

REGISTRATION DOCUMENT

dated 20 November 2020

This Registration Document is issued in accordance with the provisions of Chapter 4 of the Listing Rules issued by the Listing 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 LISTING AUTHORITY, AS THE COMPETENT AUTHORITY UNDER THE PROSPECTUS REGULATION. THIS MEANS THAT THE LISTING AUTHORITY HAS 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 LISTING 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.

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

A PROSPECTIVE INVESTOR SHOULD ALWAYS SEEK INDEPENDENT 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 INDEPENDENT FINANCIAL ADVISOR.

Legal Counsel to the Sponsor,
Manager and Registrar

Legal Counsel
to the Issuer

Trustee

Sponsor, Manager
and Registrar

CAMILLERI PREZIOSI
ADVOCATES

Dr Chris Cilia

EQUINOX INTERNATIONAL
LIMITED



MZ INVESTMENT SERVICES

Handwritten signature of George Muscat.

George Muscat

Handwritten signature of Paul Attard.

Paul Attard

Handwritten signature of Adrian Muscat.

Adrian Muscat

APPROVED BY THE DIRECTORS

Handwritten signature of Francis X. Gouder.

Francis X. Gouder

Handwritten signature of Mark Castillo.

Mark Castillo

Handwritten signature of Chris Cilia.

Chris Cilia

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 LISTING RULES OF THE LISTING AUTHORITY, THE COMPANIES ACT AND THE PROSPECTUS REGULATION.

NO BROKER, DEALER, SALESMAN OR OTHER PERSON HAS BEEN AUTHORISED BY THE ISSUER, GQM 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, GQM OR THEIR RESPECTIVE DIRECTORS OR ADVISORS.

THE LISTING 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 GQM 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 TWELVE (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 FOR ANY SECURITIES THAT MAY BE ISSUED BY THE ISSUER SHOULD INFORM THEMSELVES AS TO THE LEGAL REQUIREMENTS OF APPLYING FOR ANY SUCH SECURITIES AND ANY APPLICABLE EXCHANGE CONTROL REQUIREMENTS AND TAXES IN THE COUNTRIES OF THEIR NATIONALITY, RESIDENCE OR DOMICILE.

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

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 LISTING AUTHORITY IN SATISFACTION OF THE LISTING 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 THE 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 SERIES 1 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 INDEPENDENT FINANCIAL AND OTHER PROFESSIONAL ADVISORS.

CONTENTS

1.	DEFINITIONS	4
2.	RISK FACTORS	6
2.1	Forward-looking Satatments	6
2.2	Risk Factors.....	6
3.	DIRECTORS, SENIOR MANAGEMENT, ADVISORS AND AUDITORS	9
3.1	Directors.....	9
3.2	Senior Management	10
3.3	Advisors.....	10
3.4	Auditors of the Issuer and GQM	10
3.5	Security Trustee	11
4.	INFORMATION ABOUT THE ISSUER	11
4.1	Historical Development of the Issuer	11
4.2	GQM.....	13
4.3	The Projects.....	13
5.	TREND INFORMATION AND FINANCIAL PERFORMANCE	17
5.1	Trend Information.....	17
5.2	Key Financial Review	18
6.	ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES	21
6.1	The Board of Directors of the Issuer and GQM.....	21
6.2	Conflict of Interest	22
7.	MANAGEMENT STRUCTURE	22
7.1	General	22
7.2	Committees.....	22
8.	MAJOR SHAREHOLDERS	23
9.	LEGAL AND ARBITRATION PROCEEDINGS	23
19.	REGULATORY DISCLOSURES	23
11.	MATERIAL CONTRACTS	23
12.	PROPERTY VALUATION REPORTS	23
13.	STATEMENTS BY EXPERTS AND DECLARATIONS OF ANY INTEREST	24
14.	DOCUMENTS AVAILABLE FOR INSPECTION AND INCORPORATED BY REFERENCE	24

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 2023 issued by the Issuer pursuant to a prospectus dated 16 September 2016, amounting as at the date of the Prospectus to €19,312,300 and carrying ISIN MT0001231209;
2019 Bonds	the 3.65% secured bonds 2022 issued by the Issuer pursuant to a prospectus dated 4 March 2019, amounting as at the date of the Prospectus to €31,417,500 and carrying ISIN MT0001231217;
Companies Act	the Companies Act (Chapter 386 of the laws of Malta);
Deloitte Services Limited	Deloitte Services Limited, a limited liability company registered under the laws of Malta bearing company registration number C 51320 and having its registered office at Deloitte Place, Triq I-Inforjnatur, 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;
GDL	Geom Developments Limited, a 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 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;
GGCL	Gap Group Contracting Limited, a 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 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 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 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 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;
GPL	Gap Properties Limited, a 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 Street, Sliema SLM 3060, Malta;
GQM	GAP QM Limited, a 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;
Group or Gap Group	the Issuer and its direct or indirect Subsidiaries;
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 bedrooled 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 ;
Issuer	Gap Group p.l.c., a public limited liability company duly registered and validly existing under the laws of Malta with company registration number C 75875 and having its registered office at Gap Holdings Head Office, Ċensu Scerri Street, Sliema SLM 3060, Malta;
Listing Authority	the Board of Governors of the MFSA, appointed as the Listing Authority for the purposes of the Financial Markets Act (Chapter 345 of the laws of Malta);
Listing Rules	the listing rules issued by the Listing Authority;
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 bedrooled residential units, all in a completely finished state, forming part of the development on the site known as Ta' Blejkiet in Luqa, measuring approximately 8,500m ² ;
Malta Stock Exchange, Exchange or MSE	Malta Stock Exchange p.l.c., as originally constituted in terms of the Financial Markets Act (Chapter 345 of the laws of Malta) with company registration number C 42525 and having its registered office at Garrison Chapel, Castille Place, Valletta VLT 1063, Malta;

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;
Mellieħa Development	the 159 residential units and 174 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, 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 94 residential units, four commercial outlets and 109 car spaces, spread over ten blocks with a variety of two and three bedroomed residential units over the Mosta Site, as better described in section 4.3.2 of this Registration Document;
Mosta Site	the site having a façade directly on Triq id-Difiża Ċivili and on Triq tal-Qares, in Mosta, measuring approximately 5,895m ² , as better described in section 4.3.2 of this Registration Document;
MFSA	the Malta Financial Services Authority, established in terms of the Malta Financial Services Authority Act (Chapter 330 of the laws of Malta);
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;
PDMR	has the same meaning as "person discharging managerial responsibilities" in terms of the Market Abuse Regulation;
Persons Closely Associated	has the same meaning assigned to "person closely associated" in terms of the Market Abuse Regulation;
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-Porzjunkola, Qawra, Malta measuring approximately 3,508m ² ;
Qawra II Development	the construction, development and finishing of a total of 80 residential units, comprising a mix of two and four bedroomed units, and 90 lock-up garages, spread over six blocks, over the Qawra Site, as better described in section 4.3.1 of this Registration Document;
Qawra Site	the site located in Triq in-Nakkri, in Qawra, in the limits of St. Paul's Bay, measuring approximately 1,924m ² , as better described in section 4.3.1 of this Registration Document;
Registration Document	this document in its entirety;
Securities Note	the securities note issued by the Issuer dated 20 November 2020, forming part of the Prospectus;
Sponsor, Manager and Registrar or MZI	M.Z. Investment Services Limited having company registration number C 23936 and 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 Report 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 " Subsidiary " shall be construed accordingly. The term " Subsidiaries " shall collectively refer to the said entities;
Summary	the summary issued by the Issuer dated 20 November 2020, forming part of the Prospectus; and
Trustee or Security Trustee	Equinox International Limited, a private limited liability company duly registered and validly existing under the laws of Malta, with 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).

