

REGISTRATION DOCUMENT

DATED 5 DECEMBER 2022

This Registration Document is issued in accordance with the provisions of Chapter 4 of the Capital Markets Rules issued by the Malta Financial Services Authority and in accordance with the provisions of the Prospectus Regulation.



GAP GROUP P.L.C.

A PUBLIC LIMITED LIABILITY COMPANY REGISTERED IN MALTA
WITH COMPANY REGISTRATION NUMBER C 75875

THIS REGISTRATION DOCUMENT HAS BEEN APPROVED BY THE MALTA FINANCIAL SERVICES AUTHORITY AS THE COMPETENT AUTHORITY UNDER THE PROSPECTUS REGULATION. THIS MEANS THAT THE MALTA FINANCIAL SERVICES AUTHORITY HAS ONLY APPROVED THIS REGISTRATION DOCUMENT AS MEETING THE STANDARDS OF COMPLETENESS, COMPREHENSIBILITY AND CONSISTENCY AS PRESCRIBED BY THE PROSPECTUS REGULATION. SUCH APPROVAL SHOULD NOT HOWEVER BE CONSIDERED AS AN ENDORSEMENT OF THE ISSUER THAT IS THE SUBJECT OF THIS REGISTRATION DOCUMENT. IN PROVIDING THIS AUTHORISATION, THE MALTA FINANCIAL SERVICES AUTHORITY DOES NOT GIVE ANY CERTIFICATION REGARDING THE POTENTIAL RISKS IN INVESTING IN ANY INSTRUMENT ISSUED BY THE ISSUER AND SUCH AUTHORISATION SHOULD NOT BE DEEMED OR BE CONSTRUED AS A REPRESENTATION OR WARRANTY AS TO THE SAFETY OF INVESTING IN SUCH INSTRUMENTS. THIS REGISTRATION DOCUMENT HAS BEEN DRAWN UP AS PART OF A SIMPLIFIED PROSPECTUS IN ACCORDANCE WITH ARTICLE 14 OF THE PROSPECTUS REGULATION.

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

Legal Counsel
to the Sponsor, Manager & Registrar



CAMILLERI PREZIOSI
ADVOCATES

Legal Counsel
to the Issuer

Dr Chris Cilia

Security Trustee

EQUINOX INTERNATIONAL
LIMITED

Sponsor, Manager & Registrar



MZ INVESTMENT SERVICES

APPROVED BY THE BOARD OF DIRECTORS

George Muscat

Paul Attard

signing in their own capacity as directors of the Issuer and on behalf of each of Mark Castillo, Chris Cilia, Francis X Gouder and Adrian Muscat as their duly appointed agents.

IMPORTANT INFORMATION

THIS REGISTRATION DOCUMENT CONTAINS INFORMATION ON GAP GROUP P.L.C. (IN ITS CAPACITY AS ISSUER) IN ACCORDANCE WITH THE REQUIREMENTS OF THE CAPITAL MARKETS RULES OF THE MALTA FINANCIAL SERVICES AUTHORITY, THE COMPANIES ACT AND THE PROSPECTUS REGULATION.

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

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

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

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

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

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

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

IN RELATION TO EACH MEMBER STATE OF THE EUROPEAN ECONOMIC AREA (OTHER THAN MALTA) WHICH HAS IMPLEMENTED THE PROSPECTUS REGULATION THE SECURITIES CAN ONLY BE OFFERED TO "QUALIFIED INVESTORS" (AS DEFINED IN THE SAID REGULATION) AS WELL AS IN ANY OTHER CIRCUMSTANCES WHICH DO NOT REQUIRE THE PUBLICATION BY THE ISSUER OF A PROSPECTUS PURSUANT TO ARTICLE 3 OF THE SAID REGULATION.

A COPY OF THIS DOCUMENT HAS BEEN SUBMITTED TO THE MALTA FINANCIAL SERVICES AUTHORITY IN SATISFACTION OF THE CAPITAL MARKETS RULES AND TO THE MALTA STOCK EXCHANGE IN SATISFACTION OF THE MALTA STOCK EXCHANGE BYE-LAWS AND HAS BEEN DULY FILED WITH THE MALTA BUSINESS REGISTRY, IN ACCORDANCE WITH THE COMPANIES ACT.

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

ALL THE ADVISORS TO THE ISSUER NAMED IN THIS REGISTRATION DOCUMENT UNDER THE HEADING ENTITLED “**ADVISORS**” IN SECTION 3.3 OF THIS REGISTRATION DOCUMENT HAVE ACTED AND ARE ACTING EXCLUSIVELY FOR THE ISSUER IN RELATION TO THIS PUBLIC OFFER AND HAVE NO CONTRACTUAL, FIDUCIARY OR OTHER OBLIGATION TOWARDS ANY OTHER PERSON AND WILL ACCORDINGLY NOT BE RESPONSIBLE TO ANY INVESTOR OR ANY OTHER PERSON WHOMSOEVER IN RELATION TO THE TRANSACTIONS PROPOSED IN THE PROSPECTUS.

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

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

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1. DEFINITIONS

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

2016 Bonds	the 4.25% secured bonds due 2023 issued by the Issuer pursuant to a prospectus dated 16 September 2016, and having ISIN number: MT0001231209;
2020 Bonds	the €21,000,000 3.7% secured bonds due 2023 – 2025 issued by the Issuer pursuant to a prospectus dated 20 November 2020, and having ISIN number: MT0001231225;
2021 Bonds	the €21,000,000 3.90% secured bonds due 2024-2026 issued by the Issuer pursuant to a prospectus dated 6 December 2021, and having ISIN number: MT0001231233;
Birkirkara Development	the 14 residential units and nine garages all in a completely finished state, forming part of the development on the site in Triq Qormi, Birkirkara, Malta, measuring approximately 450m ² , as better described in section 6.2.2. of this Registration Document;
Capital Markets Rules	the capital markets rules issued by the Malta Financial Services Authority in terms of the Financial Markets Act;
Companies Act	the Companies Act (Cap. 386 of the laws of Malta);
Deloitte Advisory and Technology Limited	Deloitte Advisory and Technology Limited, a private limited liability company registered under the laws of Malta bearing company registration number C 23487 and having its registered office at Deloitte Place, Triq I-Intornjatur, Zone 3, Central Business District, Birkirkara, CBD 3050, Malta;
Directors or Board	the directors of the Issuer whose names are set out in section 3.1 of this Registration Document under the heading entitled “ Directors, Senior Management, Advisors and Auditors ”;
Euro or €	the lawful currency of the Republic of Malta;
Financial Markets Act	the Financial Markets Act (Cap. 345 of the laws of Malta);
GDL	Geom Developments Limited, a private limited liability company registered under the laws of Malta bearing company registration number C 50805 and having its registered office at Gap Holdings Head Office, Ċensu Scerri Street, Sliema SLM 3060, Malta;
GHL	Geom Holdings Limited, a private limited liability company registered under the laws of Malta bearing company registration number C 64409 and having its registered office at Gap Holdings Head Office, Ċensu Scerri Street, Sliema SLM 3060, Malta;
Għargħur Development	the 34 luxury apartments (six of which are at penthouse level) and 41 garages / car spaces, spread over four blocks with a variety of one, two and three bedroomed residential units, all in a completely finished state, forming part of the development on the site in Triq Caravaggio, Għargħur, Malta measuring approximately 2,585m ² , as better described in section 6.2.2. of this Registration Document;
GGCL	Gap Group Contracting Limited, a private limited liability company registered under the laws of Malta bearing company registration number C 75879 and having its registered office at Gap Holdings Head Office, Ċensu Scerri Street, Sliema SLM 3060, Malta;
GGF	Gap Group Finance Limited, a private limited liability company registered under the laws of Malta bearing company registration number C 54352 and having its registered office at Gap Holdings Head Office, Ċensu Scerri Street, Sliema SLM 3060, Malta;
GGL	Gap Għargħur Limited, a private limited liability company registered under the laws of Malta bearing company registration number C 72015 and having its registered office at Gap Holdings Head Office, Ċensu Scerri Street, Sliema SLM 3060, Malta;
GLL	Gap Luqa Limited, a private limited liability company registered under the laws of Malta bearing company registration number C 32225 and having its registered office at Gap Holdings Head Office, Ċensu Scerri Street, Sliema SLM 3060, Malta;
GML	Gap Mellieħa (I) Limited, a private limited liability company registered under the laws of Malta bearing company registration number C 72013 and having its registered office at Gap Holdings Head Office, Ċensu Scerri Street, Sliema SLM 3060, Malta;
GP	Gap Projects Limited, a private limited liability company registered under the laws of Malta bearing company registration number C 47554 and having its registered office at Gap Holdings Head Office, Ċensu Scerri Street, Sliema SLM 3060, Malta;

GPL	Gap Properties Limited, a private limited liability company registered under the laws of Malta bearing company registration number C 47928 and having its registered office at Gap Holdings Head Office, Ċensu Scerri Street, Sliema SLM 3060, Malta;
GQL	GAP Qawra Limited, a private limited liability company registered under the laws of Malta bearing company registration number C 100513 and having its registered office at Gap Holdings Head Office, Ċensu Scerri Street, Sliema SLM 3060, Malta;
GQM	GAP QM Limited, a private limited liability company registered under the laws of Malta bearing company registration number C 96686 and having its registered office at Gap Holdings Head Office, Ċensu Scerri Street, Sliema SLM 3060, Malta;
GZL	GAP Zonqor Limited, a private limited liability company registered under the laws of Malta bearing company registration number C 103533 and having its registered office at Gap Holdings Head Office, Ċensu Scerri Street, Sliema SLM 3060, Malta;
Group or Gap Group	the Issuer and its direct or indirect Subsidiaries;
Guarantor	means GZL;
Issuer	Gap Group p.l.c., a public limited liability company registered under the laws of Malta bearing company registration number C 75875 and having its registered office at Gap Holdings Head Office, Ċensu Scerri Street, Sliema SLM 3060, Malta;
Luqa Development	the construction, development and finishing of a total of 268 residential units and 301 garages spread over five zones with a mix of one, two and three bedroomed residential units, all in a completely finished state, forming part of the development on the site known as Ta' Blejkiet in Luqa, Malta, measuring approximately 8,500m ² ;
Market Abuse Regulation	means Regulation (EU) No. 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse (market abuse regulation) and repealing Directive 2003/6/EC of the European Parliament and of the Council and Commission Directives 2003/124/EC, 2003/125/EC, and 2004/72/EC;
Malta Financial Services Authority or MFSA	the Malta Financial Services Authority, established in terms of the Financial Markets Act as the competent authority to approve prospectuses of any offer of securities to the public in Malta;
Malta Stock Exchange or Exchange or MSE	Malta Stock Exchange p.l.c., as originally constituted in terms of the Financial Markets Act bearing company registration number C 42525 and having its registered office at Garrison Chapel, Castille Place, Valletta VLT 1063, Malta;
Marsascala Development	the 63 residential units and 93 garages spread over five blocks with a variety of two and three bedroomed residential units, all in a completely finished state, forming part of the development on the site in Triq il-Kappara, Triq il-Vajrita and Triq Guzeppi Lanzon, Marsascala;
Mellieħa Development	the 159 residential units and 169 lock-up garages, spread over ten blocks with a variety of one, two and three bedroomed residential units, all in a completely finished state, forming part of the development on the site known as Ta' Masrija in Mellieħa, Malta, measuring approximately 5,100m ² ;
Memorandum and Articles of Association	the memorandum and articles of association of the Issuer in force at the time of publication of the Prospectus. The terms " Memorandum ", " Articles " and " Articles of Association " shall be construed accordingly;
Mosta Development	the construction, development and finishing of a total of 114 residential units, four commercial outlets and 150 car spaces, spread over eleven blocks with a variety of two and three bedroomed residential units over the Mosta Site, as better described in section 6.2.1. of this Registration Document;
Mosta Site	the site having a façade directly on Triq id-Difiża Ċivili and on Triq tal-Qares, in Mosta, Malta, measuring approximately 5,895m ² , as better described in section 6.2.1. of this Registration Document;
PDMR	has the same meaning assigned to " <i>person discharging managerial responsibilities</i> " in terms of the Market Abuse Regulation;
Person Closely Associated	has the same meaning assigned to " <i>person closely associated</i> " in terms of the Market Abuse Regulation;
Portion A	a portion of the Qawra Site III measuring approximately 1395m ² , as better described in section 6.2.1. of this Registration Document;

