SUMMARY NOTE

DATED 4 MARCH 2019

This Summary Note 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.

In respect of an Issue up to €40,000,000 3.65% Secured Bonds 2022
of a nominal value of €100 per Bond issued at par
(the "**Secured Bonds**")

through the combination of the following two fungible tranches

A maximum of €40,000,000 3.65% Secured Bonds 2022 available only to Eligible Applicants during the Offer Period
(the "**First Tranche Bonds**")

A maximum of €20,000,000 3.65% Secured Bonds 2022 available to Eligible Applicants and the public in Malta during the Offer Period
(the " **Second Tranche Bonds**")

by

gap

GAP GROUP P.L.C.
A PUBLIC LIMITED LIABILITY COMPANY REGISTERED IN MALTA
WITH COMPANY REGISTRATION NUMBER C 75875
with the joint and several Guarantee* of
GAP LUQA LIMITED AND GAP MELLIEHA (I) LIMITED
EACH A PRIVATE LIMITED LIABILITY COMPANY REGISTERED IN MALTA

*Prospective investors are to refer to the Guarantee contained in Annex III of the Securities Note and section 4.5 of the Registration Document for a description of the Guarantee and the Collateral. Reference should also be made to the sections entitled "Risk Factors" contained in the Registration Document and the Securities Note for a discussion of certain risk factors which should be considered by prospective investors in connection with the Secured Bonds and the Guarantee provided by the Guarantors.

Legal Counsel to the Sponsor, Manager & Registrar	Legal Counsel to the Issuer	Trustee	Sponsor, Manager & Registrar
CAMILLERI PREZIOSI ADVOCATES	**Dr Chris Cilia**	EQUINOX INTERNATIONAL LIMITED	WEALTH MANAGEMENT • CORPORATE BROKING CHARTS A division of MeDirect Bank (Malta) plc

THE LISTING AUTHORITY HAS AUTHORISED THE ADMISSIBILITY OF THESE SECURITIES AS A LISTED FINANCIAL INSTRUMENT. THIS MEANS THAT THE SAID INSTRUMENTS ARE 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 AN ISSUER AND SHOULD MAKE THE DECISION TO INVEST ONLY AFTER CAREFUL CONSIDERATION AND CONSULTATION WITH HIS OR HER OWN INDEPENDENT FINANCIAL ADVISOR.

APPROVED BY THE DIRECTORS

George Muscat | Paul Attard | Adrian Muscat | Francis X. Gouder | Mark Castillo | Chris Cilia

IMPORTANT INFORMATION

THIS SUMMARY NOTE CONSTITUTES PART OF A PROSPECTUS AND CONTAINS INFORMATION IN RELATION TO GAP GROUP P.L.C. IN ITS CAPACITY AS ISSUER AND GAP MELLIEĦA (I) LIMITED ("**GML**") AND GAP LUQA LIMITED ("**GLL**") , AS THE GUARANTORS. THIS DOCUMENT INCLUDES INFORMATION GIVEN IN COMPLIANCE WITH: (A) THE COMPANIES ACT, (CAP. 386 OF THE LAWS OF MALTA) AND 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); AND (B) THE RULES AND REGULATIONS APPLICABLE TO THE ADMISSION OF SECURITIES ON THE OFFICIAL LIST OF THE MSE.

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

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

A COPY OF THIS DOCUMENT HAS BEEN SUBMITTED TO THE LISTING AUTHORITY AND THE MSE, AND HAS BEEN DULY FILED WITH THE REGISTRAR OF COMPANIES. APPLICATION HAS BEEN MADE TO THE MSE, FOR THE SECURED BONDS TO BE ADMITTED TO THE OFFICIAL LIST OF THE MSE. **A PROSPECTIVE INVESTOR SHOULD BE AWARE OF THE POTENTIAL RISKS IN INVESTING IN THE ISSUER AND SHOULD MAKE THE DECISION TO INVEST ONLY AFTER CAREFUL CONSIDERATION AND CONSULTATION WITH HIS OR HER OWN INDEPENDENT FINANCIAL ADVISOR.**