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 INDEPENDENT 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 THIS 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 GQM 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 GQM and other Subsidiaries. Consequently, the financial and operational results of GQM and other Subsidiaries of the Issuer, have a direct effect on the Issuer's financial position.

The ability of the Subsidiaries of the Issuer to effect payments of principal and interest to the Issuer in repayment of the loans, and the distribution of dividends by a Subsidiary in favour of the Issuer, shall depend 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 that 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, any debt servicing requirements, the cash flows of the relative Subsidiary, working capital requirements, the Subsidiary's board's view on future investments, and the requirements of the Companies Act. In terms of Maltese law, a company shall not make a distribution except out of profits available for the purpose or if the directors conclude that it would not be in the best interests of the Issuer. Any of the foregoing could limit the payment of dividends to the Issuer or, if the Subsidiary does pay dividends, the amount of such dividends.

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 on its obligation to repay amounts due to the Issuer or the ability of the Subsidiaries to distribute a dividend which, in turn, may negatively affect the Issuer's financial condition and results.

2.2.2.1 Risks associated with property acquisition and development

The Group's business relates to property acquisition and development, targeted at the local commercial and residential market, which are 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 affected 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; and
- e) 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 valuations referred to in the Prospectus are 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 respective properties, 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, involvement of third parties in connection with the Group business and associated counterparty risks*

The Group relies on third-party service providers such as architects, building contractors and suppliers for the construction and completion of each of its developments. The Group engaged the services of GGCL for the purposes of the Mosta Development and the Qawra II Development including, the excavation, construction and finishing of both developments in a timely manner and within agreed cost parameters. This gives rise to counter-party risks in those instances where such third parties and, or, GGCL do not perform in line with the Group's expectations and in accordance with their contractual obligations. If these risks were to materialise, naturally this will result in development delays in completion which could have an adverse impact on the Group's business, its financial condition, results of operations and prospects, especially as a result of its inability to sell the units by a certain date. Accordingly, this could have a material adverse impact on the Issuer's cash flows and revenue generation.

2.2.2.4 *Risks associated with construction*

GGCL is the contractor of the Mellieħa Development, the Qawra II Development, the Mosta Development and the Luqa Development. The Luqa Development is in the course of being developed and completed whilst the Qawra II Development and the Mosta Development shall be developed following the acquisition of the Qawra Site and the Mosta Site, respectively. Over and above the risks relating to property development as detailed in section 2.2.2.1 of this Registration Document, 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, and 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 arising as a result, 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 the regulatory environment in which the Group operates*

The construction and development industry is subject to a vast array of rules and regulations, including but not limited to, environmental protection, construction, property acquisition, property development, health and safety, among others. Furthermore, the regulatory environment in which the Group operates is constantly evolving, with the introduction of new rules and regulations, or the amendment or overhaul of existing ones.

In addition, the Group is susceptible to changes in the application and, or interpretation of such rules and regulations, whether as a result of judicial interpretation or due to decisions, orders, directives, and, or guidelines issued by the competent regulatory authorities.

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

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. In particular, 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, including but not limited 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, licencing 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, outsourcing parties, or other third-parties engaged by the Group from time to time, may affect the ability of the Group to successfully make a claim under its insurance policies.

2.2.2.7 Competing developments

Similar developments in Qawra or Mosta (or in nearby areas) may result in the Group not being able to sell the residential units, garages and car spaces forming part of the said developments within the projected timelines or 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 timeframes as the Mosta Development and the Qawra II Development, the Group's business, financial condition and results of operations could be adversely affected.

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

As a direct result of the spread of Covid-19, global economic activity, including in Malta, has experienced a general downturn, with certain industry sectors and market segments grinding to a standstill. Furthermore, the global economy has suffered from significant volatility, rising unemployment, delays and disruptions in supply chains and logistical arrangements, and significant deterioration in credit quality. The Group's revenue generated from its property development activities in Malta may be negatively impacted through a reduction in price of its units held for resale to third-parties, as well as the risk of a downward shift in demand, frequency and volume of such revenue-generating property transactions. The Group's business development may also be delayed or abandoned altogether due to directives which may be issued by the relevant public and health authorities.

Beyond the direct economic impact of Covid-19, the pandemic also poses significant challenges to the continuity, efficacy and proper functioning of the day-to-day operations of the Group. A spread of such disease amongst the employees of the Group, as well as any self-quarantine measures affecting the employees of the Group may negatively impact the ability of the Group's personnel to carry out their work at full-functionality or capacity, and thereby negatively affect the Group's operations.

The exact nature of the risks that the Group faces and the manner and the extent to which they ultimately will 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 control of the Group. 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.

Any of the above factors could have an adverse effect on the Group's operational result, financial position and performance, trading prospects and its ability to continue on a going concern basis. Even after the Covid-19 outbreak has subsided, the Group may still continue to experience a material adverse impact on its businesses and operations, until such time as economic conditions recoup.

3. DIRECTORS, SENIOR MANAGEMENT, ADVISORS AND AUDITORS

3.1 Directors

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

George Muscat	Chairman and Executive Director
Paul Attard	Executive Director
Adrian Muscat	Executive Director
Francis X. Gouder	Independent Non-Executive Director
Mark Castillo	Independent Non-Executive Director
Chris Cilia	Independent Non-Executive Director

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

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

This Registration Document includes information given in compliance with the Listing Rules for the purpose of giving information with regard to the Issuer. All of the Directors, whose names appear under this heading numbered 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 the sub-heading entitled "**Advisors**" have advised and assisted the Directors in the drafting and compilation of the Prospectus but none 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 GQM is constituted as follows:

George Muscat Director
Paul Attard Director
Adrian Muscat Director

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

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

3.2 Senior Management

The Issuer itself has no employees and is managed directly by its Directors. Each Subsidiary employs a number of 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 Services Limited
Address: Deloitte Place, Mrieħel Bypass, Mrieħel BKR 3000, 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 GQM

The auditors of the Issuer and GQM

(a) *Auditors for the financial periods ended 31 December 2017 and 31 December 2018*

The auditor of the Issuer for the financial years ended 31 December 2017 and 31 December 2018 is:

Name: Emanuel P. Fenech
Address: 1, Tal-Providenza Mansions, Main Street, Balzan BZN 1254, Malta

Mr Fenech is a certified public accountant holding a practicing certificate to act as an auditor in terms of the Accountancy Profession Act, (Chapter 281 of the laws of Malta). The Accountancy Board registration number of Mr Fenech is AB/2/17/22. Mr Fenech audited the annual statutory consolidated financial statements of the Issuer for the financial years ended 31 December 2017 and 31 December 2018.

