax on such interest at the standard rates applicable to such Noteholder at that time. Additionally, in this latter case the Issuer will advise the Maltese Commissioner for Revenue on an annual basis in respect of all interest paid gross and of the identity of all such recipients. Any such election made by a resident Noteholder at the time of subscription may be subsequently changed by giving notice in writing to the Issuer. Such election or revocation will be effective within the time limit set out in the Income Tax Act.

In terms of article 12(1)(c)(i) of the Income Tax Act, Noteholders who are not resident in Malta and who satisfy the applicable conditions set out in the Income Tax Act should be exempt from tax in Malta on the interest received, they will receive interest gross, subject to the requisite declaration/evidence being provided to the Issuer in terms of law.

7.3 EXCHANGE OF INFORMATION

In terms of applicable Maltese legislation, the Issuer and, or its agent may be required to collect and forward certain information (including, but not limited to, information regarding payments made to certain Noteholders) to the Maltese Commissioner for Revenue. The Maltese Commissioner for Revenue will or may, in turn, automatically or on request, forward the information to other relevant tax authorities subject to certain conditions. Please note that the information contained in this section does not constitute tax advice and prospective investors in the Participation Notes are to consult their own tax advisers in case of doubt.

7.3.1 THE COMMON REPORTING STANDARD AND THE DIRECTIVE ON ADMINISTRATIVE COOPERATION

The Organisation for Economic Co-operation and Development ('OECD') has developed a global framework, commonly known as the Common Reporting Standard ('CRS') for the identification and timely reporting of certain financial information on individuals, and controlling persons of certain entities, who hold financial accounts with financial institutions of participating jurisdictions in order to increase tax transparency and cooperation between tax administrations. Numerous jurisdictions, including Malta, have signed the OECD Multilateral Competent Authority Agreement, which is a multilateral agreement outlining the framework to automatically exchange certain financial and personal information as set out within CRS.

So as to introduce an extended automatic exchange of information regime in accordance with the global standard released by the OECD, CRS has also been adopted in the EU through the implementation of Council Directive 2014/107/EU of 9 December 2014 amending Directive 2011/16/EU as regards mandatory automatic exchange of tax information in the field of taxation. This has been transposed in Malta by means of Legal Notice 384 of 2015 amending the Cooperation with Other Jurisdictions on Tax Matters Regulations, Subsidiary Legislation 123.127 ("CRS Legislation"), and has been applicable since 1 January 2016. In terms of this legal notice, the automatic exchange of information obligations shall extend to jurisdictions that are not EU Member States with which there is a relevant arrangement in place.

Malta based financial institutions (defined as such for the purposes of CRS) are obliged to identify and annually report to the Malta Commissioner for Revenue financial accounts held by a reportable person, as defined under the CRS Legislation, including certain entities with one or more controlling persons, as defined under the CRS Legislation. Financial information relating to the Participation Notes and the holders thereof may fall within the purview of CRS and may be subject to reporting and information exchange provisions.

Under CRS, financial institutions resident in a CRS participating jurisdiction (such as Malta) would be required to apply onerous due-diligence procedures for the identification of reportable accounts. Noteholders may be required to provide certain information and certifications to financial institutions, such as qualifying custodians or any intermediaries, in order to satisfy their obligations under CRS. Certain confidential information in relation to the Noteholders and, or other reportable persons may be reported to the Commissioner for Revenue or other relevant overseas tax authorities and automatically exchanged pursuant to these arrangements with the tax administrations of other participating jurisdictions.

Investors are also advised to assess any reporting obligations in terms of Council Directive (EU) 2018/822 of 25 May 2018 amending Directive 2011/16/EU as regards mandatory automatic exchange of information in the field of taxation in relation to reportable cross-border arrangements ('DAC 6'), as transposed into Maltese domestic law by way of Legal Notice 342 of 2019 amending the CRS Legislation.

Investors are advised to seek professional advice in relation to the CRS Legislation and EU Council Directive 2014/107/EU. Not complying with the CRS rules may give rise to certain fines or closure of financial accounts.

7.3.2 THE EXCHANGE OF INFORMATION (UNITED STATES OF AMERICA) (FATCA) ORDER

The United States of America ('U.S.') has enacted rules, commonly referred to as 'FATCA', that generally impose a reporting regime and, in some cases withholding requirements, with respect to certain U.S. source payments (including dividends and interest), gross proceeds from the disposition of property that can produce U.S. source interest and dividends as well as certain payments made by, and financial accounts held with, entities that are classified as financial institutions under FATCA. The U.S. has entered into an intergovernmental agreement with Malta dated 6 December 2013 regarding the implementation of FATCA in Malta which has been implemented into Maltese law through the Exchange of Information (United States of America) (FATCA) Order, Subsidiary Legislation 123.156 ("FATCA Legislation").

Under the FATCA Legislation, financial institutions in Malta (defined as such for the purposes of FATCA) are required to satisfy applicable due diligence requirements to identify and report financial accounts held by specified U.S. persons, as defined under the FATCA Legislation, and certain non-U.S. entities, which are controlled by U.S. Controlling Persons, as defined under the FATCA Legislation, to the Malta Commissioner for Revenue. The Maltese Government and the Government of the U.S. shall annually exchange the information obtained pursuant to the FATCA Legislation on an automatic basis.

Financial account information in respect of holders of the Notes could fall within the scope of FATCA and they may therefore be subject to reporting obligations. In order to comply with its FATCA obligations, if any, the Issuer and, or its agent may be required to obtain certain information, forms and other documentation on the Noteholders to report information on reportable accounts to the Commissioner for Revenue, in accordance with applicable laws and regulations, which will in turn report this information to the Internal Revenue Service in the U.S. Noteholders should note that a specified U.S. person in terms of FATCA may include a wider range of investors than the current U.S. Person definition referred to in the Terms And Conditions of Application.

Financial institutions reserve the right to request any information and, or documentation required, in respect of any financial account, in order to comply with the obligations imposed under FATCA and any referring legislation. In the case of failure to provide satisfactory documentation and, or information, financial institutions may take such action as it thinks fit, including without limitation, the closure of the financial account.

7.4 MALTESE TAXATION ON CAPITAL GAINS ARISING ON TRANSFER OF THE PARTICIPATION NOTES

On the basis that the Participation Notes should not fall within the definition of "securities" in terms of article 5(1)(b) of the Income Tax Act, that is, "*shares and stocks and such like instrument that participate in any way in the profits of the company and whose return is not limited to a fixed rate of return*", and to the extent that the Participation Notes are held as capital assets by the Noteholder, no income tax or capital gains should be chargeable in respect of a transfer of the Participation Notes.

