

REGISTRATION DOCUMENT

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 Commission Regulation (EC) No. 809/2004 of 29 April 2004 implementing Directive 2003/71/EC of the European Parliament and of the Council as regards information contained in prospectuses as well as the format, incorporation by reference and publication of such prospectuses and dissemination of advertisements, as amended by Commission Delegated Regulation (EU) No. 486/2012 of 30 March 2012, Commission Delegated Regulation (EU) No. 862/2012 of 4 June 2012, Commission Delegated Regulation (EU) No. 759/2013 of 30 April 2013, Commission Delegated Regulation (EU) No. 382/2014 of 7 March 2014 and Commission Delegated Regulation (EU) No. 2016/301 of 30 November 2015 (the "**Prospectus Regulation**").

This document is issued
in respect of the offer for sale
by Paul Gauci
of 27,000,000 ordinary shares of a nominal value of €0.25 each in

PG p.l.c.

*(a public limited liability company registered under the Laws of Malta
with company registration number C 78333)*

at an Offer Price of €1.00 per share

Legal Counsel

CAMILLERI PREZIOSI
ADVOCATES

Joint Sponsors

 **RIZZO FARRUGIA**
YOUR INVESTMENT CONSULTANTS

 **Jesmond Mizzi**
FINANCIAL ADVISORS

Manager & Registrar

BOV
Bank of Valletta

THE LISTING AUTHORITY HAS AUTHORISED THE ADMISSIBILITY OF THESE SECURITIES AS A LISTED FINANCIAL INSTRUMENT. THIS MEANS THAT THE SAID INSTRUMENT IS IN COMPLIANCE WITH THE REQUIREMENTS AND CONDITIONS SET OUT IN THE LISTING RULES. IN PROVIDING THIS AUTHORISATION, THE LISTING AUTHORITY DOES NOT GIVE ANY CERTIFICATION REGARDING THE POTENTIAL RISKS IN INVESTING IN THE SAID INSTRUMENT AND SUCH AUTHORISATION SHOULD NOT BE DEEMED OR BE CONSTRUED AS A REPRESENTATION OR WARRANTY AS TO THE SAFETY OF INVESTING IN SUCH INSTRUMENT.

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 THESE SECURITIES.

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 A COMPANY AND SHOULD MAKE THE DECISION TO INVEST ONLY AFTER CAREFUL CONSIDERATION AND CONSULTATION WITH HIS OR HER OWN INDEPENDENT FINANCIAL ADVISER.

APPROVED BY THE DIRECTORS OF PG P.L.C.



John Zarb



Paul Gauci

*signing in their own capacity as Directors of the Company and on behalf of each of Lawrence Zammit,
William Spiteri Bailey, Claire Alexia Gauci, Charles Borg and Dr Ramona Piscopo.*

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1. IMPORTANT INFORMATION

THIS REGISTRATION DOCUMENT CONTAINS INFORMATION IN RELATION TO PG P.L.C. (THE “COMPANY”) AND ITS BUSINESS, AND IS DRAWN UP IN ACCORDANCE WITH THE REQUIREMENTS OF THE LISTING RULES OF THE LISTING AUTHORITY, THE COMPANIES ACT (CAP. 386 OF THE LAWS OF MALTA) AND THE PROSPECTUS REGULATION.

NO BROKER, DEALER, SALESMAN OR OTHER PERSON HAS BEEN AUTHORISED BY THE COMPANY OR ITS DIRECTORS TO ISSUE ANY ADVERTISEMENT OR TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATIONS IN CONNECTION WITH THE COMPANY OTHER THAN THOSE CONTAINED IN THE PROSPECTUS AND IN THE DOCUMENTS REFERRED TO THEREIN, AND IF GIVEN OR MADE, SUCH INFORMATION OR REPRESENTATIONS MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORISED BY THE COMPANY OR ITS DIRECTORS.

IT IS THE RESPONSIBILITY OF ANY PERSON IN POSSESSION OF THIS DOCUMENT AND ANY PERSON WISHING TO ACQUIRE SHARES IN THE COMPANY TO INFORM THEMSELVES OF, AND TO OBSERVE AND COMPLY WITH, ALL APPLICABLE LAWS AND REGULATIONS OF ANY RELEVANT JURISDICTION. PROSPECTIVE INVESTORS SHOULD INFORM THEMSELVES AS TO THE LEGAL REQUIREMENTS OF ACQUIRING SHARES IN THE COMPANY AND ANY APPLICABLE EXCHANGE CONTROL REQUIREMENTS AND FISCAL OBLIGATIONS IN THE COUNTRIES OF THEIR NATIONALITY, RESIDENCE OR DOMICILE.

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

THE CONTENTS OF THE COMPANY’S WEBSITE OR ANY WEBSITE DIRECTLY OR INDIRECTLY LINKED TO THE COMPANY’S WEBSITE DO NOT FORM PART OF THIS DOCUMENT. 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 SHARES IN THE COMPANY.

ALL THE ADVISERS TO THE COMPANY HAVE ACTED AND ARE ACTING EXCLUSIVELY FOR THE COMPANY IN RELATION TO THIS PROSPECTUS AND HAVE NO CONTRACTUAL, FIDUCIARY OR OTHER OBLIGATION OR RESPONSIBILITY TOWARDS ANY OTHER PERSON. NONE OF THE ADVISERS ACCEPT ANY RESPONSIBILITY TO ANY INVESTOR OR ANY OTHER PERSON WHOMSOEVER IN RELATION TO THE CONTENTS OF AND ANY INFORMATION CONTAINED IN THE PROSPECTUS, ITS COMPLETENESS OR ACCURACY OR ANY OTHER STATEMENT MADE IN CONNECTION THEREWITH.

THE DIRECTORS OF THE COMPANY CONFIRM THAT WHERE INFORMATION INCLUDED IN THIS PROSPECTUS HAS BEEN SOURCED FROM A THIRD PARTY, SUCH INFORMATION HAS BEEN ACCURATELY REPRODUCED, AND AS FAR AS THE DIRECTORS OF THE COMPANY ARE AWARE AND ARE ABLE TO ASCERTAIN FROM INFORMATION PUBLISHED BY THAT THIRD PARTY, NO FACTS HAVE BEEN OMITTED WHICH WOULD RENDER THE REPRODUCED INFORMATION INACCURATE OR MISLEADING.

THE VALUE OF INVESTMENTS CAN RISE AS WELL AS FALL AND PAST PERFORMANCE IS NOT NECESSARILY INDICATIVE OF FUTURE PERFORMANCE. INVESTORS MAY LOSE ALL OR PART OF THEIR CAPITAL INVESTED BY INVESTING IN THE SHARES. PROSPECTIVE INVESTORS IN THE SHARES ARE URGED TO CONSULT A LICENSED STOCKBROKER OR AN INVESTMENT ADVISER LICENCED UNDER THE INVESTMENT SERVICES ACT (CAP. 370 OF THE LAWS OF MALTA) PRIOR TO INVESTING IN THE SHARES.

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

A COPY OF THIS DOCUMENT HAS BEEN SUBMITTED TO THE LISTING AUTHORITY IN SATISFACTION OF THE LISTING RULES AND TO, THE MSE IN SATISFACTION OF THE MSE BYE-LAWS, AND HAS BEEN DULY FILED WITH THE REGISTRAR OF COMPANIES IN ACCORDANCE WITH THE COMPANIES ACT (CAP. 386 OF THE LAWS OF MALTA).

2. DEFINITIONS

In this Registration Document the following words and expressions shall bear the following meanings whenever such words and expressions are used in their capitalised form, except where the context otherwise requires:

Act	the Companies Act, Chapter 386 of the Laws of Malta;
Associated Companies	each of: Pama Shopping Village Limited (C 60387) (" Pama Shopping Village Limited "); and Pama Carparks Limited (C 70233) (" Pama Carparks Limited ");
Directors or Board or Board of Directors	the directors of the Company whose names are set out in section 15 of this Registration Document;
Franchise Operations	the business relating to the Zara® and Zara Home® brands operated by the Group pursuant to the franchise awarded thereto by Inditex;
Franchisor or Inditex	the Inditex Group, the parent company of which is Industria de Diseño Textil, S.A. (Inditex, S.A.), a company with registered offices at Avenida de la Diputación, Edificio Inditex, Arteixo 15143, A Coruña, incorporated for an indefinite term pursuant to public instrument and recorded at the Commercial Registry of A Coruña, in Volume 964 of the Records, General Section, Sheet 17, Folio nº C-3.342;
Group	the Company together with the Subsidiaries and Associated Companies in which the Company acquired an interest (controlling or otherwise, as applicable) by virtue of an internal re-organisation completed on 10 March 2017 as better described in section 6 of this Registration Document; where the context so implies, Group also refers to operations previously carried out before the internal re-organisation;
Listing Authority	the MFSA, appointed as Listing Authority for the purposes of the Financial Markets Act (Cap. 345 of the laws of Malta) by virtue of Legal Notice 1 of 2003;
Listing Rules	the listing rules issued by the Listing Authority as may be amended and/or supplemented from time to time;
MSE	Malta Stock Exchange p.l.c., as originally constituted in terms of the Financial Markets Act (Cap. 345 of the laws of Malta), having its registered office at Garrison Chapel, Castille Place, Valletta VLT 1063, Malta, and bearing company registration number C 42525;
MFSA	the Malta Financial Services Authority, established in terms of the Malta Financial Services Authority Act (Cap. 330 of the laws of Malta);
Offer	the offer of the Shares pursuant to the Prospectus;
Offer Price	the price of €1.00 per Share, save that in the case of applications submitted by PG Group Employees, a 50% discount on the Offer Price (equivalent to a €0.50 discount per Share) shall apply in respect of the first 1,000 Shares applied for by each employee;
Offeror	Paul Gauci, holder of identity card number (174454M) and residing at Ta' Clara Farmhouse, Ramla Road, Maghtab, Naxxar, Malta;
Official List	the list prepared and published by the MSE as its official list in accordance with the MSE bye-laws;
Pama Shopping Village	the shopping complex known as 'Pama Shopping Village' situated at Valletta Road, Mosta MST 9017, Malta;
Pavi Shopping Complex	the shopping complex known as 'Pavi Shopping Complex' situated at Manuel Dimech Street, Qormi QRM 9061, Malta;
PG Holdings Limited	a company registered in Malta under the Act as a limited liability company and bearing registration number C 8569;

Prospectus	collectively this Registration Document, the Securities Note and the Summary Note, as such documents may be amended, updated, replaced and/or supplemented from time to time;
Registration Document	this document in its entirety;
Securities Note	the securities note dated 27 March 2017, forming part of the Prospectus;
Shares	the ordinary shares forming part of the issued share capital of the Company having a nominal value of €0.25 per share being offered at the Offer Price pursuant to the Prospectus;
Shareholders	the persons registered in the Company's register as being members of the Company;
Subsidiaries	each of: Pavi Shopping Complex Limited (C 41962) (" Pavi Shopping Complex Limited "); Pavi Supermarkets Limited (C 29878) (" Pavi Supermarkets Limited "); Pama Rentals Limited (C 67443) (" Pama Rentals Limited "); Pama Supermarket Limited (C 67445) (" Pama Supermarket Limited "); Alhambra Investments Limited (C 45135) (" Alhambra Investments Limited "); Alhambra Trading Limited (C 28476) (" Alhambra Trading Limited "); Centre Point Properties Limited (C 38929) (" Centre Point Properties Limited "); P G Finance Limited (C 45136) (" PG Finance Limited "); and Pruna Trading Limited (C 64137) (" Pruna Trading Limited ");
Summary Note	the summary note dated 27 March 2017, forming part of the Prospectus;
Zara^{®1} outlet	the clothing outlet named 'Zara' situated at the Alhambra, Tower Road, Sliema SLM 1711, Malta; and
Zara Home^{®2} outlet	the outlets known as 'Zara Home' situated at the Alhambra, Tower Road, Sliema SLM 1711, Malta and at Pama Shopping Village.

¹ Zara is a registered trade mark and brand property of Inditex.

² Zara Home is a registered trade mark and brand property of Inditex.

3. RISK FACTORS

3.1 Introduction

PROSPECTIVE INVESTORS SHOULD CAREFULLY CONSIDER WITH THEIR OWN INDEPENDENT FINANCIAL AND OTHER PROFESSIONAL ADVISERS THE FOLLOWING RISK FACTORS AND OTHER INVESTMENT CONSIDERATIONS, AS WELL AS ALL THE OTHER INFORMATION CONTAINED IN THIS PROSPECTUS, BEFORE MAKING ANY INVESTMENT DECISION WITH RESPECT TO THE OFFER AND THE COMPANY. SOME OF THESE RISKS ARE SUBJECT TO CONTINGENCIES WHICH MAY OR MAY NOT OCCUR AND THE COMPANY IS NOT IN A POSITION TO EXPRESS ANY VIEWS ON THE LIKELIHOOD OF ANY SUCH CONTINGENCIES OCCURRING. THE SEQUENCE IN WHICH THE RISKS BELOW ARE LISTED IS NOT INTENDED TO BE INDICATIVE OF ANY ORDER OF PRIORITY OR OF THE EXTENT OF THEIR CONSEQUENCES.

IF ANY OF THE RISKS DESCRIBED BELOW WERE TO MATERIALISE, THEY COULD HAVE A SERIOUS EFFECT ON THE COMPANY'S FINANCIAL RESULTS AND TRADING PROSPECTS. THE RISKS AND UNCERTAINTIES DISCUSSED BELOW ARE THOSE IDENTIFIED AS SUCH BY THE DIRECTORS, BUT THESE RISKS AND UNCERTAINTIES MAY NOT BE THE ONLY ONES THAT THE COMPANY FACES. ADDITIONAL RISKS AND UNCERTAINTIES, INCLUDING THOSE WHICH THE DIRECTORS ARE NOT CURRENTLY AWARE OF, MAY WELL RESULT IN A MATERIAL IMPACT ON THE FINANCIAL CONDITION AND OPERATIONAL PERFORMANCE OF THE COMPANY.

THIS REGISTRATION DOCUMENT IS NOT INTENDED TO CONSTITUTE, AND SHOULD NOT BE CONSTRUED AS CONSTITUTING, A RECOMMENDATION BY THE COMPANY, THE ADVISERS LISTED IN SECTION 5 BELOW OR ANY FINANCIAL INTERMEDIARY TO PURCHASE THE SHARES. PROSPECTIVE INVESTORS SHOULD MAKE THEIR OWN INDEPENDENT EVALUATION OF ALL RISK FACTORS AND SHOULD CONSIDER ALL OTHER SECTIONS OF THE PROSPECTUS.

FORWARD-LOOKING STATEMENTS

The Prospectus includes statements that are, or may be deemed to be, "forward-looking statements". These forward-looking statements can be identified by the use of forward-looking terminology, including the terms "believes", "estimates", "anticipates", "expects", "intends", "may", "will" or "should" or, in each case, their negative or other variations or comparable terminology. These forward-looking statements relate to matters that are not historical facts. They appear in a number of places within the Prospectus and include statements regarding the intentions, beliefs or current expectations of the Company and/ or the Directors concerning, amongst other things, the Company's strategy and business plans, results of operations, financial condition, liquidity, prospects, dividend policy of the Company and the market in which it operates.

By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Forward-looking statements are not guarantees of future performance and should therefore not be construed as such. The Company's actual results of operations, financial condition, liquidity, dividend policy and the development of its strategy may differ materially from the impression created by the forward-looking statements contained in the Prospectus. In addition, even if the results of operations, financial condition, liquidity and dividend policy of the Company are consistent with the forward-looking statements contained in the Prospectus, those results or developments may not be indicative of results or developments in subsequent periods. Important factors that may cause these differences include, but are not limited to, changes in economic conditions, legislative and regulatory developments, changes in fiscal regimes and the availability of suitable financing.

Potential investors are advised to read the Prospectus in its entirety, and, in particular, all the risk factors set out in this Prospectus, for a description of the factors that could vary the Company's future performance. In the light of these risks, uncertainties and assumptions, the events described in the forward-looking statements in this document may not occur. All forward-looking statements contained in this document are made only as at the date hereof. Subject to applicable legal and regulatory obligations, the Company and its Directors expressly disclaim any obligations to update or revise any forward-looking statement contained herein to reflect any change in expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based.

3.2 Risks relating to the Company and its Business

The Group is engaged in the retailing of food, household goods and other ancillary products through the Pavi Shopping Complex and Pama Shopping Village, and the selling of clothing and household goods through the Franchise Operation. The Company also leases a number of retail outlets within Pavi Shopping Complex and Pama Shopping Village to third parties. The Company, therefore, generates its revenues from the retail and supermarket sectors and rental income from the aforementioned leasing activities. The Company's financial condition and operational results will thus be dependent upon the generation of revenues through the aforementioned business channels. The Company is subject to a number of risks which could have an adverse effect on its business and the results of operations. These risks include, but are not limited to, the risks which are mentioned below.

The Supermarket Sector

General Risks

The supermarket sector is highly competitive and the members of the Group involved in such industry (namely Pavi Shopping Complex Limited (formerly Pavi Shopping Complex p.l.c.), Pavi Supermarkets Limited, Pama Shopping Village Limited and Pama Supermarket Limited) face substantial competitive pressures which could adversely affect operational results and profitability. The principal competitive factors that could affect the business of the aforementioned Group members include location, quality, service, price and consumer loyalty to specific brands and stores. These Group members compete with a wide variety of supermarkets and other retailing stores located in Malta and could face increased competition as a result of an increase in the scale of operations of other local operators and when international retailers establish operations in Malta. Competitive pressures could result in a reduction in sales as well as a reduction in margins on a number of products which may affect the ability of the aforementioned Group members to maintain or increase profitability. Therefore, the ability to attract and maintain customers is largely dependent upon a combination of price, quality, customer service, product range, brand recognition, marketing and promotional strategies. Failure to achieve these objectives could impair the ability of certain Group members to compete successfully and adversely affect the Company's business and profitability.

Relations with Suppliers and Agents

The profitability of the Company depends, in part, on the ability of the members within the Group involved in the supermarket sector to anticipate and react to changes in relationships with suppliers and the cost of supplies. In this respect, the Group members involved in the supermarket sector have built longstanding relationships with certain suppliers, on whom they are dependant to assure the quantity, quality, price and existence of some of the products sold. Furthermore, the ability to source the right products at the right margins from local and foreign suppliers is key to the success of the supermarket operations.

Any deterioration or change in relationships with suppliers and/or foreign agent/s for any reason whatsoever (including any leading supplier or agent declining or becoming unable to sell products to one or more Group members), could potentially have an adverse effect on the profitability of the Company.

Consumer Preferences

The profitability of the Company is also dependent, in part, on the ability of the members within the Group involved in the supermarket sector, to source and sell products that appeal to changing customer preferences. Failure to accurately forecast changes in customer preferences, could lead to a decrease in the number of customers visiting the outlets of the Group companies involved in the supermarket sector and/or a decrease in the amount customers spend when they visit the supermarkets, which could have an adverse effect on the profitability of the Company.

The Retail Sector

This part covers risk factors largely associated with the operations of the Pama Shopping Village and the Pavi Shopping Complex, both of which house a number of operators within the fashion and clothing retail sector, the Franchise Operations as operated by the Group and the household items retail sector to which the Group is exposed within each of the Pama Shopping Village and Pavi Shopping Complex with respect to tenants selling household items and the part of the Franchise Operations tied to the Zara Home® outlets operated by the Group.

Consumer Demand in relation to the fashion and clothing retail sector (represented by the Zara® franchise within the Group operations and the leased-out outlets within each of the Pama Shopping Village and Pavi Shopping Complex):

(i) The Zara® outlet sells a wide range of on-trend, value-led fashion items and accessories. The fashion and clothing sector is highly competitive, also due to inroads made by companies offering online services. The sector is also subject to rapidly changing consumer demands and economic factors that affect consumer spending powers. The Group's success in this sector is also dependent upon the ability of the Franchisor to respond to changing consumer demands and fashion trends in a timely manner, and upon the continued appeal of the Zara® brand to consumers.

(ii) Each of the Pama Shopping Village and the Pavi Shopping Complex hosts a number of tenants that operate within the fashion and clothing retail sector. As with the operations of the Zara® outlet, tenants that lease outlets within the Pama Shopping Village and/or the Pavi Shopping Complex are affected by changing consumer trends and purchasing power of the consumers. If the tenants are unable to keep up with the changing trends, they may face financial difficulties which could potentially translate in loss of revenues for the Company.

Consumer demand in relation to the household items retail sector (represented within the Group by the operations of Zara Home® outlets and tenants at each of the Pama Shopping Village and Pavi Shopping Complex selling household items):

Similar to the clothing and fashion retail sector, the household items retail sector is affected by changes in consumer trends and purchasing power. This sector is also susceptible to changes in technologies which may affect the saleability of household items sold through any of these outlets. In the case of Zara Home® outlets, the Group is also dependent on the ability of the Franchisor to adapt to these changes and provide a range of products to attract consumer purchases. Failure to do so could result in a loss of revenue for the Group. In the case of the tenants leasing outlets at the Pama Shopping Village and/or the Pavi Shopping Complex and selling household items, they could also be adversely affected by changes in consumer trends, technologies and/or purchasing power, and may face financial difficulties which could potentially translate in loss of revenues for the Company.