(b) *Auditors for the financial period ended 31 December 2019*

The auditors of the Issuer for the financial year ended 31 December 2019 are:

Name: EFS Audit Limited
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 (Chapter 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.

(c) *Auditors of the Issuer and GQM as at the date of this Registration Document*

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

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

3.5 Security Trustee

Name: Equinox International Limited
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 (Chapter 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 Ċensu Scerri Street Tigné, 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
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 this Prospectus.

4.1.2 Overview of the Issuer's business

The Issuer is a holding company which, through its Subsidiaries, is involved in the acquisition and development of real estate properties. 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. 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. Furthermore, the Issuer engages the services of its Subsidiary, GGCL, 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 or outside the Group with respect to the management of its projects.

The Issuer was established in June 2016. Through its Subsidiaries, the Issuer embarked on the following projects in Malta:

- (i) GDL and GHL formed a joint venture for the construction and development of the Qawra I Development over a site consisting of two divided portions of land, located in Triq il-Porzjunkola, just off the Qawra seafront. Both portions of land were purchased by GDL and GHL by two separate contracts dated 26 March 2015, published by Notary Dr John Spiteri;
- (ii) In 2016, GGL acquired a site in Gharghur over which the Gharghur Development was constructed by virtue of a deed published by Notary Dr Andre Farrugia on 4 February 2016. The Gharghur Development is, at the date of this Prospectus, completed. That same year, GML purchased the site known as Ta' Masrija, over which the Mellieħa Development was constructed, by virtue of a deed published on 21 October 2016 by Notary Dr Sam Abela;
- (iii) In 2017, GLL acquired the site over which the Luqa Development is being developed and constructed which is situated in an area in Luqa known as Ta' Blejkiet, by virtue of a deed published by Notary Dr Sam Abela on 26 April 2017;
- (iv) In 2019, GPL acquired a parcel of land located in Marsascula by virtue of a deed published by Notary Dr Andre Farrugia on 3 October 2019. That same year, GGL acquired a parcel of land located in Birkirkara by virtue of a public deed published by Notary Dr Anthony Abela on 2 December 2019 and another parcel of land located in San Pawl tat-Tarġa by virtue of a public deed published by Notary Dr Andre Farrugia on 28 November 2019. All three sites were acquired for the purposes of the development of residential units and garages.

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:

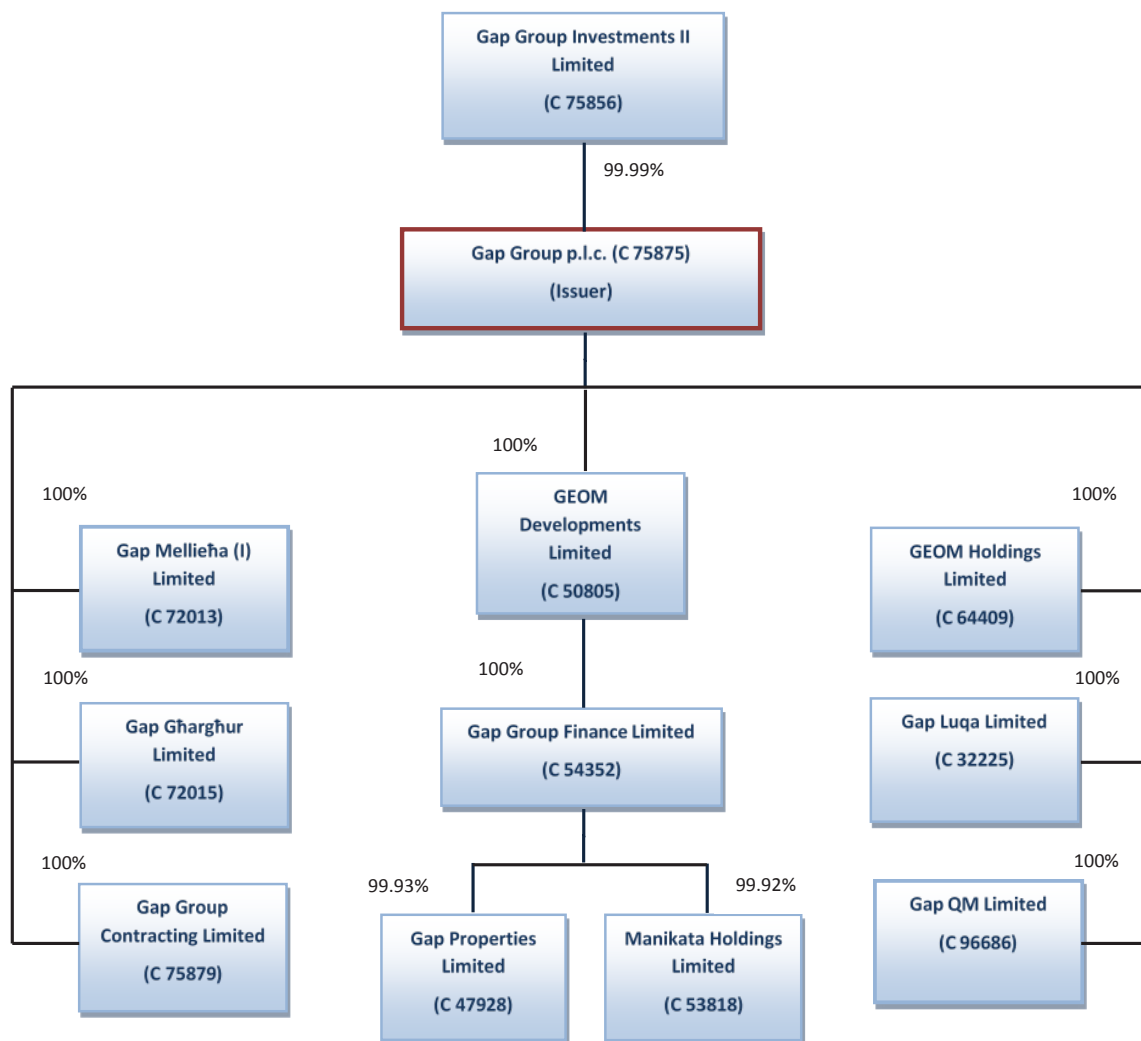
- (i) In September 2016, the Issuer issued the 2016 Bonds to principally finance the Mellieħa Development, the Ġħargħur Development and the Qawra I Development.
- (ii) In March 2019, the Issuer issued the 2019 Bonds to principally finance the Luqa Development. The 2019 Bonds entailed an exchange offer of the 2016 Bonds for the 2019 Bonds. By virtue of the issuance of the 2019 Bonds, the Issuer reduced the outstanding nominal amount of the 2016 Bonds from €40,000,000 to €19,931,000.