7.5 DUTY ON DOCUMENTS AND TRANSFERS

In terms of the Duty on Documents and Transfers Act (Chapter 364 of the laws of Malta), (the "**Duty on Documents and Transfers Act**"), duty of 2% on the consideration or the real value (whichever is higher) is chargeable *inter alia* on the transfer *inter vivos* or transmission *causa mortis* of a "marketable security". However, on the basis that the Participation Notes should not fall within the definition of a "marketable security", defined in the Duty on Documents and Transfers Act as "*a holding of share capital in any company and any document representing the same*", the transfer/transmission of the Participation Notes should not be chargeable to duty.

THE ABOVE INFORMATION IS BASED ON TAX LAW AND PRACTICE APPLICABLE AS AT THE DATE OF THIS PROSPECTUS, INVESTORS AND PROSPECTIVE INVESTORS ARE URGED TO SEEK PROFESSIONAL ADVICE AS REGARDS BOTH MALTESE AND ANY FOREIGN TAX LEGISLATION APPLICABLE TO THE ACQUISITION, HOLDING AND DISPOSAL OF PARTICIPATION NOTES AS WELL AS INTEREST PAYMENTS MADE BY THE ISSUER. THE ABOVE IS A SUMMARY OF THE ANTICIPATED TAX TREATMENT APPLICABLE TO THE PARTICIPATION NOTES AND TO NOTEHOLDERS. THIS INFORMATION, WHICH DOES NOT CONSTITUTE LEGAL OR TAX ADVICE, REFERS ONLY TO NOTEHOLDERS WHO DO NOT DEAL IN SECURITIES IN THE COURSE OF THEIR NORMAL TRADING ACTIVITY AND DEPENDS, AMONG OTHER THINGS, ON THE PARTICULAR INDIVIDUAL CIRCUMSTANCES OF THE INVESTORS AND OF THE CLASSIFICATION OF THE PARTICIPATION NOTES FROM A MALTESE TAX PERSPECTIVE.

ANNEX AI – TERMS AND CONDITIONS OF THE GLOBAL NOTE

GENERAL TERMS AND CONDITIONS APPLICABLE TO THE €5,000,000 6.5% GLOBAL NOTE, REDEEMABLE ON 23 JUNE 2028 BY THE ONA PLC (THE “ISSUER” OR THE “COMPANY”) IN TERMS OF THE FIDUCIARY AGREEMENT AND THE PROSPECTUS.

THE ISSUE OF THE GLOBAL NOTE IS BEING MADE SUBJECT TO THE PROVISIONS OF THE FIDUCIARY AGREEMENT DATED 1 JUNE 2023 (HEREINAFTER REFERRED TO AS THE “FIDUCIARY AGREEMENT”) AND OF THESE TERMS AND CONDITIONS. A PARTICIPATION NOTEHOLDER AS WELL AS ANY PERSON HAVING AN INTEREST UNDER THE GLOBAL NOTE IS DEEMED TO HAVE INVESTED ONLY AFTER HAVING RECEIVED, READ AND UNDERSTOOD THE CONTENTS OF THIS DOCUMENT AND THEREFORE ONLY AFTER HAVING FULL KNOWLEDGE OF THE INFORMATION CONTAINED IN THIS DOCUMENT AND IS ACCORDINGLY DEEMED TO HAVE ACCEPTED ALL THE TERMS AND CONDITIONS SET OUT IN THIS DOCUMENT AND THE FIDUCIARY AGREEMENT.

ALL TERMS USED HEREIN SHALL UNLESS THE CONTEXT OTHERWISE REQUIRES OR UNLESS OTHERWISE DEFINED HAVE THE SAME MEANINGS ATTRIBUTED TO THEM IN THE PROSPECTUS AND THE FIDUCIARY AGREEMENT.

1 GENERAL

- (a) The issuance of the Global Note has been duly authorised by a resolution of the Board of Directors of the Issuer of 28 April 2023 by virtue of the powers contained in the Memorandum and Articles of Association.
- (b) The Global Note shall be issued to the Nominee and Placement Agent, as nominee for and for the benefit of the Registered Investors, which shall constitute the Fiduciary Asset.
- (c) The Global Note shall constitute the Issuer as the true and lawful debtor of the Offer Amount in favour of the Nominee and Placement Agent on behalf of the Registered Investors.
- (d) Unless previously purchased and cancelled, the Global Note shall be redeemable at the nominal value including accrued but unpaid interest on the Redemption Date.

2 FORM, DENOMINATION AND TITLE

The Global Note shall be issued in fully certificated and registered form, without a coupon. The Global Note shall be issued to the Nominee and Placement Agent for the Offer Amount and the Nominee and Placement Agent shall be entered in the Register of Global Noteholders as the holder of the Global Note. The Nominee and Placement Agent shall hold the Global Note as nominee for the benefit of the Registered Investors.

3 INTEREST

- (a) The Global Note shall bear interest from and including 23 June 2023 at the rate of 6.5% per annum on the nominal value thereof, calculated and payable annually in arrears by the Issuer on each Interest Payment Date. The first interest payment will be affected on 23 June 2024 (covering the period 23 June 2023 to 22 June 2024). Any Interest Payment Date which falls on a day other than a Business Day will be carried over to the next following day that is a Business Day.
- (b) The Global Note shall cease to bear interest from and including the Redemption Date unless, upon due presentation, payment of the principal in respect of the Global Note is improperly withheld or refused, or unless the Issuer defaults in respect of payment, in any of which event interest shall continue to accrue at the rate specified above plus one per cent (1%), but in any event not in excess of the maximum rate of interest allowed by Maltese law. In terms of article 2156 of the Civil Code (Chapter 16 of the laws of Malta), the right of Global Noteholders to bring claims for payment of interest and repayment of the principal on the Notes is barred by the lapse of five (5) years.
- (c) When interest is required to be calculated for any period of less than a full year, it shall be calculated on the basis of a three hundred and sixty (360) day year consisting of twelve (12) months of thirty (30) days each, and in the case of an incomplete month, the number of days elapsed.

4 STATUS OF THE NOTES AND NEGATIVE PLEDGE

- (a) The Global Note shall constitute the general, direct, unconditional and unsecured obligations of the Issuer and shall at all times rank *pari passu*, save for such exceptions as may be provided by applicable law, with all other outstanding and unsecured debt of the Issuer, present and future. As at the date of this Securities Note, the Issuer does not have any subordinated indebtedness.
- (b) The Issuer undertakes, for as long as any principal or interest under the Global Note remains outstanding, not to create or permit to subsist any Security Interest (as defined below), other than a Permitted Security Interest (as defined below), upon the whole or any part of their present or future assets or revenues to secure any Financial Indebtedness (as defined below) of the Issuer, unless, at the same time or prior thereto the Issuer's indebtedness under the Global Note is secured equally and rateably therewith, and the instrument creating such Security Interest so provides.