Relationship with Franchisor

The business associated with the Franchise Operations depends upon the Group maintaining a healthy business relationship with the Franchisor, as owner of the franchised brands. Any weakening of this relationship, whether caused by any breaches in the respective franchise agreements or otherwise, could have a detrimental effect on the business. The operations of the Group could also be adversely impacted if Inditex were to choose to exercise the business acquisition option that is described in section 10.3 below, as a result of which Inditex would take over the local Franchise Operations from the Group, albeit subject to maintaining lease arrangements, also with the Group, in place for a pre-set period. This option, and the rental agreement on the Sliema outlet that would apply should the option be exercised, have been taken into account in determining the Offer Price for the Company's Shares.

3.3 General Risks

Key Individuals

The operations and profitability of the Company are dependent on the capabilities of its Directors and the personnel forming part of its executive management team. Until the date hereof, the Company and the other Group members have managed to attract highly qualified and experienced individuals to assist in the running of the business. Although the Company intends to continue to expend resources in order to attract and retain the right individuals, if one or more Directors and/or members forming part of the Company's executive management team were to become unable or unwilling to continue in their present position/s, the Company might not be able to replace them within the short term. This could have a material adverse effect on the Company's business and financial condition.

Operational Risk

The business of the Group involves operational risk, including, amongst others, the possibility of failing IT systems and other processes for storing and managing stocks of a vast range of products, some of which are highly perishable. Such risks may result in the oversupply of goods or in the failure to maintain adequate supplies to meet customer demand. Inadequate or failed systems to detect and prevent pilferage and other illicit activities may also result in the increased incidence of theft or fraud. Any of these events could potentially result in financial loss as well as reputational risk for the Company.

General Economic Conditions

Given that the Group's business activities are concentrated in the Maltese market, adverse changes in the economic climate in Malta could have a negative impact on the Company. Although demand within the retail food sector is relatively uncorrelated to prevailing economic conditions when compared to less essential consumer goods (indeed in periods of economic downturn, as personal disposable incomes are reduced, the volume of sales of foodstuffs may well increase), in periods of economic downturn, the demand for clothes and higher-end or luxury products which may be sold from the Zara®, Zara Home®, Pavi Shopping Complex and Pama Shopping Village may decline, thus affecting the financial condition of the Company. Declines in consumer confidence or a reduction in the levels of consumers' personal disposable income may also affect the financial condition of the Company. Specifically, consumer confidence and personal disposable income may be influenced, amongst others, by economic factors such as inflation, interest rates, rates of taxation imposed on consumers, energy and fuel costs, wage and employment levels and the availability of consumer credit, amongst others.

Even though the Group's business activities are concentrated locally, the Group could nonetheless be susceptible to adverse economic developments and trends overseas, which could also have a material impact on the business of the Group and may adversely affect revenues and operational results of the Company, particularly in terms of the Company's relationship with foreign suppliers.

Applicable Law and Regulation

Various aspects of the Group's business are subject to specific laws and regulation including consumer laws and licensing requirements. The business of the Group is also subject to laws and regulations of general application such as taxation, health and safety and employment. The timing and effects of changes in the laws and regulations to which the members of the Group are subject, including changes in the interpretation thereof, cannot be predicted and could have an adverse effect on the business, financial condition and profitability of the Company.

Operating Expenses

A portion of the Group's costs are fixed and may not be easily reduced to react to changes in its revenue. In addition, the Group's operating and other expenses could increase without a corresponding increase in turnover or revenue. The factors which could materially increase operating and other expenses include: (a) increases in the rate of inflation; (b) increases in payroll expenses; (c) changes in laws, regulations or government policies; (d) increases in insurance premiums; (e) unforeseen increases in the costs of maintaining properties; and (f) unforeseen capital expenditure. Such increases could have a material adverse effect on the Company's financial position.

Reputational Risk

Reputational risk is the risk that negative publicity regarding the Group's business practices, whether true or not, will cause a decline in the customer base, costly litigation, or revenue reductions. Reputational risk could be particularly damaging for the Company since the nature of the Group's business requires maintaining the confidence of clients and of the general marketplace.

Company's Solvency

In light of the fact that this Prospectus relates to an offer of equity securities, it is pertinent to highlight to prospective investors that the Company's future Shareholders will assume the risk of the Company's solvency. The ownership of equity entails that in the case of insolvency of the Company, the Shareholders may suffer direct and materially adverse consequences, including loss of part or all of their entire investment.

4. PERSONS RESPONSIBLE

The Directors of the Company, whose names appear in section 15.1 under the sub-heading “*The Board*” below, are the persons responsible for the information contained in this Registration Document. To the best of the knowledge and belief of the Directors (who have all taken reasonable care to ensure such is the case), the information contained in this Registration Document is in accordance with the facts and does not omit anything likely to affect the import of such information. The Directors accept responsibility accordingly.

5. ADVISERS AND STATUTORY AUDITORS

5.1 Advisers

LEGAL COUNSEL

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

JOINT SPONSORS

Name: Jesmond Mizzi Financial Advisors Limited.
Address: 67, Level 3, South Street,
Valletta VLT 1105, Malta.

Name: Rizzo, Farrugia & Co. (Stockbrokers) Ltd.
Address: Airways House, Third Floor, High Street,
Sliema SLM 1549, Malta.

MANAGER AND REGISTRAR

Name: Bank of Valletta p.l.c.
Address: 58, Zachary Street,
Valletta VLT 1130, Malta.

5.2 Statutory Auditors

Name: PricewaterhouseCoopers
Address: 78 Level 1, Mill Street,
Qormi QRM 3100, Malta.

PricewaterhouseCoopers is a firm registered as a partnership of certified public accountants holding a practising certificate to act as auditors in terms of the Accountancy Profession Act (Cap. 281 of the laws of Malta).

The annual financial statements of each of the Subsidiaries forming part of the PG Group, as well as of the Associated Companies, for the years ended 30 April 2014, 2015 and 2016, have been audited by PricewaterhouseCoopers.

6. PRESENTATION OF FINANCIAL INFORMATION

PG p.l.c. was registered as a public limited liability company in terms of the Act on 25 November 2016. The Company is a holding company and does not intend to conduct any trading activities itself. Accordingly, it is economically dependent on the financial and operating performance of the Subsidiaries.

Until recently, the Subsidiaries of the Company were subsidiaries of, and the Associated Companies were directly (in the case of Pama Shopping Village Limited) or indirectly (in the case of Pama Carparks Limited) wholly owned (save for one share) by, PG Holdings Limited, a holding company in which the Offeror holds a 98% equity interest. The Zara®, Zara Home® and Pavi operations that were transferred to the Company were commenced in 2003 and 2006, respectively. The Pama supermarket commenced operations in October 2015, with the Pama retail mall coming on stream during the course of November 2016.

PG Holdings Limited, through BPG Leisure Investments Limited, has retained ownership of the minority interest in other properties and assets, including a 12.5% share in Peninsula Investments Limited, owner of the Westin Dragonara Resort Hotel, and a 5.4% share in Banif Bank (Malta) plc.

In anticipation of the Offer, the Group was re-organised in its current form to include, as far as practicable, all the businesses that are controlled by the Offeror, Paul Gauci, and managed by his management team. PG p.l.c. was accordingly registered on 25 November 2016 and thereafter, with effect from 10 March 2017, acquired full ownership and control of the Subsidiaries and a 49% shareholding in the Associated Companies (directly in Pama Shopping Village Limited and indirectly in Pama Carparks Limited). The relative transfers of shares and businesses were conducted at the net book carrying amounts of the companies concerned as reflected in their ad-hoc interim financial statements as at 31 October 2016.

The financial year end of the Group is 30 April. The financial information set out in this Prospectus accordingly represents the following:

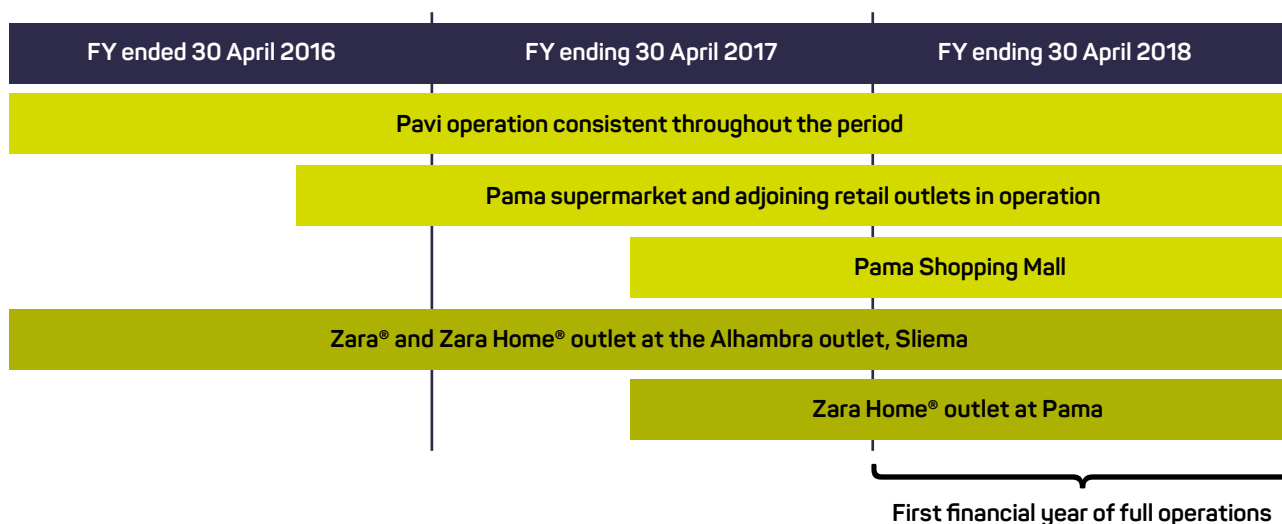
- (a) Historical financial information in respect of the Group as a whole, a summary of which is reproduced below, represents pro forma consolidated data based on the audited financial statements of the constituent companies for the year ended 30 April 2016 and on their interim unaudited financial statements for the six-month period ended on 31 October 2016. This pro-forma data presents what the PG plc consolidated financial statements would have looked like had the Group existed with its current constituent companies for the entire period covered by the pro-forma data.

Moreover, since the transactions that led to the formation of the Group constitute merely an internal re-organisation of businesses that were, and remain, controlled by Paul Gauci, then in terms of International Financial Reporting Standards the consolidated statutory financial statements that will first be prepared by PG p.l.c. for the period ending 30 April 2017 will also cover a full twelve months, with comparatives, as if the Group had been constituted earlier. The forecast consolidated financial statements for the year ending 30 April 2017, therefore, represent the Directors' best estimate of the consolidated statutory financial statements that will be issued in due course by the Group, rather than a hypothetical scenario.

No adjustments to the results, financial position and cash flow statements of the constituent sub-groups were necessary for the purposes of arriving at the pro forma consolidated financial statements except solely to reflect the entries necessary in any process of accounting consolidation; and to reflect what the consolidated equity of the Group would have amounted to had the transactions that led to the formation of the Group been executed on or before 30 April 2016.

- (b) Historical financial information in respect of the different operations, or sub-groups, related to the Pavi business is extracted from the consolidated financial statements of their constituent companies, based on their audited financial statements up to 30 April 2016 and on their interim unaudited financial statements for the six-month period ended on 31 October 2016. In the case of the Pama business and the Franchise Operations, combined (rather than consolidated) financial statements are presented, as not all companies constituting these operations were subsidiaries of a unitary holding company. Combined financial statements serve a similar purpose to consolidated financial statements, to present financial data appertaining to a group of companies as if the companies concerned constitute a single enterprise.

Furthermore, as explained in the Prospectus, the Group has recently completed an expansionary phase that has included the opening of a retail mall at Pama Shopping Village in November 2016 and the opening of a new Zara Home® outlet, within the same mall, which is operated by the Group. The first financial year that will reflect a full year's operation of the current components of the Group will therefore be the year ending 30 April 2018. Accordingly, to better portray the Group's expectations from its current operations, the Prospectus includes both a forecast for the financial year ending 30 April 2017 and projected financial information for the year ending 30 April 2018.



The below is a summary of the pro forma financial information of the Group covering FY16 ended 30 April 2016 and the interim period from 1 May 2016 to 31 October 2016:

PG plc

Summary Consolidated Pro Forma Income Statement

€'000	Year ended April 16 Audited	6 months ended October 16 Interim
Revenue	65,454	43,789
Gross Profit	9,722	6,208
Selling and administration expenses	(2,596)	(1,472)
Rental income and other income	577	464
Income from investment in associate	110	64
Operating Profit	7,813	5,264
Finance costs	(626)	(236)
Profit before taxation	7,187	5,028
Taxation	(2,514)	(1,814)
Profit after taxation	4,673	3,214

PG plc

Summary Consolidated Pro Forma Statement of Financial Position

€'000	As at 30 April 2016	As at 31 October 2016
Investment property	2,500	2,500
Property, plant and equipment	52,148	52,033
Investment in associate	3,438	3,502
Inventory	4,915	5,832
Trade and Other Receivables	3,737	3,361
Cash and Cash Equivalents	1,366	1,565
Trade and Other Payables, Including Income Tax	(14,845)	(16,223)
Total assets, less trade and other payables	53,259	52,570
Equity	21,879	24,129
Deferred Tax Liabilities	3,481	3,484
Borrowings, including overdraft facilities	27,899	24,957
	53,259	52,570

PG plc

Summary Consolidated Pro Forma Cash Flow Statement

€'000	Year ended April 16 Pro Forma	6 months ended October 16 Interim
Net cash generated from operating activities	7,355	5,543
Net cash used in investing activities	(5,583)	(1,229)
Net cash used in financing activities	(6,854)	(1,512)
Net movement in cash and cash equivalents	(5,082)	2,802
Cash and cash equivalents at beginning of period	(1,591)	(6,673)
Cash and cash equivalents at end of period	(6,673)	(3,871)

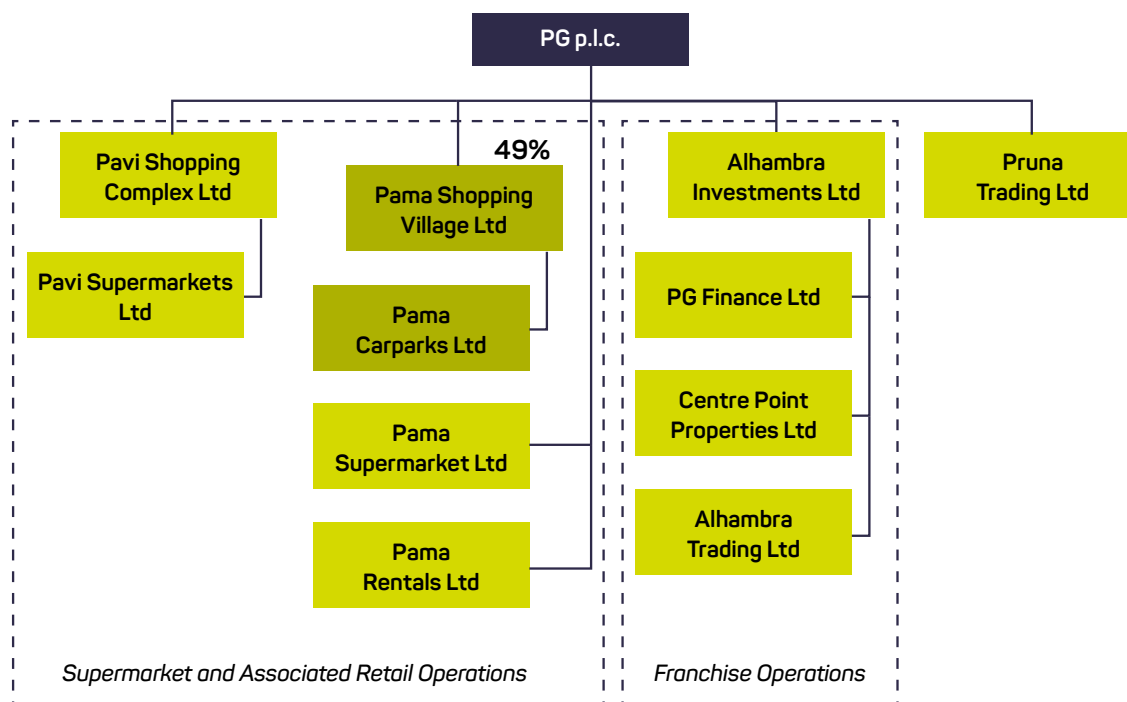
The financial information displayed throughout the Registration Document may be subject to rounding differences.

7. INFORMATION ABOUT THE COMPANY

Legal & commercial name of Company:	PG p.l.c.
Registered address:	PG Group Head Offices, PAMA Shopping Village, Valletta Road, Mosta MST 9017
Place of domicile & registration:	Malta
Registration number:	C 78333
Telephone number:	+356 2349 6100
Email:	info@pggroup.com.mt
Website:	www.pggroup.com.mt
Date of Registration:	25 November 2016
Status:	Public limited liability company registered in terms of the Act

8. ORGANISATIONAL STRUCTURE

The organisational structure of the Group as at the date of the Prospectus is illustrated in the diagram below:



PG p.l.c. owns 49% of Pama Shopping Village Limited, which in turn owns 99.99% of Pama Carparks Limited. All Subsidiaries are directly or indirectly 100% owned and controlled by PG p.l.c., which in turn is currently owned by the Offeror as to 99.99% of its entire shareholding.

All of the Subsidiaries and Associated Companies are registered in Malta.

The Group is organised into two operating divisions:

- I. The Supermarkets and Associated Retail Operations division includes the Pavi and Pama operational sub-groups. The Pavi operations sub-group consists of the operation of the Pavi Shopping Complex in Qormi (the "**Pavi Operations Sub-Group**"). The complex includes a large supermarket together with various catering and retail outlets, supported by car parking facilities. The companies constituting this division are Pavi Shopping Complex Limited (formerly Pavi Shopping Complex p.l.c.) and Pavi Supermarkets Limited. The Pama operations sub-group consists of the operation of the Pama Shopping Village in Mosta (the "**Pama Operations Sub-Group**"). The shopping village includes a large supermarket, a retail mall and various catering and retail outlets. Car parking facilities operated by Pama Shopping Village Limited are made available to customers of the shopping village. The Subsidiaries forming part of the Pama operations sub-group are Pama Rentals Limited and Pama Supermarket Limited; and
- II. The Franchise Operations division consists of the operation of the Zara® outlet in Sliema and two Zara Home® outlets in Sliema and Mosta. The companies constituting this division are Alhambra Investments Limited, Alhambra Trading Limited, PG Finance Limited and Centre Point Properties Limited.

The Pavi and Pama supermarket operations are supported by Pruna Trading Limited, which is responsible for negotiating supplier contracts and for sourcing certain supplies for the two supermarkets. The Franchise Operations make purchases directly from the Franchisor, which owns the Zara® and Zara Home® brands.

Further details of the companies constituting the various sub-groups, describing their respective roles, are set out below. All the Group's operations are conducted in Malta.

Pavi Operations Sub-Group

Pavi Shopping Complex Limited owns the property comprising the Pavi Shopping Complex in Marsa. This property is in part rented out to Pavi Supermarkets Limited and in part to third parties.

Pavi Supermarkets Limited operates the Pavi supermarket, together with the associated stores and car parking facilities.

Pama Operations Sub-Group

Pama Shopping Village Limited has been responsible for the construction of the Pama Shopping Village in Mosta, on land that has been rented on a 30-year lease basis from Francesco Fenech Limited (C 582) (as further described in section 10.2 below). Pama Shopping Village Limited's business is limited to its interest in the Pama Shopping Village. The company is 51% owned and controlled by PG Holdings Limited. PG p.l.c., as a 49% shareholder of Pama Shopping Village Limited, is entitled to appoint one of the members of the board of directors of the company (composed of three directors).

Pama Shopping Village Limited operates the extensive car parking facilities that occupy the large part of the overall site. It also maintains a chapel that forms part of the site. The external retail outlets and the retail mall, comprising part of the property, are rented out by Pama Shopping Village Limited to Pama Rentals Limited. The supermarket and associated stores, comprising another part of the property, are rented out by Pama Shopping Village Limited to Pama Supermarket Limited.

Pama Rentals Limited rents retail outlets at the Pama Shopping Village, including the retail mall, to retailers and other commercial clients. One of the outlets within the mall is rented to Centre Point Properties Limited, also a Subsidiary of the Company, as the operator of the Zara Home® franchise.