As at 30 September 2020, the aggregate amount of secured bonds in issue amounted to €56,130,700, while the reserve account pertaining to the 2016 Bonds carried a balance of €18,556,500 and the reserve account pertaining to the 2019 Bonds carried a balance of €5,625,677.

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

Following the success achieved in other development projects, including developments in Ġħargħur, Qawra, Luqa and Mellieħa, the Issuer through a newly incorporated Subsidiary, GQM, is in the process of acquiring and subsequently developing the Qawra Site and the Mosta Site, details of which are set out in section 4.3 of this Registration Document.

4.1.3 Group organisational structure



The organisational structure of the Group is depicted above. The Group is equally owned by three individual shareholders, namely, Paul Attard, Adrian Muscat and George Muscat, through Gap Group Investments II Limited (C 75856)¹. Each of GML, GPL, GGL, GDL, GHL, GLL and GQM are project companies which were entrusted with the construction and development of a real-estate project.

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.

4.2 GQM

GQM is the Subsidiary of the Issuer which shall acquire the Mosta Site and the Qawra Site and shall manage the development thereof.

4.2.1 Historical Development of GQM

Full Legal and Commercial Name of GQM:	Gap QM Limited
Registered Address:	Gap Group Head Office Ċensu Scerri Street Tigné, Sliema, SLM 3060
Place of Registration and Domicile:	Malta
Registration Number:	C 96686
Legal Entity Identifier:	485100R9R2JF5F7NWI08
Date of Registration:	23 September 2020
Legal Form:	GQM 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

4.2.2 Overview of GQM's business

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

4.3 The Projects

4.3.1 The Qawra II Development

On 20 October 2020, GQM acquired the rights under a preliminary agreement dated 21 February 2020 related to the sale and transfer of the Qawra Site. In terms of the said preliminary agreement so assigned in GQM's favour, GQM agreed to purchase and acquire the Qawra Site for a consideration of €4.6 million. 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 site has a superficial area of approximately 1,924m² which, on completion, shall comprise six blocks of residential units consisting, in aggregate, of 80 residential units, as detailed hereunder:

Block	Residential Units ¹
A	8
B	14
C	15
D	14
E	16
F	13

The Qawra II Development shall be spread over eight levels and shall include 90 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 shall be sold in a complete state and shall comprise a mix of two and four bedroomed residential units, measuring approximately 120m² to 210m², which shall be priced to target primarily first-time buyers and buy-to-let investors. 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 Qawra II Development to a market where the Directors believe demand will remain strong.

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

¹ The Issuer may re-designate the numbers and blocks of residential units according to market conditions and demands.

Conditions attaching to the Qawra Site

The land forming part of the Qawra Site has the following conditions attached to it:

- a. the requirement to develop a drive/ramp/yard measuring twenty (20) feet between the Qawra Site and another plot adjacent to the Qawra Site. The development of the drive/ramp/yard shall not have a material effect on the Qawra II Development; and
- b. a condition imposed by the Planning Authority that any future development within the master plan area (where the Qawra Site is situated) would not result in a floor area of less than 6,600 square metres of commercial component and the layout of the back yards and alignment should follow that as indicated in an approved plan bearing reference number PA0415/14/167C/167D. The said condition shall not have a material affect the Qawra II Development.

Part of the Qawra Site is subject to an emphyteutical grant. In addition to the conditions referred to above, in terms of the emphyteutical grant, the Qawra Site is not to be used for immoral purposes or for any activity which is against the teachings of the Roman Catholic Church of Malta. The Qawra II Development shall not breach this condition.

The area of the Qawra 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 this Prospectus.

Permits

Further to the applications bearing numbers; PA/03474/20, PA/03475/20 and PA/04256/20, the Planning Authority issued a full development permit for the excavation of the Qawra Site and the construction of the Qawra II Development.

Construction and development

The overall costs of construction and finishing of the Qawra II Development, excluding the cost of acquisition of the Qawra Site, is expected to be in the region of €7.6 million as detailed below:

Excavation	€500,000
Construction	€3,300,000
Finishes	€3,400,000
Contingency	€400,000

The construction of the Qawra II Development is intended to commence in Q1 2021, with construction envisaged to be completed by Q1 2022 and fully finished by Q1 2023. Development works shall be carried out by GGCL pursuant to a works contract entered into between GQM and GGCL for a value of approximately €7.6 million. Payment under the said contract shall be settled by GQM according to agreed fixed monthly payments.

Sales revenue

On the assumption that all the residential units and garages of the Qawra II Development shall be sold, the Directors expect the aggregate sales revenues from the Qawra II Development to be in the region of €19.7 million.

4.3.2 The Mosta Development

On 20 October 2020, GQM acquired the rights under a preliminary agreement dated 25 February 2020 related to the sale and transfer of the Mosta Site. In terms of the said preliminary agreement as assigned in GQM's favour, GQM agreed to purchase and acquire the Mosta Site for a maximum consideration of €11 million. 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 site has a superficial area of approximately 5,895m² which on completion, shall comprise 94 residential units spread over ten blocks, as detailed hereunder:

Block	Residential Units¹
A	4
B	7
C	8
D	8
E	36
F	3
G	6
H	6
I	8
J	8

¹ The Issuer may re-designate the numbers and blocks of residential units according to market conditions and demands.

The Mosta Development shall be spread over four levels and shall include 109 parking spaces, spread over one underground level, as well as four commercial units. The combined gross floor space of the residential units and garages shall consist of a saleable area of 20,208m².

The residential units shall 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 shall have separate entrances served with passenger lifts accessing both the residential units and the underlying garage level. Furthermore, the penthouses at the topmost level of each block, shall be owned by third parties and shall include full ownership of the respective roof and airspace.

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

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

Conditions attaching to the Mosta Site

In terms of the preliminary agreement pertaining to the Mosta Site, GQM agreed to develop and construct the said site in accordance with the permits issued by the Planning Authority by not later than three years from the final deed of transfer. The delay of GQM in completing the works required for such development and construction will give rise to a penalty in favour of the vendor of the Mosta Site of five hundred Euro (€500) per day as from the expiration of three months from the lapse of the said three year period from the final deed of transfer.