“Financial Indebtedness” means any indebtedness in respect of (A) monies borrowed; (B) any debenture, bond, note, loan stock or other security; (C) any acceptance credit; (D) the acquisition cost of any asset to the extent payable before or after the time of acquisition or possession by the party liable where the advance or deferred payment is arranged primarily as a method of raising finance for the acquisition of that asset; (E) leases entered into primarily as a method of raising finance for the acquisition of the asset leased; (F) amounts raised under any other transaction having the commercial effect of borrowing or raising of money; (G) any guarantee, indemnity or similar assurance against financial loss of any person;

“Security Interest” means any privilege, hypothec, pledge, lien, charge or other encumbrance or real right which grants rights of preference to a creditor over the assets of the Issuer;

“Permitted Security Interest” means (A) any Security Interest arising by operation of law; (B) any Security Interest securing temporary bank loans or overdrafts in the ordinary course of business; (C) any other Security Interest (in addition to (A) and (B) above) securing Financial Indebtedness of the Issuer, in an aggregate outstanding amount not exceeding eighty per cent (80%) of the difference between i) the value of the unencumbered assets of the Issuer and ii) the principal amount of the Global Note outstanding at the time.

Provided that the aggregate Security Interests referred to in (B) and (C) above do not result in the unencumbered assets of the Issuer being less than 106.50% of the aggregate principal amount of the Global Note still outstanding;

“unencumbered assets” means assets which are not subject to a Security Interest.

5 PAYMENTS

- a) Payment of the principal amount (with interest accrued and unpaid to the Redemption Date) as well as payment of interest on the Global Note shall be made in euro to the person in whose name such Global Note is registered as at the close of business fifteen (15) days prior to the date set for redemption or fifteen (15) days prior to the relevant Interest Payment Date (as the case may be) against surrender of the Global Note at the registered office of the Issuer or at such other place in Malta as may be notified by the Issuer. Such payment shall be affected by direct credit or transfer to a euro account (or any other account to which euro may be credited or transferred) specified by the Global Noteholder. The Issuer shall not be responsible for any loss or delay in transmission. Such payment shall be affected within seven (7) days of the date set for redemption or the Interest Payment Date (as the case may be).
- b) All payments with respect to the Global Note are subject in all cases to any pledge (duly constituted) of the Global Note and to any applicable fiscal or other laws and regulations. In particular, but without limitation, all payments by the Issuer in respect of the Global Note shall be made gross of any amount to be deducted or withheld for or on account of any present or future taxes, duties, assessments or other government charges of whatsoever nature imposed or levied by or on behalf of the Government of Malta or authority thereof or therein having power to tax.
- c) No commissions or expenses shall be charged to the Global Noteholder in respect of such payments.

6 REDEMPTION

- a) Unless previously purchased and cancelled, the Global Note shall be redeemed at the nominal value (together with interest accrued and which has remained unpaid to the date set for redemption) on the Redemption Date.
- b) The redemption of the Global Note shall take place by payment of all principal and interest accrued until the date of redemption. The notice of redemption shall be effective only on actual receipt by the Nominee and Placement Agent, shall be irrevocable and shall oblige the Issuer to make and the Nominee and Placement Agent to accept such redemption on the date specified in the notice.
- c) All or part of the Global Note being repurchased or redeemed shall be cancelled forthwith and may not be re-issued or re-sold.

7 COVENANTS BY THE ISSUER

- (1) The Issuer hereby covenants in favour of the Nominee and Placement Agent for the benefit of Registered Investors, that at all times during which any of the Global Note shall remain outstanding:
 - a) It shall, until the Global Note has been redeemed, pay to the Nominee and Placement Agent for the benefit of the Participation Noteholders interest at the rate of 6.5% per annum on each Interest Payment Date and the principal amount of the Global Note on the Redemption Date;
 - b) It shall keep proper books of account, and shall deliver to the Nominee and Placement Agent at least five (5) days before the annual general meeting of the Issuer each year a copy of the balance sheet and profit and loss account of the Issuer certified by the auditors of the Issuer respectively and copies of the auditors' and directors' reports thereon, together with copies of any other documents required by law to be attached thereto;
 - c) It shall carry on and conduct its business in a proper and efficient manner.

8 REPRESENTATION AND WARRANTIES

- (1) The Issuer represents and warrants to the Nominee and Placement Agent and each Participation Noteholder, and each of the Nominee and Placement Agent and Participation Noteholder rely on such representations and warranties, that:
 - (a) It is duly registered and validly existing under the laws of Malta and has the power to carry on its business as it is now being conducted and to hold its properties and other assets under valid legal title;
 - (b) It has the power to execute, deliver, and perform its obligations under this document and the Fiduciary Agreement; and that all necessary corporate, shareholder and other action has been duly taken to authorise the execution, delivery and performance of the same, and further that no limitation on the powers of the Issuer to borrow or guarantee shall be exceeded as a result of the Fiduciary Agreement;
 - (c) This document and the Fiduciary Agreement constitute valid and legally binding obligations of the Issuer;
 - (d) The execution and performance of its obligations under and in compliance with the provisions of this document and the Fiduciary Agreement by the Issuer shall not:
 - (i) contravene any existing applicable law, statute, rule or regulation or any judgement, decree or permit to which the Issuer is subject;
 - (ii) conflict with or result in any breach of any terms of or constitute a default under any bond or other instrument to which the Issuer is a party, or is subject, or by which it or any of its property is bound;
 - (iii) contravene any provision of the Issuer's Memorandum or Articles of Association;
 - (e) No litigation, arbitration or administrative proceeding is taking place, pending or, to the knowledge of the officers of the Issuer, threatened against the Issuer which could have a material adverse effect on its business, assets or financial condition of the Issuer;
 - (f) The Prospectus contains all material information with respect to the Issuer and that all information contained therein is in every material respect true and accurate and not misleading and that there are no other facts in relation to the Issuer, its business and financial position, the omission of which would in the context of issue of the Global Note make any statement in the Prospectus misleading or inaccurate in any material respect.
- (2) The Issuer further represents and warrants to the Nominee and Placement Agent and each Participation Noteholder that rely on such representations and warranties, that:
 - (a) Every consent, authorisation, approval or registration with, or declaration to governmental or public bodies or authorities or courts, required by the Issuer in connection with the execution, validity, enforceability of the Fiduciary Agreement or the performance of its obligations under the Fiduciary Agreement have been obtained or made and are in full force and effect and there has been no default in the observance of any of the conditions or restrictions, if any, imposed on, or in connection with, any of the same;
 - (b) No default mentioned in this document or the Fiduciary Agreement has occurred and is continuing.