Portion B	a portion of the Qawra Site III measuring approximately 980m ² , as better described in section 6.2.1. of this Registration Document;
Prospectus	collectively, this Registration Document, the Securities Note and the Summary;
Prospectus Regulation	Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market and repealing Directive 2003/71/EC;
Qawra I Development	the 151 residential units and 181 garages / car spaces, spread over seven blocks, identified as Blocks A to G (both included) with a variety of one, two and three bedroomed residential units, all in a completely finished state, forming part of the development of the site in Triq il-Portzjunkola, Qawra, Malta, measuring approximately 3,508m ² ;
Qawra II Development	the construction, development and finishing of a total of 93 residential units, comprising a mix of one and two bedroomed units, and 151 lock-up garages, spread over six blocks, over Qawra Site II, as better described in section 6.2.1. of this Registration Document;
Qawra III Development	the construction, development and finishing of a total of 46 residential units, comprising a mix of two and three bedroomed units, and 58 lock-up garages, spread over three blocks over Portion A and which development is subject to two pending development applications, namely, PC0017/21 and PA03106/22, as better described in section 6.2.1. of this Registration Document;
Qawra Site II	the site located in Triq in-Nakkri, in Qawra, in the limits of St. Paul's Bay, Malta, measuring approximately 1,924m ² , as better described in section 6.2.1. of this Registration Document;
Qawra Site III	the site located in Triq it-Tamar, in Qawra, in the limits of St. Paul's Bay, Malta, measuring approximately 2,375m ² and divided into Portion A and Portion B, as better described in section 6.2.1. of this Registration Document;
Registration Document	this document in its entirety;
San Pawl tat-Tarġa Development	the nine residential units and eight garages all in a completely finished state, forming part of the development on the site in Triq Jean de la Vallette, San Pawl ta-Tarġa, Naxxar, Malta measuring approximately 330m ² ;
Secured Bonds	has the meaning assigned to it in the Securities Note;
Securities Note	the securities note issued by the Issuer dated 5 December 2022, forming part of the Prospectus;
Sponsor, Manager and Registrar or MZI	M.Z. Investment Services Limited bearing company registration number C 23936 and having its registered office at 61, M.Z. House, St. Rita Street, Rabat RBT 1523, Malta, licensed by the MFSA and a member of the MSE;
Subsidiary	means an entity over which the parent has control. In terms of the International Financial Reporting Standards adopted by the European Union, a group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. The term "Subsidiaries" shall collectively refer to the said entities;
Summary	the summary issued by the Issuer dated 5 December 2022, forming part of the Prospectus;
Trustee or Security Trustee	Equinox International Limited, a private limited liability company registered under the laws of Malta, bearing company registration number C 29674 and having its registered office at Level 3, Valletta Buildings, South Street, Valletta VLT 1103, Malta, duly authorised to act as a trustee or co-trustee in terms of article 43(3) of the Trusts and Trustees Act (Chapter 331 of the laws of Malta).
Żonqor Development	the 118 residential units, 182 lock-up garages and two Class 4B shops, spread over ten blocks with a variety of one, two and three bedroomed residential units, all in a completely finished state, forming part of the development on the Żonqor Site, as better described in section 6.1. of this Registration Document; and
Żonqor Site	the site having a façade directly on Triq l-Għawwiema, Triq l-Għaguża and Triq il-Bajja in Żonqor, Marsascala, Malta, measuring approximately 3,817m ² , as better described in section 6.1. of this Registration Document.

Unless it appears otherwise from the context:

- (a) words importing the singular shall include the plural and *vice-versa*;
- (b) words importing the masculine gender shall also include the feminine gender and *vice-versa*; and
- (c) the word "may" shall be construed as permissive and the word "shall" shall be construed as imperative.

2. RISK FACTORS

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

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

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

THE PROSPECTUS, THE DOCUMENTATION INCORPORATED BY REFERENCE HEREIN AND, OR ANY OTHER INFORMATION SUPPLIED IN CONNECTION WITH SECURITIES ISSUED BY THE ISSUER:

- (I) IS NOT INTENDED TO PROVIDE THE BASIS FOR ANY CREDIT OR OTHER EVALUATION;
- (II) IS NOT AND SHOULD NOT BE CONSIDERED AS A RECOMMENDATION BY THE ISSUER, THE DIRECTORS, THE SPONSOR, MANAGER AND REGISTRAR OR ANY OF THE AUTHORISED FINANCIAL INTERMEDIARIES THAT ANY RECIPIENT OF THE PROSPECTUS, THE DOCUMENTATION INCORPORATED BY REFERENCE HEREIN, OR ANY OTHER INFORMATION SUPPLIED IN CONNECTION THEREWITH, SHOULD PURCHASE ANY SECURITIES ISSUED BY THE ISSUER (PROSPECTIVE INVESTORS SHOULD MAKE THEIR OWN INDEPENDENT EVALUATION OF ALL RISK FACTORS, AND SHOULD CONSIDER ALL OTHER SECTIONS IN THIS DOCUMENT); AND
- (III) CONTAIN STATEMENTS THAT ARE, OR MAY BE DEEMED TO BE, "FORWARD LOOKING STATEMENTS".

2.1 Forward-looking Statements

The Prospectus and the documents incorporated therein by reference or annexed thereto, contain forward-looking statements that include, among others, statements concerning the Issuer's and, or the Group's strategies and plans relating to the attainment of their respective objectives, capital requirements and other statements of expectations, beliefs, future plans and strategies, anticipated developments and other matters that are not historical facts and which may involve predictions of future circumstances. Investors can generally identify forward-looking statements by the use of terminology such as "may", "will", "expect", "intend", "plan", "estimate", "anticipate", "believe", or similar phrases. These forward-looking statements are inherently subject to a number of risks, uncertainties, and assumptions. Important factors that could cause actual results to differ materially from the expectations of the Issuer and, or the Group include those risks identified under the heading "Risk Factors" and elsewhere in the Prospectus.

Accordingly, the Issuer cautions prospective investors that these forward-looking statements are subject to risks and uncertainties that could cause actual events or results to differ materially from those expressed or implied by such statements, that such statements do not bind the Issuer with respect to future results and no assurance is given that the projected future results or expectations covered by such forward-looking statements will be achieved.

2.2 Risk Factors

2.2.1 Risks relating to the Issuer and the Group

2.2.1.1 Risks associated with the dependency of the Issuer on the performance of its Subsidiaries

As further described in section 4 of this Registration Document, the Issuer is the ultimate holding company of the Group. As a finance and holding company, the majority of the Issuer's assets consist of loans granted to its Subsidiaries and shares held in the Guarantor and other Subsidiaries of the Issuer, with the only revenue generating activities of the Issuer

being the receipt of interest income on funds advanced to its Subsidiaries and dividends received from its Subsidiaries, from time to time. The Issuer is thus economically dependent on the operational results, the financial position and the financial performance of the Guarantor and its other Subsidiaries. Consequently, the financial and operational results of the Guarantor and other Subsidiaries of the Issuer have a direct effect on the Issuer's financial position.

The ability of a Subsidiary of the Issuer to effect payments of principal and interest to the Issuer in the repayment of a loan, and the distribution of dividends by a Subsidiary in favour of the Issuer, is dependent on the cash flows and earnings of the relative Subsidiary, which may be restricted by: (i) changes in applicable laws and regulations; (ii) the terms of agreements to which they are or may become party, including the agreement governing their existing indebtedness, if any; (iii) risks of delays in completion of development projects; (iv) slowdowns in the tempo of property sales; and, or (v) other factors beyond the control of the relative Subsidiary.

The distribution of a dividend to the Issuer will depend upon, amongst other factors, the profit for the year, the view of the board of directors of the respective Subsidiary on the prevailing market outlook and future investments, any debt servicing requirements, the cash flows of the relative Subsidiary, working capital requirements, and the requirements of the Companies Act. In terms of Maltese law, a company may not make a distribution except out of profits available for distribution or if the directors of the respective Subsidiary conclude that it would not be in the company's best interests. Any of the foregoing could limit the payment of dividends to the Issuer or, if the Subsidiary does pay a dividend, the amount thereof.

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

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

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

2.2.2 Risks relating to the property sector

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

The occurrence of any of the factors referred to below could result in a Subsidiary of the Issuer defaulting in its obligation to pay any amounts due to the Issuer or the ability of a Subsidiary of the Issuer to distribute a dividend which, in turn, may negatively affect the Issuer's financial condition and results.

2.2.2.1 Risks associated with the acquisition, development, and sale of property

The Group's business relates to property acquisition and development targeted at the local commercial and residential market, which is subject to several specific risks:

- a) the risk of delays, including, albeit not limited to, delays (and, or refusals) in obtaining any necessary permits and cost overruns;
- b) the risk of sales transactions not being made at the prices and within the timeframes envisaged, which may lead to difficulty in obtaining payment from third parties as well as risks of ultimate unfeasibility of development projects;
- c) general industry trends, including the cyclical nature of the real estate market, economic depressions, change in market conditions including an oversupply of similar properties, a reduction in demand for real estate, changes in local preferences and tastes, as well as increased competition in any of the markets or sectors in which the Group is undertaking real estate development;
- d) the possibility of delays pursuant to a strain on the availability of human and other capital resources required for the development and completion of such projects resulting from heightened levels of activity in the sector;
- e) legal claims, with or without merit, instituted by third parties against the members of the Group; and
- f) extensive regulation, including national and local regulation and administrative requirements and policies which relate to, among other things, planning, developing, land use, local urban regeneration strategy, fire, health and safety, and others.