Permits

Further to the application bearing number PA/01383/18, on 12 April 2019, the Planning Authority issued a full development permit for the excavation of the Mosta Site and the construction of the Mosta Development.

Parts of the site contain some archaeological features. Following the successful conclusion of a consultation process with the Planning Authority and the Superintendence of Cultural Heritage, a full development permit was issued which includes a condition that no extensive excavation shall take place on the site and therefore all the parking spaces and the few commercial outlets shall be at ground floor and elevated ground floor levels. Further detail on the manner in which the archaeological features shall be protected is set out in the valuation report incorporated by reference to the Prospectus.

Construction and development

The overall construction and finishing expenditure of the Mosta Development is expected to be in the region of €9.1 million as detailed below:

Construction	€4,000,000
Finishes	€4,650,000
Contingency	€450,000

The construction of the Mosta Development is intended to commence in January 2021, with construction envisaged to be completed by Q3 2022 and fully finished by Q1 2023.

Development works shall be carried out by GGCL pursuant to a works contract entered into between GQM and GGCL for a value of approximately €9.1 million. Payment under the said contract shall be settled by GQM.

Sales Revenue

On the assumption that all the residential units and car spaces shall be sold, the Directors are expecting the aggregate sales revenues from the Mosta Development to be in the region of €31.7 million.

4.3.3 Other major projects undertaken by the Group

THE LUQA DEVELOPMENT

In April 2017, GLL (a Subsidiary of the Issuer) acquired legal title over a building site, including its sub-terrain and airspace, having approximately 8,500m², in Luqa, accessible from eight streets, namely, Triq Ġorġ Zahra, 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 on completion shall comprise 21 blocks having 301 underlying lock-up garages/ car spaces and 268 residential units, as detailed below.

Zone	Footprint	Blocks (qty)	Garages/Car Spaces (qty)	Residential units (qty)
A	2,182	6	52	69
B	951	3	21	37
C	2,800	6	137	81
D	980	2	33	38
E	1,545	4	58	43
	8,458	21	301	268

As at 30 September 2020, Zone A and Zone B are fully complete. Progress on the construction of Zone C and Zone D is at approximately 85% and 40% respectively, whilst development of Zone E commenced in Q3 2020. Construction and finishing works in relation to these residential zones are expected to progress gradually, with completion earmarked for Q4 2021. The total estimated cost for completion of all zones is approximately €17.5 million. The outstanding development costs are being funded principally from net proceeds of the 2019 Bonds, deposits received pursuant to preliminary sale agreements and from proceeds receivable on the signing of sale contracts. All given zones are covered by full development permits.

Zone A, B, C and D have been launched on the market by GLL through real estate agents in Malta, as well as through the Group's official website and other forms of social media. As at 30 September 2020, 97 units have been sold for a total revenue of €18.2 million. A further 98 units, out of a total of 225 units, are subject to promise of sale agreements and are expected to be sold for a total projected revenue of €22 million, whereas the remaining 30 units are expected to be sold for an aggregate of approximately €6 million.

GLL acts as the guarantor of the 2019 Bonds. As security for the obligations of the Issuer under the 2019 Bonds, GLL constituted a general hypothec over all its assets present and future and a special hypothec over the Luqa Development in favour of the security trustee of the 2019 Bonds. The said security trustee waives its hypothecary and privileged rights over a residential unit/garage/car space on each final contract of sale of the said residential unit/garage/car space against the receipt of a fixed amount as set out in the applicable trust deed, which amount is credited to a reserve account for the benefit of the bondholders of the 2019 Bonds.

Development works are being carried out by GGCL pursuant to a works contract entered into between GLL and GGCL for a value of approximately €17.5 million. GLL and GGCL entered into a public deed in the records of Notary Dr Andre Farrugia dated 14 February 2019 which makes provision for the contractual waiver by GGCL of its right at law to register a special privilege for any amount over the Luqa Development in the event of non-payment by GLL.

THE MELLIEĦA DEVELOPMENT

In October 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 Miżieb 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 underground garages spread over three underground levels. As at the date of this Prospectus, the Mellieħa Development is fully complete in terms of construction works and finishings.

As at 30 September 2020, 107 residential units have been sold and a further 27 units, out of a total of 159 units, are subject to promise of sale agreements and are expected to be sold for a total projected revenue of €8 million, whereas the remaining 25 units are expected to be sold for an aggregate of approximately €10.5 million.

GML acts as the guarantor of the 2019 Bonds. It also granted collateral as security for both the 2016 Bonds and the 2019 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. As security for the obligations of the Issuer under the 2019 Bonds, GML constituted a general hypothec over all its assets present and future and a special hypothec over Blocks B to E of the Mellieħa Development in favour of the security trustee of the 2019 Bonds. The security trustee of the 2016 Bonds and the 2019 Bonds, respectively, waives its hypothecary and privileged rights over a residential unit on each final contract of sale against the receipt of the percentage of the sales proceeds, which amount is credited to a reserve account for the benefit of the bondholders of the 2016 Bonds and 2019 Bonds, as applicable.

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 Ġużeppi Lanson, Marsascala. Construction works commenced in Q1 2020. Once completed, the project shall comprise 63 residential units and 93 garages. Aggregate development costs, including acquisition of land, are estimated to amount to €13.9 million and are being funded from own funds and a bank loan facility. As at 30 September 2020, demolition and excavation works were fully complete, whereas construction works were 60% complete. The residential units were placed on the market in April 2020 and as at 30 September 2020, eight units are subject to promise of sale agreements. The projected revenue from the sale of the units forming part of this project is that of €18.6 million.

Further to the above, the bank loan facility granted by the relevant bank was secured by GPL by virtue of a first-ranking general hypothec over all its assets, present and future, in favour of the relevant lender together with a first-ranking special hypothec over the property in Marsascala.

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 shall be developed. Aggregate development costs, including acquisition of land, are estimated to amount to €2.25 million and are being funded from own funds and a bank loan facility. As at 30 September 2020, demolition and excavation works were fully complete, whereas construction works were 35% complete. The residential units were placed on the market towards the end of Q3 2020. The projected revenue from the sale of the units forming part of this project is that of €2.8 million.

Further to the above, the bank loan facility granted by the relevant bank was secured by GGL by virtue of a first-ranking general hypothec over all its assets, present and future, in favour of the relevant lender together with a first-ranking special hypothec over the property in San Pawl tat-Tarġa.

THE BIRKIRKARA DEVELOPMENT

In 2019, GGL acquired a site measuring 450m², situated in Triq Qormi, Birkirkara, over which 14 residential units and nine garages shall be constructed. Aggregate development costs, including acquisition of land, are estimated to amount to €2.6 million and are being funded from own funds and a bank loan facility. As at 30 September 2020, demolition and excavation works were fully complete, whereas construction works were 35% complete. The residential units were placed on the market towards the end of Q3 2020. The projected revenue from the sale of the units forming part of this project is that of €3.4 million.