Pama Supermarket Limited operates the Pama supermarket, together with the associated stores within the Pama shopping village.

Pama Carparks Limited acts as the manager of the car park within the Pama Shopping Village on behalf of Pama Shopping Village Limited. Its income is derived solely from Pama Shopping Village Limited. Given that car parking is provided free of charge to patrons, the related costs are covered through parking charges raised by Pama Shopping Village Limited, in part to Pama Rentals Limited and in part to Pama Supermarket Limited, the two Group companies making use of the car park for their respective operations. Pama Shopping Village Limited also provides car parking facilities to third parties.

Franchise Operations

Alhambra Investments Limited acts solely as an intermediate holding company for the companies engaged in the Franchise Operations.

PG Finance Limited owns the Alhambra property in Sliema. The property is rented in part to Alhambra Trading Limited and in part to Centre Point Properties Limited. PG Finance Limited also acts as the financing arm of this sub-group.

Alhambra Trading Limited operates the Zara® clothing outlet situated within the Alhambra complex in Sliema.

Centre Point Properties Limited operates the Zara Home® outlet also situated within the Alhambra property in Sliema, together with a second Zara Home® outlet that has recently been opened within the Pama Shopping Village.

9. INVESTMENTS

The major investments made by the Group in the last three years, or those to which the Group is committed to in the foreseeable future, are as follows:

- (a) The Group invested in the development of the Pama Shopping Village. The Pama supermarket and its adjoining retail outlets opened for business in October 2015, while the Pama retail mall commenced operations in November 2016. A total of €12.9 million was invested in this complex in the course of the financial years ended 30 April 2015 and 2016 and in the current financial year, financed as follows:

	€'million
Bank financing (part of the overall loan facility of €20m made available by Bank of Valletta plc)	7.0
Finance lease on certain plant and equipment	0.9
Financed from internal resources	5.0
	<hr/> 12.9

Of the above amount, €8.1 million were invested by and are retained in the books of the Associated Companies.

- (b) In the course of the current financial year (FY17), the Group invested €0.3 million in fitting out the Zara Home® outlet recently opened at the Pama retail mall. The investment was financed from the Group's own financial resources.
- (c) The Group plans to expand the Alhambra complex in Sliema that houses the Zara® and Zara Home® outlets. The project is expected to commence in autumn of 2017. The capital expenditure anticipated, which at this stage is planned to be financed from internally-generated cash inflows, amounts to *circa* €4.2 million. Further information on this planned project is set out in section 10.3 below.

10. BUSINESS OVERVIEW

10.1 Principal Activities & Markets

The principal business activities of the Group, on which the Company is dependent, are:

- the retailing of food and non-food products, carried out principally through the Pavi Shopping Complex and Pama Shopping Village (collectively, the “**Complexes**”);
- income-sharing arrangements with third party operators in respect of certain specialist activities carried out from within designated areas of the Complexes;
- the management, operation and letting of other retail and commercial outlets within the Complexes, including a dedicated retail mall within Pama Shopping Village; and
- the Franchise Operations.

All of the above activities are carried out in Malta.

The Group’s strategy for its Complexes has been to build major shopping centres around large and price-competitive supermarkets with a view to increasing customer flows by offering customers a comprehensive range of complimentary services and facilities. The key strengths of the Group’s Complexes include:

- two central and easily-accessed locations;
- the provision of ample parking facilities free of charge to patrons;
- modern custom-built supermarkets, spread over one floor, with a focus on enhanced operational efficiency;
- the sub-contracting of specialist activities to experienced third party operators on an income-sharing basis with the aim of ensuring varied quality and fresh products to enhance customer satisfaction. This includes, *inter alia*, the butcher shops, the delicatessen counters, the fruit and vegetable counters, the fish shops, the bread counters, a Maltese kitchen, a Chinese shop and the pasta shops;
- efficient buying, supported by economies of scale, low credit periods and prompt settlement, including the renowned brand of Sma-Auchan;
- a range of complementary retail and commercial outlets to meet the wider demands of customers and enhance their overall shopping experience; and
- a continual emphasis on customer service.

The Group is also the operator of the Zara® and Zara Home® franchises in Malta. The Alhambra stores, strategically situated in the prime shopping area of Sliema, houses a complement of the Zara® and Zara Home® brands. The stores are owned by the Group and plans for further expansion of the stores in the near future should enable the Group to offer a broader selection of the Zara® and Zara Home® ranges. A second outlet, dedicated solely to Zara Home®, has recently been opened within the Pama Shopping Village.

Further details on the operations of the different divisions and of the Group’s current operations and prospects are set out below.

10.2 Supermarket and Associated Retail Operations

Development of the business

The Pavi Shopping Complex commenced operations in November 2006. The building of the complex was initially financed, in part, through a bond issue for €11.6 million issued by Pavi Shopping Complex Limited (then Pavi Shopping Complex p.l.c.). The bonds were redeemed in October 2014. Improvements were made to the complex in 2016 and a further refurbishment is scheduled to take place in 2017 with a view to bringing the complex in line with the higher standard set by the recently-opened Pama Shopping Village.

The Pama Shopping Village opened in late October 2015, when the supermarket (4,800 sqm) and the adjoining strip of catering and other outlets (2,900 sqm) commenced operations. The retail mall, comprising 3,330 sqm of rentable area, was opened in November 2016.

Commercial strategy

The strategy of the Group with respect to the Complexes is to focus its activities on areas closely aligned to its core expertise and to attain an adequate spread of risk. Revenue is generated from three business segments namely:

- the retailing of food and non-food products, carried out in the main through the operation of the two supermarkets;
- income-sharing arrangements with third party operators in respect of certain specialist activities carried out from designated areas within the supermarkets; and
- the management, operation and letting of other retail and commercial outlets within the two Complexes.

The relative importance of each of these business segments is illustrated by the use of the net usable space available within the Complexes:

	Pavi sqm	Pama sqm
Supermarket operations		
Own operation	2,250	2,252
Conducted to specialist operators	2,750	2,548
	<hr/>	<hr/>
	5,000	4,800
Retail space rented out to third parties	2,098	5,350
Retail space utilised by Zara Home®	-	880
	<hr/>	<hr/>
Total revenue generating areas	7,098	11,030
Stores	2,000	1,500
Administration offices	450	700
	<hr/>	<hr/>
Total net usable areas (excluding car parking)	9,548	13,230
Car parking spaces available	500	1,200
	<hr/>	<hr/>

The overall objective is that of creating destinations that cater for a number of the day-to-day needs of shoppers, going beyond a routine visit to a supermarket, albeit that the latter remains of fundamental importance to the Group. A number of commercial strategies are applied to attain this objective. Location, ease of access on main arterial roads and the provision of adequate free car parking to patrons are the main features that characterise both Complexes.

The supermarkets are the key anchors of each Complex. In both cases, they are set out on one floor, employing a logical and customer-friendly layout that has proved popular with patrons, supported by numerous check-out points that facilitate customer flows and minimise queues during peak shopping hours. The overall shopping experience is accentuated by high levels of customer service, supported by continual staff training.

Certain specialist activities within the supermarkets are sub-contracted to third-party operators. These include, *inter alia*, the butcher shops, delicatessen counters, fruit and vegetable counters, pasta shops and fish section. The Directors believe that such areas within a supermarket require particular attention to ensure varied, quality and fresh produce and that this focus is better attained through specialist and experienced operators with known reputation in their markets. The Group, therefore, does not operate these sections itself but sub-contracts them to experienced operators, generating revenue on an income-sharing basis with such third-party operators. This approach is believed to better ensure the success of the retail food sectors and operates to improve overall customer satisfaction, whilst insulating the Group from the particular stock expiry and control risks associated with fresh and perishable foods generally.

The overall commercial strategy is for the supermarkets to carry a wide range of brands aimed at catering for different tastes and means of customers, without compromising the maintenance of margins, while offering patrons highly competitive prices. Purchasing is closely controlled on the basis of supplier negotiations that take advantage of the purchase volumes of the Group and of the optimum utilisation of shelf space, while benefiting suppliers through prompt settlement and, where feasible, through efficient logistical arrangements.

To maximise efficiency and margins, the Group also imports certain products directly. The Group has entered into a supply arrangement with Punto Franchising s.r.l., which operates the Sma-Auchan chain in Italy, for the supply of a wide variety of Sma-Auchan products to Malta. Sma-Auchan forms part of Groupe Auchan which is a major international food retailing business with interests across the hypermarket, supermarket, real estate and banking sectors. Sma-Auchan offers a range of low cost products with a strong focus on product selection and verification criteria as well as quality.

Marketing remains an important tool to the Group's strategy to increase revenues, whether through direct advertising on various media, direct messaging or promotional offers. The Group also maintains detailed records of its patrons within the confines of relevant data protection legislation and operates a popular lottery, drawn from among its active customer base of the day where a shopping voucher of €1,000 is awarded daily.

The model adopted in respect of the forerunner to the Pama Shopping Village, that is the Pavi Shopping Complex (further described in the next section below), has proved successful in both cases. The success of the Group's supermarkets and the high level of footfall they generate, has in turn attracted third-party operators to establish operations within the Complexes. This has enabled the Group to maximise its rental income from other retail outlets situated within the Complexes. The presence of these outlets is an added convenience to shoppers and serves to enhance the attraction of the Complexes as a whole, providing customers with a more comprehensive selection of outlets. The market has reacted positively to this approach with all outlets within the Pama Shopping Village being successfully leased out even before the commencement of operations.

Income from the areas operated by third parties within the Complexes is generally set on an income-sharing basis, subject to an appropriate minimum annual rent depending on the size, location and nature of the outlet. A balanced mix of catering, commercial and retail tenants have been accommodated within each of the Complexes.

The Pavi Shopping Complex

The Pavi Shopping Complex was fully acquired by PG Holdings Limited in August 2015, when it purchased 50% of the shares in Pavi Shopping Complex Limited (at the time Pavi Shopping Complex p.l.c.) that were previously owned by Yvonvi Limited (a company registered in Malta, having company registration number C 29814). The Pavi Shopping Complex is carried in the financial statements of the Group at its cost of €24.2m, which the Directors consider, on the basis of professional advice, as also representing its market value.

The Pavi Shopping Complex is centrally located in Manuel Dimech Street, Qormi, on a site covering approximately 13,800 sqm with an additional area of approximately 345 sqm comprising the access road leading to Lion Street, Qormi. The main façade of the complex overlooks Manuel Dimech Street, a main distributor road connecting Qormi to Marsa and Hamrun. The access road at the back of the Complex leading on to Lion Street, Qormi, provides an alternative convenient exit route from the Pavi Shopping Complex. The complex is located on a very strategic route at the junction of two main arterial roads, the Qormi bypass linking the north part of Malta to the south-western part and the Mriehel bypass which links the north-eastern localities to the south-eastern parts. These two main traffic network links passing on either side of the complex guarantee ease of vehicular access to and from the complex, rendering it ideal for retail activity.

The Pavi Shopping Complex's intermediate floor comprises an internal covered car park, with further car parking spaces situated on the complex's roof. In total, these areas can accommodate approximately 500 car park spaces, supporting the complex's needs.

The complex is held by the Group under title of absolute ownership, as freehold. The access road leading to Lion Street, Qormi is held by the Company under title of temporary emphyteusis for the period which remains from the original period of 150 years which commenced on 3 June 1963.

The supermarket within the Pavi Shopping Complex covers a sales area of 5,000 sqm offering a wide range of food, household goods and other ancillary products. To support its food retail operations, the supermarket has an extensive adjoining warehouse facility including ancillary stores and cold rooms on two floors, together with a goods receiving area complete with large walk-in cold rooms. In addition, administrative offices and other staff facilities cover an area of 450 sqm.

The Pavi Shopping Complex also includes 2,098 sqm of commercial and retail space dedicated to outlets designed to offer a mix of complementary retail and commercial facilities. Existing outlets within the complex include or represent, *inter alia*, well-known names such as Banif Bank, Agenda Book Shop, AtoZ Electronics, Sterling Jewellers and a number of fashion-related shops, together with caterings outlets such as Pizza Hut.

Pavi Shopping Complex – Historical Trading Results

Extracts from the consolidated historical financial statements of the Pavi operations are set out below:

Pavi Shopping Complex Limited Consolidated Historical Income Statement

€'000	Year ended April 14 Audited	Year ended April 15 Audited	Year ended April 16 Audited	6 months ended October 15 Interim	6 months ended October 16 Interim
Revenue	32,980	36,713	36,626	19,351	16,983
Cost of Sales, including direct operating costs	(28,024)	(31,659)	(31,505)	(16,689)	(14,841)
Gross Profit	4,956	5,054	5,121	2,662	2,142
Selling and marketing expenses	(486)	(538)	(592)	(309)	(283)
Administrative Expenses	(983)	(934)	(731)	(362)	(279)
Other Income	455	424	412	322	313
Operating Profit	3,942	4,006	4,210	2,313	1,893
Finance costs	(756)	(472)	(261)	(130)	(120)
Profit before taxation	3,186	3,534	3,949	2,183	1,773
Taxation	(1,030)	(1,182)	(1,325)	(724)	(652)
Profit after taxation	2,156	2,352	2,624	1,459	1,121

The turnover of the Pavi Shopping Complex continued to increase consistently in recent years. A reduction was, however, experienced in the immediate months following the opening of Pama Shopping Village and this was expected as a number of the complex's customers, especially those residing in the north part of the island, have been better served by Pama in terms of proximity of the new supermarket. The opening of the Pama Shopping Village has at the same time enabled the relocation of certain non-productive activities that were previously housed at Pavi, freeing up additional space that will in future be dedicated to rental activities.

Tightly controlled margins and reductions in administrative expenses and finance costs have contributed to consistent improvements in profitability, with profit before taxation increasing by 10.9% and 11.7% in financial years 2015 and 2016 respectively.

Pama Shopping Village

On 1 October 2014, Pama Shopping Village Limited entered into a public deed with Francesco Fenech Limited (a company registered in Malta, bearing company registration number C 582) (as landlord) and the Offeror (as guarantor, together with the Offeror's spouse), pursuant to which Francesco Fenech Limited (as landlord) granted a 30-year lease to Pama Shopping Village Limited over a plot of land in Mosta (Valletta Road, corner with Pantar Road) measuring circa 32,000 sqm, together with all buildings and amenities thereon. The said lease term runs with effect from 1 September 2015. The deed provides that during the period of the lease, the property is to be used as a commercial complex for wholesale, retail, catering, entertainment, office, and other commercial outlets and for such other purposes as set out in the deed. In terms of the deed, the guarantors jointly and severally guaranteed in favour of the landlord all obligations, representations and warranties undertaken by Pama Shopping Village Limited up to 31 August 2020.

Pama Shopping Village Limited may not assign the lease over the leased property but may sub-let the leased property (in part but not in whole) provided that the respective sub-lease/s shall not be granted for a period extending beyond the termination date and subject to the satisfaction of certain other conditions as stated in the deed. These conditions are reflected in the sub-leases made by Pama Shopping Village Limited to Pama Rentals Limited and to Pama Supermarket Limited (refer to section 19 of this Registration Document), and in the rental agreements entered into with commercial outlets within the village.

The landlord may terminate the lease if, *inter alia*, the tenant does not effect payment of rent for three consecutive months, abandons the leased property, files an application for the declaration of insolvency or fails to observe any material covenants, conditions or provisions of the deed. The tenant may not terminate the lease during the first five years of the term, though thereafter termination may be invoked by the tenant by giving twelve (12) months' advance written notice.

A total of €12.9 million has been invested in the construction of the Pama Shopping Village, in compliance with the obligations set out in the lease agreement.

The Pama site is strategically situated at Valletta Road, on the outskirts of Mosta, corner with Pantar Road, which leads to Attard. Apart from providing ease of access and internal circulation, the Pama Shopping Village lies at the centre of a large urban residential configuration comprising localities such as Attard, Balzan, Birkirkara, Iklin, Lija, Mosta and Naxxar.

The supermarket within the village covers an area of 4,800 sqm finished to high standards and offering a wide range of food, household goods and other ancillary products. The supermarket is supported by adjoining warehouse facilities, together with a goods-receiving area, collectively covering an area of 1,500 sqm. In addition, administrative offices and other staff facilities cover an area of 700 sqm.

As indicated in the opening part of this section 10.2, the concept combining the supermarket and associated retailing that was pioneered at the Pavi Shopping Complex has been replicated and expanded further at the Pama Shopping Village, which boasts a total of 6,230 sqm of lettable space. This includes 2,900 sqm of catering, commercial and retail space that lies adjacent to the supermarket and a separate retail mall comprising 3,330 sqm of commercial space. As with the Pavi Shopping Complex, the outlets within the village include or represent a number of well-known brands including Zara Home®, Agenda Book Shop, GasanMamo Insurance, Bodyshop, Eyeland, Go Mobile, Hamleys, Sterling Jewellers and Swarovski; a number of fashion-related shops, including Benetton, Bortex, Eurosport, Next Kids, Miss Selfridge, Promod, Morgan, Jules and Urban Jungle, amongst many others; and a variety of catering outlets including Cafe Cuba, Trulli Cafeteria, Posh Kebabs, Burger King, KFC and Zen Sushi.

Key amenities at the Pama Shopping Village include the large car park spread over two floors and comprising 1,200 parking spaces, as well as ATM facilities of both major banks in Malta. Parking facilities are provided to patrons free of charge, adding to the attractiveness of the overall facilities.

Pama Shopping Village – Historical Trading Results

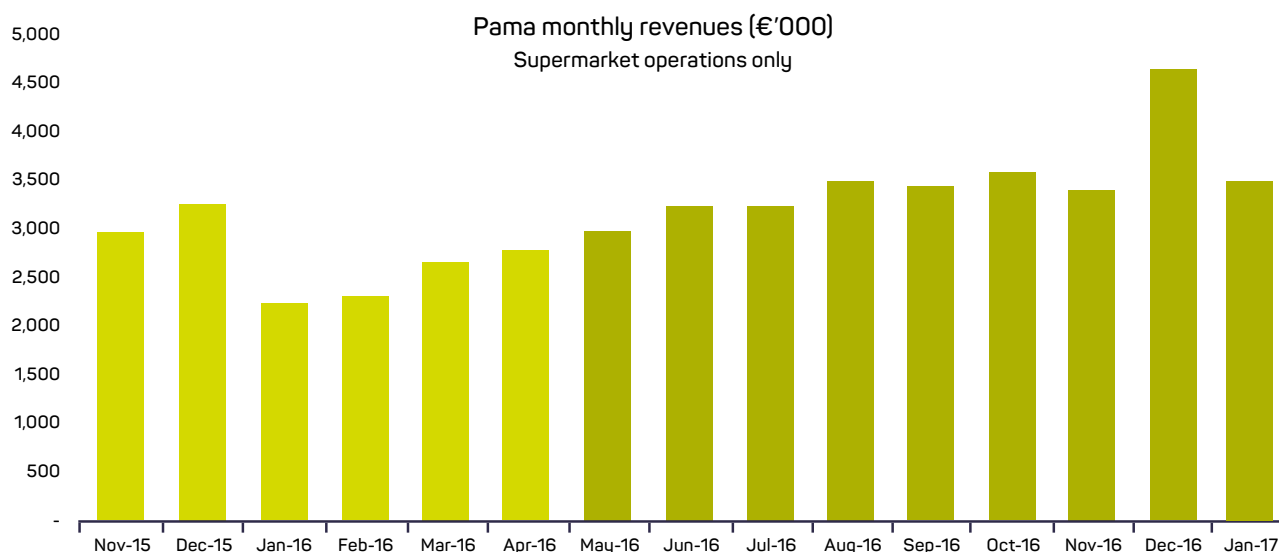
Extracts from the combined historical financial statements of the Pama Operations Sub-Group are set out below. These financial statements include the combined historical results of Pama Supermarket Limited and of Pama Rentals Limited. The table below also discloses the 49% share of the profit after taxation of the Pama Associates during the same periods.

Pama Operations Sub-Group Combined Historical Income Statement

€'000	Period ended April 16 Audited	6 months ended October 16 Interim
Revenue	15,951	20,220
Cost of Sales, including direct operating costs	(14,733)	(17,798)
Gross Profit	1,218	2,422
Selling and marketing expenses	(221)	(261)
Administrative Expenses	(420)	(381)
Other Income	160	153
Operating Profit	737	1,933
Finance costs	(9)	(14)
Profit before taxation	728	1,919
Taxation	(317)	(672)
Profit after taxation - Pama subsidiaries	411	1,247
49% of Profit after taxation of Pama associates	110	64
Total profit after taxation - Pama business	521	1,311

Note: No comparative financial data is available on the Pama Operations Sub-Group as Pama Shopping Village commenced operations at the end of October 2015.

Sales at Pama have increased consistently since the complex opened as it gained in popularity. The month by month increments being recorded are illustrated below:



As can be seen from the above chart, monthly sales at the Pama supermarket had by June 2016 equalled those recorded in December 2015, the earlier Christmas peak month, while sales in December 2016 were 44% higher than those registered in the same month a year earlier. This is a business that is still maturing.