9 FUNCTIONS AND POWERS OF THE NOMINEE AND PLACEMENT AGENT

- (1) The Nominee and Placement Agent may, but shall not be bound to, unless requested to do so in writing by not less than seventy-five percent (75%) in value of the Registered Investors, enforce or take any step to enforce the covenants in clause 7 hereof, and (subject to any such request as aforesaid) may waive on such terms and conditions as it shall deem expedient any of the covenants and provisions hereinabove contained and on the part of the Issuer to be performed and observed.
- (2) The Nominee and Placement Agent shall only be bound to monitor financial information relating to the Issuer, on behalf of the Registered Investors, as shall be forwarded to the Nominee and Placement Agent by the Issuer on an annual basis.
- (3) Without prejudice to the powers and reliefs conferred on the Nominee and Placement Agent by applicable law and by the Fiduciary Agreement, the Nominee and Placement Agent shall have the following powers:
 - (a) To employ and pay at the reasonable cost of the Issuer in discharge of its duties any agent to do anything or transact any business to be done or transacted under the Fiduciary Agreement or this document, without being under any liability for any default of such agent; PROVIDED THAT prior to employing any agent as aforementioned, notice in writing of the estimated costs to be incurred is to be given to the Issuer;
 - (b) To rely on the advice of any lawyer, broker, surveyor, valuer or accountant or other professional person without incurring any liability for so relying notwithstanding that such professional person may have been employed by the Issuer or may otherwise not be disinterested and without incurring liability for any error in the transmission of any such advice or by reason of the same not being authentic;

- (c) To delegate any of its discretions under the Prospectus and the Fiduciary Agreement to any officer or servant of the Nominee and Placement Agent believed by it to be competent and responsible and to delegate any of its powers and duties under the Prospectus and the Fiduciary Agreement to such persons (including any such officer or servant as aforesaid) as it shall think fit, and to confer power to sub-delegate, without incurring any liability for the default of any person to whom such discretions powers or duties are delegated or sub-delegated;

And generally the Nominee and Placement Agent shall not be liable for any error of judgment committed in good faith unless it shall be proved that it was negligent in ascertaining the pertinent facts and the Nominee and Placement Agent, its officers and agents shall be entitled to be indemnified by the Issuer so far as may be lawful in respect of all liabilities incurred in the execution of the nominee relationship arising in terms of the Fiduciary Agreement.

10 EVENTS OF DEFAULT

The Nominee and Placement Agent may at its discretion, and shall upon the request in writing of not less than seventy five percent (75%) in value of the Registered Investors, by notice in writing to the Issuer declare the Global Note to have become immediately payable on the occurrence of any of the following events ("**Events of Default**"):

- (a) the Issuer shall fail to pay any interest on the Global Note when due and such failure shall continue for sixty (60) days after written notice thereof shall have been given to the Issuer by the Global Noteholder; and/or
- (b) the Issuer shall fail duly to perform or shall otherwise be in breach of any other material obligation contained in the Terms and Conditions of this Annex A1 and such failure shall continue for sixty (60) days after written notice thereof shall have been given to the Issuer by the Global Noteholder; and/or
- (c) if the Issuer defaults for sixty (60) days in the payment of any principal monies owing in respect of the redemption of the Global Note when due; and/or
- (d) if a Court order or other judicial process is levied or enforced upon or sued out against any material part of the properties of the Issuer and is not paid out, withdrawn or discharged within one month; and/or
- (e) if the Issuer stops payment of its debts or ceases or threatens to cease to carry on its business; and/or
- (f) if the Issuer is unable, or admits in writing its inability, to pay its debts as they fall due or otherwise insolvent; and/or
- (g) within the meaning of section 214(5) of the Act, or any statutory modification or re-enactment thereof, a Court order or other judicial process is levied or enforced upon or sued out against any part of the property of the Issuer and is not paid out, withdrawn or discharged within one (1) months; and/or
- (h) if a receiver is appointed of the whole or any material part of the properties of the Issuer and such appointment is certified by the Nominee and Placement Agent to be prejudicial in its opinion to the Registered Investors; and/or
- (i) if an order is made or an effective resolution is passed for winding up of the Issuer, except for the purpose of a reconstruction, amalgamation or division the terms of which have been approved in writing by the Nominee and Placement Agent; and/or
- (j) if the Issuer commits a breach of any of the covenants or provisions herein contained and on its part to be observed and performed and the said breach still subsists for sixty (60) days after having been notified by the Nominee and Placement Agent (other than any covenant for the payment of interests or principal monies owing in respect of the Global Note);
- (k) if any representation or warranty made, or deemed to be made, or repeated by, or in respect of the Issuer is or proves to have been incorrect in any material respect;
- (l) there shall have been entered against the Issuer a final judgment by a court of competent jurisdiction from which no appeal may be or is made for the payment of money in excess of two million Euro (€2,000,000) or its equivalent and ninety (90) days shall have passed since the date of entry of such judgment without its having been satisfied or stayed; and/or
- (m) if it becomes unlawful at any time for the Issuer to perform all or any of its obligations hereunder;
- (n) if the Issuer repudiates or does or causes or permits to be done any act or thing evidencing an intention to repudiate the Global Note;
- (o) all, or in the sole opinion of the Nominee and Placement Agent, a material part of the undertakings, assets, rights, or revenues of or shares or other ownership interests in the Company are seized, nationalised, expropriated or compulsorily acquired by or under the authority of any government.

Upon any such Event of Default occurring and not being remedied within the relevant cure period, as applicable, the Global Note and all principal monies and interest accrued shall be deemed to have become immediately due payable at the time of the event which shall have happened as aforesaid.

11 REGISTER OF GLOBAL NOTEHOLDERS

- (a) The Issuer shall maintain a register, at its registered office or at such other place in Malta as the directors of the Issuer may determine, in which it shall enter the name and address of the Nominee and Placement Agent as the holder of the Global Note, together with particulars of the Global Note. A copy of such register shall at all reasonable times during business hours be open to inspection by the Nominee and Placement Agent at the registered office of the Issuer.
- (b) In the event that any Global Note represented by a certificate shall be worn out, defaced, destroyed or lost, it may be replaced on such evidence being produced and such indemnity (if any) being given as the Issuer may at its discretion require and in accordance with the Global Note register, and in the case of wearing out, or defacement, or change of address of the Global Noteholder, on delivery of the old certificate, and in the case of destruction or loss, on the execution of such indemnity as is considered necessary, and in any case upon the payment of €50 (fifty euro). In case of destruction or loss, the person to whom such replacement certificate is given shall also bear and pay to the Issuer all expenses incidental to the investigation by the Issuer of the evidence of such destruction or loss and to such indemnity.

12 FURTHER ISSUES

The Issuer may, from time to time, without the consent of the respective Global Noteholder, create and issue further bonds, notes, debentures or any other debt securities having such terms as the Issuer (as applicable) may determine at the time of their issue.

13 GOVERNING LAW AND JURISDICTION

- (a) The Global Note has been created, and the Offer relating thereto is being made, in terms of the Act. From its inception the Global Note, and all contractual arrangements arising therefrom, shall be governed by and shall be construed in accordance with Maltese law.
- (b) Any legal action, suit, action or proceeding against the Issuer arising out of or in connection with a Global Note shall be brought exclusively before the Maltese Courts and the Global Noteholder shall be deemed to acknowledge that it is submitting to the exclusive jurisdiction of the Maltese Courts as aforesaid.