Further to the above, the bank loan facility granted by the relevant bank was secured by GGL by virtue of a first-ranking general hypothec over all its assets, present and future, in favour of the relevant lender together with a first-ranking special hypothec over the property in Birkirkara.

5. TREND INFORMATION AND FINANCIAL PERFORMANCE

5.1 Trend Information

The Directors are of the view that the Issuer and GQM shall, generally, be subject to the normal business risks associated with the property market and barring unforeseen circumstances, does not anticipate any likely material adverse effect on the Issuer's and GQM's prospects, at least up to the end of 2021.

After several years of high growth fuelled mainly by domestic demand, Malta's economy was beginning to slow down even before the Covid-19 pandemic. The disease and containment measures it has necessitated, however, are expected to cause the economy to swing from a growth of 7.3% in 2018, and 4.7% in 2019 to a contraction of 6.0% in 2020¹.

It is anticipated that Malta shall be significantly affected by the pandemic in 2021 mainly because of its impact on the tourism sector but also because of the country's partial lockdown and the disruption to international supply-chains. As a result, investment and net exports are expected to be severely hit by the crisis, as well as private consumption. However, should financial aid packages from the Government of Malta continue to be granted, such packages should help to cushion the economic impact. Recent economic indicators, in particular in the construction and manufacturing sectors suggest a modest recovery. In addition, upward revisions in GDP figures from the second half of 2019 may add an artificially negative statistical effect in 2020 rates.

The easing of restrictions intended to mitigate the spread of the pandemic is expected to relaunch domestic demand, pushing GDP annual growth to 6.25% in 2021. The main driver of recovery is set to come from investment, supported by recovery packages announced by public authorities. Net exports are also set to contribute significantly to the rebound as global trade gradually normalises².

During the last five (5) years (Q4 2014 to Q4 2019), property prices increased by 56%, primarily on account of a strong economy and a robust labour market³. Prior to the Covid-19 crisis, residential property prices were supported by numerous factors, including the low-interest rate environment that makes property more attractive as an investment, as well as the Government of Malta's schemes for first-time and second-time buyers which granted said buyers a refund of a portion of the stamp duty payable subject to the satisfaction of certain conditions. Demand for residential property was also driven by favourable labour market conditions, strong growth in tourism (particularly in private accommodation), disposable income and an increase in foreign workers. The Individual Investor Programme also contributed, although property acquisitions under this Programme account for a limited proportion of all property transactions⁴.

On 8 June 2020, the Government of Malta announced a plan to regenerate the economy following the impact of Covid-19 on the country. Measures relating to immovable property include a reduction in taxation from 8% to 5% on sales of property, whilst stamp duty levied on the acquisition of property will be charged at 1.5%. These reductions shall apply to properties with values below €400,000 and the contracts of sale must be concluded by March 2021.

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 projects - Mellieħa Development and the Luqa Development - has shown that there is a 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 present economic crisis instigated by the Covid-19 pandemic.

¹ European Economic Forecast – Summer 2020 (European Commission Institutional Paper 132 July'20).

² European Economic Forecast – Summer 2020 (European Commission Institutional Paper 132 July'20).

³ <https://www.centralbankmalta.org/real-economy-indicators> (property prices index based on advertised prices (base 2000 = 100)).

⁴ Central Bank of Malta Quarterly Review 2020:1 (page 43).

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 can recover from the impact of the pandemic within a short period of time without materially affecting business confidence, primary industries such as hospitality, and demand for property.

In the immediate term, the Group shall be principally focused on completing the Luqa Development and shall continue to market the remaining units available for sale at the Luqa Development and the Mellieħa Development. At the same time, the Group shall direct resources towards the development and sale of units relating to its latest projects in Marsascula, San Pawl tat-Tarġa and Birkirkara, and initiate construction of the Qawra II Development and Mosta Development.

There has been no material adverse change in the prospects of the Issuer since 31 December 2019 (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 2020 (being the date of the last financial period for which financial information has been published) to the date of the Prospectus.

5.2 Key Financial Review

The Issuer

The historical financial information about the Issuer is included in the audited consolidated financial statements for the financial period 31 December 2017, 31 December 2018 and 31 December 2019. The interim financial information about the Issuer is extracted from the unaudited condensed consolidated financial information for the six month period beginning 1 January 2020, up to 30 June 2020. 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. Consolidated Statement of Comprehensive Income	for the year ended 31 December			for the 6-mth period ended 30 June	
	2017	2018	2019	2019	2020
	Audited €'000	Audited €'000	Audited €'000	Unaudited €'000	Unaudited €'000
Revenue	14,982	30,444	28,287	13,498	14,392
Cost of sales	(11,154)	(21,747)	(20,500)	(9,766)	(10,035)
Administrative expenses	(935)	(1,701)	(1,650)	(912)	(685)
Operating profit	2,893	6,996	6,137	2,820	3,672
Investment income	349	683	729	361	362
Finance costs	(1,460)	(2,258)	(3,493)	(1,889)	(1,355)
Profit before tax	1,782	5,421	3,373	1,292	2,679
Taxation	(1,197)	(2,439)	(2,245)	(1,042)	(985)
Profit for the year/period	585	2,982	1,128	250	1,694
Other comprehensive income					
Movement in fair value of financial assets	107	191	157	92	(28)
Total comprehensive income for the year/period	692	3,173	1,285	342	1,666

During FY2017, the Group generated revenue amounting to €15.0 million, an increase of €0.2 million (+1.2%) compared to FP2016, primarily from sales of the remaining units from a development in Żebbuġ and the Qawra I Development. Operating profit for the period amounted to €2.9 million, a decrease of €0.6 million (-16.4%) compared to FP2016. After accounting for investment income and finance costs of €1.1 million (net) and taxation of €1.2 million, the Group reported a profit after tax of €0.6 million. In FY2017, the Group registered total comprehensive income of €0.7 million after accounting for a gain of €0.1 million in fair value of financial assets.

In FY2018, the Group generated revenues of €30.4 million as compared to €15.0 million a year earlier, mainly from sales contracts for units in the Mellieħa Development as to €16.2 million and the remaining amount principally from the Qawra I Development and Ghargħur Development. Operating profit increased from €2.9 million in FY2017 to €7.0 million, while comprehensive income amounted to €3.2 million in FY2018 (FY2017: €0.7 million).

During FY2019, the Group was principally involved in the construction and development of the following projects:

- Mellieħa Development – the whole project was completed in April 2020; and
- Luqa Development – out of 21 blocks, 9 blocks are fully complete, while construction works on the remaining 12 blocks have commenced and are at different stages of completion. It is envisaged that the project will be completed in its entirety by Q4 2021.