THE CONTENTS OF THE ISSUER'S WEBSITE OR ANY WEBSITE DIRECTLY OR INDIRECTLY LINKED TO THE ISSUER'S WEBSITE DO NOT FORM PART OF THIS DOCUMENT. ACCORDINGLY, NO RELIANCE OUGHT TO BE MADE BY ANY INVESTOR ON ANY INFORMATION OR OTHER DATA CONTAINED IN SUCH WEB SITES AS THE BASIS FOR A DECISION TO INVEST IN THE SECURITIES ISSUED BY THE ISSUER.

ALL THE ADVISORS TO THE ISSUER HAVE ACTED AND ARE ACTING EXCLUSIVELY FOR THE ISSUER IN RELATION TO THIS PROSPECTUS AND HAVE NO CONTRACTUAL, FIDUCIARY OR OTHER OBLIGATION OR RESPONSIBILITY TOWARDS ANY OTHER PERSON. NONE OF THE ADVISORS 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 ISSUER 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 ISSUER 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 OR FALL AND PAST PERFORMANCE IS NOT NECESSARILY INDICATIVE OF FUTURE PERFORMANCE. IF YOU NEED ADVICE WITH RESPECT TO THE BOND ISSUE, YOU SHOULD CONSULT A LICENSED STOCKBROKER OR AN INVESTMENT ADVISOR LICENSED UNDER THE INVESTMENT SERVICES ACT, CAP. 370 OF THE LAWS OF MALTA.

THIS DOCUMENT AND ALL AGREEMENTS, ACCEPTANCES AND CONTRACTS RESULTING THEREFROM SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF MALTA, AND ANY PERSON ACQUIRING ANY SECURED BONDS PURSUANT TO THE PROSPECTUS SHALL SUBMIT TO THE JURISDICTION OF THE MALTESE COURTS, WITHOUT LIMITING IN ANY MANNER THE RIGHT OF THE ISSUER TO BRING ANY ACTION, SUIT OR PROCEEDING, IN ANY OTHER COMPETENT JURISDICTION, ARISING OUT OF OR IN CONNECTION WITH ANY PURCHASE OF SECURED BONDS, OR AGREEMENT, ACCEPTANCE OR CONTRACT RESULTING HEREFROM, OR THE PROSPECTUS AS A WHOLE.

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.

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 HOWEVER ARISING FROM OR IN RELIANCE UPON THE WHOLE OR ANY PART OF THE CONTENTS OF THE PROSPECTUS.

This Summary Note is prepared in accordance with the requirements of the Regulation.

Summaries are made up of disclosure requirements known as 'Elements'. These elements are numbered in Sections A – E (A.1– E.7). This summary contains all the Elements required to be included in a summary for this type of securities and Issuer. Because some Elements are not required to be addressed, there may be gaps in the numbering sequence of the Elements. Even though an Element may be required to be inserted in the summary because of the type of securities and Issuer, it is possible that no relevant information can be given regarding the Element. In this case a short description of the Element is included in the summary with the mention of 'not applicable'.

Except where the context otherwise requires, the capitalised words and expressions used in this Summary Note shall bear the meanings assigned to them in the Registration Document and the Securities Note, as the case may be.

SECTION A INTRODUCTION AND WARNINGS

A.1 Prospective investors are hereby warned that:

i. This summary is being provided to convey the essential characteristics and risks associated with the Issuer and the securities being offered pursuant to this document. This part is merely a summary and therefore should only be read as an introduction to the Prospectus. It is not and does not purport to be exhaustive and investors are warned that they should not rely on the information contained in this summary in making a decision as to whether to invest in the securities described in this document. Any decision to invest in the securities should be based on consideration of the Prospectus as a whole by the investor;
ii. Where a claim relating to the information contained in this Prospectus is brought before a court, the plaintiff investor might, under the national legislation of Malta, have to bear the costs of translating the Prospectus before the legal proceedings are initiated; and
iii. Civil liability attaches only to those persons who have tabled the summary including any translation thereof, and who applied for its notification, but only if the summary, when read together with the other parts of the Prospectus: is misleading, inaccurate or inconsistent; or does not provide key information in order to aid investors when considering whether to invest in such securities.