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

2.2.2.2 Risks associated with property valuations and net realisable value

The valuation referred to in the Prospectus is prepared by an independent qualified architect in accordance with the valuation standards published by the Royal Institution of Chartered Surveyors ('RICS'). However, the valuation of property is intrinsically subjective and based on several assumptions at a given point in time. In providing a market value of the property, the architect has made certain assumptions which ultimately may cause the actual values to be materially different from any future values that may be expressed or implied by such forward-looking statements or anticipated on the basis of historical trends as reality may not match the assumptions. Subsequently, the Group may purchase and, or have purchased property on the basis of inaccurate valuations. Moreover, property valuations are largely dependent on current and, or expected market conditions which may fluctuate from time to time. There can be no assurance that such property valuations and property-related assets will reflect actual market values.

2.2.2.3 Risks associated with the engagement and, or the involvement of service providers and associated counterparty risks

The project companies forming part of the Group (including the Guarantor) rely upon service providers such as architects, building contractors and suppliers for the construction and completion of each of their respective developments. The Guarantor engaged the services of GGCL for the purposes of the Žonqor Development, including the excavation, construction and finishing of the development in a timely manner and within agreed cost parameters. In terms of the contracts of works entered into between GGCL and the project companies of the Group, GGCL is entitled to sub-contract its services to third party providers for the construction of the respective developments. This gives rise to counterparty risks in those instances where such service providers do not perform in line with the Group's expectations and in accordance with their contractual obligations. Failure to complete developments in a timely manner or, at all, may reduce the level of return on such developments and the Group may incur a loss. Furthermore, if these risks were to materialise, this will result in delays in development and completion which could have an adverse impact on the Group's business, its financial condition, results of operations and prospects, particularly if it is unable to sell the units by a certain date. Delays in the development and completion of the Žonqor Development could have a material adverse impact on the Issuer's cash flows and revenue generation.

2.2.2.4 Risks relating to health and safety

GGCL is the contractor of the Žonqor Development. The Group's construction arm is susceptible to risks relating to the health and safety of employees and third parties, including the risk of serious injury or even fatality. The Group is required to adopt, maintain, and constantly review comprehensive health and safety policies and practices.

Any failure in health and safety performance may result in penalties for non-compliance with the relevant regulatory requirements. A failure which results in a major or significant health and safety incident, such as injury to, or fatality of, members of the construction workforce or bystanders may be costly in terms of potential liabilities as well as the generation of adverse publicity having a negative impact on the Group's reputation. There can be no assurance that the Group's health and safety policies and practices will prove effective in ensuring health and safety on its property development sites.

Since GGCL is a Subsidiary of the Issuer, any penalties or damages incurred by GGCL in the exercise of its obligations as contractor may, indirectly, affect the financial performance of the Issuer.

2.2.2.5 Risks relating to environmental-related liabilities

There can be no guarantee that the Group will not incur unexpected liabilities such as fines for environmental pollution in respect of the Žonqor Development or other developments of the Group. These additional liabilities may only become apparent after the acquisition of the Žonqor Site, or any other sites acquired by the Group. This could result in significant additional costs and, or delays in the completion of developments. Additional costs and, or fines may affect the ability of the Group to service or repay the Secured Bonds.

The reputation of the Group could be adversely affected if unexpected environmental issues are identified. Environmental issues that affect one site could affect the saleability of units forming part of Group's developments which share the Group's branding. A negative reputation may affect the Group's ability to complete and, or dispose of developments, and to use any such proceeds to service or repay the Secured Bonds.

2.2.2.6 The Group's insurance policies

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

No assurance can be given that the Group's current insurance coverage would be sufficient to cover all potential losses, regardless of the cause, nor can any assurance be given that an appropriate coverage would always be available at acceptable commercial rates. In addition, changes in legislation or judicial interpretation, or the issuance or alteration of directives, orders, or other measures (whether interim or otherwise) by the relevant authorities (including, but not limited to, governmental departments or authorities, planning authorities, health and safety authorities, environmental authorities, among others) may impact the ability to recoup losses under insurance coverage held by the Group. Furthermore, the actions, or inactions of employees or other officials of the Group, or of contractors, sub-contractors, outsourced parties, or other third-parties engaged by the Group from time to time, may affect the ability of the Group to successfully make a claim under its insurance policies. Any realized losses that are not covered by an insurance arrangement may have an adverse effect on the Group's financial performance.

2.2.2.7 Competing developments

Similar developments in Marsascala may result in the Group not being able to sell the residential units forming part of the Żonqor Development within the projected timelines or at the prices envisaged by the Directors. Although the Directors are of the view that their pricing strategy is attractive, should competing developments be completed within the same timeframe as the Żonqor Development, the Group's business, financial condition, and results of operations could be adversely affected.

2.2.2.8 Litigation risk

All industries, including the property development industry, are subject to legal claims, with or without merit. Defense and settlement costs can be substantial, even with respect to claims that have no merit. Due to the inherent uncertainty of litigation and dispute resolution processes, there can be no assurance that the resolution of any legal proceeding or dispute will not have a material adverse effect on the Group's future cash flow, results of operations or financial condition.

2.2.3 Risks relating to the economic repercussions of coronavirus ("COVID-19")

There continues to be economic uncertainty as a consequence of the COVID-19 outbreak which began in Malta during the course of 2020. Government support will eventually be withdrawn and there is a risk that it will impact the pace and duration of the economic recovery. This may result in the rate of employment in Malta and, or wages being negatively impacted. The Government may also reduce or remove specific support to the residential property market such as incentives for first-time buyers and second-time buyers which may have an adverse impact on processes and, or property transaction volumes.

There is also the risk that an increased demand caused by consumers spending excess savings during the COVID-19 pandemic may result in an inflationary spike, which may increase the costs for the completion of the Żonqor Development, or the availability of labour and materials needed to complete the Żonqor Development. The ultimate scale and duration of this may result in the Central Bank of Malta increasing interest rates faster than expected which may erode the income of existing or potential property owners if wages do not keep pace. The construction industry may also be adversely impacted as construction costs may increase and issues around the availability of materials to complete developments may cause delays.

There is also the risk that a new variant of the virus may appear which is resistant to current vaccines. This may result in new restrictions on economic and social activity being put in place, which may impact the value, timing, and cost of developments.

The exact nature of the risks that the Group faces and the manner and the extent to which they will ultimately impact the Issuer is difficult to predict and guard against in the light of: (i) the uncertainty as to the duration and impact of the COVID-19 pandemic; (ii) the interrelated nature of the risks involved; and (iii) the fact that the risks are totally or partially outside the Group's control. Consequently, the continued realisation of the economic and financial repercussions associated with the COVID-19 pandemic constitutes a risk to the ability of the Issuer to dispose of the immovable property forming part of its ongoing projects at the projected rates and return.

These factors whether individually or collectively, may cause operational issues which prevent the Group from completing its developments resulting from delays, fluctuations in costs and the value of units forming part of the Group's developments as well as the unavailability of the resources required for the completion of these developments. In such circumstances, there may be a resulting impact on the Group's ability to service or repay the Secured bonds.

3. DIRECTORS, SENIOR MANAGEMENT, ADVISORS AND AUDITORS

3.1 Directors

As at the date of this Registration Document, the Board is constituted as follows:

Name	Designation	Date of Appointment
George Muscat ID Card: 312355M	Chairman and Executive Director	1 June 2016
Paul Attard ID Card: 359775M	Executive Director	1 June 2016
Adrian Muscat ID Card: 166682M	Executive Director	1 June 2016
Francis X. Gouder ID Card: 866550M	Independent Non-Executive Director	1 June 2016
Mark Castillo ID Card: 940546M	Independent Non-Executive Director	1 June 2016
Chris Cilia ID Card: 121268M	Independent Non-Executive Director	12 September 2016

The business address of the Directors is Gap Holdings Head Office, Ċensu Scerri Street, Sliema SLM 3060, Malta.

Paul Attard, having the same business address as that of the Issuer, is the company secretary of the Issuer.

This Registration Document includes information given in compliance with the Capital Markets Rules and the Prospectus Regulation for the purpose of giving information on the Issuer. All of the Directors, whose names appear under section 3.1 of this Registration Document, accept responsibility for the information contained herein.

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

The persons listed under section 3.3 entitled “**Advisors**” have advised and assisted the Directors in the drafting and compilation of the Prospectus, but they do not make any representation or statement unless otherwise expressly stated in the Prospectus, and each of them disclaims any responsibility for any representations and other statements made in the Prospectus.

As at the date of this Registration Document, the board of directors of GZL is constituted as follows:

Name	Designation	Date of Appointment
George Muscat ID Card: 312355M	Director	17 October 2022
Paul Attard ID Card: 359775M	Director	17 October 2022
Adrian Muscat ID Card: 166682M	Director	17 October 2022

The business address of the directors of GZL is Gap Holdings Head Office, Ċensu Scerri Street, Sliema SLM 3060, Malta.

Paul Attard, having the same business address as that of GZL, is the company secretary of GZL.

3.2 Senior Management

The Issuer itself has no employees and is managed directly by its Directors. Each Subsidiary of the Issuer employs management personnel and other employees devoted to managing the project undertaken by that respective company. The Group adopts a centralised management structure whereby it can deploy senior management personnel to perform duties in different parts of the Group depending on the requirements of each Subsidiary; those services are then re-charged to the Subsidiary where they are from time to time deployed.

3.3 Advisors

Legal Counsel to the Sponsor, Manager and Registrar

Name: Camilleri Preziosi
Address: Level 3, Valletta Buildings, South Street
Valletta VLT 1103, Malta

Legal Counsel to the Issuer

Name: Dr. Chris Cilia
Address: 53, Doni Street
Rabat RBT 1324, Malta

Financial Advisors to the Issuer

Name: Deloitte Advisory and Technology Limited
Address: Deloitte Place, Triq l-Intornjatur
Zone 3, Central Business District
Birkirkara, CBD 3050, Malta

Sponsor, Manager and Registrar

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

3.4 Auditors of the Issuer and the Guarantor

The Auditor of the Issuer

(a) Auditor for the financial period ended 31 December 2019

The auditor of the Issuer for the financial year ended 31 December 2019 is:

Name: EFS Audit Limited (C 93220)
Address: 1, Tal-Providenza Mansions, Main Street, Balzan BZN 1254, Malta

EFS Audit Limited is a firm of certified public accountants holding a warrant to practice the profession of accountant in terms of the Accountancy Profession Act (Cap. 281 of the laws of Malta). The Accountancy Board registration number of EFS Audit Limited is AB/2/19/19. EFS Audit Limited audited the annual statutory consolidated financial statements of the Issuer for the financial year ended 31 December 2019.