Furthermore, in FY2019, the Group acquired another three sites in Marsascula, San Pawl tat-Tarġa and Birkirkara, all of which are earmarked for the development of residential units.

In the afore-mentioned financial year, the Group generated aggregate revenue of €28.3 million, a decrease of €2.2 million when compared to the prior year. Revenue was principally derived from the sale of units forming part of the Mellieħa Development and the Luqa Development. Operating profit was lower on a comparable basis by €0.9 million and amounted to €6.1 million. In FY2019, net finance costs (being investment income less finance costs) were materially higher from FY2018 by 75% to €2.8 million, which adversely impacted net profit for the year. An amount of approximately €1 million in finance costs was a one-off item and resulted from the premium paid by the Issuer to holders of the 2016 Bonds who had opted to exchange same for the 2019 Bonds. Overall, the Group reported total comprehensive income for FY2019 of €1.3 million compared to €3.2 million in FY2018.

During the six month period ended 30 June 2020, the Group generated revenue amounting to €14.4 million compared to €13.5 million in the comparable period. Approximately 38% of revenue was generated from sales of units forming part of the Mellieħa Development and circa 53% from the Luqa Development. Operating profit for the six month period amounted to €3.7 million, an increase of €0.9 million from the six month period ended 30 June 2019, and total comprehensive income amounted to €1.7 million (FP2019: €0.3 million).

GAP Group p.l.c. Consolidated Cash Flow Statement	for the year ended 31 December			for the 6-mth period ended 30 June	
	2017	2018	2019	2019	2020
	Audited	Audited	Audited	Unaudited	Unaudited
	€'000	€'000	€'000	€'000	€'000
Net cash from (used in) operating activities	3,250	7,489	(20,317)	(19,291)	2,217
Net cash from (used in) investing activities	569	6,939	(1,206)	1,836	185
Net cash from (used in) financing activities	(6,339)	(1,285)	27,395	28,055	(3,546)
Net movement in cash and cash equivalents	(2,520)	13,143	5,872	10,600	(1,144)
Cash and cash equivalents at beginning	3,701	1,181	14,324	14,324	20,196
Cash and cash equivalents at end of year/period	1,181	14,324	20,196	24,924	19,052

Net cash outflow from operating activities in FY2019 amounted to €20.3 million compared to cash inflows of €7.5 million in FY2018. The cash outflow in FY2019 was mainly due to a year-over-year increase of €26.2 million in property inventory. Net cash used in investing activities amounted to €1.2 million (FY2018: cash from investing activities of €6.9 million) and primarily represented funds utilised for the purchase of investments.

Net cash from financing activities in FY2019 amounted to €27.4 million which was principally raised from issuance of bonds and bank loan facilities. In FY2019, net movement in cash and cash equivalents amounted to €5.9 million compared to €13.1 million in FY2018.

Net movement in cash and cash equivalents in the six month period ended 30 June 2020 amounted to a cash outflow of €1.1 million (FP2019: cash inflow of €10.6 million). Net cash from operating and investing activities amounted to €2.4 million (in aggregate). Cash used in financing activities amounted to €3.5 million, and mainly comprised repayment of shareholders' loans, repurchase of 2016 Bonds and 2019 Bonds, and amounts paid to related parties.

GAP Group p.l.c.				
Consolidated Statement of Financial Position				
	31 Dec'17	31 Dec'18	31 Dec'19	30 Jun'20
	Audited	Audited	Audited	Unaudited
	€'000	€'000	€'000	€'000
ASSETS				
Non-current assets				
Property, plant and equipment	10	30	32	27
Investments	6,072	2,145	6,012	6,189
Loans and other receivables	10,249	11,583	10,111	10,248
Sinking fund	4,813	3,975	24	-
	<u>21,144</u>	<u>17,733</u>	<u>16,179</u>	<u>16,464</u>
Current assets				
Inventory - development project	33,701	22,786	48,958	43,134
Trade and other receivables	858	387	2,553	3,446
Cash and cash equivalents	1,203	624	7,698	3,151
Sinking fund	-	13,707	12,498	15,901
	<u>35,762</u>	<u>37,504</u>	<u>71,707</u>	<u>65,632</u>
Total assets	<u>56,906</u>	<u>55,237</u>	<u>87,886</u>	<u>82,096</u>
EQUITY				
Capital and reserves				
Called up share capital	2,500	2,500	2,500	2,500
Other capital	2,708	2,900	3,057	3,030
Retained earnings	1,488	4,469	5,598	7,291
	<u>6,696</u>	<u>9,869</u>	<u>11,155</u>	<u>12,821</u>
LIABILITIES				
Non-current liabilities				
Borrowings and other financial liabilities	5	5	6,141	6,935
Debt securities	39,362	39,473	56,991	55,700
	<u>39,367</u>	<u>39,478</u>	<u>63,132</u>	<u>62,635</u>
Current liabilities				
Bank overdrafts	22	7	-	-
Borrowings and other financial liabilities	3	111	2,610	1,081
Other current liabilities	10,818	5,772	10,989	5,559
	<u>10,843</u>	<u>5,890</u>	<u>13,599</u>	<u>6,640</u>
	<u>50,210</u>	<u>45,368</u>	<u>76,731</u>	<u>69,275</u>
Total equity and liabilities	<u>56,906</u>	<u>55,237</u>	<u>87,886</u>	<u>82,096</u>

Total assets of the Group as at 31 December 2017 amounted to €56.9 million and primarily included stock representing real estate property held for resale (€33.7 million), and cash and liquid assets amounting to €7.3 million. Furthermore, loans and other receivables totalling €10.2 million includes an amount of €2.3 million which was advanced to GLL (then being a related party) for the purpose of acquiring the site over which the Luqa Development was to be developed.

Other than equity (€6.7 million), the Group is financed through debt securities (€39.4 million) with the cumulative preference shares held in GHL amounting to €2.5 million being paid during FY2017.

As at 31 December 2018, inventory amounted to €22.8 million (FY2017: €33.7 million), primarily on account of progress works on the Mellieħa Development. Liquid assets (including sinking fund and cash) amounted to €20.4 million (FY2017: €12.1 million). Other assets mainly comprise loans due from related parties of €11.6 million (FY2017: €10.2 million). As to liabilities, the Group had outstanding €40 million in 2016 Bonds, advance deposits amounting to €3.3 million and capital creditor balances of €1.7 million.

The Group's balance sheet as at 31 December 2019 included total assets amounting to €87.9 million, made up of inventory (works-in-progress on property developments) of €49.0 million, related party balance of €12.7 million and cash balances amounting to €20.2 million. Moreover, an amount of €6.0 million represented investments in various corporate bonds.