A.2 Consent required in connection with the use of the Prospectus by the Authorised Financial Intermediaries

Prospective investors are hereby informed that:

i. for the purposes of any subscription for Secured Bonds through any of the Authorised Financial Intermediaries and any subsequent resale, placement or other offering of Secured Bonds by such Authorised Financial Intermediaries in circumstances where there is no exemption from the requirement to publish a prospectus under the Prospectus Directive, the Issuer consents to the use of this Prospectus (and accepts responsibility for the information contained therein) with respect to any such subsequent resale or placement or other offering of Secured Bonds, provided this is limited only:
   a. in respect of Secured Bonds subscribed for through Authorised Financial Intermediaries during the Offer Period;
   b. to any resale or placement of Secured Bonds subscribed for as aforesaid taking place in Malta;
   c. to any resale or placement of Secured Bonds subscribed for as aforesaid, taking place within the period of 60 days from the date of the Prospectus.
ii. **in the event of a resale, placement or other offering of Secured Bonds by an Authorised Financial Intermediary, the Authorised Financial Intermediary shall be responsible to provide information to investors on the terms and conditions of the resale, placement or other offering at the time such is made.**

SECTION B ISSUER AND GUARANTORS

B.1 *B.19* The legal and commercial name of the Issuer is Gap Group p.l.c. The legal and commercial names of the Guarantors are Gap Mellieħa (I) Limited and GAP Luqa Limited.

B.2 *B.19* The Issuer was registered in Malta in terms of the Act on 1 June 2016, as a public limited liability company. The Issuer is domiciled in Malta. Each of the Guarantors was registered in Malta as a private limited liability company. The Guarantors are domiciled in Malta.