14 SECURITY

The Global Note shall constitute the general, direct, unconditional and unsecured obligations of the Issuer and shall at all times rank *pari passu*, save for such exceptions as may be provided by applicable law, with all other outstanding and unsecured debt of the Issuer, present and future. As at the date of this Securities Note, the Issuer does not have any subordinated indebtedness.

15 NOTICES

Notices will be mailed to the Global Noteholder at its registered address and shall be deemed to have been served at the expiration of twenty-four (24) hours after the letter containing the notice is posted, and in proving such service it shall be sufficient to prove that a prepaid letter containing such notice was properly addressed to such Global Noteholder at its registered address and posted.

ANNEX A2 – TERMS AND CONDITIONS OF THE PARTICIPATION NOTES

GENERAL TERMS AND CONDITIONS APPLICABLE TO THE €5,000,000 6.5% PARTICIPATION NOTES, IN TERMS OF THE PROSPECTUS REDEEMABLE ON 23 JUNE 2028 BY THE NOMINEE AND PLACEMENT AGENT.

THE ISSUE OF THE PARTICIPATION NOTES IS BEING MADE SUBJECT TO THE PROVISIONS OF THE FIDUCIARY AGREEMENT DATED 1 JUNE 2023 (HEREINAFTER REFERRED TO AS THE “FIDUCIARY AGREEMENT”) AND OF THESE TERMS AND CONDITIONS. A PARTICIPATION NOTEHOLDER AS WELL AS ANY PERSON HAVING AN INTEREST UNDER THE PARTICIPATION NOTES IS DEEMED TO HAVE INVESTED ONLY AFTER HAVING RECEIVED, READ AND UNDERSTOOD THE CONTENTS OF THIS DOCUMENT AND THEREFORE ONLY AFTER HAVING FULL KNOWLEDGE OF THE INFORMATION CONTAINED IN THIS DOCUMENT AND IS ACCORDINGLY DEEMED TO HAVE ACCEPTED ALL THE TERMS AND CONDITIONS SET OUT IN THIS DOCUMENT AND THE FIDUCIARY AGREEMENT.

ALL TERMS USED HEREIN SHALL UNLESS THE CONTEXT OTHERWISE REQUIRES OR UNLESS OTHERWISE DEFINED HAVE THE SAME MEANINGS ATTRIBUTED TO THEM IN THE PROSPECTUS AND THE FIDUCIARY AGREEMENT.

1 GENERAL

- (a) The Global Note shall constitute the Issuer as the true and lawful debtor of the Offer Amount in favour of the Nominee and Placement Agent on behalf of the Registered Investors. The Participation Notes constitute the beneficial interest of the Participation Noteholders in the Global Note including the right to payment of principal and interest under the Global Note.
- (b) The Participation Notes shall bear interest at a rate of 6.5% (six point five per cent) per annum in accordance with the terms and conditions as set out in the Prospectus.
- (c) The Participation Notes shall be redeemable at their nominal value including accrued but unpaid interest on the Redemption Date.
- (d) The Participation Notes are freely transferable, provided that any individual holder of Participation Notes shall maintain at all times a minimum holding of €5,000 in the said Notes.

2 FORM, DENOMINATION AND TITLE

- (a) The Participation Notes shall be issued in fully certificated and registered form, without coupons. Participation Notes shall be issued under the signature of a duly authorised signatory of the Nominee and Placement Agent.
- (b) The Nominee and Placement Agent shall maintain a Register of Investors which shall identify the Registered Investors from time to time. An entry in the Register of Investors shall be conclusive evidence of the beneficial interest of the person or persons named therein in the Global Note. The Register of Investors shall contain the following information:
 - Name of the Registered Investor;
 - Address of the Registered Investor;
 - Identity Card number (in the case of an individual);
 - Company Registration Number (in the case of a company);
 - The value expressed in euro (€) of the beneficial interest of the Registered Investor in the Global Note; and
 - Date of entry into the Register of Investors.

Every Registered Investor shall be entitled to be entered in the Register of Investors as a participant in the Global Note and shall be entitled to receive from the Nominee and Placement Agent a Participation Note acknowledging the Registered Investors' beneficial interest in the Global Note and evidencing the appropriate entry in the Register of Investors.

- (c) Any such Participation Note issued by the Nominee and Placement Agent in favour of a single or joint Registered Investor shall be for an amount not below five thousand euro (€5,000) and in multiples of one thousand euro (€1,000) each thereafter.
- (d) Joint Registered Investors shall be entitled to only one entry in the Register of Investors and accordingly to only one Participation Note. Such Participation Note shall be issued and delivered to that joint Registered Investor whose name first appears in the Register of Investors and the Nominee and Placement Agent shall not be bound to register more than three (3) persons as the joint Registered Investors.

3 INTEREST

- (a) The Participation Notes shall bear interest from and including 23 June 2023 at the rate of 6.5% per annum on the nominal value thereof, calculated and payable annually in arrears by the Issuer on each Interest Payment Date. The first interest payment will be affected on 23 June 2024 (covering the period 23 June 2023 to 22 June 2024). Any Interest Payment Date which falls on a day other than a Business Day will be carried over to the next following day that is a Business Day.

- (b) When interest is required to be calculated for any period of less than a full year, it shall be calculated on the basis of a three hundred and sixty (360) day year consisting of twelve (12) months of thirty (30) days each, and in the case of an incomplete month, the number of days elapsed.
- (c) The Participation Notes shall cease to bear interest from and including the Redemption Date.

4 PAYMENTS

- (a) Payment of the principal amount (with interest accrued and unpaid to the Redemption Date) as well as payment of interest on the Participation Notes shall be made in euro to the person in whose name such Participation Note is registered as at the close of business fifteen (15) days prior to the date set for redemption or fifteen (15) days prior to the relevant Interest Payment Date (as the case may be) against surrender of the Participation Note at the registered office of the Nominee and Placement Agent or at such other place in Malta as may be notified by the Nominee and Placement Agent. Such payment shall be affected by direct credit or transfer to a euro account (or any other account to which euro may be credited or transferred) specified by the Participation Noteholder. The Nominee and Placement Agent shall not be responsible for any loss or delay in transmission. The Nominee and Placement Agent shall affect payments of principal or interest within three (3) business days from the date of actual receipt of payment thereof from the Issuer.
- (b) All payments with respect to the Participation Notes are subject in all cases to any pledge (duly constituted) of the Participation Notes and to any applicable fiscal or other laws and regulations. In particular, but without limitation, all payments by the Nominee and Placement Agent in respect of the Participation Note shall be made net of any amount which the Nominee and Placement Agent is compelled to deduct or withhold for or on account of any present or future taxes, duties, assessments or other government charges of whatsoever nature imposed or levied by or on behalf of the Government of Malta or authority thereof or therein having power to tax.
- (c) No commissions or expenses shall be charged to the Participation Noteholder in respect of such payments.
- (d) The Nominee and Placement Agent shall only be under an obligation to effect payments of principal or interest to the Participation Noteholders if it has effectively received such payments from the Issuer. No liability shall attach to the Nominee and Placement Agent if it fails to affect such payments to Participation Noteholders when such failure is due to the non-payment thereof by the Issuer.
- (e) Payment of the principal and/or interest by the Issuer to the Nominee and Placement Agent under the Global Note shall relieve the Issuer from any further liability, to the extent of the payment made, towards the Participation Noteholders and the Participation Noteholders shall have no right or claim against the Issuer should they not receive the relative payment from the Nominee and Placement Agent.