An apportionment of the reserve account between the 2016 Bonds and 2019 Bonds, which reserve is composed of cash balances (sinking fund) and investments, is provided hereunder:

Contributions to Reserve Account	31 Dec'17	31 Dec'18	31 Dec'19	30 Jun'20
	Audited	Audited	Audited	Unaudited
	€'000	€'000	€'000	€'000
4.25% Secured Bonds 2023	4,813	17,682	17,712	17,909
3.65% Secured Bonds 2022			822	3,402
	4,813	17,682	18,534	21,311

Liabilities principally included debt securities of €57.0 million, while bank loans and other financial liabilities amounted to €8.8 million. Shareholders' equity as at 31 December 2019 amounted to 11.2 million compared to €9.9 million a year earlier.

There were no material movements in the statement of financial position as at 30 June 2020 when compared to the statement of financial position as at 31 December 2019.

GQM

GQM was established on 23 September 2020 to acquire and develop the Mosta Development and the Qawra II Development. Accordingly, since incorporation to the date of the Prospectus, GQM was not involved in any trading or business activities.

6. ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES

6.1 The Board of Directors of the Issuer and GQM

6.1.1 Directors of the Issuer

As at the date of this Registration Document, the board of directors of the Issuer is constituted of the Directors, whose names appear under the heading numbered 3.1 of this Registration Document.

6.1.2 Directors of GQM

As at the date of this Registration Document, the board of directors of GQM is constituted of the names which appear under the heading numbered 3.1 of this Registration Document.

6.1.3 Curriculum Vitae of 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. George Muscat is a shareholder and director of several companies which do not form part of the Gap Group but which are involved in the construction, property development, and real estate business, including Gap Holdings Limited (C 27803) which has undertaken various property developments. As at the date of this Prospectus, under the leadership of Mr Muscat, the Group has built a considerable portfolio of residential and commercial developments at prices which service all sectors of the market.

George Muscat is also a director and the ultimate beneficial holder of 50% of the equity capital of Bay Street Holdings Limited (C 12058) which owns, manages, and operates the Bay Street Entertainment Complex in Paceville, St Julian's. The Baystreet complex has today evolved into an entertainment hub with more than seventy (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 a number of 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 nineteen (19) years, he has been involved in a number of 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: 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 a number of non-executive directorships on listed entities.

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 the Issuer since 2016, after a career in international banking spanning more than forty-five (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 in Malta and has been practicing as an advocate for the past twenty-six (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), previously known as Malta Industrial Parks Limited.

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

6.2 Conflict of Interest

As at the date of this Registration Document, each of George Muscat, Paul Attard and Adrian Muscat are officers of several members of 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), GQM and GGCL. Accordingly, conflicts of interest could potentially arise in relation to transactions involving the Issuer, GQM and GGCL as the main contractor for the Mosta Development and the Qawra II 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.

7. MANAGEMENT STRUCTURE

7.1 General

The Issuer itself has no employees and is managed directly by its Directors. Each Subsidiary has a number of 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.

7.2 Committees

The Board has not appointed any committees other than the audit committee which is mandatorily required in terms of the Listing 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 GQM 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 GQM, 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 GQM, separately from the Issuer.

8. MAJOR SHAREHOLDERS

The Issuer's majority shareholder is Gap Group Investments II Limited (C 75856), which is the holder of 99.9% of the issued share capital of the Issuer. Paul Attard, Adrian Muscat and George Muscat, the Directors of the Issuer, hold the remainder of the shares collectively between them. Paul Attard and Adrian Muscat each hold one (1) ordinary share in the issued share capital of the Issuer whereas George Muscat holds two (2) 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.

9. 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 twelve (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 performance of the Group since 30 June 2020 (being the date of the last financial period for which financial information has been published) to the date of the Prospectus.

10. REGULATORY DISCLOSURES

The Market Abuse Regulation contains prohibitions on insider dealing, unlawful disclosure of inside information and market manipulation. It also regulates: (i) notifications to be made by PDMRs and, or, Persons Closely Associated who deal in financial instruments issued by an issuer; and (ii) the requirement to disclose inside information.

In the twelve (12) months prior to the date of this Prospectus:

- (i) There was no inside information within the meaning of the Market Abuse Regulation which required disclosure. Accordingly, the Issuer did not make any company announcements to the market disclosing inside information. The Issuer has made public its consolidated audited financial statements for the period ended 31 December 2019 and its interim unaudited financial statements for the period beginning 1 January 2020, to 30 June 2020; and
- (ii) PDMRs and, or Closely Associated Persons did not notify the Issuer of their intention to trade in the 2016 Bonds or the 2019 Bonds. Accordingly, the Issuer was not required to notify the market and the Listing Authority of any managers' transactions.

The Issuer ensures that internal processes and procedures are in line with the Market Abuse Regulation.

11. 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.

12. PROPERTY VALUATION REPORTS

The Issuer commissioned Arch. Colin Zammit to issue two property valuation reports in relation to the Mosta Development and the Qawra II Development. The details of Arch. Colin Zammit are set out below:

Business Address: 80, Triq it-Torri, Mosta MST 3502, Malta.

Qualifications: B.E.&A. (Hons) A.&C.E.P.G. Dip. Cons. Tech Perit

Listing Rule 7.4.3 provides that property valuations to be included in a prospectus must not be dated (or be effective from) more than sixty (60) days prior to the date of publication of the prospectus. The valuation reports with respect to the Mosta Development and the Qawra Development are each dated 12 November 2020.

The valuation reports are accessible on the Issuer's website at the following hyperlink: gap.com.mt/content/INVESTORRELATIONS.html and are deemed to be incorporated by reference in this Prospectus.

13. STATEMENTS BY EXPERTS AND DECLARATIONS OF ANY INTEREST

Save for the property valuation reports and the financial analysis summary incorporated by reference in this Prospectus, 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 which has given and has not withdrawn its consent to the inclusion of such summary herein.

The property valuation reports have been included in the form and context in which they appear with the authorisation of Arch. Colin Zammit who has given and has not withdrawn his consent to the inclusion of such reports herein.

The Issuer confirms that the financial analysis summary has been accurately reproduced 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.

14. 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 2017, 31 December 2018 and 31 December 2019;
- (b) the unaudited interim financial statements of the Issuer for the six month period ended 30 June 2020;
- (c) the property valuations of the Mosta Development and the Qawra II Development; and
- (d) the financial analysis summary prepared by MZI.

The documents so incorporated by reference are available on the following hyperlink: gap.com.mt/content/INVESTORRELATIONS.html

The following documents (or copies thereof) shall be available for inspection at the registered address of the Issuer:

- (a) Memorandum and Articles of Association of the Issuer and GQM; and
- (b) the letter of confirmation drawn up by Deloitte Services Limited.