As sales volumes grow, the margins reported by the Pama supermarket, net of shop direct expenses, also continue to improve. The gross profit of the supermarket in the six months to October 2016 was almost double that recorded in the first six months of operation, while that profit before tax for the six months ended 31 October 2016, at €1.9 million, was 163% higher.

These results, as already explained, exclude the income expected from the Pama retail mall, which only commenced operations in November 2016.

Pruna Trading Limited

A final component of the Group's supermarket business is Pruna Trading Limited, which is responsible for procuring supplies to the two supermarkets already referred to above, and which commenced operations in financial year 2015. Certain supplies to the supermarkets are procured by Pruna Trading Limited, which charges the supermarkets a margin designed to cover its administration costs. Sales made by the company are in the main intra-group transactions.

Extracts from the consolidated historical financial statements of the Pruna Trading Limited operations are set out below, and as expected also reflect the impact of the Pama Supermarket purchase volumes as from October 2015:

Pruna Trading Limited

Historical Income Statement

€'000

	Period from 7 March 2014 to 30 April 2015	Year ended April 16	6 months ended October 15	6 months ended October 16
	Audited	Audited	Interim	Interim
Revenue	2,353	3,522	1,501	1,543
Cost of Sales	(2,258)	(3,358)	(1,466)	(1,526)
Gross Profit	95	164	35	17
Administrative Expenses	(32)	(11)	(6)	(9)
Other Income	2	5	0	0
Operating Profit	65	158	29	8
Finance costs	(14)	0	0	0
Profit before taxation	51	158	29	8
Taxation	(18)	(55)	(10)	(3)
Profit after taxation	33	103	19	5

10.3 Franchise Operations

The Zara® and Zara Home® brands

The Zara® and Zara Home® brands belong to the Spanish firm Industria de Diseño Textil, S.A., better known as Inditex S.A., reputed as one of the world's largest clothes retailers and which reported record sales of €20.9 billion last year (€13.6 billion of which comes from the Zara® segment)³. It was Spanish entrepreneur Amancio Ortega who put together a basic business model which translated itself into the success Zara® is today. The business model has remained largely unchanged, namely, that of organising processes that ensure fast-to-market, quality fashion wear at affordable prices.

Zara® opened its first store in the coastal town of A Coruña in the northwest of Spain in 1975. Zara® has over 1,900 stores strategically located in leading cities in over 90 countries. Zara®'s designers and customers are inextricably linked. Specialist teams receive constant feedback on the decisions its customers are making at every Zara® store. This feedback inspires Zara®'s creative team which is made up of over 200 professionals.

Zara Home® was created in 2003 and specialises in the latest designs for the home. Its textile ranges, which include bedding and bed linen, tableware and bath linen, are complemented by dishware, cutlery, glassware and home decoration objects and accessories. Zara Home® is constantly refreshing its product range throughout the year. Today Zara Home® runs more than 550 stores in 58 markets.⁴

Development of the Franchise Operations in Malta

The Franchise Operations were initiated by the Offeror in 2001 at the Alhambra store in Tower Road, Sliema. The acquisition of this prestigious outlet was financed in part by a public bond issue of €7 million (issued by PG Finance plc (C 30543) which at the time was the finance company of the Big Bon Group and which with effect from 24 July 2012 was amalgamated into Alhambra Properties Ltd (C 45136), since renamed PG Finance Limited). The bond matured and was repaid by PG Finance plc in 2010.

The outlet is owned on a freehold basis and is recognised in the Group's balance sheet at its estimated market value of €25.5 million.

The Sliema outlet hosting Zara® and Zara Home® is situated in what is possibly Malta's prime retail location, attracting a high footfall. The outlet houses 2,120 sqm of retail space spread over two floors, supported by office and storage spaces on site.

A second Zara Home® outlet was opened within the Pama Shopping Village retail mall in November 2016. This second store measures 880 sqm and is an ideal size to exhibit a substantial range of products available from this brand.

Store operations

The Zara® and Zara Home® stores are owned and managed by the Group, which is responsible, *inter alia*, for staff recruitment and management, accounting, stock control and the security and upkeep of the premises. Operations are at the same time conducted in close liaison with the brands' owners, Inditex.

Inditex is closely involved in the placement of orders for stock, seeking to ensure that the range of merchandise retailed in Malta at all times represents the current offerings of the two brands. Moreover, Inditex participates in the design and finishing of stores and in setting standards for the displays adopted. The Inditex group is characterised by a highly responsive supply chain that ensures that all stores are kept adequately stocked with goods that satisfy current consumer trends and demand.

Responsiveness is also enhanced by Zara®'s online shopping facilities, which were launched in April 2016 and in which the Group also participates. Delivery of Zara® online orders to Malta may be made directly to the customers' address of choice or may be delivered at any of the two outlets. Product returns are awarded the same treatment irrespective of whether an article was acquired at an outlet or online, offering customers a seamless service. These arrangements offer potential for further growth.

³ Source- <http://www.bbc.com/news/business-35761916>; the Forbes list ranks Inditex third, behind Dior (1st) and Nike (2nd), <http://www.forbes.com/sites/maggiemcgrath/2016/05/26/the-worlds-largest-apparelcompanies-2016-christian-dior-nike-and-inditex-top-the-list/#c7a6165262e4>

⁴ https://www.inditex.com/en/brands/zara_home

Zara® and Zara Home® products offer excellent value for money in terms of design, quality and pricing, and this has contributed to the outlets' consistent success. Amongst other milestones, sales have increased by 21% in the period 2014 to 2016. This is illustrated by the following extracts from the combined historical financial statements of the Alhambra Investments Limited operations:

Franchise Operations

Combined Historical Income Statement

€'000	Year ended April 14 Audited	Year ended April 15 Audited	Year ended April 16 Audited	6 months ended October 15 Interim	6 months ended October 16 Interim
Revenue	10,404	11,106	12,632	5,808	6,501
Cost of Sales, including direct operating costs	(8,161)	(8,627)	(9,413)	(4,373)	(4,830)
Gross Profit	2,243	2,479	3,219	1,435	1,671
Sales and marketing expenses	(100)	(63)	(104)	(45)	(45)
Administrative Expenses	(425)	(516)	(515)	(278)	(260)
Operating Profit	1,718	1,900	2,600	1,112	1,366
Finance costs	(488)	(461)	(358)	(146)	(102)
Profit before taxation	1,230	1,439	2,242	966	1,264
Taxation	(469)	(483)	(816)	(352)	(487)
Profit after taxation	761	956	1,426	614	777

The sales growth recorded has resulted in a corresponding increment in margins, while fixed operating costs have been relatively contained. As a result, the profit before taxation of this division increased from €1.2 million in financial year 2014 to €2.2 million in financial year 2016.

The Alhambra extension project

As the Zara® range expands, Inditex is favouring the opening of larger stores that permit the stocking and display of a wider selection of products than is possible within the existing Alhambra outlet. In this respect, an agreement has been reached between the Group and Inditex for the expansion of the Sliema outlet through the construction of five additional levels on the back of the building, which is currently constructed up to two floors. This will increase the retail space within the building to 4,400 sqm, excluding supporting staff and storage areas, making it one of the largest Zara® department stores in Europe. The enlarged outlet will also include one floor dedicated completely to Zara Home®.

Detailed designs for the project have been completed by the Group, working in conjunction with Inditex specialist architects. The joint objective is that of creating a modern outlet that will be a landmark not only in Malta but also within the wider Zara® stable. The capital investment required for this project is envisaged to be in the region of €4.2 million.

An application for detailed planning approval, respecting existing planning guidelines relevant to the location, was submitted in December 2016. Construction is expected to commence in mid-calendar 2017, such that the extension could be completed in summer 2018. The site will be accessed from behind the outlet such that construction work will not interfere with the flow of traffic and customers on Tower Road. The project will, however, necessitate the closure of the store for a relatively short period in early summer 2018 to connect the new floors and refurbish the existing ones.

The Inditex option

The Group negotiated and, in April 2016, signed, with Inditex, two new franchise agreements, supply agreements and option to purchase agreements.

The franchise agreements with Inditex with regards to the Zara® and Zara Home® franchises have over the years provided for an annual option whereby Inditex could terminate the franchise agreements and assume the ownership of the operation of the stores. This is in line with the franchising policy generally applied by the Inditex Group.

By way of concession given the commitment shown by the Group, and in recognition of the planned investment in an enlarged Alhambra outlet, Inditex has granted the Group a three-year firm franchise period, whereby the acquisition options can first be exercised in April 2019, subject to the Group continuing to comply with the conditions of the franchise and other agreements reached with Inditex.

The Group and Inditex have also agreed the terms of the rental agreement governing the Alhambra property. A 20-year rental agreement has been entered into, with the approval of Inditex, between PG Finance Limited as the owner of the property, and the two companies operating the Zara® and Zara Home® brands - Alhambra Trading Limited and Centre Point Properties Limited, respectively. The rental agreement gives rise to a rental income to the Group which is based on a percentage of turnover, subject to a minimum rent, and serves to ensure that should Inditex exercise its option and terminate the franchise agreement, it would continue to operate from the enlarged Alhambra store on terms acceptable to both it and the PG Group.

All profits generated by the Franchise Operations are today subject to income tax at 35%. Should the Inditex option be exercised, the rents receivable by the Group from the same operations would, in terms of current tax legislation, be eligible to be subject to final income tax at 15%.

The historical profits of the Group's Franchise Operations can be divided as follows, between the rental return for the property and the resultant profits from the operation of the two franchises:

€'000	Year ended April 14 Audited	Year ended April 15 Audited	Year ended April 16 Audited	6 months ended October 15 Interim	6 months ended October 16 Interim
Rental return on the Alhambra property	1,109	1,277	1,278	639	639
Profit from the operation of the franchises	609	623	1,322	473	727
Operating Profit - Franchise operations	1,718	1,900	2,600	1,112	1,366

Cognisance has been taken of both the Inditex options and the rental agreements mentioned above in determining the Offer Price for the Company's shares.

11. PROPERTY, PLANT AND EQUIPMENT AND INVESTMENT PROPERTY

The Group's property assets as at 31 October 2016, the date up to which the FY17 interim financial statements were prepared, are summarised below:

Carrying amount of group assets - 31 October 2016

Asset	Title	Acquired or constructed by the Group in	Included in Group balance sheet at	Carrying amount €'000
Pavi Shopping Complex	Freehold	2015	Cost less depreciation	24,137
Pama Shopping Village	30 year lease	2015	Cost less depreciation	4,705
Alhambra outlet	Freehold	2001	Valuation less depreciation	25,692
Total property plant and equipment				54,534

Note: While the Pavi Shopping Complex commenced operations in 2006, it was only acquired in full by the Group in August 2015

The above entry setting out the Group's fixed assets relative to the Pama Shopping Village is specific to the Subsidiaries. In addition to the above sums, property, plant and equipment amounting to €8.1 million is carried in the books of the Associated Companies, representing a further investment in Pama Shopping Village.

The undeveloped airspace at the Alhambra site, which has a carrying amount of €2.5 million, is included in the Group's balance sheet as investment property. All other assets listed above are included in the balance sheet under Property, Plant and Equipment.

Details on the encumbrances over the Group's property are contained in section 13 of this Registration Document.

12. OPERATING AND FINANCIAL REVIEW

The Group in its current state has only been in existence since 10 March 2017. The financial statements set out in this review represent pro forma financial statements. This pro forma information presents what the PG p.l.c. consolidated financial statements would have looked like had the group existed in its current form, with all its current constituent components, for the entire period covered by the said pro forma information.

Since the transactions that led to the formation of the Group constitute merely an internal re-organisation of businesses that were, and remain, controlled by Mr Paul Gauci, the Offeror, then in terms of International Financial Reporting Standards the consolidated statutory financial statements that will first be prepared by PG p.l.c. for the period ending 30 April 2017 will also cover a full twelve months, with comparatives, as if the Group had been constituted earlier. The pro forma forecast consolidated financial statements for the year ending 30 April 2017 therefore represent the Directors' best estimate of the consolidated statutory financial statements that will be issued in due course by the group, and do not constitute a hypothetical scenario.

The pro forma financial statements for the year ended 30 April 2016 are based on the audited statutory financial statements of the constituent companies for the year ended 30 April 2016, while the financial statements for the six months ended 31 October 2016 are based on the unaudited interim financial statements of the constituent companies. No adjustments have been made to the results, financial position and cash flows of the constituent companies in drawing up the pro forma income statement, other than the entries necessary in any process of accounting consolidation; and, as amplified further in Annex 1, to reflect what the consolidated equity of the Group would have amounted to had the transactions that led to the formation of the Group been executed on or before 30 April 2016.

The report on the pro forma financial information prepared independently by the auditors of the Company, including a statement of the adjustments to equity made in arriving at the pro forma consolidated statement of financial position, is appended to the Registration Document as Annex 1.

The pro forma consolidated income statement is set out below:

PG plc

Consolidated Pro Forma Income Statement

€'000	Year ended April 16 Pro Forma	6 months ended October 16 Interim
Revenue	65,454	43,789
Cost of Sales, including direct operating costs	(55,732)	(37,581)
Gross Profit	9,722	6,208
Sales and marketing expenses	(918)	(544)
Administrative Expenses	(1,678)	(928)
Other Income	577	464
Income from investment in associate	110	64
Operating Profit	7,813	5,264
Finance costs	(626)	(236)
Profit before taxation	7,187	5,028
Taxation	(2,514)	(1,814)
Profit after taxation	4,673	3,214

Overall, the Group recorded a successful outcome during the financial year ended 30 April 2016, driven by: the continued success of Pavi; the increasing popularity of Pama; and the growth also recorded in the Zara® and Zara Home® outlets. This pattern was sustained in the first six months of the financial year ending 30 April 2017, as is also illustrated above. It is significant to note, for instance, that sales levels attained during the two quarters ended July and October 2016 were equivalent to the revenues earned in the quarter ended January 2016, which included the peak Christmas period.

This growth, and its impact on profitability, are illustrated in the interim results for the six months ended 31 October 2016. Although these six months do not include the peak Christmas period, sales and profit before taxation amount to 67% and 70% respectively of the outcome for the full financial year ended on 30 April 2016.

The above results moreover exclude the income from the Pama retail mall, that only commenced operations in November 2016.

As may be expected from a cash retail business, the profitability portrayed above has translated itself into an equivalent cash flow, as illustrated below:

PG plc

Consolidated Pro Forma Cash Flow Statement

€'000	Year ended April 16 Pro Forma	6 months ended October 16 Interim
Cash flows from operating activities		
Cash generated from operations	9,803	6,075
Tax paid	(1,822)	(296)
Interest received	93	82
Interest paid	(719)	(318)
Net cash generated from operating activities	7,355	5,543
Cash flows from investing activities		
Purchase of property, plant and equipment	(3,236)	(1,229)
Increase in investment in associates	(2,347)	-
Net cash used in investing activities	(5,583)	(1,229)
Cash flows from financing activities		
Increase in share capital	2,347	-
Advances to parent and related parties	(13,011)	(964)
Increase in borrowings	20,009	-
Loan Repayments	(12,479)	(548)
Dividends paid	(3,720)	-
Net cash used in financing activities	(6,854)	(1,512)
Net movement in cash and cash equivalents	(5,082)	2,802
Cash and cash equivalents at beginning of period	(1,591)	(6,673)
Cash and cash equivalents at end of period	(6,673)	(3,871)

The Group generated a total of €12.9 million from operations, after deducting financing costs and taxation, during the eighteen-month period ended 31 October 2016.

Capital expenditure amounted to €4.5 million. This was largely related to the new investment recorded within Pama Shopping Village, including the Zara Home® outlet. The routine maintenance of the group's existing operations does not necessitate a material annual outlay on capital expenditure, and had an insignificant impact on cash flows.

During the said period, sums amounting to €13.9 million were made available to PG Holdings Limited and to the Associated Companies for investment purposes, including the acquisition of 50% of Pavi Supermarkets Limited referred to in section 10.2 above, and the capital expenditure in Pama Shopping Village that is recorded in the books of the Associated Companies and that is excluded from the above figures. The resulting debt due by PG Holdings Limited to its subsidiaries was fully settled upon the transfer of these businesses to the Company, as further explained in section 21.1 below.

The level of the Group's indebtedness in terms of bank loans stands at €19.5 million, as illustrated in the Group's pro forma balance sheet set out below. The Group also enjoys the benefit of overdraft facilities which were reduced by €2.9 million during the six-month period ended 31 October 2016. The level of the Group's indebtedness, consisting of a term loan of €19.5 million and overdraft facilities balances of €5.4 million, constituted just over 36% of the Group's total assets as portrayed in the pro forma balance sheet below.

The key investment portrayed in the consolidated balance sheet is represented by the book value of the Pavi, Pama and Alhambra complexes. The Group also has a material investment in working capital, amounting to €11.8 million at 31 October 2016. As in retail businesses generally, this working capital is fully financed by trade credit.

PG plc

Consolidated Pro Forma Statement of Financial Position

€'000	As at 30 April 2016	As at 31 October 2016
Assets		
Non-Current Assets		
Investment property	2,500	2,500
Property, plant and equipment	52,148	52,033
Investment in associate	3,438	3,502
Total Non-Current Assets	58,086	58,035
Current Assets		
Inventory	4,915	5,832
Trade and Other Receivables	3,737	3,361
Cash and Cash Equivalents	1,366	1,565
Total Current Assets	10,018	10,758
Total Assets	68,104	68,793
Equity and liabilities		
Capital and Reserves	34,741	37,955
Less: Amount due by PG Holdings Limited	(12,862)	(13,826)
Total Equity	21,879	24,129
Non-Current Liabilities		
Borrowings	18,721	18,350
Deferred Tax Liabilities	3,481	3,484
Trade and Other Payables	315	280
Total Non-Current Liabilities	22,517	22,114
Current Liabilities		
Trade and Other Payables	13,038	12,935
Overdraft Facilities	8,040	5,436
Borrowings	1,138	1,171
Current Tax Liabilities	1,492	3,008
Total Current Liabilities	23,708	22,550
Total Liabilities	46,225	44,664
Total Equity and Liabilities	68,104	68,793

13. CAPITAL RESOURCES

The Group operates in a retail environment that generates substantial cash flows from its operations. The business has a low level of ongoing capital maintenance requirements, and these are well contained within its depreciation charges. As a result, the profits of the Group can be directed towards the payment of dividends, while leaving space for growth through new projects.

The sources of funding of the Group entail a balanced mix of equity and borrowings and can be summarised as follows:

PG plc

Pro Forma Statement of Capitalisation and Indebtedness:

€'000	As at 31 October 2016 Interim
Cash Liquidity	1,565
Current financial receivables	3,361
Current bank debt	(5,436)
Current portion of bank loans	(1,171)
Other current financial debt	(15,946)
Current financial debt	(22,553)
Net current indebtedness	(17,627)
Non-current portion of bank loans	(18,350)
Other non-current debt	(280)
Non-current financial indebtedness	(18,630)
Net financial indebtedness	(36,257)
Current bank debt - secured	(6,607)
Non-current bank debt - secured	(18,350)
Other net indebtedness - unsecured	(11,300)
Net financial indebtedness	(36,257)
Shareholder's equity	(24,129)
Total funding	(60,386)

Current trade creditors and accruals amounted to €15.9 million at 31 October 2016. Apart from bank facilities, the Group enjoys the ongoing benefit of a normal level of trade credit which represents, on average, a credit period of 65 days. The Group attaches great importance to the prompt and unsolicited settlement of due bills, which is a contributory factor in its healthy relationships with suppliers.

Term bank loans totalled €19.5 million at 31 October 2016. The annual cash outflow commitments, including interests, resulting from the Group's bank loans, amount to €1.7 million, which represents only 19% of the cash flow generated from operations in financial year 2016. This percentage is decreasing in the six months ended October 2016, when the Pama supermarket was operational throughout the period, and is expected to decrease further with the opening of the Pama retail mall and the new Zara Home® outlet.

PG Finance Limited has the following facilities with Bank of Valletta p.l.c.:

- (a) an overdraft facility of a maximum €5,000,000 granted on 30 June 2015, which is repayable on demand and which was granted for the purpose of providing working capital financing to the group of companies of which PG Finance Limited forms part;

- (b) a facility of €18,000,000 granted on 30 June 2015, repayable over a period of fifteen years by semi-annual instalments and which was granted for the purpose of refinancing debts held at other banks, including temporary loans taken out for the purpose of financing capital expenditure; and
- (c) a facility of €2,000,000 granted on 30 June 2015, repayable over a period of fifteen years by semi-annual instalments and which was granted for the purpose of financing future investments.

