ORION
Orion Finance plc
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Company Registration No. C80722 VAT Registration No. MT

Company Announcement

The following is a company announcement issued by Orion Finance plc ("Orion" of the "Company") pursuant to Rule 4.11.13 of the Prospects Rules.

The Board of Directors of the Company, on the 19th of April 2023, considered and approved the Company's audited consolidated financial statements for the financial year ended 31 December 2022. Furthermore, the Company has been informed by the Board of Directors of Orion Retail Investments Limited (C 80707) (the "Guarantor") that the Board of Directors of the Guarantor, on the 19th of April 2023, considered and approved the audited financial statements of the Guarantor for the financial year ended 31 December 2022. The said financial statements are available for viewing on the Company's website through the following link: https://www.orion.com.mt/financial-reports

The Board of Directors note a positive variance of €68k between 2022 projections that were published via company announcement ORN39 on 7 April 2022, and actual results registered for the financial year ending 31 December 2022. The projections had a profit before tax of €597k for the year ended 31 December 2022, whilst the Orion Group (the Company and the Guarantor) generated a profit before tax of €665k during these twelve months. €66k of the positive variance arose from finance income generated by the Guarantor from fellow subsidiaries, following advancement of loans to fellow subsidiaries during the year, which income was not included in the projections.

Christos Barmperis
Company Secretary
19 April 2023

ORION FINANCE P.L.C.

Annual Report
and
Financial Statements
31 December 2022

Company Registration Number C 80722

CONTENTS

The directors present the annual report together with the audited financial statements of the Company for the year ended 31 December 2022.

Principal Activities

The Company's principal activity is to carry on the business of a finance company, principally by advancing capital raised to its parent company, when and as required.

Performance Review

The Company is a finance company and generates its revenue in line with the loan agreement entered into with its parent on 19 June 2017.

During the current year, the Company generated finance income amounting to €326,250 (2021: €345,000) from loan advanced to parent company. Interest expense on bonds amounted to €212,444 (2021: €224,128). The Company's profit before taxation amounted to €24,981 (2021: €32,455). After accounting for taxation, the profit for the year amounted to €13,493 (2021: €18,225).

Position Review

The Company's asset base amounted to €4,754,572 as at 31 December 2022 (2021: €4,976,489).

Non-current assets relate to loan receivable from parent company amounting to €3,550,000 (2021: €4,050,000). Included in current loans receivable from parent company is current portion of loan to be repaid within the next twelve months amounting to €500,000 (2021: €300,000).

The Company's main liabilities are made up of €4,450,000 4.75% Unsecured Bonds 2027 (2021: €4,700,000 4.75% Unsecured Bonds 2027). As set out in the Company Admission Document, the Company set up a sinking fund to be administered independently to cover 100% of the value of the issued bonds until redemption date. The required contributions to the sinking fund as at 31 December 2022 amounted to €850,000. As at 31 December 2022, €550,000 of the sinking fund were utilised to buy back the Company's bonds in accordance with the Company's Treasury Management Policy. As at year end, the sinking fund amounted to €300,000.

Dividends and Reserves

The retained earnings of the Company at the end of the year amounted to €135,456 (2021: €121,963). The directors do not recommend the distribution of a dividend and propose to transfer the profit for the year to reserves.

Financial Risk Management

The Company's activities expose it to a variety of financial risks, including credit risk and liquidity risk. These are further analysed in Note 21 to these financial statements.

Events Subsequent to the Statement of Financial Position Date

The directors assessed subsequent events from 1 January 2023 through 19 April 2023, the date these financial statements were approved. Through such assessment, the directors have determined that there were no particular important events affecting the Company which occurred subsequent to the statement of financial position date.

Future Developments

The directors intend to continue to operate in line with the current business plan.

Directors

Mr. Joseph Camilleri (Executive and Chairman) (appointed on 16 May 2022 and resigned on 18 April 2023)
Mr. Anthony Camilleri (Executive and Chairman) (resigned on 16 May 2022 and reappointed on 18 April 2023)
Mr. John Soler (Non-Executive)
Dr. Michael Borg Costanzi (Non-Executive)

The Board meets on a regular basis to discuss performance, position and other matters. The Company's Articles of Association require all directors, except a managing director, to retire from office at least once in each three years, but shall be eligible for re-election.

Statement of Directors' Responsibilities

The Maltese Companies Act, (Cap 386) requires the directors to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the Company at the end of the financial period and of the profit or loss of the Company for that period.

In preparing the financial statements, the directors are required to: -

- ensure that the financial statements have been drawn up in accordance with International Financial Reporting Standards as adopted by the EU;
- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable in the circumstances;
- adopt the going concern basis, unless it is inappropriate to presume that the company will continue in business as a going concern.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy, at any time, the financial position of the Company and to enable the directors to ensure that the financial statements have been properly prepared in accordance with the Maltese Companies Act, (Cap 386). 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.

Auditors

The auditors, Horwath Malta, have expressed their willingness to remain in office and a resolution proposing their reappointment will be put before the members at the annual general meeting.

Additional disclosures

Going Concern

After making enquiries and taking into consideration future plans as explained in Note 2, the directors have a reasonable expectation that the Company has adequate resources to continue in operating existence for the foreseeable future. For this reason, the directors continue to adopt the going concern basis in preparing financial statements.

Additional disclosures (continued)

Principal risks and uncertainties associated with the Company

The Company's main objective is that of a finance company. Given that the Company does not carry out any trading activities, it is economically dependent on the business prospects of Orion Retail Investments Limited ('the parent'). As a matter of fact, the Company is dependent on the receipt of income from its parent in relation to Bond proceeds which it has advanced in the form of a loan. The parent, which holds property management rights, rents out properties to companies within the Camilleri Group, from which it receives income streams which enable it to repay the loan due to the Company. Taking into consideration the latter, the parent and the Company ('together referred to as Orion Group') is materially dependent on the ability of Camilleri Group honouring the respective lease contracts. Following this, any material changes in the business strategy and performance of the companies within the Camilleri Group would directly effect the performance and position of Orion Group.

In this respect, the parent, intends to continue to manage the properties in order to ensure optimal utilisation thereof and achieve positive and sustainable financial results. The directors monitor closely the impact of events and the ability of the parent to honour its financial commitments. To this regard, the directors are of the view that the amount receivable from the parent by the Company is recoverable.

A detailed review of the risk management policies adopted by the Company is included in Note 21 to these financial statements.

Share Capital Structure

The Company's authorised and issued share capital is €50,000 divided into 50,000 Ordinary Shares of €1 each.

The share capital consists of 49,999 Ordinary 'A' Shares and 1 Ordinary Share 'B'. Ordinary 'A' grant one voting right for every share held and are participating shares entitled to receive dividend distribution. Ordinary 'B' shares have no voting rights except for the purpose of participating in the appointment or election of directors. Ordinary 'B' shares are not entitled to receive any dividend distributions.

Holdings in excess of 5% of Share Capital

On the basis of information available to the Company, as at 31 December 2022, Orion Retail Investments Limited held 49,999 shares in the Company which is equivalent to 99.999% of its total issued share capital.

There are no arrangements in place as at 31 December 2022, the operation of which may at a subsequent date result in a change in control of the Company.

Appointment and removal of directors

Appointment of directors shall be made at the Annual General Meeting of the Company.

In terms of the Articles of Association, a director shall hold office, unless appointed for a longer or shorter period, or unless they resign or are removed, for a period of one year. Retiring directors are eligible for re-election.

Additional disclosures (continued)

Powers of the Directors

The management and administration of the Company is vested in the Board of Directors. The powers of Board members are contained in Articles 65, 66, 67 and 68 of the Company's Articles of Association. There are no provisions in the Company's Memorandum and Articles of Association regulating the retirement or non-retirement of directors over an age limit.

Directors' Interests

As at 31 December 2022, the Executive director and the non-Executive directors have no beneficial interest in the share capital of the Company.

Contracts with Board Members and Employees

The Company does not have service contracts with any of its Board Members. All directors may be removed from their posts of director by ordinary resolution of the shareholders in a general meeting.

Material Contracts

The Company entered into a loan agreement with its parent Orion Retail Investments Limited for the transfer of funds received from the Bond issue. Details of such contract is set out in Note 11 to the financial statements.

Statement by the Directors on the Financial Statements and Other Information included in the Annual Report

Pursuant to Prospects MTF Rules the directors declare that to the best of their knowledge:

- the financial statements give a true and fair view of the financial position and financial performance of the Company and have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union and with the Companies Act (Cap. 386); and

- this report includes a fair review of the development and performance of the business and position of the Company, together with a description of the principal risks and uncertainties that it faces.

Approved by the Board of Directors and signed on its behalf by:

Mr. Anthony Camilleri
Director

Mr. John Soler
Director

Registered Address:
14,
Manuel Borg Gauci Street,
Qormi QRM4000

19 April 2023

The Code adopted by the Company

Orion Finance p.l.c. (the 'Company') supports the Prospects MTF Rules in their entirety and the stipulations of the said rules in relation to dealing restrictions.

The Company also supports The Code of Principles of Good Corporate Governance annexed to the Listing Rules (the 'Code'). The Company is required by the Prospects MTF Rules to include, in the Annual Report, a Directors' Statement of Compliance which deals with the extent to which the Company has adopted the Code and the effective measures that the Company has taken to ensure compliance with the Code, accompanied by a report of the auditor.