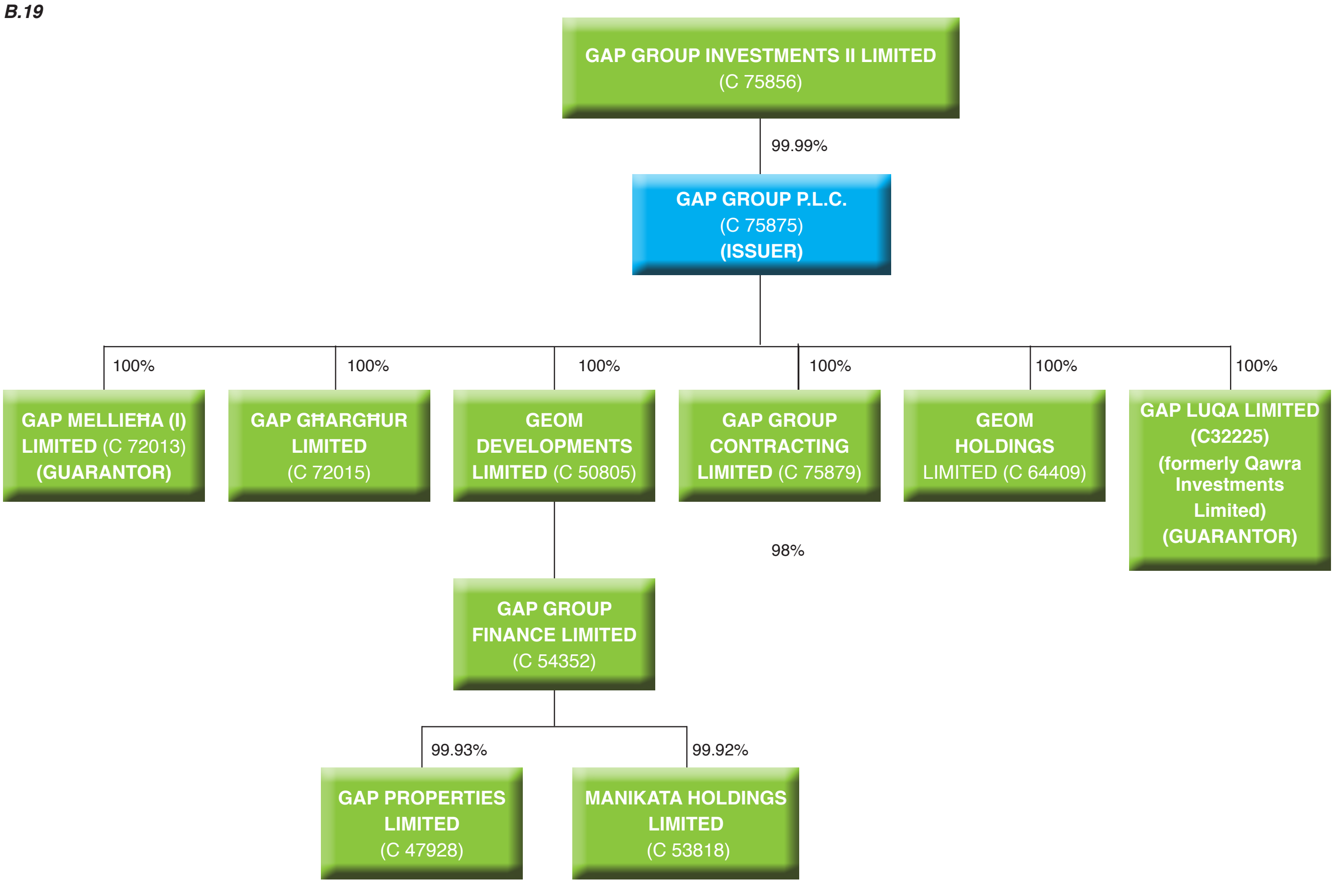
B.4b *B.19* The following is an overview of the most significant recent trends affecting the Issuer and the Guarantors and the market in which the Group operates:

Property prices of residential property in Malta increased substantially by 16.9% in the 12 months to the end of June 2018 compared to a year earlier, mainly due to a 21.3% increase in prices of apartments. Malta's real Gross Domestic Product ("**GDP**") rose by 6.4% in 2017, one of the highest growth rates within the EU, while the solid performance of the internationally-oriented services sector contributed to maintain Malta's sizeable current account surplus. Growth is set to remain robust but to moderate over the forecast horizon. The economic momentum is expected to further support employment creation, on the back of record-low unemployment and increasing labour supply (resulting from the inflows of foreign workers and the rising participation of women in the labour market). Overall, real GDP is forecast to increase by 5.4% in 2018 and 5.0% in 2019.[1]

As such, the Directors are of the view that the property market in Malta should remain buoyant provided the general economy continues to register a robust annual growth trajectory. In the immediate term, Gap Group will be primarily focused on completing the Mellieħa Development and the Luqa Development, and will also be active in marketing these properties on offer.

[1] European Commission, European Economic Forecast Summer 2018 (Interim), July 2018

B.5 The organisational structure of the Group is depicted below:
B.19



B.9 Not Applicable: no profit forecasts or estimates have been included in the Prospectus.

B.10 ***B.19*** Not Applicable: The audit reports on the audited consolidated financial statements for the financial period 1 June 2016 to 31 December 2016 and the financial year ended 31 December 2017 of GAP Group p.l.c. do not contain any material qualifications. The audit reports on the audited financial statements of GML, for the financial period 26 August 2015 to 31 December 2016 and the financial year ended 31 December 2017, and GLL, for the financial years ended 31 December 2015 to 2017, do not contain any material qualifications.

