



COMPANY ANNOUNCEMENT
THE ONA P.L.C.

Reference:

ONA02

Announcement date:

31st August 2022

The following is a Company Announcement being made by The Ona p.l.c. (the "Company") in compliance with the Capital Markets Rules, issued by the Listing Authority:

QUOTE

The Board of Directors of the Company met on Wednesday 31st August 2022 and approved the unaudited condensed interim consolidated financial statements for the period ended 30 June 2022. A copy of the financial statements is attached to this announcement.

The unaudited condensed interim financial statements are also available for download on the Company's website: <https://theonagroup.mt/investor-relations>.

UNQUOTE

A handwritten signature in black ink, appearing to read "Justin Cutajar".

Justin Cutajar
Company Secretary

The Ona p.l.c.
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THE ONA p.l.c.

CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

30th June 2022

CONTENTS	PAGE
Directors' Report	1 - 5
Income Statement & Statement of Comprehensive Income	6
Statement of Financial Position	7 - 8
Statement of Changes in Equity	9
Statement of Cash Flows	10
Notes to the Financial Statements	11 - 14

DIRECTORS' REPORT

FOR THE PERIOD ENDED 30th JUNE 2022

Interim Directors' report pursuant to Listing Rules 5.75.2

This interim report is published in terms of the Malta Financial Services Capital Markets Rules Chapter 5 and the Prevention of Financial Markets Abuse Act 2005. The underlying accounting policies are the same as those adopted by The Ona p.l.c. (the 'Company') in its published annual report. The interim financial information included in this report has been extracted from the Company's unaudited accounts for the period ended 30th June 2022, as approved by the Board of Directors on the 31st August 2022 and are prepared in accordance with IAS 34 'Interim Financial Reporting'.

Principal Activities

The principal activity of the Company was set up to raise financial resources to primarily finance the development of a four-star hotel in Swieqi, in the limits of St. Julian's, and to finance the property development projects of one of the companies forming part of the group.

Review of business

The hotel project

The hotel site was acquired by The Ona Real Estate Ltd. on 30th June 2022 and works are ongoing according to plans. The hotel, which will form part of the "AC Hotels by Marriott" chain of hotels is set to open its doors and commence operations in Quarter 2 of 2023.

The residential projects

Waterbank - M' Scala

The Marsascala project development consists of 16 residential units and as at 30 June 2022 all works have been completed.

As at 30 June 2022, out of 16 residential units, 9 units have been sold (contracted) and the remaining 7 units were subject to a preliminary agreement.

This means that all the residential units were committed, out of which 56% have been contracted.

DIRECTORS' REPORT - continued

Eden Grove - Qawra

The Qawra project development consists of 15 residential units and as at 30th June 2022 all works have been completed.

As at 30th June 2022, out of 15 residential units, 8 units have been sold (contracted) and the remaining 7 units were subject to a preliminary agreement.

This means that all the residential units were committed, out of which 53% have been contracted.

The Birkirkara project

The Birkirkara site was acquired on 29th July 2022 and works will commence in Quarter 3 of this year.

The Birkirkara development consists of 19 residential units and the expected date of completion is Quarter 1 of 2024.

The Mellieha project

The Mellieha site will be acquired in Quarter 4 of this year and works are scheduled to commence in the same quarter.

The project consists of two semi-detached terraced houses and the expected date of completion is Quarter 4 of 2023.

Bonds in issue

Pursuant to a prospectus published on the 31st May 2022, The Ona p.l.c. issued €16,000,000 4.5% Secured Bonds 2028 - 2034, having a nominal value of €100 per Bond and issued at par. The Bonds were admitted to listing on the Official List of the Malta Stock Exchange on 28th June 2022 and trading commenced on 30th June 2022.

DIRECTORS' REPORT - continued

Principal risks and uncertainties

Although the development works of the hotel is progressing as planned, the company is still subject to several financial risk factors including the market, economic, counter-party, credit and liquidity risks amongst others that may affect the project and its timely completion. Additionally, the directors are monitoring closely inflationary risks resulting from the conflict in Ukraine and the aftermath of the COVID pandemic. The directors are confident that the company has robust measures in place to mitigate the likely possible effects of inflationary pressures. Where possible, the board provides principles for the overall risk management as well as policies to mitigate these risks in the most prudent way.

Results and dividends

The results for the period ended 30th June 2022 are shown in the Statement of Comprehensive Income on page 6. The Group registered a Profit for the period after tax amounting to €365,567, while the Company registered a Loss of €4,522.