The facilities mentioned in (a) to (c) above are each secured by: (i) a first ranking general hypothec over the assets of PG Finance Limited; (ii) a first ranking special hypothec on the Alhambra store situated at the Strand, Sliema; (iii) separate corporate guarantees in the amount of €26,335,000 provided by each of Alhambra Trading Limited, Centre Point Properties Limited and the Company; (iv) a pledge on relevant insurance policies covering the security; and (v) a pledge on a 'key man insurance policy'.

In addition to the above, Bank of Valletta p.l.c. also granted a facility of €2,800,000 to Pavi Supermarkets Limited for its working capital requirements. This facility is also effectively guaranteed by Pavi Shopping Complex Limited and its operational property.

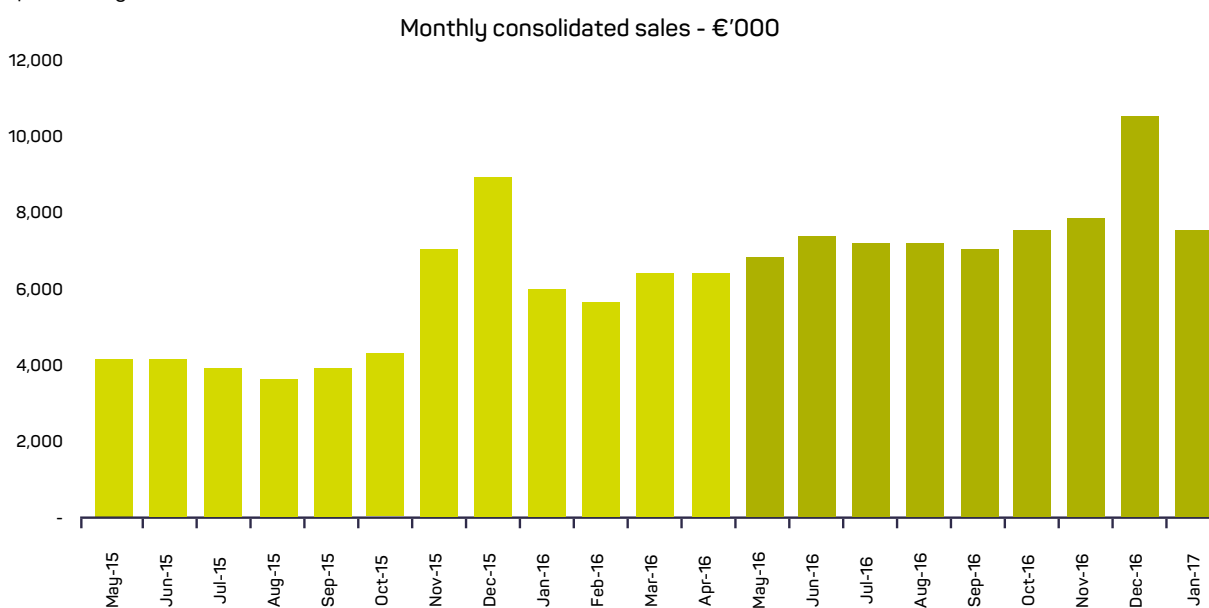
In the course of 2015 and 2016, pursuant to finance leases entered into by Pama Supermarket Limited and by Pama Rentals Limited, new plant and equipment costing €900,000 was installed at Pama Shopping Village.

14. TREND INFORMATION, INCLUDING THE GROUP'S PROJECTIONS

14.1 Current Trading

As at the date of this Prospectus, the Group's results for the first nine months of the current financial year, including the peak Christmas period, have been ascertained, enabling the Directors to better assess the outlook for the financial year as whole.

As evidenced by the interim results to 31 October 2016, already commented upon in earlier sections of the Prospectus, the key trends being experienced by the Group relate to the growth of turnover being registered at the Pama supermarket, albeit accompanied by an element of rebalancing of custom at Pavi supermarket; and, more recently, by the growth in sales also being generated through the new Zara Home® outlet. The increments in monthly turnover (excluding rents) that result from these trends are illustrated below. It is worth noting that aggregate turnover totalled €10.6 million in the month of December 2016, representing an increase of 19% over the turnover of December 2015.



FY17 will include six months' operation of the Pama retail mall and will also feature new rentals at the Pavi Shopping Complex which are expected to come on stream in the near future. These developments are expected to lead to a material increase in rental income, which will continue to mature in coming years.

The increased turnover and additional rental income, particularly from the Pama retail mall, is expected to result in increased profitability, as reflected in the Group's financial projections.

Margins across all divisions of the Group have been consistent with those of earlier years. The Group places emphasis on the management of margins and on its ability to offer customers a highly competitive pricing offer. While management's emphasis in recent months has been devoted to driving the continued growth in the business, this has been successfully attained without a dilution of operating margins. Looking ahead, the Directors consider the business to be well placed to seek further improvements in this area. The increases in sales recently experienced across both business segments have not been accompanied by a proportional increment in shop direct operating expenses. Sharply increased turnover volumes on supermarket operations present opportunities for more efficient buying that have yet to be exploited. Furthermore, as Pama operations settle down there will no doubt be areas where further efficiencies could be sought, e.g. through enhanced shelf management.

14.2 Financial Projections

In the absence of any adverse changes in the country's economic environment, the Group anticipates growth in turnover and rental income, which is expected to be translated into additional profits during the financial year ending 30 April 2018, the first year during which the Group's current businesses will have been in operation for a full year.

The financial projections included in this Prospectus include the forecast for the current financial year (ending 30 April 2017) and a projection for the financial year ending 30 April 2018, and are detailed in the prospective financial information set out in Annex 2 of this Registration Document, which must be read in conjunction with the Accountants' Report thereon also set out in Annex 2.

The Group's projected income statement is summarised below:

PG plc

Consolidated Income Statement

€'000	Year ended April 16 Pro forma	Year ended April 17 Forecast	Year ended April 18 Projected
Turnover, excluding rents and sundry revenue			
Supermarket operation	52,822	76,197	79,093
Zara and Zara Home	12,632	15,040	17,245
	65,454	91,237	96,338
Cost of Sales, including direct operating costs	(55,732)	(76,557)	(80,048)
Gross Profit	9,722	14,680	16,290
Sales and marketing expenses	(918)	(1,540)	(1,728)
Administrative expenses	(1,678)	(2,293)	(2,348)
Other income	577	723	730
Income from investment in associate	110	126	111
	7,813	11,696	13,055
Finance costs	(626)	(525)	(582)
	7,187	11,171	12,473
Profit before taxation	7,187	11,171	12,473
Taxation	(2,514)	(3,723)	(4,061)
Profit after taxation	4,673	7,448	8,412

The forecast for the year ending 30 April 2017 (FY17) is based primarily on actual sales, rentals and costs registered in the nine months to 31 January 2017, including the peak Christmas period and on the expected results for the three months ending 30 April 2017, assuming a continuation of existing conditions, adjusted for seasonal variations.

The main objective of the projections for the year ending 30 April 2018 (FY18) is that of portraying a full year's results for the Group's existing operations, assuming a continuation of current trading conditions and performance, rather than that of reflecting management's higher expectations from the business. The projections are based in the first instance on current trading results and take into account an inflation rate of 1.5%, which has been applied to all relevant revenue and costs projections for FY18. They also take account of known changes, e.g., the applicability of new or revised rental agreements. They do not take account of the growth momentum being experienced within Pama and the Franchise Operations, nor of any new initiatives that may be envisaged by management, e.g., to improve margins.

The principal factors and assumptions underlying the projections, which are stated in Annex 2, are discussed below.

Turnover – Supermarket operations

Forecast turnover for FY17 shows an increase of €21.7 million (41%) when compared to FY16, driven primarily by the impact of the first full year of operation of the Pama supermarket.

The Directors expect Pama operations to continue to mature, although as at the date of this Prospectus, it is difficult to project the level at which the supermarket's sales will stabilise, or whether an element of customer rebalancing between Pavi and Pama will continue. In light of the aforesaid, Pama sales have accordingly been projected to register only a nominal 1% volume growth in FY18, while no volume increases have been projected for Pavi.

In so far as competition from third party operations is concerned, in setting out the projections contained in this Registration Document, on the basis of the experience gained over the years since the inception of the Pavi Shopping Complex and their understanding of the manner in which the market has evolved and the Complexes' market share has grown during this period, and considering that they are not aware of any significant new factors that are likely to impact the market in the short to medium term, the Directors have assumed that no significant change to the existing competitive landscape will materialise.

Turnover – Franchise Operations

Turnover from the Franchise Operations is expected to amount to €15.0 million in FY17, representing a 19% increase over FY16. This increase is in part due to improved sales levels that have been registered in the current financial year at the brands' main store in Sliema and in part due to the opening of the new Zara Home® outlet within the Pama Shopping Village retail mall in November 2016, the results of which have to date materially exceeded expectations.

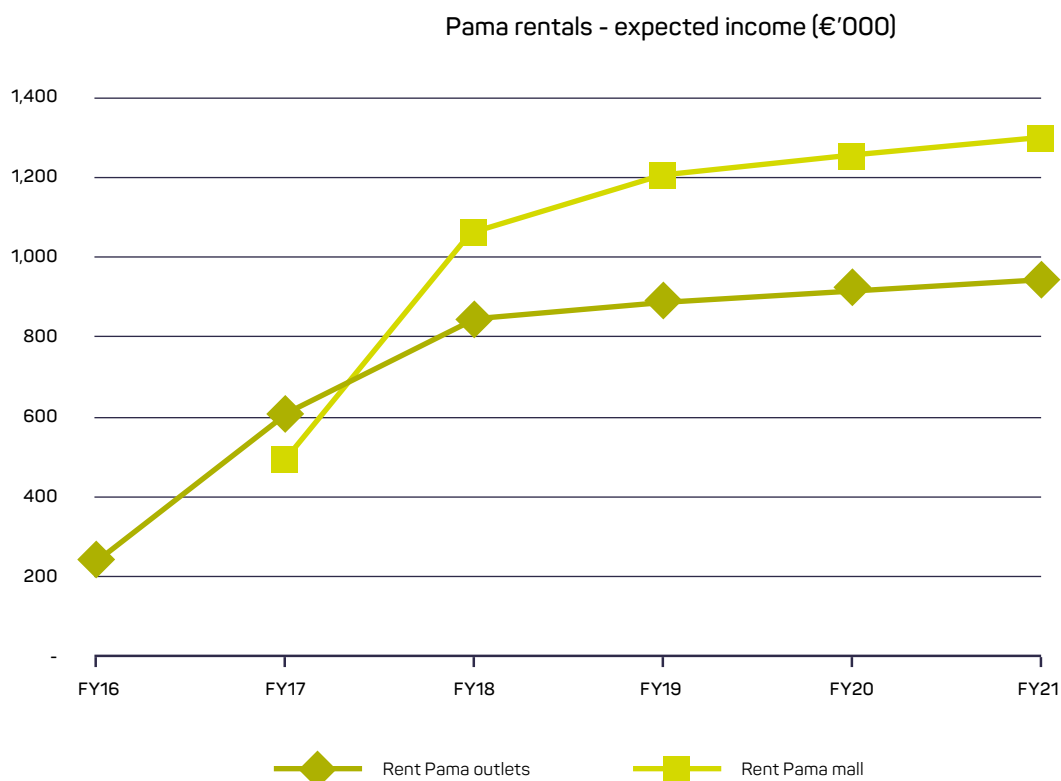
Projected turnover for FY18 is reflective of a 15% increase over FY17, accounting for a full year of Zara Home® outlet at the Pama retail mall for a full year.

Rents receivable and other revenue (as included in Turnover)

Rents receivable reflect in the main the existing rental agreements governing the Group's outlets at Pama and Pavi complexes. Rentals at the Pama Shopping Village, including the retail mall, have been forecast on the basis of minimum contracted rates, with the exception of one outlet which has demonstrated a steady sales pattern. Rentals at Pavi Shopping Complex have been adjourned to take account of contracted and expected revisions of contracts coming up for renewal, and the expansion of the retail space within the complex..

The increases in rental and other income recorded in the forecast for FY17, and in the projections for FY18, are due principally to having the first full year of operations of the Pama supermarket (including the adjoining retail outlets) in FY17, and to the retail mall commencing operations in November 2016. The projections also reflect a grace period granted to certain new outlets necessitating a material investment on the part of tenants. or a reduced rent in the initial months of operation.

The following graph illustrates how Pama rentals are expected to mature in coming years on the basis of existing rental agreements:



Margins

The Group's operating margins have been constant in FY16 and the current FY17 to date, and these have been projected at an equivalent level for FY18.

Sales, marketing and administration costs

Sales, marketing and administration costs are forecast at €3.8 million in FY17, an increase of €1.2 million (46%). Part of this increase is due to the impact of Pama and the new Zara Home® outlet on the Group's results. Moreover, the forecast for FY17 and the projections for FY18 reflect additional costs that have been committed to strengthen the Group's management and governance. These include, *inter alia*, the recruitment of new executives in operations and finance, the implementation of enhanced governance at Board level, the cost of enhanced IT systems (reflected also in higher depreciation expectations) and the cost of implementing an internal audit function during the course of FY18.

Depreciation

Depreciation is based on the existing property, plant and equipment carried by the Group and on projected capital expenditure, including the cost of continual refurbishment and of a planned investment in enhanced IT systems.

The depreciation charges included in the pro forma income statements portrayed above are as follows:

€'000	Year	Year	Year
	ended	ended	ended
	April 16	April 17	April 18
	Pro forma	Forecast	Projected
Depreciation charges included in the consolidated income statement	1,230	1,399	1,444

Taxation

Provision for taxation has been made in the main at the rate of 35% on the taxable profit for the financial year. Where appropriate, the Group may opt for gross income derived from rentals to be subject to a final tax of 15%.

14.3 Cash Flow and Capital Resources

The projected cash flow statement of the Company, which is also set out in Annex 2, is summarised below:

PG plc

Consolidated Pro Forma Cash Flow Statement

€'000	Year ended April 16 Pro Forma	Year ended April 17 Forecast	Year ended April 18 Projected
Cash flows from operating activities			
Cash generated from operations	9,803	10,056	14,135
Tax paid	(1,822)	(3,390)	(4,411)
Interest received	93	12	42
Interest paid	(719)	(537)	(624)
Net cash generated from operating activities	7,355	6,641	9,142
Cash flows from investing activities			
Purchase of property, plant and equipment	(3,236)	(1,298)	(4,018)
Increase in investment in associates	(2,347)	-	-
Net cash used in investing activities	(5,583)	(1,298)	(4,018)
Cash flows from financing activities			
Increase in share capital	2,347	50	-
Advances to parent and related parties	(13,011)	-	-
Proceeds from bank borrowings	20,009	(888)	-
Repayment of bank borrowings	(12,479)	(1,188)	(1,194)
Dividends paid	(3,720)	-	(1,700)
Net cash used in financing activities	(6,854)	(2,026)	(2,894)
Net movement in cash and cash equivalents	(5,082)	2,817	2,230
Cash and cash equivalents at beginning of period	(1,591)	(6,673)	(3,856)
Cash and cash equivalents at end of period	(6,673)	(3,856)	(1,626)

Cash generated from operations in the two years ending 30 April 2018 is expected to amount to €15.3 million. During this period, cash outflows on new capital expenditure is expected to amount to €5.3 million. A further €2.4 million is expected to be applied to the reduction of loan borrowings. The projected capital expenditure in FY18 includes €3.6 million in relation to the planned extension to the Alhambra property in Sliema. No earnings are expected from this extension in the period covered by the projections.

The intent of the Directors is that future growth will be planned and financed in a manner and at a pace that permits the Company to distribute, by way of dividend, at least 50% of the Group's profits after taxation. The first dividend will cover the financial year ending 30 April 2018. The projected cash flow statement assumes that 40% of the expected annual dividend will be distributed as an interim dividend upon the publication of the Group's six monthly results drawn up to 31 October, while the remaining 60% of the annual dividend would be distributed after its approval at the Company's Annual General Meeting.

The main limiting factor in the payment of dividends in the immediate years ahead will hence be the availability of distributable earnings. Variations from the projected earnings will have a direct impact on the Company's ability to distribute the projected dividends. Although the Directors believe that the financial projections included herein have been prepared on a fair and reasonable basis, all forecasts are inherently subject to the risk of adverse, unexpected events that may affect the Company's revenue streams and hence its profitability.

14.4 Longer Term Trends and Growth Potential

With the acquisition of 100% of the equity of Pavi Shopping Complex Limited during the course of FY16, the opening of Pama Shopping Village also in FY16 and the recent inauguration of the retail mall earlier on in FY17, the Group has concluded a period during which management has been focused on managing growth. This has been followed by a strengthening of management resources, which is expected to continue over the coming years and which will also be supported by additional investment in the IT infrastructure.

These improvements will enable the Group to give added emphasis, in the months ahead, to optimise the business. The Complexes as well as the Franchise Operations are demonstrating an underlying revenue growth that have the potential to go beyond the prudent projections presented herein (which were based in the main on inflation rate growth). The Group is also well-positioned to continue improving margins, as already mentioned, and enhance the customer experience at each outlet owned or operated by the Group entities.

The Directors believe that the Group has established a healthy and resilient business model. Demand within the retail food sector is relatively uncorrelated to prevailing economic conditions when compared to less essential consumer goods and is resilient to economic downturns and declines in personal disposable income.

Furthermore, the rental model adopted in respect of the various non-food outlets at the two supermarket complexes also serves to reduce the Group's exposure to variations in the economic cycle. The Group would be more exposed to changes in economic conditions on its Franchise Operations, although one would expect that these two highly price-competitive brands would be less adversely impacted in periods of declining disposable incomes, than luxury goods generally.

The Directors will be looking to build further upon this business model. Given the low gearing of the Group, the modest ongoing capital spend required by the business and the strong cash generation that is intrinsic to the Group's operations, the dividend policy as outlined in section 20.3 below is expected to permit the accumulation of substantial capital that could finance new investment in the future.

The extension of the Alhambra outlet in Sliema will constitute the first capital project that the Company is committed to, although other potential investments are also being examined. The Board is constantly evaluating investment opportunities and does not exclude further projects and investments over the coming years. Future growth may be pursued across the range of business opportunities that present themselves across the Maltese islands. In pursuing such opportunities, the Board will, however, seek to ensure that the Group embarks upon ventures that can be contained within its financial resources and that can be brought to maturity without impeding the dividend flows resulting from the Group's existing businesses.

15. ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES AND SENIOR MANAGEMENT

15.1 The Board

The Company is currently managed by a board of directors consisting of seven (7) members who are entrusted with the overall direction, administration and management of the Group. Four of the said Directors are independent within the meaning of the Listing Rules, such independent directors being Mr. John Zarb, Mr William Spiteri Bailey, Mr Lawrence Zammit and Dr Ramona Piscopo.

As at the date of this Registration Document, the Board of Directors of the Company is constituted by the following persons:

NAME	DESIGNATION	DATE OF APPOINTMENT
Mr John Zarb	Non-executive Chairman	25 November 2016
Mr Paul Gauci	Executive Vice-Chairman	25 November 2016
Mr Charles Borg	Executive Director & CEO	25 November 2016
Miss Claire Alexia Gauci	Executive Director	25 November 2016
Dr Ramona Piscopo	Non-executive Director	21 December 2016
Mr William Spiteri Bailey	Non-executive Director	25 November 2016
Mr Lawrence Zammit	Non-executive Director	25 November 2016

The business address of the Directors is the same as that of the Company.

The Company Secretary is Dr Fransina Abela LL.D.

15.2 Curriculum Vitae of the Directors

Hereunder is a brief curriculum vitae of each of the current Directors:

John Zarb FCCA FIA CPA (Non-Executive Chairman)

John Zarb, age 63, is a fellow of the Chartered Association of Certified Accountants and of the Malta Institute of Accountants and holds a warrant of Certified Public Accountant. He has recently retired from a long career with PricewaterhouseCoopers, where he served as a partner between 1988 until his retirement on 31 December 2014 upon reaching the firm's mandatory partner retirement age. John is a former Council member and past president of the Malta Institute of Accountants. He served on the Accountancy Board, the regulatory body of the profession, between 1996 and 2014, and represented Government on the EU Accounting Regulatory Committee between 2004 and his retirement in 2014. John also served for many years as a visiting lecturer and examiner in Auditing at the University of Malta.

Paul Gauci (Executive Vice-Chairman)

Paul Gauci, age 63, is the 99.99% shareholder of the Company. He is the founder of the PG Group and will remain one of the driving forces behind the business. He is an experienced businessman who has been actively involved in the business development of a number of companies, particularly in the retail and real estate sectors, over the last 40 years.

Charles Borg BA Banking & Finance, MA Financial Services, FCIB (Executive Director & Chief Executive Officer)

Charles Borg, age 55, is a fellow of the Chartered Institute of Bankers (UK) and holds a banking degree and a Masters degree in financial legislation from the University of Malta. He retired from Bank of Valletta plc in December 2015 following a career of 34 years during which he occupied various senior management positions, including that of Chief Executive Officer during 2012 to 2015. He has occupied directorship positions of listed companies in Malta and was appointed Chairman of the Housing Authority during the period 2009 to 2011. He also chaired the Audit Boards of the European Investment Fund, which is a subsidiary of the European Investment Bank, and of Mapfre Middlesea Insurance. Charles also served as a director on the World's Savings Bank in Brussels and was also the President of the Institute of Financial Services and the President of the Malta Bankers Association.