B.12 The historical financial information about the Issuer is included in the audited consolidated financial statements for the financial period 1 June 2016 (being the date of incorporation) to 31 December 2016 and the financial year ended 31 December 2017. The interim financial information about the Issuer is extracted from the unaudited consolidated financial information for the 6 month period 1 January 2018 to 30 June 2018.

GAP Group p.l.c.
Consolidated Income Statement

	for the year ended 31 December		for the 6-mth period ended	
	2016*	**2017**	**2017**	**2018**
	Audited	**Audited**	**Unaudited**	**Unaudited**
	(€'000)	**(€'000)**	**(€'000)**	**(€'000)**
Revenue	14,804	14,982	1,821	8,671
Cost of sales	(10,595)	(11,154)	(1,092)	(6,533)
Administrative expenses	(748)	(935)	(137)	(515)
EBITDA	**3,461**	**2,893**	**592**	**1,623**
Depreciation	(4)	-	-	-
Net finance costs	(1,393)	(1,111)	(203)	(130)
Profit/(loss) before tax	**2,064**	**1,782**	**389**	**1,493**
Taxation	(1,161)	(1,197)	(143)	(730)
Profit/(loss) for the year	**903**	**585**	**246**	**763**
Other comprehensive income				
Movement in fair value of financial assets	101	107	53	53
Total comprehensive income for the year/period	**1,004**	**692**	**299**	**816**

* Income Statement for the period 1 June 2016 to 31 December 2016

GAP Group p.l.c.
Consolidated Balance Sheet

As at	31 Dec'16 Audited (€'000)	31 Dec'17 Audited (€'000)	30 Jun'18 Unaudited (€'000)
ASSETS			
Non-current assets	17,602	21,144	23,293
Current assets	39,483	35,762	39,888
Total assets	**57,085**	**56,906**	**63,181**
EQUITY			
Capital and reserves			
Called up share capital	2,500	2,500	2,500
Other capital	2,601	2,708	2,761
Retained earnings	903	1,488	2,251
	6,004	**6,696**	**7,512**
LIABILITIES			
Non-current liabilities	41,813	39,367	39,423
Current liabilities	9,268	10,843	16,246
	51,081	**50,210**	**55,669**
Total equity and liabilities	**57,085**	**56,906**	**63,181**

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

	for the year ended 31 December		for the 6-mth period ended	
	2016* Audited (€'000)	2017 Audited (€'000)	2017 Unaudited (€'000)	2018 Unaudited (€'000)
Net cash from operating activities	(25,559)	3,250	(1,541)	1,648
Net cash from investing activities	(10,554)	568	2,732	(513)
Net cash from financing activities	39,814	(6,338)	(1,280)	(1,622)
Net movement in cash and cash equivalents	**3,701**	**(2,520)**	**(89)**	**(487)**
Cash and cash equivalents at beginning of year/period	-	3,701	3,701	1,181
Cash and cash equivalents at end of year/period	**3,701**	**1,181**	**3,612**	**694**

* Cash Flow Statement for the period 1 June 2016 to 31 December 2016

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

Total assets of Gap Group as at 31 December 2017 amounted to €56.9 million and primarily included stock representing real estate property held for resale (€33.7 million), and cash and liquid assets amounting to €7.3 million. Furthermore, loans and other receivables totalling €10.2 million includes an amount of €2.3 million which was advanced to GLL (then being a related party) for the purpose to acquire the Luqa site. Other than equity (€6.7 million), Gap Group is financed through debt securities (€39.4 million) with the cumulative preference shares held by GAP Holdings Limited (C 27803) amounting to €2.5 million being paid during FY2017.

During the six-month period ended 30 June 2018, the Group generated €8.7 million in revenue, as compared to €1.8 million in the comparable period ended 30 June 2017, mainly from sales contracts of units in the development in Qawra (€3.6 million), the development in Għarghur (€1.3 million) and the development in Mellieħa (€3.6 million). After accounting for cost of sales, other expenses and taxation, the Group declared comprehensive income for the year amounting to €0.8 million (FP2017: €0.3 million).