The sole shareholder and director of EFS Audit Limited is Emanuel P. Fenech.

(b) Auditor for the financial period ended 31 December 2020 and 31 December 2021

The auditor of the Issuer for the financial years ended 31 December 2020 and 31 December 2021 is:

Name: TACS Malta Limited (C 84698)
Address: 1, Tal-Providenza Mansions, Main Street, Balzan BZN 1254, Malta

As at the date of this Registration Document, the auditor of the Issuer is TACS Malta Limited (C 84698), a firm of certified public accountants holding a warrant to practice the profession of accountant in terms of the Accountancy Profession Act (Cap. 281 of the laws of Malta). The Accountancy Board registration number of TACS Malta Limited is AB/2/17/22.

The Auditor of the Guarantor

As at the date of this Registration Document, the auditor of GZL is TACS Malta Limited (C 84698), a firm of certified public accountants holding a warrant to practice the profession of accountant in terms of the Accountancy Profession Act (Cap. 281 of the laws of Malta). The Accountancy Board registration number of TACS Malta Limited is AB/2/17/22.

GZL is a newly incorporated company and has not published its first set of audited financial statements.

3.5 Security Trustee

Name: Equinox International Limited (C 29674)
Address: Level 3, Valletta Buildings, South Street,
Valletta VLT 1103, Malta

Equinox International Limited is licensed by the MFSA to act as a trustee in terms of the Trusts and Trustees Act (Cap. 331 of the laws of Malta).

4. INFORMATION ABOUT THE ISSUER

4.1 Historical Development of the Issuer

4.1.1 Introduction

Full Legal and Commercial Name of the Issuer:	Gap Group p.l.c.
Registered Address:	Gap Group Head Office Ġensu Scerri Street Sliema, SLM 3060, Malta
Place of Registration and Domicile:	Malta
Registration Number:	C 75875
Legal Entity Identifier:	213800NHMAPF7JZ8CO50
Date of Registration:	1 June 2016
Legal Form:	The Issuer is lawfully existing and registered as a public limited liability company in terms of the Companies Act
Telephone Number:	+356 23271000
Fax:	+356 23271210
Email:	info@gap.com.mt
Website:	http://www.gap.com.mt

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

4.1.2 Overview of the Issuer's business

The Issuer was incorporated in 2016 as the holding company of the Group. Since the Issuer does not carry out any trading activities of its own, the Issuer is mainly dependent on the business prospects of its operating Subsidiaries which operate in the acquisition and development of real estate properties. Each project undertaken by the Group is typically undertaken through a special purpose vehicle established for that project, and each special purpose vehicle is managed through its board of directors. Group companies which undertake a development project engage the services of GGCL (a Subsidiary of the Issuer) as the contractor responsible for the development of the immovable properties. Other than the foregoing, the Issuer is not dependent on other entities within the Group with respect to the management of its projects.

The Group has completed developments in various localities in Malta, including Żebbug, Qawra and Gharghur. As at the date of this Registration Document, the following projects are ongoing or are completed with units available for sale on the market:

- (i) the Mellieħa Development;
- (ii) the Luqa Development;
- (iii) the Birkirkara Development;
- (iv) the Marsascala Development;
- (v) the San Pawl tat-Tarġa Development;
- (vi) the Qawra II Development;
- (vii) the Qawra III Development; and
- (viii) the Mosta Development.

Further information on the developments referred to in points (i) to (viii) above, is set out in section 6.2. of this Registration Document.

Through GZL, the Group is in the process of acquiring the Żonqor Site and subsequently developing the Żonqor Development. Although there are no specific plans for the acquisition and development of other sites for resale, the long-term strategy of the Group is to continue seeking development opportunities, particularly within the local market.

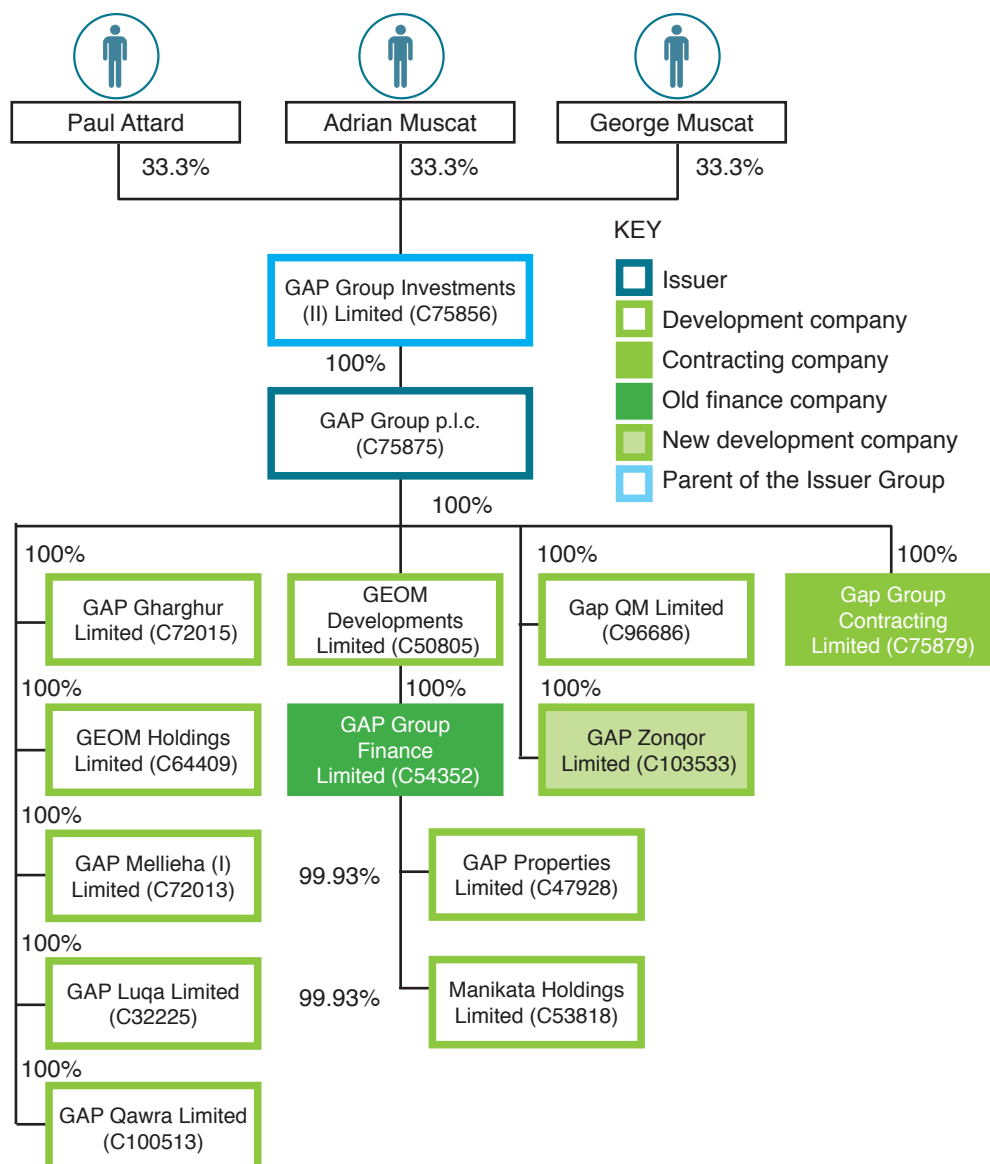
Several projects undertaken by the Subsidiaries of the Issuer were fully and, or partly funded (as applicable) by virtue of the issue of secured bonds on the Official List of the Malta Stock Exchange. The debt securities admitted to the Official List are listed below:

- (i) the 2016 Bonds;
- (ii) the 2020 Bonds; and
- (iii) the 2021 Bonds

As at 30 June 2022, the aggregate amount of secured bonds in issue and which were not the subject to a buy-back by the Issuer, amounted to €50,397,900. As at 30 June 2022, the reserve account pertaining to the 2016 Bonds carried a balance of €8,397,900 and the reserve accounts pertaining to the 2020 Bonds and the 2021 Bonds carried a nil balance. In accordance with the terms and conditions of the respective secured bonds in issue and the trust deeds entered into by the security trustee of the said bond issues, cash balances accumulated in the respective reserve accounts may, *inter alia*, be utilised during the term of the respective secured bonds to repurchase said bonds from the market.

Save for the above, the Issuer itself has no other trading history.

4.1.3 Group organisational structure



The organisational structure of the Group is depicted above. The Group is ultimately equally owned by three individual shareholders, namely, Paul Attard, Adrian Muscat, and George Muscat, through Gap Group Investments II Limited (C 75856).¹ A brief overview of the business activities of the Group companies is set out below:

- GEOM Developments Limited (“**GDL**”): GDL was incorporated in October 2010 and undertook a large residential development project in Qawra. GDL is currently dormant.
- GAP Gharghur Limited (“**GGL**”): GGL was incorporated in August 2015 and acquired land in Gharghur for development into residential units and garages. Following completion of the Gharghur Development in 2018, GGL acquired two development sites in Birkirara and San Pawl tat-Tarġa in 2019. Further information on the Birkirara Development and the San Pawl Tat-Tarġa Development is set out in section 6.2.2. of this Registration Document.
- GEOM Holdings Limited (“**GHL**”): GHL was incorporated in March 2014 and undertook a large residential project in Qawra. GHL is currently dormant.
- GAP Properties Limited (“**GPL**”): GPL was incorporated in October 2009. It had previously undertaken a development in Zebbug. In 2019, GPL acquired a development site in Marsascala. Further information on the Marsascala Development is set out in section 6.2.2. of this Registration Document.
- Manikata Holdings Limited (“**MHL**”): was incorporated in September 2011 to undertake a development of 14 luxury semi-detached villas in Manikata. MHL is currently dormant.
- GAP Mellieha (I) Limited (“**GML**”): GML was incorporated in August 2015 to undertake a development of 159 residential units in Mellieha. The project was completed in Q4 2020. Further information on the Mellieha Development is set out in section 6.2.2. of this Registration Document.
- GAP Luqa Limited (“**GLL**”): GLL was incorporated in October 2003 to undertake a development in Luqa. Further information on the Luqa Development is set out in section 6.2.2. of this Registration Document.
- GAP Group Finance Limited (“**GGFL**”): GGFL was incorporated in November 2011 and was previously used as the finance vehicle of the Group. GGFL is currently dormant.
- GAP QM Limited (“**GQM**”): GQM was incorporated in September 2020 and has since acquired two development sites in Mosta and Qawra. Further information on the Qawra II Development and the Mosta Development is set out in section 6.2.1. of this Registration Document.
- GAP Qawra Limited (“**GQL**”): was incorporated in October 2021 to acquire a development site in Qawra. Further information on the Qawra III Development is set out in section 6.2.1. of this Registration Document.
- GAP Żonqor Limited (“**GZL**”): was incorporated on 18 October 2022 to acquire a site in Żonqor, Marsascala. Further information on the Żonqor Development is set out in section 6.1. of this Registration Document.
- GAP Group Contracting Limited (“**GGCL**”): GGCL was incorporated in June 2016 and serves as the Group’s contracting company. Third party contractors are engaged through GGCL, and the contracting costs are then recharged to the respective development companies.