Claire-Alexia Gauci (Executive Director and Marketing Executive)

Claire-Alexia Gauci, age 26, the daughter of Paul Gauci, holds 0.01% of the share capital of the Company and is a shareholder of a number of companies forming part of the Group. Within the PG Group, she is responsible for customer and shareholder relationships. She also heads the Company's marketing and public relations department. Claire-Alexia joined the Group in April 2008 where she worked at the Zara® and Zara Home® store in Sliema and assumed her current responsibilities in September 2015.

Dr Ramona Piscopo LL.M., LL.D. (Non-Executive Director)

Ramona Piscopo, age 38, is a practicing lawyer, having qualified at the University of Malta and subsequently specialised in tax law in Leiden University in the Netherlands. She has extensive experience in cross-border structuring. After working as an international tax lawyer in Amsterdam, Geneva and Zürich, Ramona is currently based in Malta. She is the founder of PiscoPartners, a firm with offices in Switzerland and Malta. Ramona specialises in group re-organisations of multinational enterprises from all industry sectors and in the structuring of investment funds. Ramona is an examiner on tax law at the University of Malta (LL.B. and LL.D.) and was a lecturer at the LL.M. programme of the University of Neuchâtel, Switzerland until 2013. She regularly speaks at conferences and has published a number of articles and chapters on Maltese, European and International tax law.

William Spiteri Bailey FIA CPA (Non-Executive Director)

William Spiteri Bailey, age 50, is a Certified Public Accountant and Registered Auditor. He is a partner within RSM Malta in the Business Advisory and Risk Management Services. William is a fellow of the Malta Institute of Accountants and is currently a Council member and Vice-President of the Institute. He is a member of the Accountancy Europe (previously known as Fédération des Experts-Comptables Européens – Federation of European Accountants) SMP Forum. He is also Technical Advisor on the IFAC (International Federation of Accountants) Small and Medium Practices (SMP) Committee. William is also currently one of two practitioners to assist the Accountancy Board in the proper discharge of its duties by virtue of the Accountancy Profession Act (Cap. 281 of the laws of Malta).

Lawrence Zammit MA (Econ) (Non-Executive Director)

Lawrence Zammit, age 61, is a founding partner and a director of MISCO. He holds a number of directorships in both private and public companies. At MISCO Lawrence has developed the market research division of the organisation and is also a trainer as well as a consultant to a number of business organisations, focussing on strategic issues related to business development, leadership, human resources development and management, and marketing. He is a former chairman of the Employment and Training Corporation, Malta International Airport plc, Air Malta plc and Malta Enterprise. He is currently chairman of the board of directors of Grand Harbour Marina plc, Atlas Insurance PCC Limited and Vilhena Funds Sicav plc.

A list of all current and past directorships of Board members is set out as Annex 3 of this Registration Document.

15.3 Appointment and Removal of Directors

Once appointed to office, in accordance with the provisions of the Articles of Association of the Company, a Director (not being the CEO, who shall be appointed to the Board by virtue of his office following his engagement by the Company) shall hold office for a minimum period of three (3) years and a maximum period of five (5) years, unless s/he resigns or is earlier removed or is due to retire by rotation in accordance with the Articles, provided that a Director whose term of office expires shall be eligible for re-appointment.

The appointment of the Directors (save for the CEO as aforesaid) shall take place at the annual general meeting of the Company. The Articles provide for a mechanism pursuant to which nominations of prospective directors may be made by any one or more shareholders who in the aggregate hold not less than €250,000 in nominal value of shares having voting rights in the Company. No person shall be or become entitled to act or take office as a director of the Company unless approved by the RemNom Committee (as described in section 16.2), which is empowered by the Articles to reject any recommendation made if in its considered opinion the appointment of the person so recommended as a director could be detrimental to the Company's interests or if such Person is not considered as fit and proper to occupy that position. The RemNom Committee and the existing board themselves may also make recommendations for appointment of new directors at the next general meeting. Where the number of candidates approved by the RemNom Committee is more than the number of vacancies on the Board of Directors, then an election would take place in accordance with the provisions of the Articles, pursuant to which those candidates obtaining the highest number of votes overall from amongst the candidates listed on the ballot paper distributed in advance of the general meeting shall be elected and appointed directors.

Any Director may be removed at any time by the ordinary resolution of the Shareholders in accordance with the Act, or in accordance with any other applicable law, or in the specific cases set out in the Articles of Association of the Company.

None of the Directors mentioned in section 15.1 is party to a contract with the Company which provides for a term of office different from that described above and provided for in the Articles of Association of the Company relating to the rotation and eligibility for re-appointment of directors.

15.4 Powers of Directors

The Directors are empowered to act on behalf of the Company and in this respect, have the authority to enter into contracts, sue and be sued in representation of the Company. In terms of the Memorandum and Articles of Association they may transact all business of whatever nature of the Company not expressly reserved by the Memorandum and Articles of Association to the shareholders in general meeting or by any provision contained in any law for the time being in force.

15.5 Potential Conflicts of Interest

The Directors are not aware of any potential conflicts of interest which could relate to their roles within the Company.

15.6 Remuneration of Directors

In terms of Article 22 of the Articles of Association of the Company, the aggregate emoluments of all Directors in any one financial year, and any increases thereto, shall be such amount as may from time to time be determined by the Company in General Meeting. The maximum aggregate annual directors' emoluments currently approved by the shareholders, including salaries due in respect of executive roles, amount to €750,000.

In a meeting held on 18 January 2017, the Board of Directors approved the remuneration entitlement of all Directors, including salaries due in respect of executive roles. The aggregate annual remuneration entitlement so approved amounts to €520,000 and has been reflected in the formulation of the projections set out in section 14.2 above.

15.7 Loans to Directors

As at the date of this Prospectus, there are no loans outstanding by the Company to any of its Directors, or any guarantees issued for their benefit by the Company.

15.8 Chief Executive Officer

In terms of Article 13 of the Articles of Association, the Directors may from time to time appoint any person to the office of Chief Executive of the Company for such period and on such terms as they think fit. The Chief Executive Officer so appointed will serve as a Director of the Company. The Directors may entrust to and confer upon the Chief Executive Officer any of the powers exercisable by them upon such terms and conditions and with such restrictions as they may think fit. The Directors have appointed Mr Charles Borg as Chief Executive Officer of the Company.

15.9 Senior Management of the Group

In addition to the executive Directors, the senior management of the Group comprises:

Mr Malcolm Camilleri FIA FCCA CPA (Deputy Chief Executive Officer)

Malcolm Camilleri, age 34, is a warranted Certified Public Accountant. He qualified as a member of Association of Chartered Certified Accountants in 2004. He is also a member of the Malta Institute of Accountants. Malcolm took up his current appointment on 1st November 2016, having previously occupied the post of Group Chief Financial Officer within the same group for eight years. He was previously employed with an auditing firm, where he gained extensive experience in audit and tax.

Mr Kevin Grima (Chief Financial Officer)

Kevin Grima, age 39, is a fellow of the Chartered Association of Certified Accountants. He has been appointed Chief Financial Officer of the Group as from 1 January 2017, following a ten year stint as Finance & Administration Manager with another leading company in the supermarket industry in Malta, whereby he was principally involved in the initial set-up of the operations and finance department. Prior to this, he worked as Finance Manager with a catering group and also in the audit department within an auditing firm.

Mr Stephen Ellul (Chief Operations Officer)

Stephen Ellul, age 50, has extensive experience in the retail sector in Malta. For the last seven years he occupied the role of general manager with a leading spirits, wine and tobacco retailer, where he was responsible for the management of high-end brands in Malta. Prior to holding this post, he was employed with one of the major local telecommunication companies, covering general, administrative and technical responsibilities, sales and marketing, as well as residential and corporate customer care. Stephen is an accredited graduate in Sales & Marketing Management from the Institute of Sales and Marketing, U.K.

Mr Silvio Carabott (Chief Business Development Officer)

Silvio Carabott, age 36, has extensive experience in the retail business. He spent six years as a sales representative and five years as a brand manager with two leading suppliers in the food and beverage industry. Before joining the Group, Silvio was also the managing director of a catering company, where he was responsible to set up and manage a number of catering establishments. Silvio is today the Chief Officer Business Development and is responsible for the Franchise Operations and the PAMA Shopping Mall operation.

A list of all current and past directorships of senior management of the Company is set out as Annex 3 of this Registration Document.

The work of the senior management of the Group is supported by two committees that meet on a regular basis:

Management Committee

The Management Committee is composed of Paul Gauci, Charles Borg, Malcolm Camilleri, Claire Alexia Gauci, Kevin Grima, Silvio Carabott, Stephen Ellul and Gianluca Borg (Head Purchasing Officer). The Committee meets on a weekly basis to review the conduct of operations, to review and discuss monthly management accounts and to review and approve annual plans and budgets prior to their presentation to the Board. The heads of the respective business areas are invited to attend the Management Committee and to answer any questions of the members of the Committee.

Purchasing Committee

The Purchasing Committee is charged with assisting the Head Purchasing Officer in the operation of the Group's purchasing activities and assists in negotiations with suppliers. The Committee, which is composed of Malcom Camilleri, Stephen Ellul and Gianluca Borg, also exercises oversight on the Group's relationships with its principal suppliers.

15.10 Management Emoluments

The aggregate annual emoluments payable in the financial year ending 30 April 2017 to Senior Management members referred to above is expected to amount to €350,000.

15.11 Service Contracts

None of the Directors, members of the board committees or members of management referred to in section 15 of this Registration Document are party to service contracts with the Company or any of the Subsidiaries providing for benefits upon termination of employment.

15.12 Declaration

None of the Directors, members of the board committees or members of management referred to in section 15 of this Registration Document have, in the last five years:

- i. been the subject of any convictions in relation to fraudulent offences;
- ii. been associated with bankruptcies, receiverships or liquidations in respect of entities in respect of which they were members of administrative, management or supervisory bodies, partners with unlimited liability (in the case of a limited partnership with a share capital), founders or members of senior management;
- iii. been the subject of any official public incrimination and/or sanctions by statutory or regulatory authorities (including designated professional bodies); or
- iv. been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of an issuer or from acting in the management or conduct of the affairs of any issuer.

16. BOARD PRACTICES

The Directors have constituted the following board committees, the terms of reference of which shall be determined by the Board from time to time with the purpose of fulfilling the below mentioned purposes:

16.1 Audit Committee

The Audit Committee is composed of Mr William Spiteri Bailey (Chairman), Mr John Zarb (Member) and Dr Ramona Piscopo (Member), all occupying a non-executive director role within the Company. Mr William Spiteri Bailey and Mr John Zarb are the Audit Committee members who are considered to be competent in accounting and/or auditing in terms of the Listing Rules. The Audit Committee is responsible for reviewing the financial reporting processes and policies, the system of internal control and management of financial risk, the audit process, any transactions with related parties and the Company's process for monitoring compliance with laws and regulations. When the Audit Committee's monitoring and review activities reveal cause for concern or scope for improvement, it shall make recommendations to the Board on the action needed to address the issue or make improvements.

The Audit Committee has the task of ensuring that any potential conflicts of interest are resolved in the best interests of the Group. Its primary objective is to assist the Board in dealing with issues of risk, control and governance, and in reviewing the Company's reporting processes, financial policies and internal control structure. The Audit Committee also oversees the conduct of the external audit and facilitates communication between the Company's Board, management and external auditors.

The Audit Committee is a committee appointed by the Board and is directly responsible and accountable to the Board. Its main role and responsibilities are:

- (a) to review procedures and assess the effectiveness of the internal control systems, including financial reporting;
- (b) to assist the Board in monitoring the integrity of the financial statements, the internal control structures, the financial reporting processes and financial policies of the Company;
- (c) to make recommendations to the Board in relation to the appointment of the external auditor and to approve the remuneration and terms of engagement of the external auditor following appointment by the shareholders in general meeting;
- (d) to monitor and review the external audit functions, including the external auditor's independence, objectivity and effectiveness;
- (e) to establish internal procedures and to monitor these on a regular basis;
- (f) to establish and maintain access between the internal and external auditors of the Company and to ensure that this is open and constructive;
- (g) to review and challenge where necessary, the actions and judgements of management, in relation to the interim (if applicable) and annual financial statements before submission to the Board, focusing particularly on:
 - (i) critical accounting policies and practices and any changes in them;
 - (ii) decisions requiring a major element of judgement;
 - (iii) the extent to which the financial statements are affected by any unusual transactions in the year and how they are disclosed;
 - (iv) the clarity of disclosures and compliance with International Financial Reporting Standards;
 - (v) significant adjustments resulting from the audit;
 - (vi) compliance with stock exchange (as applicable) and other legal requirements; and
 - (vii) reviewing the Company's statement on Corporate Governance prior to endorsement by the Board;
- (h) to gain an understanding of whether significant internal control recommendations made by internal and external auditors have been implemented by management;
- (i) to establish and exercise oversight upon the internal audit function of the Company, and to review its plans, activities, staffing and organisational structure;
- (j) to monitor the statutory audit of the annual and consolidated accounts;
- (k) to discuss Company policies with respect to risk assessment and risk management and to review contingent liabilities and risks that may be material to the Company; and
- (l) to consider other matters that are within the general scope of the Audit Committee that are referred to it by the Board of Directors.

16.2 RemNom Committee

In view of its size, the Company has taken the view that whilst it considers the role and function of each of the remuneration committee and the nominations committee as important, it would be more efficient for these committees to be merged into one committee ("**RemNom Committee**") that would serve a dual role.

The RemNom Committee is composed of Mr John Zarb (Chairman), Mr Paul Gauci and Mr Lawrence Zammit.

In its function as remuneration committee, the RemNom Committee is charged with the oversight of the remuneration policies implemented by the Company with respect to its management and employees. Its objectives are those of deciding a remuneration policy aimed to attract, retain and motivate directors, whether executive or non-executive, as well as senior management with the right qualities and skills for the benefit of the Company. It is responsible for making proposals to the Board on the individual remuneration packages of directors and senior management and is entrusted with monitoring the level and structure of remuneration of the non-executive directors.

In its function as nominations committee, the RemNom Committee's task is to propose to the Board candidates for the position of director, including persons considered to be independent in terms of the Listing Rules, whilst also taking into account any recommendation from Shareholders. It is to periodically assess the structure, size, composition and performance of the Board and make recommendations to the Board regarding any changes, as well as consider issues related to succession planning. It is also entrusted with reviewing the Board's policy for selection and appointment of senior management.

16.3 Corporate Governance

The Company supports the Code of Principles of Good Corporate Governance (the "**Code**") originally issued by the Malta Stock Exchange which now forms part of the Listing Rules. The Board has taken such measures as are necessary in order for the Company to comply with the requirements of the Code to the extent that these were considered appropriate and complementary to the size, nature and operations of the Company. In particular:

1. the Company is headed by an effective Board in terms of Code Provision 1, which is responsible for accountability, monitoring, strategy formulation and policy development as specified in Code Provision 4 (see section 15.1 of this Registration Document);
2. the roles of Chairman and Chief Executive are divided in terms of Code Provision 2 (see section 15.1 of this Registration Document);
3. the Board is composed of seven directors, including four independent non-executives in terms of Code Provision 3 (see Section 15.1 of this Registration Document); thus retaining a healthy mix between executive and non-executives in the composition of the Board in terms of Code Provision 3;
4. the Board of Directors aims to meet regularly and all Directors are given ample opportunity to discuss the agenda and convey their opinions, as specified in Code Provision 5;
5. the Board of Directors has set up the audit committee and a combined nomination and remuneration committee required in terms of Code Provision 8 (as detailed in sections 16.1 and 16.2 above). These have the tasks, *inter alia*, of ensuring the professional development of the Board, as specified in Code Provision 6, of evaluating the Board's performance, as specified in Code Provision 7 and of managing conflicts of interest as specified in Code Provision 11. Conflicts of interest are also managed in terms of the Company's Articles of Association;
6. the Company recognises the importance of its role in the corporate social responsibility arena and seeks to ensure that in its operations the environment is respected. The Directors are also aware of the importance of having good relations with stakeholders and strive to work together with them in order to invest in human capital, health and safety issues and to adopt environmentally responsible practices, in line with Code Provision 12;
7. pursuant to the Company's statutory obligations, the annual report and financial statements, declaration of dividends, election of directors and appointment of auditors and authorisation of the directors to set the auditors' fees are proposed and approved at the Company's annual general meeting. The Board of Directors properly serves the legitimate interests of all Shareholders and is accountable to all Shareholders, particularly through the representation of the Shareholders on the Board itself. This ensures compliance with Code Provision 9.

In the light of the factors mentioned above, the Board is of the opinion that the Company is in compliance with the Code.

17. EMPLOYEES

As at 31 October 2016, the date up to which the interim financial statements have been drawn up, the Group employed a total of 300 employees, of whom 30 occupied an administrative role, while the remaining 270 held an operational position. All employees of the Group were based in Malta.

With the exception of Mr Paul Gauci and Miss Claire Alexia Gauci, none of the employees hold any securities of the Company and there are no arrangements in place for involving employees in the capital of the Company other than with respect to the reserved allocation of 1,000,000 (one million) Shares forming part of the Offer, details of which are set out in the Securities Note.

18. MAJOR SHAREHOLDERS

As at the date of this Registration Document, the Offeror holds 99.99% of the issued share capital of the Company. The shares held by the Offeror are of the same class and carry the same voting rights as the Shares being offered pursuant to this Offer. Following completion of the proposed sale of Shares, the Offeror will hold 74.99% of the issued share capital of, and will continue to exercise control over, the Company. There are no arrangements the operation of which may at some future date result in a change in control of the Company.

As set out in this Registration Document, and in line with sound governance procedures and relevant regulatory requirements, measures have been instituted to ensure that the control exercised by the Offeror, as major Shareholder, is not abused. These measures include:

- a. the composition of the Group, which includes all businesses that are fully controlled by the Offeror, thus reducing the scope for related party transactions and potential conflicts of interest;
- b. the composition of the Board, which includes a balanced mix of executive and experienced, independent non-executive directors; and
- c. the adoption of the governance rules set out in section 16 above.

19. RELATED PARTY TRANSACTIONS

As explained in section 6 of this Registration Document, in anticipation of the Offer, the Group was re-organised in its current form to include, as far as practicable, all the businesses that are controlled by the Offeror, Mr Paul Gauci, and managed by his management team. Following its registration on 25 November 2016, the Company acquired full ownership and control of the Subsidiaries, with effect from 10 March 2017. The transfer of ownership and businesses was conducted at the net book carrying amounts of the Subsidiaries concerned, as reflected in their ad-hoc interim financial statements as at 31 October 2016.

In the course of the aforesaid re-organisation, the Company also acquired 49% of the share capital of Pama Shopping Village Limited, which in turn owns 99.99% of Pama Carparks Limited. The business of Pama Shopping Village Limited is specific to the operation and management of the property in Mosta leased from Francesco Fenech Limited (refer to section 10.2 of this Registration Document). Pama Shopping Village Limited has entered into sub-lease agreements with Pama Rentals Limited and Pama Supermarket Limited with respect to those parts of the said leased property upon which the supermarket and retail stores have been constructed. Such agreements are considered to constitute material contracts between Subsidiaries of the Company with a related party. These contracts for definite rental terms cover the duration of the lease period and have been reflected in the projections included in this Registration Document.

Other than the aforesaid, the Directors are not aware of any related party transactions having been entered into by the Company between the date of its registration and the date of the Prospectus.

20. FINANCIAL INFORMATION

20.1 Historical Financial Information

The historical financial information in respect of the Group's different operating divisions that is included in this Registration Document has been extracted from the consolidated or combined financial statements of their constituent companies, based on their audited financial statements up to 30 April 2016; and on their interim unaudited financial statements for the six-month period ended on 31 October 2016. The full financial statements in question, including the auditors' reports thereon, are available for inspection as detailed in section 24 below.

20.2 Pro Forma Financial Information

PG plc was incorporated on 25 November 2016, and it acquired full ownership and control of the Subsidiaries and 49% of the issued share capital of the Associated Companies (directly in the case of Pama Shopping Village Limited and indirectly in the case of Pama Carparks Limited) from PG Holdings Limited on 10 March 2017, by virtue of an intra-group corporate re-organisation. The transfers of shares were conducted at the net book carrying amounts of the Subsidiaries and Associated Companies concerned as reflected in their financial statements made up to 31 October 2016.

The financial year end of the Group is 30 April.