Compliance with the Code

The Board of Directors (the 'Board') of the Company believes in the adoption of the Code and has endorsed it except where the size and/or particular circumstances of the Company are deemed by the Board not to warrant the implementation of specific recommendation. The Company has issued Bonds to the public and has no employees, accordingly some of the provisions are not applicable whilst others are applicable to a limited extent.

The Board

The Board sets the strategy and direction of the Company and retains direct responsibility for appraising and monitoring the Company's financial statements and annual report. The activities of the Board are exercised in a manner designed to ensure that it can effectively supervise the operations of the Company so as to protect the interests of Bondholders, amongst other stakeholders. The Board is also responsible for making relevant public announcements and for the Company's compliance with its continuing obligations in terms of the Prospects MTF Rules.

Chairperson and Chief Executive Officer

Due to the size structure of the Company and the nature of its operations, the Company does not employ a Chief Executive Officer (CEO). This function is undertaken by the Executive Director.

The day to day running of the business is vested with the Executive Director of the Company.

The Chairman is responsible to lead the Board and set its agenda.

Board Composition

As at 31 December 2022, the Board consists of one executive director and two non-executive independent directors as follows:

Mr. Joseph Camilleri – Executive Director and Chairman (appointed on 16 May 2022 and resigned on 18 April 2023)
Mr. Anthony Camilleri – Executive Director and Chairman (resigned on 16 May 2022 and reappointed on 18 April 2023)
Mr. John Soler – Independent, Non-Executive Director
Dr. Michael Borg Costanzi – Independent, Non-Executive Director

All directors shall hold office from the general meeting at which they are elected until the next annual general meeting. All retiring directors are eligible for re-election.

Internal Control

The Board is responsible for the internal control system of the Company and for reviewing its effectiveness. The internal control system is designed to achieve business objectives and to manage the risk of failure to achieve business objectives and can only provide reasonable assurance against material error, losses and fraud.

Systems and procedures are in place to control, monitor, report and assess risks and their financial implications. Management accounts, budgets and strategic plans are prepared on a regular basis and are presented to the Board to monitor the performance of the Company on an on-going basis.

Attendance at Board Meetings

Directors meet regularly to review the financial performance of the Company and the system of internal control processes. Board members are notified of meetings by the Company Secretary with the issue of an agenda, which is circulated in advance of the meeting. All directors are entitled to seek independent professional advise at any time on any aspect of their duties and responsibilities at the Company's expense.

The Board met formally five times during the year under review. All members of the Board attended the meetings held during the year under review.

Committees

The Board does not consider it necessary to appoint a committee to carry out performance evaluation of its role, as the Board's performance is always under the scrutiny of the shareholders of the Company.

The Board considers that the size and operation of the Company does not warrant the setting up of nomination and remuneration committees. Appointments to the Board are determined by the shareholders of the Company in accordance with the Memorandum and Articles of Association. The Company considers that the members of the Board possess level of skill, knowledge and experiences expected in terms of the Code.

Audit Committee

The terms of reference of the Audit Committee consists of supporting the Board in their responsibilities in dealing with issues of risks, control and governance and associated assurance.

The Board set formal rules of engagement and terms of reference of the Audit Committee that establish its composition, role and function, the parameter of its remit and the basis for the processes that it is required to comply with. The Audit Committee is a sub-committee of the respective board and is directly responsible and accountable to the respective board. The Board reserves the right to change the Committee's terms of reference from time to time.

The Audit Committee has the role to deal with and advise the Board on;

- the monitoring over the financial reporting processes, financial policies, internal control structures and audit of annual financial statements
- the monitoring of the performance of the entity borrowing funds from the Company
- maintaining communication on such matters between the board, management and independent auditors
- facilitating the independence of the external audit process and addressing issues arising from the audit process and;
- preserving the company's assets by understanding the Company's risk environment and determining how to deal with such risks.

Audit Committee (continued)

The Audit Committee also has the role and function of considering and evaluating the arm's length nature of proposed transactions to be entered into by the Company and a related party.

The Members of the Audit Committee

The Audit Committee is presently composed of:

Mr. John Soler (Chairman of the Audit Committee)
Mr. Joseph Camilleri (appointed on 16 May 2022 and resigned on 18 April 2023)
Mr. Anthony Camilleri (resigned on 16 May 2022 and reappointed on 18 April 2023)
Dr. Michael Borg Costanzi

Mr. John Soler and Dr. Micheal Borg Costanzi act as independent, non-executive members of the Committee. The Audit Committee is chaired by Mr. John Soler, whilst Mr. Joseph Camilleri, Mr. Anthony Camilleri and Dr. Michael Borg Costanzi act as members. Moreover, Mr. Joseph Camilleri also acted as member. In compliance with the Prospects MTF Rules, Mr. John Soler is the independent, non-executive director, who is competent in accounting and/or auditing matters. The Company believes that the members of the Audit Committee have the necessary experiences, independence and standing to hold office as members thereof.

As stipulated in the terms of reference of the Audit Committee, the Chairman shall have a casting vote in the case of deadlock.

The Directors believe that the current set-up is sufficient to enable to Company to fulfil the objective of the Prospects MTF Rules' terms of reference in this regard.

The Audit Committee met five times during the year under review.

Remuneration Statement

Pursuant to the Company's Articles of Association, the maximum aggregate emoluments that may be paid to directors are approved by the shareholder in a general meeting. Total remuneration of €45,000 was paid to directors during the year under review.

The remuneration of directors is a fixed amount per annum and does not include any variable component relating to profit sharing, share options or pension benefits.

None of the directors is employed or has a service contract with the Company.

Relations with bondholders and the market

The Company publishes annual financial statements as and when required company announcements. The Board feels these provide the market with adequate information about its activities.

Conflict of interests

The directors are aware of their responsibility to always act in the interest of the Company and its shareholders as a whole, irrespective of who appointed them to the Board. In accordance with the Company's Articles of Association, the directors shall be obliged to disclose their interest in a contract, arrangement or proposal with the Company in accordance with article 145 of the Act and a director shall not vote at a meeting of Directors in respect of any contract, arrangement or proposal in which he has a material interest, whether direct or indirect. Furthermore, the Audit Committee has the task to ensure that any potential conflicts of interest are resolved in the best interests of the Company.

During the financial year under review, no private interests or duties unrelated to the Company were disclosed by the directors which were or could have been likely to place any of them in conflict with any interests in, or duties towards, the Company. Mr. Anthony Camilleri has a direct beneficial interest in the share capital of the Company, and as such is susceptible to conflicts arising between the potentially diverging interests of the shareholders and the Company.

Lastly, the Company has also adopted a document entitled 'Code of Dealing for Directors & Selected Officers and Employees' addressed to all directors and selected officers of the Company. The aim behind this Code is to ensure compliance with the dealing rules applicable to such persons. The Company reminds all directors and senior officers of their obligation to conform to the Code of Dealing on a regular basis.

Corporate Social Responsibility

The directors are committed to high standards of ethical conduct and to contribute to the development of the well-being of the local community and society at large.

Signed on behalf of the Board of Directors on 19 April 2023 by:

Mr. John Soler
Director and Chairman of the Audit Committee

Mr. Anthony Camilleri
Director

Dr Michael Borg Costanzi
Director

Crowe

Horwath Malta
Member Crowe Global

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INDEPENDENT AUDITOR'S REPORT
To the Shareholders of Orion Finance p.l.c.

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Orion Finance p.l.c. (the Company), set out on pages 14 to 31, which comprise the statement of financial position as at 31 December 2022, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company, as at 31 December 2022 and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the EU (EU IFRSs) and have been properly prepared in accordance with the requirements of the Maltese Companies Act (Cap. 386).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in accordance with the Accountancy Profession (Code of Ethics for Warrant Holders) Directive issued in terms of the Accountancy Profession Act (Cap. 281) in Malta, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of financial statements for the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matters (continued)

Recoverability of group balances

Loan receivable include funds advanced to parent company, who is also the guarantor of the bonds issued by the Company. This loan amounted to €4,050,000 as at 31 December 2022, and carries an agreed rate of interest of 7.5% per annum.

The recoverability of this loan is assessed at the end of each financial year.

The loan is the principal asset of the Company and as such it is considered to be material.

How the scope of our audit responded to the risk

We have reviewed the loan agreement and agreed the terms to the loan balance included in these financial statements. We reviewed that repayments are being made in line with the agreement. We have also assessed the financial soundness of the parent company by making reference to its latest audited financial statements.

Findings

We concur with management's view that the intercompany loan is recoverable.

Other Information

The directors are responsible for the other information. The other information comprises the Directors' Report. Our opinion on the financial statements does not cover this information and we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

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

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

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

Responsibilities of the Directors and Those Charge with Governance for the Financial Statements

The directors are responsible for the preparation of the financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the EU and the requirements of the Maltese Companies Act (Cap. 386), and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

Auditor’s Responsibilities for the Audit of the Financial Statements (continued)

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

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor’s report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Report on the Statement of Compliance with the Principles of Good Corporate Governance

The Prospects MTF Rules issued by the Malta Stock Exchange require the directors to prepare and include in their Annual Report a Statement of Compliance providing an explanation of the extent to which they have adopted the Code of Principles of Good Corporate Governance and the effective measures that they have taken to ensure compliance throughout the accounting period with those Principles.