DIRECTORS' REPORT - continued

Statement of Directors' responsibilities

The directors are required by the Companies Act (Chap. 386) to prepare financial statements in accordance with International Financial Reporting Standards as adopted by the EU which give a true and fair view of the state of affairs of the company at the end of each financial period and of the profit or loss of the company for the period then ended. In preparing the financial statements, the directors should:

- Ensure that the financial statements have been drawn up in accordance with International Financial Reporting Standards as adopted by the European Union;
- adopt the going concern basis unless it is inappropriate to presume that the company will continue in business;
- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- account for income and charges relating to the accounting period on the accruals basis; and
- report comparative figures corresponding to those of the preceding accounting period

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

DIRECTORS' REPORT - continued

Directors' Statement pursuant to Listing Rule 5.75.3

The directors confirm that to the best of their knowledge:

The condensed interim financial statements, which have been prepared in accordance with IAS 34 Interim Financial Reporting give a true and fair value of the financial position of the company as at 30th June 2022, and its financial performance and cash flows for the period then ended.

The Interim Directors' report includes a fair review of the information required in terms of Capital Markets Rule 5.81.

On behalf of the Board of Directors:



George Muscat
Director



Cliona Muscat
Director

GAP Holdings Head Office,
Censu Scerri Street,
Tigne, Sliema, SLM 3060
Malta

Date: 31st August 2022

INCOME STATEMENT

FOR THE PERIOD ENDED 30th JUNE 2022

	Group	Company
	Jan - June	Jan - June
	€	€
Turnover	1,851,250	-
Cost of sales	<u>(1,326,910)</u>	<u>-</u>
Gross profit	524,340	-
Administrative expenses	<u>(82,584)</u>	<u>(4,522)</u>
Operating profit / (loss)	441,756	(4,522)
Rental income	27,355	-
Finance costs	<u>(5,132)</u>	<u>-</u>
Profit / (loss) before taxation	463,978	(4,522)
Tax expense	<u>(98,411)</u>	<u>-</u>
Profit / (loss) for the period	<u>365,567</u>	<u>(4,522)</u>
Total Comprehensive income	<u>365,567</u>	<u>(4,522)</u>
Earnings per share	<u>0.05</u>	<u>-</u>

STATEMENT OF FINANCIAL POSITION - 30th JUNE 2022

	Group	Company
	30th June	30th June
	€	€
ASSETS		
Non-current assets		
Property, plant and equipment	12,075,077	-
Investment property	2,700,000	-
Investment in subsidiaries	-	3,689,333
Loans and other receivables	-	14,761,316
	14,775,077	18,450,649
Current assets		
Inventory - Development project	2,837,834	-
Trade and other receivables	2,722,098	568,717
Cash and bank balances	6,166,627	4,252,327
	11,726,559	4,821,044
Total Assets	26,501,636	23,271,693

STATEMENT OF FINANCIAL POSITION - 30th JUNE 2022 - continued

	Group 30th June €	Company 30th June €
EQUITY AND LIABILITIES		
Capital and reserves		
Share Capital	7,271,693	7,271,693
Other equity	370,088	-
Retained earnings / Accumulated losses	365,567	(4,522)
Total equity	8,007,348	7,267,171
Non-current liabilities		
Bank loans	390,000	-
Deferred tax	216,000	-
Debt securities in issue	16,000,000	16,000,000
Total non-current liabilities	16,606,000	16,000,000
Current liabilities		
Bank loans	70,000	-
Trade and other payables	1,758,860	2,250
Other financial liabilities	-	2,272
Taxation due	59,428	-
Total current liabilities	1,888,288	4,522
Total liabilities	18,494,288	16,004,522
Total equity and liabilities	26,501,636	23,271,693

The financial information on pages 6 to 10 were approved by the board of directors and were signed on its behalf by:


George Muscat
 Director


Cliona Muscat
 Director

Date: 31st August 2022

STATEMENT OF CHANGES IN EQUITY

FOR THE PERIOD ENDED 30th JUNE 2022

	Share Capital €	Other Equity €	Profit and Loss Account €	Total €
Group				
Balance at 1st January 2022	-	-	-	-
Allotment of shares	7,271,693	-	-	7,271,693
Pre-acquisition reserves	-	370,088	-	370,088
Comprehensive income				
Profit for the period	-	-	365,567	365,567
Balance at 30th June 2022	7,271,693	370,088	365,567	8,007,348
Company				
Balance at 1st January 2022	-	-	-	-
Allotment of shares	7,271,693	-	-	7,271,693
Comprehensive income				
Loss for the period	-	-	(4,522)	(4,522)
Balance at 30th June 2022	7,271,693	-	(4,522)	7,267,171