¹ George Muscat holds two ordinary shares directly in the Issuer. Adrian Muscat and Paul Attard each hold one ordinary share directly in the Issuer.

5. INFORMATION ABOUT THE GUARANTOR

5.1 GZL

GZL is the Subsidiary of the Issuer which manages the development of the Żonqor Development.

5.1.1 Historical Development of GZL

Full Legal and Commercial Name of GZL:	Gap Żonqor Limited
Registered Address:	Gap Group Head Office, Ċensu Scerri Street, Sliema, SLM 3060, Malta
Place of Registration and Domicile:	Malta
Registration Number:	C 103533
Legal Entity Identifier:	485100QYE4NSPDLYPX98
Date of Registration:	18 October 2022
Legal Form:	GZL is lawfully existing and registered as a private limited liability company in terms of the Companies Act
Telephone Number:	+356 23271000
Fax:	+356 23271210
Email:	info@gap.com.mt

5.1.2 Overview of GZL's business

GZL is a single member private limited liability company registered and operating in Malta in terms of the Companies Act. The principal activity of GZL is the development, management, and construction of real estate properties in Malta. The Issuer established GZL as a special purpose vehicle for the purpose of acquiring and developing the Żonqor Site.

6. THE PROJECTS

6.1 The Żonqor Development

GZL shall appear on a deed of sale in respect of the sale and transfer of the emphyteusis of the Żonqor Site for a consideration of €14,847,000. As at the date of this Registration Document, Gap Projects Limited has agreed to purchase the Żonqor Site from the vendors of the said site. The amount of €600,000 has been paid by the Issuer to the vendors on account of the purchase price. On the deed of sale Gap Projects Limited shall assign and novate all its rights and obligations under the said promise of sale agreement to GZL.

The village of Marsascula is located in the south-eastern region of Malta. Originally a small fishing village, Marsascula evolved into a tourist destination and a permanent hometown or summer residence for locals as well as foreigners seeking a retirement home in Malta. Marsascula is a seaside village which boasts of a picturesque bay, a promenade continuing to St. Thomas Bay and has a range of restaurants and bars.

The Żonqor Site is situated on four streets in the Żonqor area of Marsascula, with its main façade being south facing. The Żonqor Development, which shall be constructed on the Żonqor Site shall be fully residential, apart from two small Class 4B shops. Once constructed and developed, the Żonqor Development will consist of 118 apartments which will be sold in a finished state (excluding internal doors) and including all common areas.

The site has a superficial area of approximately 3,800m². On completion, the Żonqor Development will comprise ten blocks of residential units. Out of the ten blocks, one block will contain 9 units, four blocks will contain 10 units each, one block will contain 13 units, one block will contain 12 units each, two blocks will contain 14 units each, whilst the remaining block will contain 16 units:

Block	Apartments
A	9
B	10
C	10
D	10
E	10
F	16
G	14
H	14
I	12
J	13

*The Issuer may re-designate the numbers and blocks of apartments, according to market conditions and demands.

The apartments shall be spread on eight levels in each block. The development shall also include 182 lock-up garages spread over five underground levels. The combined gross floor area of the apartments and garages constitutes a saleable area of 31,560m².

Each block shall have separate entrances served with passenger lifts accessing both the residential units and the underlying garage levels. Furthermore, the topmost floor of each block shall consist of penthouses having full ownership of the respective roof and airspace.

The residential units will be sold in a complete state and will comprise a mix of one, two and three bedroomed units, ranging in size between 55m² to 210m², which shall be priced to target a wide target market including local first-time buyers and second-time buyers as well as foreign investors seeking a summer residence in Malta. The Directors are of the view that, in the current economic conditions, the pricing strategy adopted has been designed to promote the sale of the residential units forming part of the Żonqor Development to a market (first-time buyers, second-time buyers and buyers seeking a summer residence) where the Directors believe demand will remain strong.

Further information on the Żonqor Development is included in the architect's valuation report incorporated by reference to the Prospectus.

Conditions attaching to the Żonqor Site

GZL shall acquire the emphyteusis of the Żonqor Site. The emphyteusis over the Żonqor Site was first established by virtue of a deed of emphyteusis in the records of Notary Marco Antonio Brancati dated 17 July 1683. The emphyteusis over the Żonqor Site devolved by way of succession since 1928 until it was finally purchased by the vendors at the Żonqor Site in 2019. The Directors engaged the services of a notary public in Malta to carry out searches in the Public Registry, the Land Registry, and the Courts of Malta to determine, amongst other things, the conditions of the emphyteusis attached to the Żonqor Site. As a result of the searches, it has been determined that the Żonqor Site is subject to the annual and perpetual non-revisable ground-rent of €1.92 payable to the Joint Office in Malta. However, the results of the searches were such that the contract of emphyteusis dated 1683 in the records of Notary Marco Antonio Brancati could not be traced and, accordingly, the conditions attached to the contract of emphyteusis, if any, cannot be determined by the Directors.

The area of the Żonqor Site which is subject to emphyteusis is set out in the valuation report with reference to a site plan. The valuation report is incorporated by reference to the Prospectus.

Permits

Further to the applications bearing number PC/00055/18 and PA/00777/22, the Planning Authority granted a full development permit for the excavation of the Żonqor Site and the construction of the Żonqor Development.

Construction and Development

The overall costs of the construction and finishing of the Żonqor Development, excluding the cost of acquisition of the Żonqor Site, is expected to be in the region of €17.64 million as detailed below:

Excavation	€2,800,000
Construction	€6,700,000
Finishes	€6,700,000
Contingency	€1,440,000

The construction of the Żonqor Site is expected to commence in Q1 2023, with construction and finishes envisaged to be completed by Q1 2025. Development works are being carried out by GGCL pursuant to a works contract entered into between GZL and GGCL for a value of approximately €16.2 million. Payment under the said contract shall be settled by GZL according to agreed fixed monthly payments.

Sales Revenue

On the assumption that all the residential units and garages forming part of the Żonqor Development will be sold, the Directors expect the aggregate net revenue from the Żonqor Development to be in the region of €45.5 million (net of sales commission).

6.2 Other major projects undertaken by the Group

6.2.1 Projects under construction

THE QAWRA II DEVELOPMENT

In Q4 2020, GQM acquired a site in Triq in-Nakkri, Qawra, in the limits of St. Paul's Bay for a consideration of €4.6 million. The site has a superficial area of approximately 1,924m² which on completion, will comprise two blocks of apartments consisting, in aggregate, of 93 residential units.

Once completed, the Qawra II Development will be spread over eight levels and shall include 151 lock-up garages spread over two underground levels. The combined gross floor space of the residential units and garages shall consist of an area of 16,810m². Each block shall have separate entrances served with passenger lifts accessing both the residential units and the underlying garage levels. Furthermore, the topmost floor of each block shall consist of penthouses; having full ownership of the respective roof and airspace. The residential units will be sold in a complete state and will comprise a mix of one and two bedroomed residential units, measuring approximately 120m² to 210m², which will be priced to target primarily first-time buyers and buy-to-let investors. The village of Qawra is located in the northern part of Malta. Being a coastal village, Qawra is a popular tourist destination but is also attractive to locals seeking to purchase a summer home or a reasonably priced residency.

The overall costs of construction and finishing of the Qawra II Development, excluding the cost of acquisition of the Qawra Site II, is expected to be in the region of €16.8 million. Construction commenced in Q1 2021 and was completed in Q1 2022. The project including finishing works is expected to be finalised by Q4 2022. Development works are being carried out by GGCL pursuant to a works contract entered into between GQM and GGCL for a value of approximately €16.8 million.

As at 31 October 2022, 57 units were subject to a preliminary agreement. Projected revenue to be generated from the sale of units forming part of the Qawra II Development is expected to be in the region of €20 million (net of sales commissions).

GQM acts as the guarantor of the 2020 Bonds and the 2021 Bonds. As security provider under the 2020 Bonds, GQM granted a special hypothec over the Qawra II Development in favour of the security trustee of the 2020 Bonds and a general hypothec over all of its assets both present and future. As security provider under the 2021 Bonds, GQM granted a special hypothec over the Qawra II Development in favour of the security trustee of the 2021 Bonds and a general hypothec over all of its assets both present and future. Subject to the terms of each security trust deed, the security trustee of the 2020 Bonds and the security trustee of the 2021 Bonds, as applicable, will waive its hypothecary and privileged rights over a residential unit on each final deed of sale against the receipt of a percentage of the sales proceeds and credit the amount so received in accordance with the terms of the relevant trust deeds.

THE MOSTA DEVELOPMENT

In Q4 2020, GQM acquired a site located directly on Triq id-Difiza Ċivili and on Triq tal-Qares, in Mosta, for a consideration of €10.1 million. The site has a superficial area of approximately 5,895m² which on completion, shall comprise 114 residential units spread over eleven blocks.

Once completed, the Mosta Development will be spread over six levels and will include 150 garages, spread over two levels. The combined gross floor space of the residential units and garages shall consist of a saleable area of 20,208m². The residential units will be sold in a completed state, including all common areas except for the commercial units which will be sold in shell form internally and finished externally. Each block will have a separate entrance served with passenger lifts accessing both the residential units and the underlying garage level. Furthermore, the penthouses at the topmost level of each block, are owned by third parties and include full ownership of the respective roof and airspace.

The project targets two different segments of prospective buyers, the medium segment of the residential property market and the medium to high segment of the residential property market. The part of the development (68% of the Mosta Development) targeted at the medium segment of the residential property market consists of two to three bedroomed residential units which have an approximate area of 120m² – 165m² per residential unit. The remainder of the development (32% of the Mosta Development) targeted at the medium to high segment of the market consists of three bedroomed residential units which have an approximate area of 200m² per residential unit, with each residential unit enjoying unobstructed valley and distant views.

The village of Mosta is located in the northern region of Malta and is sought after by locals for the purposes of their primary residence. Mosta is a relatively large town which boasts of historical sites, shopping centres and other amenities. The Mosta Development is located on the outskirts of Mosta in a quieter area of the village.

The overall construction and finishing expenditure of the Mosta Development is expected to be in the region of €9.1 million. Construction is expected to be completed by Q2 2023 and the Mosta Development is expected to be fully finished by Q4 2023. Development works are being carried out by GGCL pursuant to a works contract entered into between GQM and GGCL for approximately €23.6 million.

As at 31 October 2022, 32 units were subject to a preliminary agreement. Projected revenue to be generated from the sale of units forming part of the Mosta Development is expected to amount to €38 million (net of sales commissions).