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Report on Other Legal and Regulatory Requirements (continued)

The Prospects MTF Rules also require the auditor to include a report on the Statement of Compliance prepared by the directors.

We read the Statement of Compliance and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements included in the Annual Report. Our responsibilities do not extend to considering whether this statement is consistent with any other information included in the Annual Report.

We are not required to, and we do not, consider whether the Board's statements on internal control included in the Statement of Compliance cover all risks and controls, or form an opinion on the effectiveness of the Company's corporate governance procedures or its risk and control procedures.

In our opinion, the Statement of Compliance set out on pages 5 to 8 has been properly prepared in accordance with the requirements of the Prospects MTF Rules issued by the Malta Stock Exchange.

Other matters on which we are required to report by exception

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

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

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

John Abela (Partner) for and on behalf of

Horwath Malta
Member Crowe Global

La Provvida
Karm Zerafa Street
Birkirkara BKR1713
Malta

19 April 2023

	Notes	2022 €	2021 €
Finance income	6	**326,250**	345,000
Finance costs	7	**(220,643)**	(232,327)
Net interest income		**105,607**	112,673
Other income	8	**8**	280
Administrative expenses		**(80,634)**	(80,498)
Profit before Income Tax	9	**24,981**	32,455
Income taxation	10	**(11,488)**	(14,230)
PROFIT FOR THE YEAR		**13,493**	18,225
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**13,493**	18,225
Earnings per share (cents)	20	**27c**	36c

	Notes	2022 €	As restated 2021 €
ASSETS			
Non-Current Assets			
Loan receivable	11	3,550,000	4,050,000
Sinking fund	15	300,000	250,000
		3,850,000	4,300,000
Current Assets			
Loan receivable	11	500,000	300,000
Other receivables	12	7,668	7,668
Cash and cash equivalents		396,904	368,821
		904,572	676,489
Total Assets		4,754,572	4,976,489
EQUITY AND LIABILITIES			
Capital and Reserves			
Called up issued share capital	13	50,000	50,000
Retained earnings	14	135,456	121,963
		185,456	171,963
Non-Current Liabilities			
Borrowings	15	4,413,104	4,654,905
Current Liabilities			
Trade and other payables	16	143,214	148,311
Current tax liability		12,798	1,310
		156,012	149,621
Total Equity and Liabilities		4,754,572	4,976,489

The financial statements on pages 14 to 31 were approved by the Board of Directors on 19 April 2023 and were signed on its behalf by:

Mr. Anthony Camilleri
Director

Mr. John Soler
Director

	Share Capital	Retained Earnings	Total
	€	€	€
At 1 January 2021	50,000	103,738	153,738
Profit for the year	-	18,225	18,225
Total comprehensive income for the year	-	18,225	18,225
Balance at 31 December 2021	**50,000**	**121,963**	**171,963**
At 1 January 2022	50,000	121,963	171,963
Profit for the year	-	13,493	13,493
Total comprehensive income for the year	-	13,493	13,493
Balance at 31 December 2022	**50,000**	**135,456**	**185,456**

	Note	2022 €	2021 €
Operating Activities			
Profit for the year before taxation		24,981	32,455
Adjustment for:			
Amortisation of bond issue costs		8,199	8,199
Finance income		(326,250)	(345,000)
Finance costs		212,444	224,128
		(80,626)	(80,218)
Working capital changes:			
Movement in other receivables		-	(3,540)
Movement in trade and other payables		352	3,499
Cash used in operations		(80,274)	(80,259)
Interest received		326,250	345,000
Interest paid		(217,893)	(229,039)
Net Cash generated from Operating Activities		28,083	35,702
Financing Activities			
Repayments to fellow subsidiary		-	(18,419)
Net repayments from parent company		300,000	250,000
Redemption of bonds		(250,000)	(200,000)
Movement in sinking fund		(50,000)	(50,000)
Net Cash used in Financing Activities		-	(18,419)
Movement in Cash and Cash Equivalents		28,083	17,283
Cash and cash equivalents at beginning of year		368,821	351,538
Cash and Cash Equivalents at End of Year	17	396,904	368,821

1. General Information

Orion Finance p.l.c. (the "Company") is a limited liability company domiciled and incorporated in Malta.

2. Basis of Preparation

Statement of compliance

The financial statements have been prepared in accordance with the provisions of the Maltese Companies Act, (Cap 386) enacted in Malta, which require adherence to International Financial Reporting Standards as adopted by the EU (EU IFRSs).

Basis of measurement

The financial statements are prepared on the historical cost basis.

Going concern

The Company's principal activity is to act as a finance company. The Company in itself does not have substantial assets and is a special purpose vehicle set up to raise finance for the business of Orion Group. The parent company, Orion Retail Investments Limited was set up as a property management company, which is expected to receive annual streams of income from the long-term lease agreements entered into with companies in the Camilleri Group. Based on such reasons, Orion Group's business prospects are highly dependent on the ability of the companies within the Camilleri Group to meet their obligations in a timely manner.

In preparing these financial statements, the directors of the Company assessed the implications of the initial COVID shocks and the ongoing conflicts between Ukraine and Russia on the performance of the Company, its parent (Orion Retail Investments Limited) and the Camilleri Group. Such assessment was performed through (i) the anticipated revenue streams which are expected to be generated over the years from lease agreements entered into on an arm's length basis with the companies in the Camilleri Group and its parent, which act as a guarantor to the Company (ii) the actual revenue received since the pandemic commenced in March 2020 and during the ongoing conflicts between Ukraine and Russia. Although the repercussions of such conflicts did impact the operations of the Camilleri Group, the directors note that the Camilleri Group did not default on its commitments at any point in time. Therefore, the directors believe that it remains appropriate to prepare these financial statements on a going concern basis.

Functional and presentation currency

The financial statements are presented in Euro, which is the Company's functional currency.

2. Basis of Preparation (continued)

Use of estimates and judgements

The preparation of financial statements in conformity with EU IFRSs, requires the use of certain accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies (refer to Note 5 – Critical accounting estimates and judgements).

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

3. Changes in Accounting Policies and Disclosures

There were no new standards, amendments and interpretations to existing standards that have been published and are mandatory for the accounting periods beginning 1 January 2022 or later periods, that have an effect on the Company's financial statements.

4. Significant Accounting Policies

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

Finance income and finance costs

Finance income and finance costs are recognised in profit or loss for all interest-bearing instruments on a time-proportionate basis using the effective interest method. Finance costs include the effect of amortising any difference between net proceeds and redemption value in respect of the Company's borrowings. Finance income and costs are recognised as they accrue, unless collectability is in doubt.

Income taxation

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in the statement of comprehensive income except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the period, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

4. Significant Accounting Policies (continued)

Income taxation (continued)

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Earnings per share

The Company presents basic earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period.

Financial instruments

Recognition and measurement

Financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provision of the instrument.

A financial asset (unless it is a trade receivable without a significant component) or financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant component is measured at transaction price.

Classification and subsequent measurement

i. *Financial assets*

On initial recognition, a financial asset is classified as measured at: amortised cost, fair value through other comprehensive income (FVOCI) (debt investment) , FVOCI (equity instrument) or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if is meets both the following conditions and is not designated as FVTPL:

- it is held within a business model whose objective is achieved both by collecting contractual cash flows and;
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

4. Significant Accounting Policies (continued)

Financial instruments (continued)

Classification and subsequent measurement (continued)

A financial asset is measured at FVOCI if it meets both the following conditions and is not designated at FVTPL:

- it is held within a business model whose objective is achieved by collecting contractual cash flows and selling financial assets and;
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment by investment basis.

All financial assets not classified as measured at amortised cost or FVOCI are measured at FVTPL. On initial recognition the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL, if doing so eliminates or significantly reduce an accounting mismatch that would otherwise arise.

Business model assessment

The Company makes an assessment of the objective of the business model in which a financial asset is held because this best reflects the way the business is managed, and information is provided to management. The information considered includes;

- history of the Company's bad debts
- liquidity position of inter-companies

Assessment whether contractual cashflows are SPPI

For the purpose of this assessment, 'principle' is defined as the fair value of the financial assets on initial recognition. 'Interest' is defined as consideration for the time value of money and for credit risk associated with the principal amount outstanding during a particular period of time.

In assessing whether the contractual cash flows are SPPI, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition.

Subsequent measurement and gains and losses

Financial assets at amortised cost are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised through profit and loss. Any gain or loss on derecognition is recognised in profit or loss.

4. Significant Accounting Policies (continued)

Financial instruments (continued)

Classification and subsequent measurement (continued)

ii. Financial liabilities

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expenses, are recognised in profit or loss.

Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

Derecognition

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfer the right to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company currently has legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

Impairment

The Company assesses on a forward-looking basis, the expected credit losses associated with its debt instruments carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

4. Significant Accounting Policies (continued)

Impairment (continued)

For trade receivables the Company applies the simplified approach to measuring expected credit losses as permitted by IFRS9, which requires expected lifetime losses to be recognised from initial recognition. In measuring the expected credit losses on trade receivables, the expected loss rate, the payment profile of sales over a period of time before reporting date and the historical credit losses experience within this period are considered. The historical loss rates are adjusted to reflect current and forward-looking information to trade receivables and the environment in which they operate.