Inventory as at 30 June 2018 amounted to €37.1 million and principally comprised work-in-progress relating to the development of the site in Mellieħa, and to a lesser extent, the development in Għarghur and the development in Qawra. Liquid assets (including available-for-sale investments, sinking fund and cash) amounted to €13.6 million. Other assets comprised loans due from related parties of €10.9 million. As to liabilities, the Group had outstanding €40 million in 4.25% secured bonds due in 2023, advance deposits amounting to €5.1 million and capital creditor balances of €7.9 million.

The historical financial information about GML is included in the audited financial statements for the financial period 26 August 2015 (being the date of incorporation) to 31 December 2016 and the financial year ended 31 December 2017. The interim financial information about GML is extracted from the unaudited financial information for the 6 month period 1 January 2018 to 30 June 2018.

Gap Mellieha (I) Limited **Income Statement**	**for the year ended 31 December**		**for the 6-mth period ended**	
	2016*	**2017**	**2017**	**2018**
	Audited	**Audited**	**Unaudited**	**Unaudited**
	(€'000)	**(€'000)**	**(€'000)**	**(€'000)**
Revenue	-	-	-	3,612
Cost of sales	-	-	-	(2,618)
Administrative expenses	(4)	(4)	(1)	(223)
EBITDA	**(4)**	**(4)**	**(1)**	**771**
Net finance costs	-	2	-	-
Profit/(loss) before tax	**(4)**	**(2)**	**(1)**	**771**
Taxation	-	-	-	(278)
Total comprehensive income for the period/year	**(4)**	**(2)**	**(1)**	**493**

* Income Statement for the period 26 August 2015 to 31 December 2016

Gap Mellieha (I) Limited **Balance Sheet**			
As at	**31 Dec'16**	**31 Dec'17**	**30 Jun'18**
	Audited	**Audited**	**Unaudited**
	(€'000)	**(€'000)**	**(€'000)**
Non-current assets	2,303	2,303	2,353
Current assets	12,535	16,455	23,103
Total assets	**14,838**	**18,758**	**25,456**
Equity	(3)	(5)	488
Current liabilities	14,841	18,763	24,968
Total equity and liabilities	**14,838**	**18,758**	**25,456**

Gap Mellieha (I) Limited **Cash Flow Statement**	**for the year ended 31 December**		**for the 6-mth period ended**	
	2016*	**2017**	**2017**	**2018**
	Audited	**Audited**	**Unaudited**	**Unaudited**
	(€'000)	**(€'000)**	**(€'000)**	**(€'000)**
Net cash from operating activities	(11,192)	(1,862)	794	7,986
Net cash from investing activities	-	99	-	50
Net cash from financing activities	11,440	1,528	(959)	(7,521)
Net movement in cash and cash equivalents	**248**	**(234)**	**(165)**	**515**
Cash and cash equivalents at beginning of period/year	-	248	248	14
Cash and cash equivalents at end of period/year	**248**	**14**	**83**	**529**

* Cash Flow Statement for the period 26 August 2015 to 31 December 2016

In FP2016, GML acquired the site known as Ta' Masrija in Mellieħa for the development of the Mellieħa Development. During FP2016, the site was fully excavated and construction commenced on the first two blocks (Blocks I & J). As at 31 December 2017, the cost of land and development costs amounted to €16.4 million (2016: €12.3 million). During FP2016, the amount of €2.3 million was advanced to GLL to acquire the site earmarked for the Luqa Development, which loan remained unchanged in the subsequent financial year. The said loan bears interest at 4.5% annually and is repayable by 2021.

Due to the completion of a number of units as of Q4 2017, the company entered into sales contracts amounting to €3.6 million during the initial two quarters of 2018. EBITDA for the period under review amounted to €0.8 million and the company reported a comprehensive income of €0.5 million.