GQM acts as the guarantor of the 2020 Bonds and the 2021 Bonds. As security provider under the 2020 Bonds, GQM granted a special hypothec over the Mosta Development in favour of the security trustee of the 2020 Bonds and a general hypothec over all of its assets both present and future. As security provider under the 2021 Bonds, GQM granted a special hypothec over the Mosta Development in favour of the security trustee of the 2021 Bonds and a general hypothec over all of its assets both present and future. Subject to the terms of each security trust deed, the security trustee of the 2020 Bonds and the security trustee of the 2021 Bonds, as applicable, will waive its hypothecary and privileged rights over a residential unit on each final deed of sale against the receipt of a percentage of the sales proceeds and credit the amount so received in accordance with the terms of the relevant trust deeds.

QAWRA III DEVELOPMENT

In Q4 2021, GQL acquired the temporary utile dominium of a site located in Triq it-Tamar, in Qawra, in the limits of St. Paul's Bay for a consideration of €7.5 million. The Qawra Site III has a superficial area of approximately 2,375m². GQL has allocated different uses to Qawra Site III: Portion A is earmarked for residential purposes and is the portion of Qawra Site III over which the Qawra III Development will be developed and completed; Portion B was earmarked for future development or for resale, depending on market circumstances and business opportunities of the Group.

Portion A – the Qawra III Development

Portion A, measuring approximately 1,395m², will be utilised for the construction of the Qawra III Development which, on completion, will comprise three blocks of residential units. The Qawra III Development will consist of four maisonettes and two shops at ground floor level, 48 apartments spread over six floors and six penthouses on the seventh floor which will be sold in a finished state (excluding internal doors) and including all common areas. The Qawra III Development will be spread over eight levels and shall include 58 lock-up garages spread over two underground levels. The combined gross floor space of the residential units and garages shall consist of an area of 11,575m². Each block shall have a separate entrance and is served with passenger lifts accessing both the residential units and the underlying garage levels. Furthermore, the topmost floor of each block shall consist of penthouses having full ownership of the respective roof and airspace. The residential units will be sold in a completed state, including all common areas and will comprise a mix of two and three bedroomed residential units, measuring approximately 180m² to 210m², respectively, which will be priced to target primarily first-time buyers and buy-to-let investors. The commercial units will be sold in shell form internally and finished externally.

The construction of the Qawra III Development commenced in Q1 2022, with construction envisaged to be completed by Q2 2024. Development works are being carried out by GGCL pursuant to a works contract entered into between GQL and GGCL for a value of approximately €4.3 million.

Projected revenue to be generated from the sale of units forming part of the Qawra III Development is expected to amount to €12.5 million (net of sales commissions).

Portion B – the Qawra III Development

Portion B, measuring approximately 980m², was earmarked by the Group for future development or for resale depending on market circumstances and business opportunities of the Group.

Revised strategy for the Qawra III Development

Having considered the current market conditions, the Group has submitted the applications with planning application numbers PC0017/21 and PA03106/22 to the Planning Authority in Malta for the development of the Qawra Site III into one residential project. If approved, the project will comprise 116 residential units (11 one bedroomed, 102 two bedroomed and two three bedroomed units) and 173 underlying garages. Should such planning permits be issued, the development costs for the project (both for the development of Portion A and Portion B) are estimated to be in the region of €9.1 million.

The total projected revenue from the project, if constructed and developed in accordance with PC0017/21 and PA03106/22 is in the region of €27.6 million (net of sales commissions).

GQL acts as the guarantor of the 2021 Bonds. As security provider under the 2021 Bonds, GQL granted a special hypothec over the Qawra III Development in favour of the security trustee of the 2021 Bonds and a general hypothec over all of its assets both present and future. Subject to the terms of the security trust deed entered into between GQM, the security trustee of the 2021 Bonds, GQL and the Issuer, the security trustee of the 2021 Bonds will waive its hypothecary and privileged rights over a residential unit on each final deed of sale against the receipt of a percentage of the sales proceeds and credit the amount so received to a reserve account for the benefit of the bondholders of the 2021 Bonds.

6.2.2 Completed projects

THE LUQA DEVELOPMENT

In Q2 2017, GLL acquired a building site, including its sub-terrain and airspace, having approximately 8,500m², in Luqa, accessible from eight streets, namely, Triq Ġorġ Żahra, Triq Tumas Galea, Triq I-Iskola, Triq Ġeraldu Spiteri, Triq W. Briffa, Triq Indri Micallef, Triq I-Aħwa Vassallo and Triq Ġuzeppi Callus, in an area known as Ta' Blejkiet in Luqa. The site is situated in the heart of the residential area of Luqa with close and direct access to the town's village core. The public school of the village and one of the largest supermarkets in the south of Malta are also in close vicinity and directly accessible to the Luqa Development. Furthermore, the property is located within a few metres from the arterial road which links the Malta International Airport to the rest of the island.

The Luqa Development is split into five zones and comprises 21 blocks having 301 underlying lock-up garages/car spaces and 268 residential units (42 of which are penthouses). As at the date of this Registration document, this project is complete in terms of construction works and finishing.

As at 31 October 2022, 261 residential units were sold, and seven residential units were subject to preliminary agreement. The total projected revenue from the Luqa Development is expected to reach €57.6 million (net of sales commissions).

THE MELLIEĦA DEVELOPMENT

In Q4 2016, GML acquired a plot of land measuring approximately 5,100m², with access from three streets surrounding the property situated in the Ta' Masrija area in Mellieħa over which the Mellieħa Development was developed and constructed. The Mellieħa Development is located in the village of Mellieħa in the northern region of Malta. It enjoys unobstructed country views of the imposing area known as Mizieħ and distant sea views of the island's north-western coastline.

The Mellieħa Development comprises 159 luxury residential units which are being sold finished in a completed state. The Mellieħa Development encompasses ten blocks of residential units each with separate entrances and underlying garage levels. The residential units at the topmost level also have access to the roof level and enjoy full ownership thereof. The development includes 174 lock-up garages spread over three underground levels. As at the date of the Prospectus, the Mellieħa Development is fully complete in terms of construction works and finishing.

As at 31 October 2022, 157 residential units were sold and two were subject to preliminary agreement.

The total projected revenue to be generated from the Mellieħa Development is expected to be in the region of €57.5 million (net of sales commissions).

GML acts as the guarantor of the 2016 Bonds. It also granted collateral as security for the 2016 Bonds. As security provider under the 2016 Bonds, GML granted a special hypothec over Block A of the Mellieħa Development in favour of the security trustee of the 2016 Bonds. Subject to the terms of the security trust deed entered into between the security trustee of the 2016 Bonds, GML and the Issuer, the security trustee of the 2016 Bonds agreed to waive its hypothecary and privileged rights over a residential unit on each final contract of sale against the receipt of a percentage of the sales proceeds and credit the amount so received to a reserve account for the benefit of the bondholders of the 2016 Bonds.

THE MARSASCALA DEVELOPMENT

In 2019, GPL acquired a site measuring 2,402m² which is accessible from three streets, namely, Triq il-Kappara, Triq il-Vajrita and Triq Ġuzeppi Lanzon, Marsascula. Development works commenced in Q1 2020 and are now completed. The project comprises 63 residential units and 93 garages.

As at 31 October 2022, 54 residential units were sold and eight were subject to preliminary agreement. The total projected revenue from the Marsascula Development is expected to be in the region of €17.5 million (net of sales commissions).

THE SAN PAWL TAT-TARĠA DEVELOPMENT

In 2019, GGL acquired a site measuring 330m², situated in Triq Jean de la Vallette, San Pawl ta-Tarġa, Naxxar over which nine residential units and eight garages were developed. Aggregate development costs, including acquisition of land, amounted to €2.3 million and were funded from own funds and a bank loan facility. The project is fully complete and as at 31 October 2022, seven residential units were sold and two were subject to preliminary agreement.

The total projected revenue generated from the development is €2.7 million (net of sales commission).

THE BIRKIRKARA DEVELOPMENT

In 2019, GGL acquired a site measuring 450m², situated in Triq Qormi, Birkirkara, over which 14 residential units and nine garages were constructed. Aggregate development costs, including acquisition of land, amounted to €2.6 million and were funded from own funds and a bank loan facility. The project is fully completed. As at 31 October 2022, 13 residential units were sold and one unit remains subject to preliminary agreement. The projected revenue from the sale of the units forming part of this project is €3.3 million (net of sales commissions).

7. TREND INFORMATION AND FINANCIAL PERFORMANCE

7.1 Trend Information

The Directors are of the view that the Issuer and GZL shall, generally, be subject to the normal business risks associated with the property market in Malta and barring unforeseen circumstances, does not anticipate any likely material adverse effect on the Issuer's and GZL's prospects, at least up to the end of 2023.

The Maltese economy is expected to grow strongly by 5.7% in 2022, driven by domestic demand and export of services, including tourism. Growth is forecast to moderate to 2.8% in 2023, as the supporting growth momentum of exported services fades and the impact of higher prices reduces household purchasing power. Economic growth is projected to reach 3.7% in 2024. Malta has kept energy prices unchanged due to the implementation of sizeable government measures. The government remains committed to keeping energy prices stable also for 2023 and 2024. As a result, the general government deficit is projected to be at 6% in 2022, among the highest in the EU, only gradually decreasing in 2023 and 2024. Public debt remains close to 60% of GDP.

In the first nine months of 2022, Russia's invasion of Ukraine impacted economic growth in Malta only to a limited extent, given Malta's low direct exposure to trade with these two countries. On the back of a strong economic performance in the first half of 2022, real GDP growth for the full year is expected to reach 5.7%, driven by robust domestic demand and a strong positive contribution from net exports.

The tourism sector in Malta is expected to show robust growth in 2022, as the number and expenditure of tourists by August 2022 reached around 80% of the 2019 level. In the current volatile environment, real GDP growth is forecast to moderate markedly to 2.8% in 2023 as the positive contribution of net exports diminishes and domestic demand growth slows down, due to weakening private consumption and negative growth in government consumption. In 2024, GDP growth is expected to reach 3.7%, supported by net exports and growth in public consumption.

Overall, growth of exports in 2023 is expected to weaken, as the general slowdown in economic performance among Malta's trading partners starts to have a greater negative impact on the Maltese economy.¹

The NSO's Property Price Index (PPI) – which is based on actual transactions involving apartments, maisonettes and terraced houses – continued to increase in annual terms. However, the annual rate of change slowed down to 4.5% in the last quarter of 2021 from 5.9% in the third quarter of 2021. Moreover, house price inflation in Malta remained below that in the euro area where prices increased at an annual rate of 9.4%.

Notwithstanding the slower growth recorded in the fourth quarter of 2021, the annual average house price inflation remains close to that recorded in the last four years before the pandemic. At the same time, residential property prices seem to have returned to a growth trend following the slowdown in growth during the initial stages of the pandemic. In Q1 2022 and Q2 2022, the annual percentage rate of change increased from 4.5% in Q4 2021 to 6.8% and 7.7% respectively.