For related party balances, the Company assesses the credit quality of the related companies by taking into account the financial position, performance and other factors. In measuring expected credit losses on these balances, management takes into account, when available, the agreements in place and adherence to the applicable agreements.

Cash and cash equivalents

Cash comprises demand deposits. Cash equivalents are short-term investments that are held to meet short-term cash commitments rather than for investment or other purposes.

Share capital

Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares and share options are recognised as a deduction from equity, net of any tax effects.

Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the Company's financial statements in the period in which the dividends are approved by the Company's shareholders.

5. Critical Accounting Estimates and Judgements

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 (revised).

6. Finance Income

	2022	2021
	€	€
Interest receivable on long term loan due from parent company	326,250	345,000

7. Finance Costs

	2022	2021
	€	€
Interest payable on bond	212,444	224,128
Amortisation of bond issue costs	8,199	8,199
	220,643	232,327

8. Other Income

	2022	2021
	€	€
Gain on redemption of bonds	8	280

9. Profit before Income Tax

This is stated after charging the following:

	2022	2021
	€	€
Directors' remuneration	45,000	45,000
Amortisation of bond issue costs	8,199	8,199

The total remuneration paid to the Company's auditors during the year amounts to:

	2022	2021
	€	€
Annual statutory audit fees	2,500	2,500
Other non-audit services	408	408

10. Income Taxation

	2022 €	As restated 2021 €
Current tax expense	11,488	-
Tax charge on group losses surrendered from group company (refer to Note 19)	-	14,230
	11,488	14,230

The tax charge and the result of accounting profit multiplied by the statutory income tax rate are reconciled as follows:

	2022 €	2021 €
Profit before taxation	24,981	32,455
Tax at the applicable statutory rate of 35%	8,743	11,359
Tax effect of:		
Disallowable expenses	2,745	2,871
Tax charge	11,488	14,230

11. Loan Receivable

	2022 €	2021 €
Non-current		
Loan receivable from parent company	3,550,000	4,050,000
Current		
Loan receivable from parent company	500,000	300,000
Total	4,050,000	4,350,000

11. Loan Receivable (continued)

Loan receivable relates to the transfer of funds to parent company, generated by the Company from the issue of bonds.

Non-current portion of loan receivable from parent company is unsecured, carries interest at 7.5% per annum and is repayable in full by not later than 18 June 2027.

Current portion of loan receivable from parent company is unsecured, carries interest at 7.5% per annum and is repayable in full by not later than 18 December 2023.

At 31 December 2022, this financial asset was fully performing and as such does not contain impaired assets.

Maturity of loans and receivables:

	2022 €	2021 €
Within 2 and 5 years	2,500,000	3,000,000
Over 5 years	1,050,000	1,050,000
	3,550,000	4,050,000

12. Other Receivables

	2022 €	2021 €
Prepaid expenses	7,668	7,668

13. Share Capital

	2022 €	2021 €
Authorised, Issued and Fully Paid Up		
49,999 Ordinary 'A' shares of €1 each	49,999	49,999
1 Ordinary 'B' share of €1 each	1	1
	50,000	50,000

14. Retained Earnings

This represents accumulated profits. During the year under review, no dividends were paid out of retained earnings.

15. Borrowings

	2021	2020
	€	€
Non-current		
4,450,000 (2021: 4,700,000) 4.75% Unsecured Bonds 2027	4,413,105	4,654,905
Bonds outstanding (face value)	4,700,000	4,900,000
Gross amount of bond issue costs	(81,991)	(81,991)
Amortisation of gross amount of bond issue costs:		
Amortised bond issue costs brought forward	36,896	28,697
Amortisation charge for the year	8,199	8,199
Unamortised bond issue costs	(36,896)	(45,095)
Redemption of bonds	(250,000)	(200,000)
Amortised cost and closing carrying amount	4,413,104	4,654,905

Interest
Interest on the 4.75% Unsecured Bonds 2027 is payable annually in arrears, on 18 June of each year.

Security
The bonds constitute the general, direct, unconditional and unsecured obligation of the Company, guaranteed by Orion Retail Investments Limited, and shall at all times rank *pari passu*, without any priority or preference among themselves and with other outstanding and unsecured debt of the Company and Orion Retail Investments Limited, present and future. In addition, the Bonds would rank after any future debts which may be secured by a cause of preference such as a privilege and/or a hypothec.

Sinking fund
The Company Admission Document provides that as from financial year end 31 December 2019, the Company is to set up a sinking fund to be administered independently to cover 100% of the value of the issued bonds until redemption date. The required contributions to the sinking fund as at 31 December 2022 amounted to €850,000.

As at 31 December 2022, €550,000 of the sinking fund were utilised to buy back the Company's bonds in accordance with the Company's Treasury Management Policy. As at year end, the sinking fund amounted to €300,000. As at audit date, the Group purchased a further 289,000 of its 4.75% unsecured bonds 2027 from its bondholders. The purchase of such bonds was financed through the sinking fund.

16. Trade and Other Payables

	2022	As restated 2021
	€	€
Trade payables	11,115	10,698
Amounts due to fellow subsidiary	14,230	14,230
Accrued expenses	117,869	123,383
	143,214	148,311

Amounts due to fellow subsidiary were unsecured and interest free.

17. Cash and Cash Equivalents

Cash and cash equivalents included in the cash flow statement comprise the following balance sheet amounts:

	2022	2021
	€	€
Cash at bank	396,904	368,821

18. Related Party Transactions

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions.

The Company forms part of the Camilleri Group of Companies. All companies forming part of the Camilleri Group are related parties since these companies are ultimately owned by Camilleri Holdings Limited which is considered by the directors to be the ultimate controlling party.

Trading transactions between these companies include items which are normally encountered in a group context. The Group is ultimately owned by members of the Camilleri family, who are therefore considered to be related parties. The main related party with whom the transactions are entered is Orion Retail Investment Limited, the guarantor of the borrowings (Note 15).

The Company is a subsidiary of Orion Retail Investments Limited who is the parent company. The registered address of the parent company is 14, Manuel Borg Gauci Street, Qormi.

Camilleri Holdings Limited is the ultimate parent of the Company. Camilleri Holdings Limited produces consolidated financial statements that are available for public use, and which incorporate the individual financial statements of the Company. The registered address of Camilleri Holdings Limited is 63, St. Dominic Street, Valletta, VLT 1602, Malta.

18. Related Party Transactions (continued)

	2022 €	As restated 2021 €
Income		
Finance income from parent company	326,250	345,000
Loans and Advances		
Repayments on loan receivable from parent company	300,000	250,000
Repayments to fellow subsidiary	-	(18,419)
Other		
Tax losses surrendered by fellow subsidiary	-	14,230

Key management personnel compensation, consisting of directors' remuneration, has been disclosed in note 9 to the financial statements.

Year end balances arising from related party transactions are disclosed in Notes 11 and 16 to the financial statements.

19. Prior Year Adjustment

During the year ended 31 December 2021, the Company has received group tax losses surrendered from its fellow subsidiary. This has resulted in a lower corporate tax due as at 31 December 2021 to Inland Revenue Department. Consequently, a prior year adjustment is being affected in this respect as noted below.

a) The carrying amount of trade and other payables as at 31 December 2021 were restated as follows:

	2021 €
Carrying amount of trade and other payables as at 31 December 2021 as previously reported	134,081
Prior year adjustment:	
Surrendering of group tax losses by fellow subsidiary	14,230
Carrying amount of trade and other payables as at 31 December 2021 as restated	148,311

19. Prior Year Adjustment (continued)

b) The carrying amount of current tax liability as at 31 December 2021 were restated as follows:

	2021
	€
Carrying amount of current tax liability as at 31 December 2021 as previously reported	15,540
Prior year adjustment:	
Surrendering of group tax losses by fellow subsidiary	(14,230)
Carrying amount of current tax liability as at 31 December 2021 as restated	1,310

The adjustment had no effect on the statement of comprehensive income for the year ending 31 December 2021.

20. Earnings per Share

Earnings per share is based on the profit after taxation attributable to the ordinary shareholders of the company divided by the weighted average number of ordinary shares in issue during the year.

	2022	2021
	€	€
Net profit attributable to owners of the company	13,493	18,225
Weighted average number of ordinary shares in issue (Note 13)	50,000	50,000
Earnings per share (cents)	27c	36c

21. Financial Risk Management

At the year end, the Company's main financial assets comprised loan receivable from parent company and cash held at bank. At the year end the Company's main financial liabilities consisted of borrowings and trade and other payables.

The Company constitutes a financing special purpose vehicle whose bonds are matched by equivalent amounts due from, and guaranteed by, Orion Retail Investments Limited (parent company).

The Company's principal risk exposures relate to credit risk and liquidity risk. The Company is not exposed to currency risk and the directors consider interest rate risk exposure to be minimal due to matching of interest costs on borrowings with finance income from its loans and receivables.

21. Financial Risk Management (continued)

Timing of Cash Flows

The presentation of the above mentioned financial assets and liabilities listed above under the current and non-current headings within the statement of financial position is intended to indicate the timing in which cash flows will arise.