The consolidated historical financial information set out in section 12 of this Registration Document accordingly represents pro forma consolidated data based on the audited financial statements of the constituent companies and on their interim unaudited financial statements for the six-month period ended on 31 October 2016. No adjustments to the results, statements of financial position and cash flow statements of the constituent companies were necessary for the purposes of arriving at the pro forma consolidated income statement except solely to reflect the entries necessary in any process of accounting consolidation.

An Accountants' Report on the proper preparation of the pro forma financial statements is set out at Annex 1.

20.3 Dividend Policy

The extent of any dividend distribution will depend upon, amongst other factors, the profit for the year, the Directors' view on the prevailing market outlook, any debt servicing requirements, the cash flows for the Company, working capital requirements and the requirements of the Act. Subject to the foregoing, as from the financial year commencing on 1 May 2017, it is the Directors' objective to distribute a total dividend to the holders of Shares of not less than fifty per cent (50%) of the Company's net profits, after the deduction of tax.

20.4 Legal and Arbitration Proceedings

The Directors are not aware of any pending or threatened governmental, legal or arbitration proceedings which may have, or have had in the recent past, significant effects on the Group's financial position or profitability.

20.5 Significant Change in The Company's Financial or Trading Position

There has been no significant change in the financial or trading position of the Group since 31 October 2016, except for the opening of the Pama Shopping Village retail mall, including a new Zara Home® outlet, that has already been detailed in this Prospectus.

21. ADDITIONAL INFORMATION

21.1 Share Capital

The Company was incorporated on 25 November 2016 with an authorised share capital of €40,000,000, divided into 40,000,000 ordinary shares having a nominal value of one Euro (€1.00) each and an issued and fully paid-up share capital of €50,000, divided into 50,000 ordinary shares having a nominal value of one Euro (€1.00).

Subsequent to the intra-group re-organisation whereby the Company acquired full ownership and control of the Subsidiaries and an interest in the Associated Companies at their net book carrying amounts as at 31 October 2016, the Company owed the amount of €37,955,000 to PG Holdings Limited. From this amount, there was deducted the sum of €14,326,000 (comprised of amounts due totalling €13,826,000 as per 31 October 2016 and €500,000 further advanced in November 2016) due by PG Holdings Limited to the subsidiary companies acquired by PG plc, resulting in a net amount due to PG Holdings Limited of €23,629,000.

By virtue of an agreement dated 10 March 2017, this net debt was assigned by PG Holdings Limited to the Offeror. The resultant debt due to the Offeror was capitalised by virtue of a shareholders' resolution dated 13 March 2017, thereby increasing the Company's issued and fully paid up share capital to €23,679,000 constituted by 23,679,000 shares having a nominal value of one Euro (€1.00) each.

A bonus issue of 3,321,000 shares having a nominal value of one Euro (€1.00) each was made effective on 13 March 2017, thereby increasing the Company's issued and fully paid up share capital to €27,000,000 constituted by 27,000,000 ordinary shares having a nominal value of one Euro (€1.00) each.

A 1:4 share split was effected by means of a shareholders' resolution dated 13 March 2017, such that the Company's authorised share capital of €40,000,000 is today constituted by 160,000,000 ordinary shares having a nominal value of 25 Euro cents (€0.25) per share and the Company's issued share capital of €27,000,000 is today constituted by 108,000,000 ordinary shares having a nominal value of 25 Euro cents (€0.25) per share.

21.2 Memorandum and Articles of Association

21.2.1 Objects

The Articles of the Company are registered with the Registry of Companies. A full list of the objects for which the Company is established is set out in clause 3 of the Memorandum of Association. These objects include:

- i) to subscribe for, acquire, hold, manage, administer, dispose of or otherwise deal with, solely for and on behalf of the Company, directly or indirectly, any shares, stock, debentures, debenture stock, bonds, notes, options, interests in or securities of all kinds of any company, corporation, entity, partnership or other body of persons;
- ii) to acquire and undertake the whole or any part of the business, property and liabilities of any person or company carrying on any business which the Company is authorised to carry on; and
- iii) to hold shares and investment portfolios in corporate bodies engaged in activities similar or ancillary to those performed by the Company.

21.2.2 Appointment and Powers of Directors

At present, in terms of the Articles of Association of the Company, the Board shall consist of a maximum of seven (7) directors.

The appointment of the Directors (not being the CEO, who shall be appointed to the Board by virtue of his office following his engagement by the Company) shall take place at the annual general meeting of the Company. The Articles provide for a mechanism pursuant to which recommendations of prospective directors to the RemNom Committee may be made by any Shareholder or Shareholders holding in the aggregate not less than €250,000 in nominal value of the ordinary shares having voting rights in the Company. No person shall be or become entitled to act or take office as a director of

the Company unless approved by the RemNom Committee, which is empowered by the Articles of Association of the Company to reject any recommendation made if, in its considered opinion, the appointment of the person so recommended as a director could be detrimental to the Company's interests or if such person is not considered as fit and proper to occupy that position. Where the number of candidates approved by the RemNom Committee is more than the number of vacancies on the Board of Directors, then an election would take place in accordance with the provisions of the Articles, pursuant to which those candidates obtaining the highest number of votes overall from amongst the candidates listed on the ballot paper distributed in advance of the general meeting shall be elected and appointed directors.

Any Director may be removed at any time by the ordinary resolution of the Shareholders of the Company in accordance with the Act, or in accordance with any other applicable law, or in the specific cases set out in the Articles of Association of the Company.

The administration and management of the Company shall be conducted by the Directors. The Articles of Association of the Company do not contemplate any specific instances of administration and management of the Company which are reserved for the decision, or the prior approval of, the Shareholders of the Company and/or any committee of the Company.

21.2.3 Classes of Shares: Rights, Preferences and Restrictions

The Shares form part of one class of ordinary shares in the Company and shall accordingly have the same rights and entitlements as all other ordinary shares currently in issue in the Company.

A detailed description of the principal rights, preferences and restrictions attaching to the Shares is contained in section 4.2 of the Securities Note.

21.2.4 Changes to Rights of Shareholders

The rights attaching to any class of shares as is currently in existence, or other classes of shares that may be created in the future may, unless otherwise provided by the terms of issue of Shares, whether or not the Company is being wound up, be varied with the consent in writing of the holders of two-thirds (2/3) of the issued shares of that class, or with the sanction of an extraordinary resolution passed at a separate general meeting of the holders of the shares of that class.

21.2.5 Extraordinary General Meetings and Annual General Meetings

Subject to the provisions of the Act, annual general meetings of the Company shall be held at such time and place as the Directors shall appoint. A general meeting is not deemed to have been duly convened unless at least twenty-one (21) days' notice is given in writing to all persons entitled to receive such notice, which must specify the place, the day and the hour of the meeting, and in case of special business, the general nature of that business, and shall be accompanied by a statement regarding the effect and scope of any proposed resolution in respect of such special business. The notice period may be reduced to fourteen (14) days if certain conditions are satisfied. Persons are entitled to participate in, and vote at, a general meeting if they are entered as a holder of shares on the register of members on the record date. The *quorum* of shareholders required is not less than 51% of the nominal value of the issued shares entitled to attend and vote at the meeting.

The Directors may convene an extraordinary general meeting whenever they think fit.

If at any time there are not sufficient Directors capable of acting to form a *quorum* for a meeting of the Directors, any Director, or any two or more members holding in aggregate at least ten per cent (10%) of the ordinary shares in the Company conferring a right to attend and vote at general meetings of the Company, may convene an extraordinary general meeting.

For further detail on general meetings of the Company, please refer to the section entitled "*General Meetings*" in the Articles of Association of the Company.

21.2.6 Change in Control of the Company

There are no provisions in the Company's Articles of Association that would have the effect of delaying, deferring or preventing a change in control of the Company.

21.2.7 Disclosure of Ownership of Shareholding in the Company

There are no provisions in the Company's Articles of Association providing for an ownership threshold above which shareholder ownership must be disclosed by the Shareholders of the Company.

21.2.8 Changes in Capital

The Memorandum and Articles of Association of the Company do not contain any conditions governing changes in the capital of the Company which are more stringent than those required by law.

22. MATERIAL CONTRACTS

Neither the Company nor any of the other companies forming part of the PG Group is party to any contract, not being a contract entered into in the respective company's ordinary course of business, giving rise to an obligation or entitlement which is material to the Group as at the date of the Prospectus.

23. THIRD PARTY INFORMATION, STATEMENT BY EXPERTS AND DECLARATIONS OF ANY INTEREST

Save for the Accountants' Reports on the projected financial information and on the pro forma consolidated historical financial statements, which are annexed to this Registration Document as Annexes 1 and 2, this Registration Document does not contain any statement or report attributed to any person as an expert.

The Company engaged PricewaterhouseCoopers, a firm of Certified Public Accountants, to issue the Accountants' Reports referred to above, which are both dated 27 March 2017. Details of the said expert are found in section 5.2.

To the knowledge of the Company, PricewaterhouseCoopers does not have any beneficial interest in the Company.

The Company confirms that the Accountants' Reports have been accurately reproduced in this Registration Document, with the consent of PricewaterhouseCoopers. The Company further confirms that there are no facts of which it is aware that have been omitted and which would render the reproduced information inaccurate or misleading.

PricewaterhouseCoopers has given and has not withdrawn its consent for the publication of the Accountants' Reports in the form and context in which they are included in this Registration Document.

In addition to the aforesaid, information sourced from other third parties has been accurately reproduced and as far as the Company is aware and is able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading.

24. DOCUMENTS ON DISPLAY

For the duration period of this Registration Document, the following documents shall be available for inspection at the registered address of the Company:

- (a) Memorandum and Articles of Association of the Company;
- (b) Audited consolidated or combined financial statements of the constituent elements of the Group covering the years ended 30 April 2014, 2015 and 2016, together with the Auditors' Reports thereon;
- (c) Combined interim unaudited management accounts of PG plc for the six-months ending 30 October 2016;
- (d) Pro forma consolidated financial statements for the year ending 30 April 2016 and for the six-month period ended 31 October 2016, together with the Accountants' Report thereon;
- (e) Forecast and projections for the years ending 30 April 2017 and 2018, together with the Accountants' Report thereon; and
- (f) PricewaterhouseCoopers' consent letter.

Annex 1- Pro Forma Financial Information

1 Basis of preparation

PG p.l.c. was incorporated on 25 November 2016 and with effect from 10 March 2017 acquired, from PG Holding Limited, full ownership and control of the Subsidiaries and a 49% shareholding in the Associated Companies (together referred to as 'the Acquired Entities'). This transfer was implemented through the intra group corporate restructuring ('the Restructuring') outlined in Section 21.1 of the Registration Document.

The pro forma financial information has been prepared for illustrative purposes only, to show how the consolidated financial statements of the Acquired Entities would have been impacted should the Restructuring, implemented as of 10 March 2017, have been hypothetically carried out as at 30 April 2016 and 31 October 2016 ('the Reference Dates').

The pro forma financial information comprises a pro forma consolidated income statement, cash flow statement, and statement of financial position for the financial year ended 30 April 2016 and the six month period to 31 October 2016. The pro forma financial information has been prepared by reference to the consolidated financial statements of the Acquired Entities as at the Reference Dates, and superimposing the entries necessary to reflect the Restructuring that was implemented as of 10 March 2017.

Because of its nature, the pro forma financial information does not represent the Company's actual financial position. The pro forma financial information is not intended to, and does not, provide all the information and disclosures necessary to give a true and fair view of the results of the operations and the financial position of the Company in accordance with International Financial Reporting Standards as adopted by the EU (IFRSs).

The pro forma financial information has been compiled on the basis of the accounting policies adopted by the Company taking into account the requirements of Building Block 20.2 of Annex I and Annex II of EC Regulation 809/2004.

2 Pro Forma Adjustment

The following is a description of the pro forma adjustment made to the combined results and financial position of the Acquired Entities for the financial year ended 30 April 2016 and the six month period to 31 October 2016:

Being the entries required to reflect the effect of the Restructuring implemented on 10 March 2017 as at the Reference Dates. The combined statement of financial position of the Acquired Entities include an amount, of €12.9m as at 30 April 2016 and €13.8m as at 31 October 2016, which is due by PG Holdings Limited to the Acquired Entities. As part of the Restructuring, this amount has been offset against the amount due to PG Holdings Limited as consideration for the transfer of the Acquired Entities. Accordingly, the pro forma statement of financial position includes an adjustment of this amount as a deduction from equity. The entries relating to the Restructuring do not impact the combined income statement and combined cash flow statement as at the Reference Dates.

3 Pro Forma Financial Information

PG plc

Consolidated Pro Forma Statement of Financial Position
as at 30 April 2016

€'000	Combined as at 30 April 2016	Pro Forma Adjustment	Pro Forma as at 30 April 2016
Assets			
Non-Current Assets			
Investment property	2,500		2,500
Property, plant and equipment	52,148		52,148
Investment in associates	3,438		3,438
Total Non-Current Assets	58,086	0	58,086
Current Assets			
Inventory	4,915		4,915
Trade and other receivables	3,737		3,737
Amounts owed by PG Holdings	12,862	(12,862)	-
Cash and cash equivalents	1,366		1,366
Total current assets	22,879	(12,862)	10,018
Total assets	80,966	(12,862)	68,104
Equity and Liabilities			
Capital and reserves	34,741		34,741
Less: Amounts due by PG Holdings	0	(12,862)	(12,862)
Total Equity	34,741	(12,862)	21,879
Non-Current Liabilities			
Trade and other payables	315		315
Borrowings	18,721		18,721
Deferred taxation	3,481		3,481
Total Non-Current Liabilities	22,517	0	22,517
Current Liabilities			
Trade and other payables	13,038		13,038
Borrowings	9,178		9,178
Current tax liabilities	1,492		1,492
Total Current Liabilities	23,708	0	23,708
Total Liabilities	46,225	0	46,225
Total Equity and Liabilities	80,966	(12,862)	68,104

PG plc

Consolidated Pro Forma Income Statement

€'000	Combined as at 30 April 2016	Pro Forma Adjustment	Pro Forma as at 30 April 2016
Revenue	65,454		65,454
Cost of Sales, including direct operating costs	(55,732)		(55,732)
Gross Profit	9,722	0	9,722
Sales and marketing expenses	(918)		(918)
Administrative expenses	(1,678)		(1,678)
Other income	577		577
	7,703	0	7,703
Finance costs	(626)		(626)
Share of associates	110		110
Profit before taxation	7,187	0	7,187
Taxation	(2,514)		(2,514)
Profit after taxation	4,673	0	4,673

PG plc

Consolidated Pro Forma Cash Flow Statement

€'000	Combined as at 30 April 2016	Pro Forma Adjustment	Pro Forma as at 30 April 2016
Cash flows from operating activities			
Cash generated from operations	9,803		9,803
Tax paid	(1,822)		(1,822)
Net finance costs	(626)		(626)
Net cash generated from operating activities	7,355	0	7,355
Cash flows from investing activities			
Purchase of property, plant and equipment	(3,236)		(3,236)
Increase in investment in associates	(2,347)		(2,347)
Net cash used in investing activities	(5,583)	0	(5,583)
Cash flows from financing activities			
Increase in share capital	2,347		2,347
Advances to parent and related parties	(13,011)		(13,011)
Proceeds from bank borrowings	20,009		20,009
Repayment of bank borrowings	(12,479)		(12,479)
Dividends paid	(3,720)		(3,720)
Net cash used in financing activities	(6,854)	0	(6,854)
Net movement in cash and cash equivalents	(5,082)		(5,082)
Cash and cash equivalents at beginning of period	(1,591)		(1,591)
Cash and cash equivalents at end of period	(6,673)	0	(6,673)

PG plc

Consolidated Pro Forma Statement of Financial Position
as at 31 October 2016

€'000	Unaudited Interim as at 31 October 2016	Pro Forma Adjustment	Pro Forma as at 31 October 2016
Assets			
Non-Current Assets			
Investment Property	2,500		2,500
Property, plant and equipment	52,033		52,033
Investment in associates	3,502		3,502
Total Non-Current Assets	58,035	0	58,035
Current Assets			
Inventory	5,832		5,832
Trade and other receivables	3,296		3,296
Amounts owed by PG Holdings	13,891	(13,826)	65
Cash and cash equivalents	1,565		1,565
Total Current Assets	24,584	(13,826)	10,758
Total Assets	82,619	(13,826)	68,793
Equity and Liabilities			
Capital and reserves	37,955		37,955
Less: Amounts due by PG Holdings	0	(13,826)	(13,826)
Total Equity	37,955	(13,826)	24,129
Non-Current Liabilities			
Borrowings	18,350		18,350
Deferred taxation	3,484		3,484
Trade and other payables	280		280
Total Non-Current Liabilities	22,114	0	22,114
Current Liabilities			
Trade and other payables	12,935		12,935
Borrowings	6,607		6,607
Current taxation	3,008		3,008
Total Current Liabilities	22,550	0	22,550
Total Liabilities	44,664	0	44,664
Total Equity and Liabilities	82,619	(13,826)	68,793

PG plc

Consolidated Pro Forma Income Statement

€'000	Unaudited Interim as at 31 October 2016	Pro Forma Adjustment	Pro Forma as at 31 October 2016
Revenue	43,789		43,789
Cost of Sales, including direct operating costs	(37,581)		(37,581)
Gross Profit	6,208	0	6,208
Sales and marketing expenses	(544)		(544)
Administrative expenses	(928)		(928)
Other income	464		464
	5,200	0	5,200
Finance costs	(236)		(236)
Share of associates	64		64
Profit before taxation	5,028	0	5,028
Taxation	(1,814)		(1,814)
Profit after taxation	3,214	0	3,214

PG plc

Consolidated Pro Forma Cash Flow Statement

€'000	Unaudited Interim as at 31 October 2016	Pro Forma Adjustment	Pro Forma as at 31 October 2016
Cash flows from operating activities			
Cash generated from operations	6,075		6,075
Tax paid	(296)		(296)
Net finance costs	(236)		(236)
Net cash generated from operating activities	5,543	0	5,543
Cash flows from investing activities			
Purchase of property, plant and equipment	(1,229)		(1,229)
Net cash used in investing activities	(1,229)	0	(1,229)
Cash flows from financing activities			
Advances to parent and related parties	(964)		(964)
Repayment of bank borrowings	(548)		(548)
Net cash used in financing activities	(1,512)	0	(1,512)
Net movement in cash and cash equivalents	2,802		2,802
Cash and cash equivalents at beginning of period	(6,673)		(6,673)
Cash and cash equivalents at end of period	(3,871)	0	(3,871)



The Directors
PG p.l.c.
Pama Shopping Village,
Valletta Road,
Mosta, MST 9017
Malta

27 March 2017

Independent accountant's assurance report on the compilation of pro forma financial information

To the board of directors of PG p.l.c.

Report on the compilation of pro forma financial information included in a prospectus

We have completed our assurance engagement to report on the compilation of pro forma financial information of PG p.l.c. and its fellow subsidiaries ('the Group') as prepared by the directors of the Group (the 'Directors'). The pro forma financial information consists of the Group's pro forma Consolidated Income Statement and Cash Flow Statement for the year ended 30 April 2016 and the 6-months ended 31 October 2016 and the Consolidated Statement of Financial Position as at 30 April 2016 and as at 31 October 2016 as set out in Annex I of the Group's Registration Document. The applicable criteria on the basis of which the Directors have compiled the pro forma financial information are specified in Annex II to Commission Regulation (EC) 809/2004 ('the Regulation') and described in the 'Basis of Preparation' section included in Annex I of the Group's Registration Document (the 'Applicable Criteria').

PG p.l.c. was incorporated on 25 November 2016 and with effect from 10 March 2017 acquired full ownership of Alhambra Investments Limited, PAVI Shopping Complex p.l.c., PAMA Supermarkets Limited, PAMA Rentals Limited, Centre Point Properties Limited and Pruna Trading Limited and a 49% shareholding in PAMA Shopping Village Limited (entities referred to jointly as 'the Acquired Entities'). This transfer was implemented through the intra group corporate restructuring ('the Restructuring') outlined in Section 21.1 of the Registration Document

The pro forma financial information has been compiled by the Directors to illustrate how the combined financial position and combined income and cash flow statements of the Acquired Entities would have been impacted should the Restructuring, implemented as of 10 March 2017, have been hypothetically carried out as at 30 April 2016 and 31 October 2016.

The pro forma financial information comprises a pro forma consolidated income statement, cash flow statement and statement of financial position for the financial year ended 30 April 2016 and the six month period to 31 October 2016. In preparing the pro forma financial information, the Directors have extracted information about the Group's results and financial position from the combined financial statements of the Acquired Entities that have been prepared for the financial year ended 30 April 2016 and the six month period to 31 October 2016.

Directors' responsibility for the pro forma financial information

The Directors are responsible for compiling the pro forma financial information on the basis of the Applicable Criteria.

Our responsibilities

Our responsibility is to express an opinion, as required by item 7 of Annex II to the Regulation, about whether the pro forma financial information has been compiled, in all material respects, by the Directors on the basis of the Group's accounting policies as described in the combined financial statements of the Acquired Entities for the year ended 30 April 2016 and the basis of preparation set out in Annex I of the Group's Registration Document, and accordingly on the basis of the Applicable Criteria.