Residential property prices are being supported by numerous factors including low interest rates and a number of Government schemes, which include the temporary measures launched following the pandemic. Such schemes reflect, for example, lower property tax rate and stamp duty to eligible transfers of immovable property. In particular, in 2020, the property tax and stamp duty on the first €400,000 of the value of the transfer were reduced to 5.0% and 1.5% respectively. Moreover, Budget 2021, Budget 2022, and Budget 2023 extended or introduced more incentives supporting the property market that were in place before the pandemic.²

The Group's long-term strategy is to focus on acquiring suitable sites for the development of residential units.

The strong response from investors for the Group's latest major projects - the Mellieħa Development and the Luqa Development - has shown that there is steady demand for real estate in Malta, which continues to support the current level of prices, notwithstanding the rise in the number of developments undertaken in Malta in the last few years and others which are due to commence in the near term, over and above the uncertainties that continue to persist as a consequence of the COVID-19 pandemic.

¹ European Economic Forecast – Autumn 2022 (European Commission, Institutional Paper 187, November 2022).

² Central Bank of Malta Quarterly Review (2022 Vol. 55 No. 2; pages 57 and 58); Budget Speech 2023, page 72.

In view of the above, the Directors are cautiously optimistic on the health of the Maltese property market, which opinion is based on the assumption that the general economy will continue to gradually return to pre-COVID 19 levels within a short period of time without adversely impacting business confidence, primary industries such as hospitality, and disposable incomes.

In the near term, the Group will be principally focused on completing the Qawra II Development, the Qawra III development and the Mosta Development, and will continue to market the remaining units available for sale at the Luqa Development, Mellieha Development and the projects in Marsascula, Qawra, San Pawl tat-Tarġa and Mosta. At the same time, the Group will direct resources towards the construction of the Qawra III Development.

There has been no material adverse change in the prospects of the Issuer since 31 December 2021 (being the date of its last published audited financial statements). Furthermore, there has been no significant change in the financial performance of the Group since 30 June 2022 (being the date of the last financial period for which financial information has been published) to the date of the Prospectus.

7.2 Key Financial Review

7.2.1 Key Financial Review - the Issuer

The historical financial information about the Issuer is included in the audited consolidated financial statements for the financial periods ended 31 December 2019, 31 December 2020, and 31 December 2021. The interim financial information about the Issuer is extracted from the unaudited condensed consolidated financial information for the six-month period beginning 1 January 2022 up to 30 June 2022. The said statements and the audit reports have been published and are available at the Issuer's registered office and on the Issuer's website.

GAP Group p.l.c.			for the 6-mth period		
Consolidated Statement of Comprehensive Income			ended 30 June		
	for the year ended 31 December				
	2019	2020	2021	2021	2022
	Audited	Audited	Audited	Unaudited	Unaudited
	€'000	€'000	€'000	€'000	€'000
Revenue	28,287	23,786	50,116	27,957	20,599
Cost of sales	(20,500)	(15,816)	(35,317)	(19,815)	(14,380)
Administrative expenses	(1,650)	(1,167)	(2,550)	(1,478)	(1,145)
Operating profit	6,137	6,803	12,249	6,664	5,074
Investment income	729	592	717	298	458
Finance costs	(3,493)	(1,811)	(1,574)	(1,324)	(646)
Profit before tax	3,373	5,584	11,392	5,638	4,886
Taxation	(2,245)	(1,482)	(2,527)	(1,380)	(1,031)
Profit for the year/period	1,128	4,102	8,865	4,258	3,855
Other comprehensive income					
Movement in fair value of financial assets	157	(123)	76	54	(69)
Total comprehensive income for the year/period	1,285	3,979	8,941	4,312	3,786

In 2021, the Group's revenue more than doubled from €23.8 million in 2020 to €50.1 million. Approximately 85% of revenue was generated from the Luqa Development and the Mellieha Development, while 15% was derived from various projects but primarily from the Marsascula Development. In consequence, operating profit increased by €5.4 million (+80% y-o-y) to €12.2 million (2020: €6.8 million).

Finance costs decreased from €1.8 million in FY2020 to €1.6 million in FY2021. Overall, comprehensive income increased by 125% to €8.9 million (FY2020: €4.0 million).

During the six-month period ending 30 June 2022, the Group generated revenue amounting to €20.6 million compared to €28.0 million in the same period a year earlier. Approximately 86% of revenue was generated from sales of units forming part of the Luqa Development and San Pawl tat-Tarġa Development. Operating profit for the six-month period amounted to €5.1 million, a decrease of €1.6 million when compared to H1 2021. The Group reported total comprehensive income of €3.8 million in H1 2022 compared to €4.3 million in H1 2021.

GAP Group p.l.c.
Consolidated Cash Flow Statement

	for the year ended 31 December			for the 6-mth period ended 30 June	
	2019	2020	2021	2021	2022
	Audited	Audited	Audited	Unaudited	Unaudited
	€'000	€'000	€'000	€'000	€'000
Net cash from (used in) operating activities	(20,317)	(10,862)	24,475	14,131	1,423
Net cash from (used in) investing activities	(1,206)	507	(2,866)	(6,162)	1,603
Net cash from (used in) financing activities	27,395	3,620	1,437	1,037	(25,528)
Net movement in cash and cash equivalents	5,872	(6,735)	23,046	9,006	(22,502)
Cash and cash equivalents at beginning of year	14,324	20,196	13,461	13,461	36,507
Cash and cash equivalents at end of year	20,196	13,461	36,507	22,467	14,005

Net movement in cash and cash equivalents in 2021 amounted to €23.0 million (2020: adverse balance of €6.7 million). Net cash from operating activities reached €24.5 million, primarily on account of cash inflows from final sales contracts and a positive movement in working capital changes (mainly inventory).

Net cash used in investing activities amounted to €2.9 million, compared to inflows of €0.5 million in the prior year, on account of €3.6 million utilised for investment purposes while inflows of €0.7 million reflected investment income. Net cash from financing activities amounted to €1.4 million and represented net inflows from borrowings of €3.9 million and the payment (outflow) of €2.5 million in dividends.

Net movement in cash and cash equivalents in the six-month period ended 30 June 2022 amounted to a cash outflow of €22.5 million compared to a net cash inflow of €9.0 million in H1 2021.

Net cash from operating activities amounted to €1.4 million which amount was generated from sales contracts concluded during the interim period, after taking into account an adverse movement in working capital changes as well as interest and tax payments. An amount of €1.6 million was raised from the disposal of financial assets (accounted for as 'cash flows from investing activities').

Net cash used in financing activities amounted to €25.5 million. During the period, the Group repaid the €29.1 million 3.65% secured bonds 2022 and received *circa* €9.9 million following the issue of €21 million 3.90% secured bonds 2024-26 and cancellation of €10.8 million of 4.25% secured bonds 2023 (net cash outflow of €19.2 million). Furthermore, the Group repaid bank loan and other borrowings amounting to €6.3 million).

GAP Group p.l.c.				
Consolidated Statement of Financial Position				
	31 Dec'19	31 Dec'20	31 Dec'21	30 Jun'22
	Audited	Audited	Audited	Unaudited
	€'000	€'000	€'000	€'000
ASSETS				
Non-current assets				
Property, plant and equipment	32	23	19	26
Investments	6,012	6,097	9,670	8,359
Loans and other receivables	10,111	10,382	10,676	10,830
Sinking fund	24	6,480	-	-
	<u>16,179</u>	<u>22,982</u>	<u>20,365</u>	<u>19,215</u>
Current assets				
Inventory - development project	48,958	62,649	45,820	47,637
Trade and other receivables	2,553	4,303	9,481	5,629
Cash and cash equivalents	7,698	2,060	1,785	14,005
Sinking fund	12,498	11,901	34,722	-
	<u>71,707</u>	<u>80,913</u>	<u>91,808</u>	<u>67,271</u>
Total assets	<u>87,886</u>	<u>103,895</u>	<u>112,173</u>	<u>86,486</u>
EQUITY				
Capital and reserves				
Called up share capital	2,500	2,500	2,500	2,500
Other capital	3,057	2,934	3,011	2,941
Retained earnings	5,598	9,700	16,064	19,920
	<u>11,155</u>	<u>15,134</u>	<u>21,575</u>	<u>25,361</u>
LIABILITIES				
Non-current liabilities				
Borrowings and other financial liabilities	6,141	7,737	6,892	2,956
Debt securities	56,991	69,864	69,002	49,818
	<u>63,132</u>	<u>77,601</u>	<u>75,894</u>	<u>52,774</u>
Current liabilities				
Bank overdrafts	-	500	-	-
Borrowings and other financial liabilities	2,610	657	3,061	1,390
Other current liabilities	10,989	10,003	11,643	6,961
	<u>13,599</u>	<u>11,160</u>	<u>14,704</u>	<u>8,351</u>
	<u>76,731</u>	<u>88,761</u>	<u>90,598</u>	<u>61,125</u>
Total equity and liabilities	<u>87,886</u>	<u>103,895</u>	<u>112,173</u>	<u>86,486</u>

Total assets as at 31 December 2021 amounted to €112.2 million compared to €103.9 million in the prior year. The principal item is inventory of sites and progress development works which stood at €45.8 million in 2021 (2020: €62.6 million). Due to the substantial turnover in 2021, cash balances increased on y-o-y basis from €20.4 million in 2020 to €36.5 million (inclusive of sinking fund amount).

The Group's equity increased by 43% from €15.1 million in 2020 to €21.6 million on account of the net profits reported during the year and after deducting the distribution of an interim dividend of €2.5 million.

Total liabilities of the Group as at 31 December 2021 mainly comprised debt securities which remained unchanged at almost €70 million.

In the initial four months of 2022, the Group issued €21 million 3.9% secured bonds 2024 – 2026 and cancelled €10.8 million of the 4.25% secured bonds 2023. Furthermore, the Group repaid in full €29.1 million 3.65% secured bonds 2022. As such, the outstanding balance of debt securities as at 30 June 2022 amounted to €50.3 million compared to €69.0 million in 2021.

Inventory as at 30 June 2022 amounted to €47.6 million (FY2021: €45.8 million) and mainly include the Qawra Site II, the Mosta Site, the Qawra Site III and construction thereon.

In the first half of 2022, total equity increased by €3.8 million to €25.4 million (31 December 2021: €21.6 million).

7.2.2 Key Financial Review - GZL

GZL was established on 18 October 2022 to acquire the Żonqor Site and subsequently develop the Żonqor Development. Accordingly, since incorporation to the date of the Prospectus, GZL was not involved in any trading or business activities.

8. ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES

8.1 The Board of Directors of the Issuer and the Guarantor

8.1.1 Directors of the Issuer

As at the date of this Registration Document, the Board of the Issuer is constituted of the Directors, whose names appear under section 3.1 of this Registration Document.