Credit Risk

Financial assets which potentially subject the Company to concentrations of credit risk consist principally of loan receivable from parent company and cash at bank (Notes 11 and 17). The carrying amount of financial assets represents the maximum credit exposure.

The Company's cash at bank is placed with high quality financial institutions. The Company's receivables consist mainly of loan receivable from parent and accordingly credit risk in this respect is limited.

Liquidity Risk

The Company is exposed to liquidity risk in relation to meeting future obligations associated with its financial liabilities, which comprise principally interest-bearing borrowings and trade and other payables (refer to Notes 15 and 16). The Company is exposed to liquidity risk arising from its ability to satisfy liability commitments depending on cash inflow receivable in turn from Orion Retail Investments Limited.

Management monitors liquidity risk by means of cash flows forecasts on the basis of expected cash flows over a twelve-month period to ensure that no additional financing facilities are expected to be required over the coming year. This process is performed through a rigorous assessment of detailed cash flow projections of the parent company where matching of cash inflows and outflows arising from expected maturities of financial instruments are assessed on an annual basis.

The carrying amounts of the Company's assets and liabilities are analysed into relevant maturity groupings based on the remaining period at the end of the reporting period to the contractual maturity dates in the respective notes to the financial statements.

Capital Management

The Company's bonds are guaranteed by Orion Retail Investments Limited (parent company). Related finance costs are also guaranteed by the parent company. The capital management of the Company therefore consists of a process of regularly monitoring the financial position of the guarantor.

Fair Values of Financial Instruments

At 31 December 2022 and 31 December 2021, the carrying amounts of receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contracted cash flows at the current market interest rate that is available to the Company for similar financial instruments.

As at end of the reporting period, the fair values of financial assets and liabilities, approximated the carrying amounts shown in the statement of financial position.

SCHEDULE

1. Administrative Expenses

ORION FINANCE P.L.C.
Administration Expenses
For the year ended 31 December 2022

Schedule 1

	2022 €	2021 €
Audit fee	**2,500**	2,500
Directors' remuneration	**45,000**	45,000
Professional fees	**32,922**	32,768
Bank charges	**212**	230
	80,634	80,498

ORION RETAIL INVESTMENTS LIMITED

Annual Report
and
Consolidated Financial Statements
31 December 2022

Company Registration Number C 80707

CONTENTS

The directors present the annual report together with the audited financial statements of the Company and the Group, which comprises the parent Orion Retail Investments Limited and its subsidiary Orion Finance plc (hereinafter referred to as the Group), for the year ended 31 December 2022.

Principal Activities

The Company's main trading activity is to purchase, take by title of emphyteusis, usufruct, lease or exchange or otherwise acquire any immovable or movable property and also to own, manage, develop, administer, sell, exchange, lease, grant licenses and other rights over or otherwise deal with or dispose of property of any kind.

The subsidiary company's main trading activity is to raise finance through the issue of bonds.

Performance Review

The Group generated revenue amounting to €1,355,885 (2021: €1,313,842) and reported a profit for the year before taxation amounting to €664,330 (2021: €574,414). After accounting for taxation, the Group's profit amounted to €306,966 (2021: €248,937).

On the same lines, the Company generated revenue amounting to €1,355,885 (2021: €1,313,842) from rental of properties which was in line with revenue generated in previous year. The Company's profit before taxation amounted to €639,349 (2021: €541,960). After accounting for taxation, the profit for the year amounted to €293,473 (2021: €230,713).

Dividends and Reserves

The retained earnings of the Group and the Company at the end of the year amounted to €993,739 (2021: €686,773) and €858,284 (2021: €564,811) respectively. The directors do not recommend the distribution of a dividend and propose to transfer the profit for the year to reserves.

Financial Risk Management

The Group's activities expose it to a variety of financial risks, including credit risk and liquidity risk. These are further analysed in Note 25 in these financial statements.

Events Subsequent to the Statement of Financial Position Date

The directors assessed subsequent events from 1 January 2023 through 19 April 2023, the date these financial statements were approved. Through such assessment, the directors have determined that there were no particular important events affecting the Group and the Company which occurred subsequent to the statement of financial position.

Future Developments

The directors intend to continue to operate in line with the current business plan.

Going Concern

After making enquiries and taking into consideration future plans as explained in Note 2, the directors have a reasonable expectation that the Group has adequate resources to continue in operating existence for the foreseeable future. For this reason, the directors continue to adopt the going concern basis in preparing financial statements.

Directors

Mr. Joseph Camilleri (appointed on 16 May 2022 and resigned on 18 April 2023)
Mr. Anthony Camilleri (resigned on 16 May 2022 and reappointed on 18 April 2023)
Mr. John Soler
Dr. Michael Borg Costanzi

Statement of Directors' Responsibilities

The Maltese Companies Act, (Cap 386) requires the directors to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the group and the parent company at the end of the financial period and of the profit or loss of the group and the parent company for that period.

In preparing the financial statements, the directors are required to: -

- ensure that the financial statements have been drawn up in accordance with International Financial Reporting Standards as adopted by the EU;
- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable in the circumstances;
- adopt the going concern basis, unless it is inappropriate to presume that the group and the parent company will continue in business as a going concern.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy, at any time, the financial position of the group and the parent company and to enable the directors to ensure that the financial statements have been properly prepared in accordance with the Maltese Companies Act, (Cap 386). The directors are also responsible for safeguarding the assets of the group and the parent company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditors

The auditors, Horwath Malta, have expressed their willingness to remain in office and a resolution proposing their reappointment will be put before the members at the annual general meeting.

Approved by the Board of Directors and signed on its behalf by:

Mr. Anthony Camilleri
Director

Mr. John Soler
Director

Registered Address:
14,
Manuel Borg Gauci Street,
Qormi QRM4000

19 April 2023

Horwath Malta
Member Crowe Global

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INDEPENDENT AUDITOR'S REPORT

To the Shareholder of Orion Retail Investments Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the consolidated and stand-alone parent company financial statements of Orion Retail Investments Limited (the Company), set out on pages 6 to 31, which comprise the consolidated and stand-alone parent company statement of financial position as at 31 December 2022, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated and parent company financial statements give a true and fair view of the financial position of the group and the parent company, as at 31 December 2022 and of the group and parent company's financial performance and the group and parent company's cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the EU (EU IFRSs), and have been properly prepared in accordance with the requirements of the Maltese Companies Act (Cap 386).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the group and the parent company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in accordance with the Accountancy Profession (Code of Ethics for Warrant Holders) Directive issued in terms of the Accountancy Profession Act (Cap. 281) in Malta, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The directors are responsible for the other information. The other information comprises the Directors' Report. Our opinion on the financial statements does not cover this information and we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

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

Other Information (continued)

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

In addition, in light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we are required to report if we have identified material misstatements in the directors' report. We have nothing to report in this regard.

Responsibilities of the Directors

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group and the parent company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

Auditor's Responsibilities for the Audit of the Financial Statements (continued)

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

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Report on Other Legal and Regulatory Requirements

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

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

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

John Abela (Partner) for and on behalf of

Horwath Malta
Member Crowe Global

La Provvida
Karm Zerafa Street
Birkirkara BKR1713
Malta

19 April 2023

ORION RETAIL INVESTMENTS LIMITED
Consolidated Statement of Comprehensive Income
For the year ended 31 December 2022

		The Group		The Company	
		2022	2021	2022	2021
	Notes	€	€	€	€
Revenue	6	1,355,885	1,313,842	1,355,885	1,313,842
Direct costs		(606,000)	(606,000)	(606,000)	(606,000)
Gross profit		749,885	707,842	749,885	707,842
Administrative expenses		(130,323)	(119,124)	(49,689)	(38,625)
Other income	7	288,116	279,452	288,108	279,172
Finance income	8	65,895	48,784	65,895	48,784
Finance costs	9	(309,243)	(342,540)	(414,850)	(455,213)
Profit before Income Tax	10	664,330	574,414	639,349	541,960
Income taxation	11	(357,364)	(325,477)	(345,876)	(311,247)
PROFIT FOR THE YEAR		306,966	248,937	293,473	230,713
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		306,966	248,937	293,473	230,713
Earnings per share (cents)	23	0.10c	0.06c		

ORION RETAIL INVESTMENTS LIMITED
Consolidated Statement of Financial Position
As at 31 December 2022

	Notes	The Group 2022 €	As restated 2021 €	The Company 2022 €	As restated 2021 €
ASSETS					
Non-Current Assets					
Intangible assets	12	11,817,000	12,423,000	11,817,000	12,423,000
Investment in subsidiary	13	-	-	50,000	50,000
Sinking fund	18	300,000	250,000	-	-
		12,117,000	12,673,000	11,867,000	12,473,000
Current Assets					
Other receivables	14	7,668	7,668	-	-
Cash and cash equivalents		1,571,412	1,366,693	1,174,508	997,872
		1,579,080	1,374,361	1,174,508	997,872
Total Assets		13,696,080	14,047,361	13,041,508	13,470,872
EQUITY AND LIABILITIES					
Capital and Reserves					
Called up issued share capital	15	6,029,528	6,029,528	6,029,528	6,029,528
Retained earnings	16	993,739	686,773	858,284	564,811
		7,023,267	6,716,301	6,887,812	6,594,339
Non-Current Liabilities					
Borrowings	17	-	-	3,550,000	4,050,000
Interest bearing borrowings	18	4,413,104	4,654,905	-	-
Trade and other payables	19	1,164,228	1,652,009	1,164,228	1,652,009
		5,577,332	6,306,914	4,714,228	5,702,009
Current Liabilities					
Borrowings	17	-	-	500,000	300,000
Trade and other payables	19	736,807	853,544	593,592	705,232
Current tax liability		358,674	170,602	345,876	169,292
		1,095,481	1,024,146	1,439,468	1,174,524
Total Equity and Liabilities		13,696,080	14,047,361	13,041,508	13,470,872