5 REDEMPTION

- (a) Unless previously repurchased and cancelled, the Participation Notes shall be redeemed at their nominal value (together with interest accrued to the date set for redemption) on the Redemption Date.
- (b) Each Registered Investor may, even before the Redemption Date, apply to the Nominee and Placement Agent to have its Participation Notes or any part thereof cancelled, provided that in the case of a request for cancellation, the cancellation request shall be for a minimum face value of €1,000 and multiples of €1,000 thereafter. The Nominee and Placement Agent may, but shall be under no obligation to, accede to such request, to be made in writing, by a Registered Investor. In the event that the Nominee and Placement Agent accedes to the Registered Investor's request it shall cancel the entry of such Registered Investor in the Register of Investors and the Participation Note of the Registered Investor concerned in whole or in part, as the case may be, for the nominal value of the Participation Note or that part thereof which is being cancelled. In such event (i) the Nominee and Placement Agent shall pay to the Registered Investor concerned the nominal value of that Registered Investor's Participation Notes and accrued and unpaid interest thereon; and (ii) the Nominee and Placement Agent shall be deemed to have a beneficial interest in the Global Note for the value corresponding to the cancellation.
- (c) The Nominee and Placement Agent may also receive requests from persons willing to have a beneficial interest in the Global Note. The Nominee and Placement Agent may, from its own beneficial interest in the Global Note, if any, accede to such request, but shall be under no obligation to do so. In the event that the Nominee and Placement Agent accedes to such request it shall register the beneficial interest of such person in the Global Note in the Register of Investors and issue a Participation Note in terms of the provisions of these terms and conditions, against payment by the applicant of the value of his/her Participation Note.
- (d) In the event that the Issuer repurchases the Global Note in whole or in part, the Nominee and Placement Agent shall repurchase an equivalent amount of Participation Notes, such amount to be split between the Participation Noteholders according to their participation in proportion to the aggregate holding of Participation Notes.
- (e) In the event of a repurchase, the Participation Notes shall be cancelled in whole or in part. The Participation Noteholder shall hand over the Participation Note, and in case of a repurchase in part, receive a new Participation Note stating the new amount of the Participation Note.

- (f) The Nominee and Placement Agent may, at its discretion, charge a fee to Registered Investors for each cancellation and subsequent entry made in the Register of Investors, which fee shall not exceed €60 per cancellation or subsequent entry.

6 COVENANTS BY THE ISSUER

The Issuer hereby covenants in favour of the Nominee and Placement Agent for the benefit of Registered Investors, that at all times during which any of the Global Note shall remain outstanding:

- (a) It shall, until the Global Note has been redeemed, pay to the Nominee and Placement Agent for the benefit of the Participation Noteholders interest at the rate of 6.5% per annum on each Interest Payment Date and the principal amount of the Global Note on the Redemption Date, subject to the Issuer's option to redeem all or part of the Global Note on an Early Redemption Date.
- (b) It shall keep proper books of account, and shall deliver to the Nominee and Placement Agent at least five (5) days before the annual general meeting of the Issuer each year a copy of the balance sheet and profit and loss account of the Issuer certified by the auditors of the Issuer and copies of the auditors' and directors' reports thereon, together with copies of any other documents required by law to be attached thereto;
- (c) It shall carry on and conduct its business in a proper and efficient manner.

7 REPRESENTATIONS AND WARRANTIES OF THE ISSUER

(1) The Issuer represents and warrants to the Nominee and Placement Agent and each Participation Noteholder, and each of the Nominee and Placement Agent and Participation Noteholder rely on such representations and warranties, that:

- (a) It is duly registered and validly existing under the laws of Malta and has the power to carry on its business as it is now being conducted and to hold its properties and other assets under valid legal title;
- (b) It has the power to execute, deliver, and perform its obligations under this document;
- (c) The Global Note constitutes valid and legally binding obligations of the Issuer;
- (d) The execution and performance of its obligations under and in compliance with the provisions of the Global Note by the Issuer shall not:
- (i) contravene any existing applicable law, statute, rule or regulation or any judgement, decree or permit to which the Issuer is subject;
- (ii) conflict with or result in any breach of any terms of or constitute a default under any bond or other instrument to which the Issuer is a party, or is subject, or by which it or any of its property is bound;
- (iii) contravene any provision of the Issuer's Memorandum or Articles of Association;
- (e) No litigation, arbitration or administrative proceeding is taking place, pending or, to the knowledge of the officers of the Issuer, threatened against the Issuer which could have a material adverse effect on the business, assets or financial condition of the Issuer;
- (f) The Prospectus contains all material information with respect to the Issuer and that all information contained therein is in every material respect true and accurate and not misleading and that there are no other facts in relation to the Issuer, its business and financial position, the omission of which would in the context of issue of the Global Note make any statement in the Prospectus misleading or inaccurate in any material respect.

(2) The Issuer further represents and warrants to the Nominee and Placement Agent and each Participation Noteholder that rely on such representations and warranties, that:

- (a) Every consent, authorisation, approval or registration with, or declaration to governmental or public bodies or authorities or courts, required by the Issuer in connection with the execution, validity, enforceability of the Fiduciary Agreement or the performance of its obligations under the Fiduciary Agreement has been obtained or made and are in full force and effect and there has been no default in the observance of any of the conditions or restrictions, if any, imposed in, or in connection with, any of the same;
- (b) No default mentioned in this document or the Fiduciary Agreement has occurred and is continuing.

8 FUNCTIONS AND POWERS OF NOMINEE AND PLACEMENT AGENT

- (1) The Nominee and Placement Agent may, but shall not be bound, unless requested to do so in writing by not less than seventy-five percent (75%) in value of the Registered Investors, to enforce or take any step to enforce the covenants in clause 6 hereof, and (subject to any such request as aforesaid) may waive on such terms and conditions as it shall deem expedient any of the covenants and provisions hereinabove contained and on the part of the Issuer to be performed and observed.