Independent accountant's assurance report on the compilation of pro forma financial information

To the board of directors of PG p.l.c.

Basis of opinion

We conducted our engagement in accordance with International Standard on Assurance Engagements (ISAE) 3420, Assurance engagements to report on the compilation of pro forma financial information included in a prospectus, issued by the International Auditing and Assurance Standards Board. This standard requires that the practitioner comply with ethical requirements and plan and perform procedures to obtain reasonable assurance about whether the Directors have compiled, in all material respects, the pro forma financial information on the basis of the Applicable Criteria.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the pro forma financial information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the pro forma financial information.

The purpose of pro forma financial information included in a prospectus is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the entity as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the event or transaction as at 30 April 2016 and 31 October 2016, would have been as presented.

A reasonable assurance engagement to report on whether the pro forma financial information has been compiled, in all material respects, on the basis of the Applicable Criteria involves performing procedures to assess whether the Applicable Criteria used by the Directors in the compilation of the pro forma financial information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and obtain sufficient appropriate evidence about whether:

- the related pro forma adjustments give appropriate effect to those criteria; and
- the pro forma financial information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the accountant's judgment, having regard to the accountant's understanding of the nature of the Group, the event or transaction in respect of which the pro forma financial information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the pro forma financial information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion:

- a. the pro forma financial information has been properly compiled on the basis stated; and
- b. such basis is consistent with the accounting policies of the Group.

A handwritten signature in blue ink, appearing to read 'Simon Flynn'.

Simon Flynn
Partner

Pricewaterhouse Coopers
78 Mill Street
Qormi
Malta

Annex 2 - Prospective Financial Information

Summary of significant assumptions and accounting policies

1 Introduction

The projected statement of financial position, the projected income statement and the projected statement of cash flows of PG p.l.c for the two year period from 1 May 2016 to 30 April 2018 ("the prospective financial information") have been prepared to provide financial information for the purpose of inclusion in the Prospectus of PG p.l.c. dated 27 March 2017. The prospective financial information, set out in Annex 2 Sections 1 to 5 and the assumptions below are the sole responsibility of the directors of PG p.l.c.

The prospective financial information has been prepared on the basis of an assumed offer for sale by PG p.l.c. of 27,000,000 ordinary shares at a price of €1.00 per share.

The prospective financial information for the two year period ending 30 April 2018 has been based on the projections of the Group covering the period from 1 May 2016 to 30 April 2018.

The prospective financial information is intended to show a possible outcome based on a mixture of best-estimate assumptions as to future events, which the directors expect to take place and actions the directors expect to take, and hypothetical assumptions about future events and management actions which are not necessarily expected to take place. Events and circumstances frequently do not occur as expected and therefore actual results may differ materially from those included in the prospective financial information. Attention is drawn, in particular, to the risk factors set out in the Prospectus which describe the primary risks associated with the business and operations to which the prospective financial information relates.

The projected financial information is not intended to, and does not, provide all the information and disclosures necessary to give a true and fair view of the financial results, financial position and cash flows of the Group in accordance with International Financial Reporting Standards as adopted by the EU.

The directors have exercised due care and diligence in adopting the assumptions below. The prospective financial information was formally approved on 27 March 2017 by the directors and the stated assumptions reflect the judgments made by the directors at that date. The assumptions that the directors believe are significant to the prospective financial information are set out in Section 3 below and in Section 14 of this Registration Document.

2 Significant accounting policies

The significant accounting policies of PG p.l.c are set out in the audited financial statements of its constituent companies for the year ended 30 April 2016. Where applicable, these accounting policies, in so far as they relate to recognition and measurement criteria, have been consistently applied in the preparation of the prospective financial information.

3 Basis of preparation and principal assumptions

The projected financial information covers the operations of the PG Group in its current form and excludes the impact of any possible extensions or of new future developments in which the Company may participate.

The principal assumptions relating to the environment in which PG p.l.c. operates, and the factors which are exclusively outside the influence of the directors and which underlie the projected financial information are the following:

- there will be no material adverse events originating from market and economic conditions;
- PG p.l.c will continue to enjoy the confidence of its bankers;
- interest rates will not change materially throughout the period covered by the projection;
- the basis and rates of taxation will not change materially throughout the period covered by the projection; and
- the rate of inflation will not exceed that experienced in the last few years.

The principal assumptions relating to the environment in which PG p.l.c. operates, and the factors that the directors can influence and which underlie the prospective financial information, are outlined below:

3.1 Revenues

The Group's projected revenue for the two years up to 30 April 2018 is based on income derived from the retailing of food and non-food products, rental income and franchise operations. This income mainly arises from:

- the supermarket operations which include the management of shared activities with third party operators, carried out principally through the Pavi Shopping Complex and Pama Shopping Village;
- the management, operation and letting of other retail and commercial outlets within the Pavi Shopping Complex and Pama Shopping Village, including a dedicated retail mall within Pama Shopping Village; and
- the franchise operations, where revenue represents the invoiced value of branded garments, home furnishings and related merchandise.

All the above-mentioned activities are carried out in Malta. The main assumptions applied in projecting the above revenues are set out in Section 14.2 of the Registration Document and include the following.

The forecast for the year ending 30 April 2017 (FY17) is based primarily on actual sales, rentals and costs registered in the nine months to 31 January 2017, including the peak Christmas period; and on the expected results for the three months ending 30 April 2017, assuming a continuation of existing conditions, adjusted for seasonal variations.

Pama supermarket sales have been projected to register a nominal 1% volume growth in the Financial Year ending 30 April 2018, while no volume increases have been projected for the Pavi supermarket.

No sales volume increases have been assumed on the Franchise operations. The projection for the year ending 30 April 2018 recognises the impact of a full year's operations at the new Zara Home outlet at Pama, taking account of sales being currently experienced at this store and of expected seasonal variations.

Rentals at the Pama Shopping Village, including the retail mall, have been forecast on the basis of minimum contracted rates, with the exception of one outlet which has demonstrated a steady sales pattern. Rentals at Pavi Shopping Complex have been adjourned to take account of contracted and expected revisions of contracts coming up for renewal, and the expansion of the retail space within the complex.

3.2 Direct costs – Cost of sales

Direct costs for the supermarket and franchise operations principally includes the purchase of goods and consumables for resale. The Group also imports certain products directly through Pruna Trading Ltd, which is responsible to provide certain supplies to Pavi and Pama supermarkets.

The Group's operating margins have been constant in the year ended 30 April 2016 and to date in the financial year ending 30 April 2017. These margins have been projected at an equivalent level for the year ending 30 April 2018.

Included in the direct costs are payroll costs of employees engaged within the supermarkets and the retail outlets. These expenses have been projected at the levels experienced in the recent years, applying an inflation rate in line with the levels encountered in the last few years.

3.3 Administrative expenses

Administrative expenses consist primarily of payroll costs, directors' fees, advertising costs, professional fees, listing fees, depreciation together with other corporate and general expenses. These expenses have in the first instance been projected at the levels experienced in recent years, applying an inflation rate in line with the levels encountered in the last few years. Allowance has also been made for additional costs that have been committed to strengthen the Group's management and governance. These include, *inter alia*, the recruitment of new executives in operations and finance, the implementation of enhanced governance at Board level, the cost of enhanced IT systems (reflected also in higher depreciation expectations) and the cost of implementing an internal audit function during the course of the year ending 30 April 2018.

3.4 Finance costs

Finance costs relate primarily to the Group's bank borrowings, including interest costs and similar finance charges.

The Group's outstanding bank loan liabilities as at 31 October 2016 amount to €19.5 million. The finance costs have been projected on the basis of the forecast level of borrowings outstanding during the period covered by the projections at the contracted interest rates for the term of the borrowings. The Group's bank borrowings are currently subject to an effective interest rate of 2.75%.

3.5 Taxation

Current taxation is provided at 35% of the Company's chargeable income for the period. Where appropriate the Group is assumed to opt that gross income derived from rentals is subject to a final tax of 15%.

Deferred tax is provided using the liability method for all temporary differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes

3.6 Earnings per share

Earnings per share is based on the projected profit after taxation attributable to the ordinary shareholders of PGp.l.c. divided by the projected weighted average number of ordinary shares in issue during the respective year. In 2018 the projected earnings per share is estimated at 7.79 cents based on €8.4 million net profit attributable to ordinary shareholders and the weighted average number of ordinary shares in issue 108,000,000 ordinary shares.

3.7 Dividends

Net interim dividends payable during 2017 have been forecast at €1.7 million as explained in Section 20.3 of the Registration Document of which this prospective financial information will form part. As from financial year commencing 1 May 2017, it is the Directors' objective to distribute a total dividend to the holders of the shares of not less than 50% of the Company's net profits, after the deduction of tax.

These projected levels of dividends are being made for illustrative purposes only and are based on the current dividend policy of the directors, which is subject to change, depending on the profit for the year, the Directors' view on the prevailing market outlook, any debt servicing requirements, ongoing liquidity and working capital requirements.

3.8 Working capital

The Company's working capital mainly comprises the net impact of trade and other receivables together with trade and other payables. Current trade and other payables includes amounts relating to rental income received in advance and capital payables. The latter are assumed to be settled within the period covered by the projections.

Within the prospective financial information, settlement of trade receivable and payable balances is assumed to be effected within the normal credit periods in place as at 30 April 2016. The Directors, having made due and careful enquiry, are of the opinion that in the absence of unforeseen circumstances outside their control, the working capital available to the Company will be sufficient for the carrying out of its business.

4 Conclusion

The Directors believe that the assumptions on which the prospective financial information is based are reasonable.

Approved by the board of directors on 27 March 2017 and signed on their behalf by:



Chairman
John Zarb



Executive Vice Chairman
Paul Gauci

5. Projected statement of financial position

PG plc

Consolidated Pro Forma Statement of Financial Position

€'000	as at 30 April 2016 Pro Forma	as at 30 April 2017 Forecast	as at 30 April 2018 Projected
Assets			
Non-Current Assets			
Investment Property	2,500	2,500	2,500
Property, plant and equipment	52,148	52,047	54,620
Investment in associate	3,438	3,565	3,676
Total Non-Current Assets	58,086	58,112	60,796
Current Assets			
Inventory	4,915	6,010	6,334
Trade and Other Receivables	3,737	3,298	3,323
Cash and Cash Equivalents	1,366	0	0
Total Current Assets	10,018	9,308	9,657
Total Assets	68,104	67,420	70,453
Equity and Liabilities			
Capital and Reserves	34,741	28,489	35,202
Less: Amounts due by PG Holdings Limited	(12,862)	0	0
Total Equity	21,879	28,489	35,202
Non-Current Liabilities			
Borrowings	18,721	17,509	16,283
Deferred Tax Liabilities	3,481	3,617	3,871
Trade and Other Payables	315	0	0
Total Non-Current Liabilities	22,517	21,126	20,154
Current Liabilities			
Trade and Other Payables	13,038	10,961	10,801
Overdraft facilities	8,040	3,856	1,626
Borrowings	1,138	1,162	1,194
Current Tax Liabilities	1,492	1,826	1,476
Total Current Liabilities	23,708	17,805	15,097
Total Liabilities	46,225	38,931	35,251
Total Equity and Liabilities	68,104	67,420	70,453

Projected statement of comprehensive income

PG plc

Consolidated Pro Forma Income Statement

€'000	Year ended April 16 Pro Forma	Year ending April 17 Forecast	Year ending April 18 Projected
Revenue	65,454	91,237	96,338
Cost of Sales, including direct operating costs	(55,732)	(76,557)	(80,048)
Gross Profit	9,722	14,680	16,290
Sales and marketing expenses	(918)	(1,540)	(1,728)
Administrative expenses	(1,678)	(2,293)	(2,348)
Other income	577	723	730
Income from investment in associate	110	126	111
	7,813	11,696	13,055
Finance costs	(626)	(525)	(582)
Profit before taxation	7,187	11,171	12,473
Taxation	(2,514)	(3,723)	(4,061)
Profit after taxation	4,673	7,448	8,412

Projected statement of cash flows

PG plc

Consolidated Pro Forma Cash Flow Statement

€'000	Year ended April 16 Pro Forma	Year ending April 17 Forecast	Year ending April 18 Projected
Cash flows from operating activities			
Cash generated from operations	9,803	10,056	14,135
Tax paid	(1,822)	(3,390)	(4,411)
Interest received	93	12	42
Interest paid	(719)	(537)	(624)
Net cash generated from operating activities	7,355	6,141	9,142
Cash flows from investing activities			
Purchase of property, plant and equipment	(3,236)	(1,298)	(4,018)
Increase in investment in associates	(2,347)	-	-
Net cash applied in investing activities	(5,583)	(1,298)	(4,018)
Cash flows from financing activities			
Increase in share capital	2,347	50	-
Advances to parent and related parties	(13,011)	-	-
Proceeds from bank borrowings	20,009	(888)	-
Repayment of bank borrowings	(12,479)	(1,188)	(1,194)
Dividends paid	(3,720)	-	(1,700)
Net cash applied in financing activities	(6,854)	(2,026)	(2,894)
Net movement in cash and cash equivalents	(5,082)	2,817	2,230
Cash and cash equivalents at beginning of period	(1,591)	(6,673)	(3,856)
Cash and cash equivalents at end of period	(6,673)	(3,856)	(1,626)



The Directors
PG p.l.c.
Pama Shopping Village,
Valletta Road,
Mosta, MST 9017
Malta

27 March 2017

Independent accountant's report on the projected financial information of PG p.l.c.

To the board of directors of PG p.l.c.

We report on the projected statements of financial position as at 30 April 2018, and the income and cash flows statements for the two-year period ending 30 April 2018 ("the projected financial information") of PG p.l.c. The projected financial information, the basis of preparation and the material assumptions upon which the projections are based, are set out in Annex 2 in sections 1 to 5 of the Prospectus issued by PG p.l.c. dated 27 March 2017.

This report is required in terms of rule 5.40 of the Listing Rules issued by the Listing Authority of the Malta Financial Services Authority and is given for the purpose of complying with that regulation and for no other purpose.

Directors' responsibility for the projected financial information

It is the responsibility of the Directors of PG p.l.c. to prepare the projected financial information and the assumptions upon which it is based, as set out in sections 1 to 5 of Annex 2, in accordance with the requirements of the Listing Rules issued by the Listing Authority of the Malta Financial Services Authority and EU Regulation EC 809/2004.

Accountant's responsibility

It is our responsibility to form an opinion as required by Listing Rule 5.40 as issued by the Listing Authority of the Malta Financial Services Authority and Annex I item 13.2 of EU Regulation EC 809/2004 as to the proper compilation of the projected financial information, in so far as the application of the underlying accounting policies and accuracy of calculations are concerned, and to report that opinion to you.

Save for any responsibility which we may have to those persons to whom this report is expressly addressed, to the fullest extent permitted by law, we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such person as a result of, arising out of, or in connection with this report or our statement, required by and given solely for the purposes of complying with the Listing Rules, consenting to its inclusion in the Prospectus.

Basis of preparation of the projected financial information

The financial information has been prepared on the basis stated in Section 3 of Annex 2 of the Prospectus and is based on a projection covering the two year period to 30 April 2018. The projected financial information is required to be presented on a basis consistent with the accounting policies of PG p.l.c.



Independent accountant's report on the projected financial information of PG p.l.c.

To the board of directors of PG p.l.c.

Basis of opinion

We have examined the basis of compilation and the accounting policies of the accompanying projected financial information of PG p.l.c. for the two year period ending 30 April 2018 in accordance with ISAE 3000 "Assurance Engagements Other than Audits and Reviews of Historical Financial Information". Our work included evaluating the basis on which the financial information included in the projection has been prepared and considering whether the projected financial information has been accurately computed based upon the disclosed assumptions and the accounting policies of PG p.l.c.

The assumptions upon which the projected financial information is based are solely the responsibility of the Directors of PG p.l.c. and accordingly we express no opinion on the validity of the assumptions.

We planned and performed our work so as to obtain the information and explanations we considered necessary in order to provide us with reasonable assurance that the projected financial information has been properly compiled on the basis stated, in so far as the application of the underlying accounting policies and accuracy of calculations are concerned.

The projected financial information is not intended to, and does not, provide all the information and disclosures necessary to give a true and fair view of the results of the operations and the financial position of the Company in accordance with International Financial Reporting Standards as adopted by the EU (IFRSs).

Since the projected financial information and the assumptions on which it is based relate to the future and may therefore be affected by unforeseen events, we can express no opinion as to whether the actual results reported will correspond to those shown in the projected financial information and differences may be material. Also, we have not, in the course of the engagement, performed an audit or a review of the actual financial information for the two years ending 30 April 2018 which was used in compiling the projected financial information.

Opinion

In our opinion, the projected financial information has been properly compiled on the basis stated and the basis of accounting used is consistent with the accounting policies of PG p.l.c.

A handwritten signature in blue ink, appearing to read 'Simon Flynn', is written over a faint, light blue grid background.

Simon Flynn
Partner

Pricewaterhouse Coopers
78 Mill Street
Qormi
Malta

Annex 3 - List of Directorships of the Company's Directors and Senior Management

Name	Current Directorships	Past Directorships
<u>Directors</u>		
Charles Borg	PG Plc Vallcara Ltd Annanova Ltd Electrofix Ltd Peninsula Investments Ltd Peninsula Holdings Ltd	La Valette Funds SICAV Vilhena Funds SICAV Mapfre Middlesea Insurance PLC Valletta Investments Ltd World Savings Bank Housing Authority Valletta Fund Services Ltd Valletta Fund Management Ltd
William Spiteri Bailey	PG Holdings Limited PG Plc Hola Holdings Limited Hola Investments Limited SB Consulting Limited Abbey Holdings Limited AIM Professional Academy Limited MIA Services Limited	Enemalta Corporation
Lawrence Zammit	PG Plc Market Intelligence Services Company Limited Misco International Limited Misco Consulting Limited Human Resources Outsourcing & Temping Services Misco Directors Network Limited Corporate Identities Limited Atlas Holdings Pcc Atlas Holdings Limited Vilhena Funds (Sicav) Plc Notabile Fiduciaries Limited Grand Harbour Marina Plc Mariner Finance Plc PG Holdings Limited TRC Family Entertainment Limited Loqus Holdings Plc Falcon Tours Limited Owl Services Limited Coot Services Limited Kestrel Services Limited Heron Limited	Miscoadvisory Limited Impetus Europe Consulting Group Limited 3a Limited Pavi Supermarkets Limited Carant Trading Ltd Carant Novias Limited Carant Ysh Limited Carant Stradi Limited Carant Md Limited Carant Shana Limited Santa Barbara Limited Big Ben Limited Hola Holdings Limited Hola Barcelona Limited Hola Retail Limited Hola Leasing Limited Hola Properties Limited Hola Investments Limited Malta Industrial Parks Limited Artex Limited

John Zarb	PG Plc Tumas Investments Plc	N/A
Ramona Piscopo	PG Plc Valletta Fund Services Ltd Philo-Sophia Partners Ltd Melita Cross Ltd Ananova Ltd Pisco Group Ltd Piscopartners Ltd Piscopartners Ag Piscopartners Corporate Services Ltd	N/A
Claire Gauci	Pama Carparks Limited Pama Rentals Limited Pama Shopping Village Limited Pama Supermarket Limited PG Holdings Limited PG Plc Pavi Supermarkets Limited Alhambra Centre Ltd Alhambra Investments Ltd Castellana (Malta) Limited <i>(in dissolution)</i> Pavi Shopping Complex Limited	N/A
Paul Gauci	Peninsula Holdings Limited Pruna Trading Limited Alhambra Trading Limited Award Limited Castellana (Malta) Limited <i>(in dissolution)</i> PG Finance Limited PG Plc Pama Rentals Limited Pavi Supermarkets Limited Siteland Limited Marlex Limited <i>(in dissolution)</i> Alhambra Centre Ltd Dragonara Resort Limited Pavi Shopping Complex Limited Peninsula Investments Limited Rigo Enterprises Limited Alhambra Investments Ltd B&P Gauci Limited BPG Leisure Investments Limited Centre Point Properties Limited Montserrat Investment Ltd Pama Shopping Village Limited Pablo Properties Limited	Barcelona Complex Ltd Big Bon Investments Limited Big Bon Limited Bonair Aviation Limited PQRS Limited (D 5260) Brittania Property Developments Limited Centre Game Limited Alhambra Complex Limited Big Bon Immobilier Limited Fort Cambridge Limited Pavi Bakery Limited Blue Spirit Shipping Limited Centre Point Limited Xlenders Developers Ltd

Pama Carparks Limited
Pama Supermarket Limited
PG Holdings Limited

Senior Management

Kevin Grima	N/A	LMT Holding Limited
Silvio Carabott	N/A	Ferretti Catering Ltd