The financial statements on pages 6 to 31 were approved by the Board of Directors on 19 April 2023 and were signed on its behalf by:

Mr. Anthony Camilleri
Director

Mr. John Soler
Director

The Group

	Share Capital	Retained Earnings	Total
	€	€	€
At 1 January 2021	6,029,528	437,836	6,467,364
Profit for the year	-	248,937	248,937
Total comprehensive income for the year	-	248,937	248,937
Balance at 31 December 2021	6,029,528	686,773	6,716,301
At 1 January 2022	6,029,528	686,773	6,716,301
Profit for the year	-	306,966	306,966
Total comprehensive income for the year	-	306,966	306,966
Balance at 31 December 2022	6,029,528	993,739	7,023,267

The Company

	Share Capital	Retained Earnings	Total
At 1 January 2021	6,029,528	334,098	6,363,626
Profit for the year	-	230,713	230,713
Total comprehensive income for the year	-	230,713	230,713
Balance at 31 December 2021	6,029,528	564,811	6,594,339
At 1 January 2022	6,029,528	564,811	6,594,339
Profit for the year	-	293,473	293,473
Total comprehensive income for the year	-	293,473	293,473
Balance at 31 December 2022	6,029,528	858,284	6,887,812

Consolidated Statement of Cash Flows
For the year ended 31 December 2022

		The Group		The Company	
		2022	2021	2022	2021
	Note	€	€	€	€
Operating Activities					
Profit for the year before taxation		664,330	574,414	639,349	541,960
Adjustment for:					
Interest payable		301,044	334,341	414,850	455,213
Interest receivable		(65,895)	(48,784)	(65,895)	(48,784)
Amortisation of bond issue costs		8,199	8,199	-	-
Amortisation of intangible asset		606,000	606,000	606,000	606,000
		1,513,678	1,474,170	1,594,304	1,554,389
Working capital changes:					
Movement in other receivables		-	(3,540)	-	-
Movement in trade and other payables		3,423	6,431	3,071	2,930
Cash generated from operations		1,517,101	1,477,061	1,597,375	1,557,319
Taxation paid		(169,292)	-	(169,292)	-
Interest paid		(306,493)	(339,252)	(414,850)	(455,213)
Interest received		65,895	48,784	65,895	48,784
Net Cash generated from Operating Activities		1,107,211	1,186,593	1,079,128	1,150,890
Financing Activities					
Net repayments to parent company		-	(124,693)	-	(124,693)
Advances by subsidiary company		5,132	-	5,132	-
Net repayments to fellow subsidiaries		(141,956)	(176,565)	(141,956)	(158,146)
Repayments of loan due to subsidiary		-	-	(300,000)	(250,000)
Movements in sinking fund		(50,000)	(50,000)	-	-
Redemption of bonds		(250,000)	(200,000)	-	-
Payments to parent company in relation to deferred consideration		(465,668)	(481,476)	(465,668)	(481,476)
Net Cash used in Financing Activities		(902,492)	(1,032,734)	(902,492)	(1,014,315)
Movement in Cash and Cash Equivalents		204,719	153,859	176,636	136,575
Cash and cash equivalents at beginning of year		1,366,693	1,212,834	997,872	861,297
Cash and Cash Equivalents at End of Year	20	1,571,412	1,366,693	1,174,508	997,872

1. General Information

Orion Retail Investments Limited (the "Company") is a limited liability company domiciled and incorporated in Malta.

2. Basis of Preparation

Statement of compliance

These consolidated financial statements include the financial statements of Orion Retail Investments Limited and Orion Finance plc.

The consolidated financial statements have been prepared in accordance with the provisions of the Companies Act, (Cap 386) enacted in Malta, which require adherence to International Financial Reporting Standards (IFRSs) as adopted by the EU.

Basis of measurement

The financial statements are prepared on the historical cost basis.

Going concern

The parent company, Orion Retail Investments Limited was set up as a property management company, which is expected to receive annual streams of income from the long-term lease agreements entered into with companies in the Camilleri Group. Based on such reasons, Orion Group's business prospects are highly dependent on the ability of the companies within the Camilleri Group to meet their obligations in a timely manner.

In preparing these financial statements, the directors of the Company assessed the implications of the initial COVID shocks and the ongoing conflicts between Ukraine and Russia on the performance of the Company, its subsidiary (Orion Finance Plc) and the Camilleri Group. Such assessment was performed through (i) the anticipated revenue streams which are expected to be generated over the years from lease agreements entered into on an arm's length basis with the companies in the Camilleri Group and its subsidiary (ii) the actual revenue received since the pandemic commenced in March 2020 and during the ongoing conflicts between Ukraine and Russia. Although the repercussions of such conflicts did impact the operations of the Camilleri Group, the directors note that the Camilleri Group did not default on its commitments at any point in time. Therefore, the directors believe that it remains appropriate to prepare these financial statements on a going concern basis.

Functional and presentation currency

The financial statements are presented in Euro, which is the Company's functional currency.

2. Basis of Preparation (continued)

Use of estimates and judgements

The preparation of financial statements in conformity with IFRS, as adopted by the EU, requires the use of certain accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies (refer to Note 5 – Critical accounting estimates and judgements).

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Preparation of consolidated financial statements

International Financial Reporting Standard 10, Consolidated Financial Statements, requires a parent company to prepare consolidated financial statements in which it consolidates its investments in subsidiaries. The consolidated financial statements of the company for the year ended 31 December 2022, comprise the company and its subsidiary, Orion Finance plc (together referred to as the ''Group'').

Subsidairies are all entities over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertabile are considered when assessing whether the group controls another entity.

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

In the company's seperate financial statements, investments in subsidiaries are accounted for by the cost method of accounting, that is at cost less impairment. Cost includes directly attribuatble costs of the investments. Provisions are recorded where, in the opinion of the directors, there is an impairment in value. Where there has been an impairment in the value of an investment, it is recognised as an expense in the period in which the diminution is identified. The results of subsidiaries are reflected in the company's seperate financial statements only to the extent of dividends receivable. On disposal of an investment, the difference between net disposal proceeds and the carrying amount is charged or credited to profit or loss.

3. Changes in Accounting Policies and Disclosures

There were no new standards, amendments and interpretation to existing standards that have been published and are mandatory for the accounting periods beginning 1 January 2022 or later periods, that have an effect on the group's and parent company's financial statements.

4. Significant Accounting Policies

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

Revenue recognition

Revenue comprises the fair value of the consideration received or receivable in the ordinary course of the Company's activities. Revenue is shown net of value-added tax or other sales taxes, returns, rebates and discounts.

Revenue is recognised as follows:

(i) Property related income

Rentals receivable charged to tenants of immovable property are recognised in the period when the property is occupied. The Company's policy for recognition of revenue from operating leases is described in accounting policy on 'Leases' below.

Finance income and finance costs

Finance income and finance costs are recognised in profit or loss for all interest-bearing instruments on a time-proportionate basis using the effective interest method. Finance costs include the effect of amortising any difference between net proceeds and redemption value in respect of the Company's borrowings. Finance income and finance costs are recognised as they accrue, unless collectability is in doubt.

Leases

Leases are classified as finance leases whenever the term of the lease transfers substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The Group as lessor

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

Income taxation

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in the statement of comprehensive income except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

4. Significant Accounting Policies (continued)

Income taxation (continued)

Current tax is the expected tax payable or receivable on the taxable income or loss for the period, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Intangible assets

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a proportionate basis.

Impairment of intangible assets

At the end of each reporting period, the Group reviews the carrying amounts of its intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

4. Significant Accounting Policies (continued)

Impairment of intangible assets (continued)

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flow have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, then the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

Financial instruments

Recognition and measurement

Financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provision of the instrument.

A financial asset (unless it is a trade receivable without a significant component) or financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant component is measured at transaction price.

Classification and subsequent measurement

i. Financial assets

On initial recognition, a financial asset is classified as measured at: amortised cost, fair value through other comprehensive income (FVOCI) (debt investment), FVOCI (equity instrument) or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

4. Significant Accounting Policies (continued)

Financial instruments (continued)

A financial asset is measured at amortised cost if is meets both the following conditions and is not designated as FVTPL:

- it is held within a business model whose objective is achieved both by collecting contractual cash flows and:
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

A financial asset is measured at FVOCI if it meets both the following conditions and is not designated at FVTPL:

- it is held within a business model whose objective is achieved by collecting contractual cash flows and selling financial assets and;
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading the Group may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment by investment basis.