- (2) The Nominee and Placement Agent shall only be bound to monitor financial information relating to the Issuer, on behalf of the Registered Investors, as may be forwarded to the Nominee and Placement Agent by the Issuer on an annual basis.
- (3) The Nominee and Placement Agent shall have the following powers:
 - (a) To rely on the advice, opinion, direction, report, statement, certificate, or other information furnished by any lawyer, broker, surveyor, valuer or accountant or other professional person without incurring any liability for so relying notwithstanding that such professional person may have been employed by the Issuer or may otherwise not be disinterested and without incurring liability for any error in the transmission of any such advice or by reason of the same not being authentic;
 - (b) To delegate any of its discretions under the Prospectus to any officer or agent of the Nominee and Placement Agent believed by it to be competent and responsible and to delegate any of its powers and duties under the Prospectus to such persons (including any such officer or agent as aforesaid) as it shall think fit, and to confer power to sub-delegate, without incurring any liability for the default of any person to whom such discretions, powers or duties are delegated or sub-delegated.

9 EVENTS OF DEFAULT UNDER THE GLOBAL NOTE

The Nominee and Placement Agent may at its discretion, and shall upon the request in writing of not less than seventy-five percent (75%) in value of the Registered Investors, by notice in writing to the Issuer declare the Global Note to have become immediately payable on the occurrence of any of the following events ("**Events of Default**"):

- (a) the Issuer shall fail to pay any interest on any Global Note when due and such failure shall continue for sixty (60) days after written notice thereof shall have been given to the Issuer by the Global Noteholder; and/or
- (b) the Issuer shall fail duly to perform or shall otherwise be in breach of any other material obligation contained in these Terms and Conditions and such failure shall continue for sixty (60) days after written notice thereof shall have been given to the Issuer by the Global Noteholder; and/or
- (c) if the Issuer defaults for sixty (60) days in the payment of any principal monies owing in respect of redemption of the Global Note when due; and/or
- (d) if a Court order or other judicial process is levied or enforced upon or sued out against any material part of the properties of the Issuer and is not paid out, withdrawn or discharged within one month; and/or
- (e) if the Issuer stops payment of its debts or ceases or threatens to cease to carry on its business; and/or
- (f) if the Issuer is unable, or admits in writing its inability, to pay its debts as they fall due or otherwise becomes insolvent; and/or
- (g) within the meaning of section 214(5) of the Act, or any statutory modification or re-enactment thereof, a Court order or other judicial process is levied or enforced upon or sued out against any part of the property of the Issuer and is not paid out, withdrawn or discharged within one (1) month; and/or
- (h) if a receiver is appointed of the whole or any material part of the properties of the Issuer and such appointment is certified by the Nominee and Placement Agent to be prejudicial in its opinion to the Registered Investors; and/or
- (i) if an order is made or an effective resolution is passed for winding up of the Issuer, except for the purpose of a reconstruction, amalgamation or division the terms of which have been approved in writing by the Nominee and Placement Agent; and/or
- (j) if the Issuer commits a breach of any of the covenants or provisions herein contained and on their part to be observed and performed and the said breach still subsists for sixty (60) days after having been notified by the Nominee and Placement Agent (other than any covenant for the payment of interests or principal monies owing in respect of the Global Note);
- (k) if any representation or warranty made, or deemed to be made, or repeated by, or in respect of the Issuer is or proves to have been incorrect in any material respect;
- (l) there shall have been entered against the Issuer a final judgment by a court of competent jurisdiction from which no appeal may be or is made for the payment of money in excess of two million Euro (€2,000,000) or its equivalent and ninety (90) days shall have passed since the date of entry of such judgment without its having been satisfied or stayed; and/or
- (m) if it becomes unlawful at any time for the Issuer to perform all or any of its obligations hereunder;
- (n) if the Issuer repudiates or does or causes or permits to be done any act or thing evidencing an intention to repudiate the Global Note;

- (o) all, or in the sole opinion of the Nominee and Placement Agent, a material part of the undertakings, assets, rights, or revenues of or shares or other ownership interests in the Company is seized, nationalised, expropriated or compulsorily acquired by or under the authority of any government.

Upon any such Event of Default occurring and not being remedied within the relevant cure period, as applicable, the Global Note and all principal monies and interest accrued shall be deemed to have become immediately due payable at the time of the event which shall have happened as aforesaid.

10 REGISTRATION AND REPLACEMENT OF THE PARTICIPATION NOTES

- (a) A register of the Participation Notes shall be maintained by the Nominee and Placement Agent at its registered office or at such other place in Malta as the Nominee and Placement Agent may determine, wherein there will be entered the names and addresses of the Participation Noteholders and particulars of the Participation Notes held by them respectively and a copy of such register will at all reasonable times during business hours be open to inspection by Participation Noteholders at the registered office of the Nominee and Placement Agent.
- (b) Any person becoming entitled to a Participation Note in consequence of bankruptcy or winding-up of a Participation Noteholder may, upon such evidence being produced as may from time to time properly be required by the Nominee and Placement Agent, request in writing the redemption and cancellation of such Participation Note followed by the issuance of a new Participation Note of the same amount and may elect either to be registered himself as Participation Noteholder or to have some person nominated by him registered as Participation Noteholder.

All redemptions are subject to any pledge (duly constituted) of the Participation Notes and to any applicable laws and regulations.

- (c) In the event that any Participation Note represented by certificate shall be worn out, defaced, destroyed or lost, it may be replaced on such evidence being produced and such indemnity (if any) being given as the Nominee and Placement Agent may at its discretion require and in accordance with the Participation Note register, and in the case of wearing out, or defacement, or change of address of the Participation Noteholder, on delivery of the old certificate, and in the case of destruction or loss, on the execution of such indemnity as is considered necessary, and in any case upon the payment of fifty euro (€50). In case of destruction or loss, the person to whom such replacement certificate is given shall also bear and pay to the Nominee and Placement Agent all expenses incidental to the investigation by the Nominee and Placement Agent of the evidence of such destruction or loss and to such indemnity.
- (d) The Nominee and Placement Agent shall be required to provide the Issuer with an updated copy of the register of Participation Noteholders, including extracts therefrom, as may be required by the Issuer from time to time, and the Participation Noteholder shall by entering into the Subscription Agreement relative to the Participation Notes taken up by him be deemed to have given his express, unequivocal and irrevocable consent to the communication of such information to the Issuer.