STATEMENT OF CASH FLOWS

FOR THE PERIOD ENDED 30th JUNE 2022

	Group	Company
	Jan - June	Jan - June
	€	€
Cash flows from operating activities		
Net profit / (loss) before taxation	463,978	(4,522)
Adjustments for:		
Interest expenses	5,132	-
Movement in deferred tax	216,000	-
Movement in other equity	370,088	-
Other income	(27,355)	-
Operating profit / (loss) before working capital changes	1,027,844	(4,522)
Trade and other receivables	(2,262,098)	(568,717)
Inventory - Development projects	2,188,807	-
Trade and other payables	1,303,912	2,250
Cash generated from / (used in) operations	2,258,465	(570,989)
Interest payable	(5,132)	-
Income tax paid	(38,984)	-
Other income	27,355	-
<i>Net cash from / (used in) operating activities</i>	<i>(16,761)</i>	<i>-</i>
Cash flows from investing activities		
Purchase of fixed assets	(12,075,077)	-
<i>Net cash from / (used in) investing activities</i>	<i>(12,075,077)</i>	<i>-</i>
Cash flows from financing activities		
Bank loans (net)	-	-
Related parties	-	(11,176,684)
Bonds and debentures	16,000,000	16,000,000
<i>Net cash from / (used in) financing activities</i>	<i>16,000,000</i>	<i>4,823,316</i>
Movement in cash and cash equivalents	6,166,627	4,252,327
Cash and cash equivalents at beginning of the year	-	-
Cash and cash equivalents at end of the year	6,166,627	4,252,327

NOTED TO THE FINANCIAL STATEMENTS - 30th JUNE 2022

1 General information

The Ona p.l.c. (the "Company") is a limited liability company and is incorporated in Malta, with its registered address at Gap Holdings Head Office, Censu Scerri Street, Tigne, Sliema, SLM 3060, Malta.

The Company was incorporated on 20th January 2022 and it acquired the entire share capital of The Ona Real Estate Ltd., The Ona Property Development Ltd., and The Ona Hospitality Ltd. on 28th April 2022.

2 Summary of significant accounting policies

2.1 Basis of preparation

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union (EU) with the requirements of the Maltese Companies Act, 1995. The financial statements are prepared under the historical cost convention, except as disclosed in the accounting policies below.

The preparation of financial statements in conformity with IFRSs requires the use of certain accounting estimates. It also requires directors to exercise their judgements in the process of applying the company's accounting policies. Estimates and judgements are continually evaluated and based on historical experience and other factors including expectations of future events that are believed to be reasonable under the circumstances.

In the opinion of the directors, the accounting estimates and judgements made in the course of preparing these financial statements are not difficult, subjective or complex to a degree which would warrant their description as critical in terms of the requirements of IAS 1.

NOTED TO THE FINANCIAL STATEMENTS - 30th JUNE 2022

2 Summary of significant accounting policies - continued

2.2 Consolidation

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

In the Company's financial statements investments in subsidiaries are accounted for on the basis of the direct equity interest and are stated at cost less any accumulated impairment losses. Dividends from investments are recognised in the profit or loss.

The Group accounts for business combinations using the acquisition method when control is transferred to the Group. The consideration transferred in the acquisition is measured at fair value as are the identifiable net assets acquired.

2.3 Inventory - Development project

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

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

- (i) The cost incurred on development works, including demolition, site clearance, excavation, construction, etc., together with the costs of ancillary activities such as site security.
- (ii) The cost of various design and other studies conducted in connection with the project, together with all other expenses incurred in connection therewith.
- (iii) Any borrowing costs, including imputed interest, attributable to the development phases of the project.

NOTED TO THE FINANCIAL STATEMENTS - 30th JUNE 2022

2 Summary of significant accounting policies - continued

2.3 Inventory - Development project - continued

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

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

As stated in note 2.2 the Group accounts for business combinations using the acquisition method. Accordingly, at group level, the identifiable net assets acquired, including inventory held by the newly acquired subsidiary, are measured at fair value as at date of acquisition of subsidiary. Therefore, at consolidated group level, inventory cost represents the fair value of inventory held by the acquired subsidiary as at date of acquisition of subsidiary, together with additional development and borrowing costs incurred following date of acquisition.

3 Borrowings

In May 2022, the Company issued a Prospectus for the issue of a €16,000,000 million 4.5% secured bond at par which was fully subscribed. The bond is redeemable at par at any date falling between 21st June 2028 and 20th June 2034 at the sole discretion of the Issuer.

- The bond is secured for the full nominal value of the Secured Bonds and interests thereon as follows:

- First-ranking general hypothec over all the present and future assets of the Issuer.;
- First-ranking general hypothec over all the present and future assets of the The Ona Real Estate Ltd and The Ona Hospitality Ltd.;
- First-ranking special hypothec over the Hotel site in Swieqi, limits of St. Julian's (and any developments and constructions thereon); and
- First-ranking special privilege for the amount of €6 million over the Hotel site in Swieqi, limits of St. Julian's.

NOTED TO THE FINANCIAL STATEMENTS - 30th JUNE 2022

4 Transactions with related parties

All companies forming part of The Ona p.l.c. are considered by the directors to be part of the group of Companies. Companies having the same shareholders and directors are considered by the directors to be related parties.

During the course of the period ended 30th June 2022, the Company did not enter into transactions with related undertakings other than the financing of the purchase of the hotel site as explained in the "Review of business" on Page 1.