All financial assets not classified as measured at amortised cost or FVOCI are measured at FVTPL. On initial recognition the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL, if doing so eliminates or significantly reduce an accounting mismatch that would otherwise arise.

Business model assessment

The Group makes an assessment of the objective of the business model in which a financial asset is held because this best reflects the way the business is managed, and information is provided to management. The information considered includes;

- history of the Group's bad debts
- liquidity position of inter-companies

4. Significant Accounting Policies (continued)

Financial instruments (continued)

Classification and subsequent measurement (continued)

Assessment whether contractual cashflows are SPPI

For the purpose of this assessment, 'principle' is defined as the fair value of the financial assets on initial recognition. 'Interest' is defined as consideration for the time value of money and for credit risk associated with the principal amount outstanding during a particular period of time.

In assessing whether the contractual cash flows are SPPI, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition.

Subsequent measurement and gains and losses

Financial assets at amortised cost are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised through profit and loss. Any gain or loss on derecognition is recognised in profit or loss.

ii. Financial liabilities

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expenses, are recognised in profit or loss.

Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

Derecognition

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfer the right to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

4. Significant Accounting Policies (continued)

Financial instruments (continued)

Derecognition

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group currently has legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

Impairment

The Group assesses on a forward-looking basis, the expected credit losses associated with its debt instruments carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables the Group applies the simplified approach to measuring expected credit losses as permitted by IFRS9, which requires expected lifetime losses to be recognised from initial recognition. In measuring the expected credit losses on trade receivables, the expected loss rate, the payment profile of sales over a period of time before reporting date and the historical credit losses experience within this period are considered. The historical loss rates are adjusted to reflect current and forward-looking information to trade receivables and the environment in which they operate.

For related party balances, the Group and parent company assesses the credit quality of the related companies by taking into account the financial position, performance and other factors. In measuring expected credit losses on these balances, management takes into account the agreement in place and adherence to the agreement.

Cash and cash equivalents

Cash comprises demand deposits. Cash equivalents are short-term investments that are held to meet short-term cash commitments rather than for investment or other purposes.

4. Significant Accounting Policies (continued)

Share capital

Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares and share options are recognised as a deduction from equity, net of any tax effects.

Dividend distribution

Dividend distribution to the Group's shareholders is recognised as a liability in the Group's financial statements in the period in which the dividends are approved by the Group's shareholders.

5. Critical Accounting Estimates and Judgements

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 (revised).

6. Revenue

	The Group		The Company	
	2022	2021	2022	2021
	€	€	€	€
Rental income	1,355,885	1,313,842	1,355,885	1,313,842

7. Other Income

	The Group		The Company	
	2022	2021	2022	2021
	€	€	€	€
Management fee	288,108	279,172	288,108	279,172
Gain on redemption of bonds	8	280	-	-
	288,116	279,452	288,108	279,172

8. Finance Income

	The Group 2022 €	2021 €	The Company 2022 €	2021 €
Interest on loans to fellow subsidiaries	65,895	48,784	65,895	48,784

9. Finance Costs

	The Group 2022 €	2021 €	The Company 2022 €	2021 €
Interest on deferred consideration	88,600	110,213	88,600	110,213
Interest on loan from subsidiary company	-	-	326,250	345,000
Interest payable on bond	212,444	224,128	-	-
Amortisation of bond issue costs	8,199	8,199	-	-
	309,243	342,540	414,850	455,213

10. Profit before Income Tax

This is stated after charging the following:

	The Group 2022 €	2021 €	The Company 2022 €	2021 €
Directors' remuneration	45,000	45,000	-	-
Amortisation of intangible asset	606,000	606,000	606,000	606,000

The remuneration paid to the Company's auditors during the year amounts:

	The Group 2022 €	2021 €	The Company 2022 €	2021 €
Annual statutory audit fee	4,000	4,000	1,500	1,500
Other non-audit services	1,516	1,516	1,108	1,108

11. Income Taxation

	The Group		The Company	
		As restated		As restated
	2022	2021	2022	2021
	€	€	€	€
Current tax expense	357,364	169,291	345,876	169,291
Tax charge on group losses surrendered from group companies (Refer to Note 22)	-	156,186	-	141,956
	357,364	325,477	345,876	311,247

The tax charge and the result of accounting profit multiplied by the statutory income tax rate are reconciled as follows:

	The Group		The Company	
	2022	2021	2022	2021
	€	€	€	€
Profit before taxation	664,330	574,414	639,349	541,960
Tax at the applicable statutory rate of 35%	232,516	201,045	223,772	189,686
Tax effect of:				
Maintenance allowance	(94,912)	(91,968)	(94,912)	(91,969)
Disallowable expenses	219,760	216,400	217,016	213,530
Tax charge	357,364	325,477	345,876	311,247

12. Intangible Assets

The Group and the Company

	Property Management Rights €
At 1 January 2022	
Cost	15,150,000
Accumulated amortisation	(2,727,000)
Net book amount	12,423,000
Year ended 31 December 2022	
Opening net book amount	12,423,000
Amortisation charge	(606,000)
Closing net book amount	11,817,000
At 31 December 2022	
Cost	15,150,000
Accumulated amortisation	(3,333,000)
Net book amount	11,817,000

The Group holds property management rights.

The carrying amount of the property management rights of €11,817,000 will be fully amortised in 19.5 years.

13. Investment in Subsidiary

The carrying amount of the investment in subsidiary at reporting date was as follows:

	The Company 2022 €	2021 €
At 1 January		
Cost and carrying net book amount	50,000	50,000
At 31 December		
Cost and carrying net book amount	50,000	50,000

The subsidiary as at 31 December 2022 is shown below:

	Registered Office	Percentage of shares held	2022 €
Orion Finance plc	14 Manuel Borg Gauci Street Qormi, QRM 4000 Malta	100	50,000
			50,000

The share capital and reserves of the subsidiary at reporting date stood as follows:

	2022 €	2021 €
Ordinary shares	50,000	50,000
Retained earnings	135,456	121,963
	185,456	171,963

14. Other Receivables

	The Group 2022 €	The Group 2021 €	The Company 2022 €	The Company 2021 €
Prepaid expenses	7,668	7,668	-	-

15. Share Capital

	The Group and the Company 2022 €	The Group and the Company 2021 €
Authorised		
4,500,000 ordinary shares of €2 each	9,000,000	9,000,000
Issued and Fully Paid Up		
3,014,764 ordinary shares of €2 each	6,029,528	6,029,528

16. Retained Earnings

This represents accumulated profits. During the year under review, no dividends were paid out of retained earnings.

17. Borrowings

	The Group 2022 €	The Group 2021 €	The Company 2022 €	The Company 2021 €
Non-current				
Loan due to subsidiary	-	-	3,550,000	4,050,000
Current				
Loan due to subsidiary	-	-	500,000	300,000
Total	-	-	4,050,000	4,350,000

Non-current portion of loan due to subsidiary is unsecured, carries interest at 7.5% per annum and is repayable in full by not later than 18 June 2027.

Current portion of loan due to subsidiary is unsecured, carries interest at 7.5% per annum and is repayable in full by not later than 18 December 2023.

18. Interest-bearing borrowings

	The Group 2022 €	2021 €
Non-current		
4,450,000 (2021: 4,700,000) 4.75% Unsecured Bonds 2027	4,413,105	4,654,905
Bonds outstanding (face value)	4,700,000	4,900,000
Gross amount of bond issue costs	(81,991)	(81,991)
Amortisation of gross amount of bond issue costs:		
Amortised bond issue costs brought forward	36,896	28,697
Amortisation charge for the year	8,199	8,199
Unamortised bond issue costs	(36,896)	(45,095)
Redemption of bonds	(250,000)	(200,000)
Amortised cost and closing carrying amount	4,413,104	4,654,905

Interest
Interest on the 4.75% Unsecured Bonds 2027 is payable annually in arrears, on 18 June of each year.

Security
The bonds constitute the general, direct, unconditional and unsecured obligation of the subsidiary company, guaranteed by Orion Retail Investments Limited (parent company), and shall at all times rank *pari passu*, without any priority or preference among themselves and with other outstanding and unsecured debt of Orion Finance plc and the parent company, present and future. In addition, the Bonds would rank after any future debts which may be secured by a cause of preference such as a privilege and/or a hypothec.

Sinking fund
The Company Admission Document provides that as from financial year end 31 December 2019, the Group is to set up a sinking fund to be administered independently to cover 100% of the value of the issued bonds until redemption date. The required contributions to the sinking fund as at 31 December 2022 amounted to €850,000.

As at 31 December 2022, €550,000 of the sinking fund were utilised to buy back the Company's bonds in accordance with the Company's Treasury Management Policy. As at year end, the sinking fund amounted to €300,000. As at audit date, the Group purchased a further 289,000 of its 4.75% unsecured bonds 2027 from its bondholders. The purchase of such bonds was financed through the sinking fund.