11 TRANSFERABILITY OF THE PARTICIPATION NOTES

- (a) The Participation Notes are freely transferable and once registered by the Nominee and Placement Agent, may be transferable in whole for a minimum face value of €1,000 (one thousand euro) and multiples of €1,000 (one thousand euro) thereafter.
- (b) All transfers are subject in all cases to any pledge (duly constituted) of the Participation Notes and to any applicable laws and regulations.
- (c) The cost and expenses of effecting any registration of transfer, except for the expenses of delivery by any means other than regular mail (if any) and except, if the Issuer shall so require, the payment of a sum sufficient to cover any tax, duty or other governmental charge or insurance charges that may be imposed in relation thereto, will be borne by the person to whom the transfer has been made.
- (d) Any person to whom the transfer has been made shall, upon such evidence being produced as may from time to time properly be required by the Nominee and Placement Agent, request in writing the transfer of such Participation Note from a registered Participation Noteholder and may elect either to be registered himself as Participation Noteholder or to have some person nominated by him registered as Participation Noteholder.
- (e) The Nominee and Placement Agent will not register the transfer of Participation Notes for a period of fifteen (15) days preceding the due date for any payment of interest on the Participation Notes.

12 MEETINGS OF PARTICIPATION NOTEHOLDERS

- (a) The provisions of the Prospectus and of the Fiduciary Agreement may be amended with the approval of Registered Investors at a meeting called for that purpose by the Nominee and Placement Agent in accordance with the terms hereunder.
- (b) In the event that the Issuer wishes to amend any of the provisions set out in the Prospectus or of the Fiduciary Agreement, it shall call upon the Nominee and Placement Agent, in writing, seeking its consent to such amendment or amendments. The Nominee and Placement Agent, prior to granting or refusing such consent, shall call a meeting of Participation Noteholders registered in the Register of Investors as at that date, by giving such Participation Noteholders not less than fourteen (14) days' notice in writing, setting out in the notice the time, place and date set for the meeting and the matters to be discussed thereat, including sufficient information on any amendment of the Prospectus or the Fiduciary Agreement that is proposed to be voted upon at the meeting and seeking the approval of the Participation Noteholders registered as aforesaid. Following a meeting of Participation Noteholders held in accordance with the provisions contained hereunder, the Nominee and Placement Agent shall, acting in accordance with the resolution(s) taken at the meeting, communicate to the Issuer whether its consent to a request of the Issuer is granted or withheld. Subject to having obtained the necessary approval by the said Participation Noteholders in accordance with the terms set out hereunder at a meeting called for that purpose as aforesaid, any such proposed amendment or amendments to the provisions set out in the Prospectus or Fiduciary Agreement shall subsequently be given effect to by the Issuer in consultation with the Nominee and Placement Agent.
- (c) For all intents and purposes it is hereby set out that any meeting of Participation Noteholders, including but not limited to meetings held for the purposes set out in paragraphs (a) and (b) above, shall be held in accordance with the provisions of the Fiduciary Agreement and the procedure set out below.
- (d) A meeting of Participation Noteholders shall be called by giving Participation Noteholders not less than fourteen (14) days' notice in writing, setting out in the notice the time, place and date set for the meeting and the matters to be discussed thereat.
- (e) A meeting of Participation Noteholders shall only validly and properly proceed to business if there is a quorum present at the commencement of the meeting. For this purpose at least two (2) Participation Noteholders present, in person or by proxy, representing not less than fifty per cent (50%) in nominal value of the Participation Notes then outstanding, shall constitute a quorum. If a quorum is not present within thirty (30) minutes from the time scheduled for the commencement of the meeting as indicated on the notice convening same, the meeting shall stand adjourned to a place, date and time as shall be communicated by the Directors to the Participation Noteholders present at that meeting. An adjourned meeting shall be held not earlier than five (5) days, and not later than fifteen (15) days, following the original meeting. At an adjourned meeting the number of Participation Noteholders present, in person or by proxy, shall constitute a quorum; and only the matters specified in the notice calling the original meeting shall be placed on the agenda of, and shall be discussed at, the adjourned meeting.
- (f) Once a quorum is declared present by the Chairman of the meeting (who shall be the person who in accordance with the memorandum and articles of association of the Issuer would chair a general meeting of members of the Issuer), the meeting may then proceed to business and address the matters set out in the notice convening the meeting. In the event of decisions being required at the meeting, the directors or their representative shall present to the Participation Noteholders the reasons why it is deemed necessary or desirable and appropriate that a particular decision is taken, including but not limited to why the Terms and Conditions of Issue of the Participation Notes ought to be amended as proposed by the Issuer. The meeting shall allow reasonable and adequate time to Participation Noteholders to present their views to the Issuer and the other Participation Noteholders present at the meeting. The meeting shall then put the matter as proposed by the Issuer to a vote of the Participation Noteholders present at the time at which the vote is being taken, and any Participation Noteholders taken into account for the purpose of constituting a quorum who are no longer present for the taking of the vote shall not be taken into account for the purpose of such vote.
- (g) The voting process shall be managed by the Company Secretary under the supervision and scrutiny of the Auditors of the Issuer.
- (h) The proposal placed before a meeting of Participation Noteholders shall only be considered approved if at least seventy-five percent (75%) in nominal value of the Participation Noteholders present at the meeting at the time at which the vote is being taken, in person or by proxy, shall have voted in favour of the proposal.
- (i) Save for the above, the rules generally applicable to the Issuer during general meetings of shareholders of the Issuer shall apply mutatis mutandis to meetings of Participation Noteholders.

13. Participation Notes held jointly

In respect of a Participation Note held jointly by several persons (including but not limited to husband and wife), the joint Participation Noteholders shall nominate one of their number as their representative and his/her name will be entered in the register with such designation. Such person shall, for all intents and purposes, be deemed to be the registered holder of the Participation Note so held. In the absence of such nomination and until such nomination is made, the person first named on the register in respect of such Participation Note shall, for all intents and purposes, be deemed to be the registered holder of the Participation Note so held. The Nominee and Placement Agent shall not be bound to register more than three (3) persons as the joint Registered Investors.

14. Participation Notes held Subject to Usufruct

In the respect of a Participation Note held subject to usufruct, the name of the bare owner and the usufructuary shall be entered in the register. The usufructuary shall for all intents and purposes be deemed, vis-a-vis the Nominee and Placement Agent, to be the holder of the Participation Note so held and shall have the right to receive interest on the Participation Note, but shall not, during the continuance of the Participation Note, have the right to dispose of the Participation Note so held without the consent of the bare owner.

15 GOVERNING LAW AND JURISDICTION

- (a) The Participation Notes and all contractual arrangements arising therefrom are governed by and shall be construed in accordance with Maltese law.
- (b) Any legal action, suit, action or proceeding against the Issuer arising out of or in connection with a Participation Note shall be brought exclusively before the Maltese Courts and the Participation Noteholders shall be deemed to acknowledge that they are submitting to the exclusive jurisdiction of the Maltese Courts as aforesaid.

16 NOTICES

Notices will be mailed to Participation Noteholders at their registered addresses and shall be deemed to have been served at the expiration of twenty-four (24) hours after the letter containing the notice is posted, and in proving such service it shall be sufficient to prove that a prepaid letter containing such notice was properly addressed to such Participation Noteholder at his/her registered address and posted.