8.1.2 Directors of GZL

As at the date of this Registration Document, the board of directors of GZL is constituted of the names which appear under section 3.1 of this Registration Document.

8.1.3 Curriculum Vitae of the Directors

The following are the Directors and their respective *curriculum vitae*:

George Muscat: George Muscat started his property development and construction business in the 1970s. Over the years, Mr Muscat has embarked on a variety of projects, from single block residential apartments to large and ambitious projects including Fort Cambridge in Sliema. George Muscat is a shareholder and director of several companies which do not form part of the Group, but which are involved in the construction, property development, and real estate business, including Gap Holdings Limited (C 27803) which has undertaken various property developments. As at the date of the Prospectus, under the leadership of Mr Muscat, the Group has built up a considerable portfolio of residential and commercial developments at prices which service all sectors of the market.

George Muscat is also a director and the ultimate beneficial holder of 50% of the equity capital of Bay Street Holdings Limited (C 12058) which owns, manages, and operates the Bay Street Entertainment Complex in Paceville, St Julians. The Bay Street Entertainment Complex has today evolved into an entertainment hub with more than 70 retail outlets, restaurants, a language school, a 4-star hotel and a 5-star hotel.

Paul Attard: Paul Attard started working as a property consultant with several leading estate agencies in Malta. Paul Attard is a founding member and a director of GAP Holdings Limited (C 27803), which was involved in various development projects, and is the director of sales and marketing of the Group. Today, Mr Attard is a shareholder and director of various property development companies and together with his partners, developed a considerable portfolio of residential and commercial developments at prices which service all sectors of the market.

Mr Attard is a director and the sole ultimate beneficial holder of Katari Holdings Limited (C 70860) which owns, manages, and operates Golden Care Home for the elderly in Naxxar. Golden Care Home is a nursing home with 235 beds, which caters for the care and residential living of the elderly in the community.

Adrian Muscat: Adrian Muscat began his career as a property consultant before moving on to project management. As a founding member and director of Gap Holdings Limited (C 27803), Adrian Muscat has led the project team responsible for on-site management of the projects undertaken by Gap Group since 2001. During the past 19 years, he has been involved in several property development projects relating to the development of residential units in Malta and Gozo.

Adrian Muscat is a director and the sole ultimate beneficial holder of Juel Holdings Limited (C 92861) which owns, manages, and operates a portfolio of properties across the island.

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

Mark Castillo: Mark Castillo served as a non-executive director on the board of directors of Gap Developments p.l.c. between 2006 and 2011, and of GAP Group p.l.c. since 2016, after a career in international banking spanning more than 45 years, which included high profile positions in Malta and Canada with major banks such as Barclays Bank, Mid-Med Bank, Banco Central Hispano, Bank of Valletta, and Sparkasse Bank Malta.

Chris Cilia: Chris Cilia graduated as a Doctor of Laws from the University of Malta and has been practicing for the past 26 years. He has served as deputy chairman of the Malta Gaming Authority and as chairman of the audit committee of the same authority and currently serves as deputy chairman of Indis Malta Ltd (C 28965).

As at the date of the Prospectus, the board of directors of the Guarantor consists of George Muscat, Paul Attard and Adrian Muscat (management expertise and experience is set out above).

8.2 Conflict of Interest

As at the date of this Registration Document, each of George Muscat, Paul Attard and Adrian Muscat are officers of several companies within the Group, and as such are susceptible to conflicts between the potentially diverging interests of the different members of the Group. George Muscat, Paul Attard and Adrian Muscat are directors of the Issuer, its parent company Gap Group Investments II Limited (C 75856), GZL and GGCL. Accordingly, conflicts of interest could potentially arise in relation to transactions involving the Issuer, the Guarantor and GGCL as the main contractor for the Zonqor Development.

Other than those disclosed above, the Directors are not aware of any potential conflicts of interest which could relate to their roles within the Issuer.

8.3 Management Structure

8.3.1 General

The Issuer itself has no employees and is managed directly by its Directors. Each Subsidiary of the Issuer has several management personnel and other employees devoted to managing each development project undertaken by that Subsidiary. The Group adopts a centralised management structure whereby it can deploy senior management personnel to perform duties in different parts of the Group depending on the requirements of each Group company; those services are then re-charged to the Group company where they are from time to time deployed.

The Directors believe that the current organisational structure is adequate for the present activities of the Group. The Directors shall maintain this structure under continuous review to ensure that it meets the changing demands of the business and to strengthen the checks and balances necessary for better corporate governance.

8.3.2 Committees

The Board has not appointed any committees other than the audit committee which is mandatorily required in terms of the Capital Markets Rules.

The terms of reference of the audit committee consists of, *inter alia*, its support to the Board in its responsibilities in dealing with issues of financial reporting, risk, control and governance, and associated assurance. The Board has set formal terms of establishment and the terms of reference of the audit committee that establish its composition, role and function, the parameters of its remit as well as the basis for the processes with which it is required to comply. The audit committee is a sub-committee of the Board and is directly responsible and accountable to the Board. The Board reserves the right to change these terms of reference from time to time.

Briefly, the audit committee is expected to deal with and advise the Board on the following matters on a Group-wide basis, its monitoring responsibility over the financial reporting processes, financial policies, and internal control structures; maintaining communications on such matters between the Board, management, and the independent auditors, and preserving the Group's assets by understanding the risk environment and determining how to deal with those risks.

In addition, the audit committee also has the role and function of scrutinising and evaluating any proposed transaction to be entered into by the Issuer or the Guarantor and a related party, to ensure that the execution of any such transaction is at arm's length and on a commercial basis and ultimately in the best interests of the Issuer or the Guarantor, as the case may be.

All Directors sitting on the audit committee are independent non-executive directors. Francis X. Gouder acts as chairperson, whilst Mark Castillo and Chris Cilia act as members. Francis X. Gouder, as independent non-executive director, is competent in accounting and auditing matters, having previously served in various senior positions in a financial institution.

Pursuant to its terms of reference, the audit committee has a remit that covers the Guarantor, separately from the Issuer.

9. MAJOR SHAREHOLDERS

The Issuer's majority shareholder is Gap Group Investments II Limited (C 75856), which is the holder of 99.99% of the issued share capital of the Issuer. Paul Attard, Adrian Muscat and George Muscat, the Directors, hold the remainder of the shares collectively between them. Paul Attard and Adrian Muscat each hold one ordinary share in the issued share capital of the Issuer whereas George Muscat holds two ordinary shares in the issued share capital of the Issuer. In accordance with the Code of Principles for Good Corporate Governance, the Issuer adopts measures to ensure that the relationship with its shareholders and the three individual Directors (Paul Attard, Adrian Muscat and George Muscat), who are the ultimate beneficial owners of all the shares in the Issuer, is retained at arm's length, including adherence to Rules on Related Party Transactions requiring the sanction of the audit committee, in which the majority is constituted by independent non-executive directors, of which one shall also act as chairman.

There are no arrangements known to the Issuer, the operation of which may at a subsequent date result in a change in control of the Issuer.

10. LEGAL AND ARBITRATION PROCEEDINGS

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

There has been no significant change in the financial position of the Group since 30 June 2022 (being the date of the last financial period for which financial information has been published) to the date of the Prospectus.

11. REGULATORY DISCLOSURES

There is no information that has been disclosed under the Market Abuse Regulation over the last 12 months which is relevant as at the date of the Prospectus.

12. MATERIAL CONTRACTS

The entities forming part of the Group have not entered into any material contracts that are not in the ordinary course of their respective business and which could result in either of the said entities being under an obligation or entitlement that is material to their ability to meet their obligations to security holders in terms of the Prospectus.

13. PROPERTY VALUATION REPORT

The Issuer commissioned architect Tancred Mifsud to issue a property valuation report in respect of the Żonqor Development

The following are the details of Tancred Mifsud:

Business Address: Ralmant, Flat No. 1, B. Bontadini Street, Balzan, BZN 1370

Qualifications: B.E.&A. (Hons) A.&C.E.

The valuation report is accessible on the Issuer's website at the following hyperlink: <https://gap.com.mt/investor-relations/> and is deemed to be incorporated by reference in the Prospectus.

14. STATEMENTS BY EXPERTS AND DECLARATIONS OF ANY INTEREST

Save for the property valuation report incorporated by reference in the Prospectus and the financial analysis summary, the Prospectus does not contain any statement or report attributed to any person as an expert.

The financial analysis summary has been included in the form and context in which they appear with the authorisation of MZI of 61, M.Z. House, St. Rita Street, Rabat RBT 1523, Malta, which has given and has not withdrawn its consent to the inclusion of such report herein. The author of the financial analysis summary is Mr. Evan Mohnani, Senior Financial Advisor at MZI. MZI does not have any material interest in the Issuer.

The property valuation has been included in the form and context in which it appears with the authorisation of Arch. Tancred Mifsud of Tancred Mifsud Services who has given and has not withdrawn his consent to the inclusion of the report herein. Architect Tancred Mifsud do not have any material interest in the Issuer.

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

15. DOCUMENTS AVAILABLE FOR INSPECTION AND INCORPORATED BY REFERENCE

For the duration of the Registration Document, the following documents are incorporated by reference:

- (a) the audited consolidated financial statements of the Issuer for the three financial years ended 31 December 2019, 31 December 2020 and 31 December 2021;
- (b) the unaudited interim financial statements of the Issuer for the six-month period ended 30 June 2022;
- (c) the property valuation report of the Żonqor Development; and
- (d) the financial analysis summary prepared by MZI.

The documents so incorporated by reference are available on the following hyperlink: <https://gap.com.mt/investor-relations/>

The Memorandum and Articles of Association and the memorandum and articles of association of the Guarantor are available for inspection at the registered office of the Issuer.

16. CROSS-REFERENCE LIST OF DOCUMENTS INCORPORATED BY REFERENCE

The following table of cross-references sets out specific items set out in the documents below which are incorporated by reference:

- i. the audited consolidated financial statements of the Issuer for the three financial years ended 31 December 2019, 31 December 2020 and 31 December 2021;
- ii. the unaudited interim financial statements of the Issuer for the six-month period ended 30 June 2022.

GAP GROUP P.L.C.	Page number in Annual Report	Page number in Annual Report	Page number in Annual Report	Page number in the Interim Financial Statements
Information incorporated by reference in this Registration Document	Financial year ended 31 December 2019	Financial year ended 31 December 2020	Financial year ended 31 December 2021	Interim financial information for the six months ended 30 June 2022
Income Statement	14	14	9	5
Statement of Financial Position	15 - 16	15 - 16	10 - 11	6 - 7
Statement of Cash Flows	18	18	13	9
Notes to the Financial Statements	19 - 45	19 - 45	14 - 40	10 - 12
Independent Auditor's Report	9 - 13	9 - 13	41 - 48	N/A