19. Trade and Other Payables

	The Group		The Company	
		As restated		As restated
	2022	2021	2022	2021
	€	€	€	€
Non-current				
Deferred consideration due to immediate and ultimate parent	1,164,228	1,652,009	1,164,228	1,652,009
Current				
Deferred consideration due to immediate and ultimate parent	487,781	465,668	487,781	465,668
Amounts due to fellow subsidiaries	19,362	156,186	5,132	141,956
Trade payables	11,115	10,698	-	-
Indirect taxation payable	98,021	94,981	98,021	94,981
Accrued expenses	120,528	126,011	2,658	2,627
	736,807	853,544	593,592	705,232
Total	1,901,035	2,505,553	1,757,820	2,357,241

Non-current portion of deferred consideration due to immediate and ultimate parent company is unsecured, carries interest at 4.58% per annum and is repayable in full by not later than May 2024.

Current portion of deferred consideration due to immediate and ultimate parent company is unsecured, carries interest at 4.58% per annum and is repayable in full by not later than 31 December 2023.

20. Cash and Cash Equivalents

Cash and cash equivalents included in the cash flow statement comprise the following balance sheet amounts:

	The Group		The Company	
	2021	2020	2022	2021
	€	€	€	€
Cash at bank	1,571,412	1,366,693	1,174,508	997,872

21. Related Party Transactions

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions.

The Orion Group forms part of the Camilleri Group of Companies. All companies forming part of the Camilleri Group are related parties since these companies are ultimately owned by Camilleri Holdings Limited which is considered by the directors to be the ultimate controlling party.

Trading transactions between these companies include items which are normally encountered in a group context. The Group is ultimately owned by members of the Camilleri family.

Camilleri Holdings Limited is the immediate and ultimate parent of the Orion Group.

Camilleri Holdings Limited produces consolidated financial statements that are available for public use, and which incorporate the individual financial statements of the Company. The registered address of Camilleri Holdings Limited is 63, St. Dominic Street, Valletta, VLT 1602, Malta.

Transactions with related parties

	The Group		The Company	
		As restated		As restated
	2022	2021	2022	2021
	€	€	€	€
Revenue				
Rental income	**1,355,885**	1,313,842	**1,355,885**	1,313,842
Management fee charged to immediate and ultimate parent	**288,108**	279,172	**288,108**	279,172
Interest receivable on loans due from fellow subsidiaries	**65,895**	48,785	**65,895**	48,785
Expenditure				
Management fee charged by immediate and ultimate parent	**(35,645)**	(34,539)	**(35,645)**	(34,539)
Interest payable on loan due to subsidiary	**-**	-	**(326,250)**	(345,000)
Interest payable on deferred consideration due to immediate and ultimate parent	**(88,600)**	(110,214)	**(88,600)**	(110,214)

21. Related Party Transactions (continued)

	The Group		The Company	
		As restated		As restated
	2022	2021	2022	2021
	€	€	€	€
Loans and Advances				
Repayments to immediate and ultimate parent company	-	(124,693)	-	(124,693)
Repayments to fellow subsidiaries	(141,956)	(176,565)	(141,956)	(158,146)
Advances by fellow subsidiary	5,132	-	5,132	-
Movement in loan due to subsidiary	-	-	(300,000)	(250,000)
Movement in deferred consideration due to immediate and ultimate parent company	465,668	481,476	465,668	481,476
Other				
Tax losses surrendered by fellow subsidiaries	-	156,186	-	141,956

Key management personnel compensation, consisting of directors' remuneration has been disclosed in note 10 to the financial statements

Year end balances arising from related party transactions are disclosed in Notes 17 and 19 to the financial statements.

22. Prior Year Adjustment

The Company

During the year ended 31 December 2021, the Company has received group tax losses surrendered from its fellow subsidiaries. This has resulted in a lower corporate tax due as at 31 December 2021 to Inland Revenue Department. Consequently, a prior year adjustment is being affected in this respect as noted below.

22. Prior Year Adjustment (continued)

a) The carrying amount of trade and other payables as at 31 December 2021 were restated as follows:

	2021
	€
Carrying amount of trade and other payables as at 31 December 2021 as previously reported	2,215,285
Prior year adjustment:	
Surrendering of group tax losses by fellow subsidiaries	141,956
Carrying amount of trade and other payables as at 31 December 2021 as restated	2,357,241

b) The carrying amount of current tax liability as at 31 December 2021 was restated as follows:

	2021
	€
Carrying amount of current tax liability as at 31 December 2021 as previously reported	311,248
Prior year adjustment:	
Surrendering of group tax losses by fellow subsidiaries	(141,956)
Carrying amount of current tax liability as at 31 December 2021 as restated	169,292

The adjustment had no effect on the statement of comprehensive income for the year ending 31 December 2021.

22. Prior Year Adjustment (continued)

The Group

During the year ended 31 December 2021, the Group has received group tax losses. This has resulted in a lower corporate tax due as at 31 December 2021 to Inland Revenue Department. Consequently, a prior year adjustment is being affected in this respect as noted below.

a) The carrying amount of trade and other payables as at 31 December 2021 were restated as follows:

	2021
	€
Carrying amount of trade and other payables as at 31 December 2021 as previously reported	2,349,367
Prior year adjustment:	
Surrendering of group tax losses	156,186
Carrying amount of trade and other payables as at 31 December 2021 as restated	**2,505,553**

The adjustment had no effect on the statement of comprehensive income for the year ending 31 December 2021.

b) The carrying amount of current tax liability as at 31 December 2021 was restated as follows:

	2021
	€
Carrying amount of current tax liability as at 31 December 2021 as previously reported	326,788
Prior year adjustment:	
Surrendering of group tax losses	(156,186)
Carrying amount of current tax liability as at 31 December 2021 as restated	170,602

23. Earnings per Share

Earnings per share is based on the profit after taxation attributable to the ordinary shareholders of the company divided by the weighted average number of ordinary shares in issue during the year.

	2022 €	2021 €
Net profit attributable to owners of the company	306,966	248,937
Weighted average number of ordinary shares in issue (Note 13)	3,014,764	3,014,764
Earnings per share (cents)	0.10c	0.08c

24. Contingent Liabilities

As 31 December 2022, Orion Retail Investments Ltd granted the following guarantees for the benefit of related companies:

- Guarantee amounting to €7,000,000 to secure the liabilities of Camilleri Holdings Limited secured by a general hypothec for €7,000,000 on all its assets, present and future;

- Guarantee amounting to €5,000,000 to secure the issue of €5,000,000 4.75% Unsecured Bonds 2027 by Orion Finance plc.

25. Financial Risk Management

At the period end, the Group's main financial assets comprised of the sinking fund and cash held at bank.

At the period end the Group's main financial liabilities consisted of borrowings and trade and other payables.

The Group's principal risk exposures related to credit risk and liquidity risk. The Group is not exposed to currency risk and the directors consider interest rate risk exposure to be minimal due to fixed interest rates stipulated on interest bearing liabilities. Note 18 incorporates interest rates and maturity information with respect to the Company's main interest-bearing liabilities.

Timing of Cash Flows

The presentation of the above mentioned financial assets and liabilities listed above under the current and non-current headings within the statement of financial position is intended to indicate the timing in which cash flows will arise.

25. Financial Risk Management (continued)

Credit Risk

Financial assets which potentially subject the Group to concentrations of credit risk consist principally of sinking funds and cash at bank (Notes 18 and 20). The carrying amount of financial assets represents the maximum credit exposure.

The Group's cash at bank and sinking fund are placed with high quality financial institutions.

Liquidity Risk

The Group is exposed to liquidity risk in relation to meeting future obligations associated with its financial liabilities, which comprise principally trade and other payables, interest-bearing borrowings and borrowings (refer to Notes 17 and 18). The Group is exposed to liquidity risk arising from its ability to satisfy liability commitments depending on cash inflow receivable from Camilleri Group. Prudent liquidity risk management includes maintaining sufficient cash and committed credit lines to ensure the availability of an adequate amount of funding to meet the Group's obligations.

Management monitors liquidity risk by means of cash flows forecasts on the basis of expected cash flows over a twelve-month period to ensure that no additional financing facilities are expected to be required over the coming year.

Capital Management

The primary objective of the Group's capital management is to ensure that it maintains a healthy capital ratio to support its business and maximise shareholder value.

The Group manages its capital structure and makes adjustments to it, in light of economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payments to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the year ended 31 December 2022.

Fair Value of Financial Instruments

At 31 December 2022 and 31 December 2021, the carrying amounts of receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments. As at end of the reporting period, the fair values of financial assets and liabilities, approximate the carrying amounts shown in the statement of financial position.

SCHEDULE

1. Direct Costs
2. Administrative Expenses

ORION RETAIL INVESTMENTS LIMITED
Direct Costs
For the year ended 31 December 2022

Schedule 1

	The Group		The Company	
	2022	2021	2022	2021
	€	€	€	€
Amortisation of intangible asset	606,000	606,000	606,000	606,000

ORION RETAIL INVESTMENTS LIMITED
Administration Expenses
For the year ended 31 December 2022

Schedule 2

	The Group 2022 €	2021 €	The Company 2022 €	2021 €
Audit fee	4,000	4,000	1,500	1,500
Directors' remuneration	45,000	45,000	-	-
Executive bonuses	10,000	-	10,000	-
Management fee charged by parent company	35,645	34,539	35,645	34,539
Registration fee	1,550	1,550	1,200	1,200
Professional fees	33,796	33,642	1,224	1,224
Bank charges	332	393	120	162
	130,323	119,124	49,689	38,625