The asset side of the balance sheet as at 30 June 2018 includes inventory (work-in-progress on development projects) amounting to €22.6 million, whilst liabilities mainly comprise capital creditors of €14.6 million (payable to third party contractors and GGCL) and advance deposits amounting to €3.3 million.

GAP LUQA LIMITED

The historical financial information about GLL is included in the audited financial statements for the financial years ended 31 December 2015 to 2017. The interim financial information about GLL is extracted from the unaudited financial information for the 6 month period 1 January 2018 to 30 June 2018.

Gap Luqa Limited (formerly Qawra Investments Limited)
Income Statement

	for the year ended 31 December			for the 6-mth period ended	
	2015	**2016**	**2017**	**2017**	**2018**
	Audited	**Audited**	**Audited**	**Unaudited**	**Unaudited**
	(€'000)	**(€'000)**	**(€'000)**	**(€'000)**	**(€'000)**
Revenue	97	-	3,571	304	1,940
Cost of sales	(62)	-	(2,642)	(297)	(1,141)
Administrative expenses	(9)	(6)	(76)	(1)	(29)
EBITDA	**26**	**(6)**	**853**	**6**	**770**
Net finance costs	(7)	-	-	-	-
Profit/(loss) before tax	**19**	**(6)**	**853**	**6**	**770**
Taxation	(8)	-	(214)	(25)	(140)
Total comprehensive income for the period/year	**11**	**(6)**	**639**	**(19)**	**630**

Gap Luqa Limited (formerly Qawra Investments Limited)
Balance Sheet

As at	**31 Dec'15**	**31 Dec'16**	**31 Dec'17**	**30 Jun'18**
	Audited	**Audited**	**Audited**	**Unaudited**
	(€'000)	**(€'000)**	**(€'000)**	**(€'000)**
ASSETS				
Non-current assets	-	-	-	9,179
Current assets	1,269	7,678	11,403	9,928
Total assets	**1,269**	**7,678**	**11,403**	**19,107**
EQUITY				
Capital and reserves				
Called up share capital	1	1	1	1
Retained earnings	106	100	740	1,369
	107	**101**	**741**	**1,370**
LIABILITIES				
Non-current liabilities	700	3,338	8,504	16,216
Current liabilities	462	4,239	2,158	1,521
	1,162	**7,577**	**10,662**	**17,737**
Total equity and liabilities	**1,269**	**7,678**	**11,403**	**19,107**

Gap Luqa Limited (formerly Qawra Investments Limited)
Cash Flow Statement

	for the year ended 31 December			for the 6-mth period ended	
	2015	**2016**	**2017**	**2017**	**2018**
	Audited	**Audited**	**Audited**	**Unaudited**	**Unaudited**
	(€'000)	**(€'000)**	**(€'000)**	**(€'000)**	**(€'000)**
Net cash from operating activities	(1,040)	(8,408)	(2,162)	(6,348)	1,165
Net cash from investing activities	-	-	-	-	1
Net cash from financing activities	1,046	8,422	2,339	6,628	(1,193)
Net movement in cash and cash equivalents	**6**	**14**	**177**	**280**	**(27)**
Cash and cash equivalents at beginning of period/year	-	6	20	22	197
Cash and cash equivalents at end of period/year	**6**	**20**	**197**	**302**	**170**

As at 31 December 2016, GLL held a development property in Lija and the site related to the Luqa Development. No material income was generated in FY2015 and FY2016.

Revenue in FY2017 amounted to €3.6 million, which was generated from the sale of *circa* 70% of units from phase A of the Lija project. The remaining units of Phase A, together with all units in Phase B, were subject to promise of sale agreements. EBITDA in FY2017 amounted to €0.9 million and total comprehensive income amounted to €0.6 million, the difference of which represented tax charge for the year.

During the six-month period ended 30 June 2018, revenue amounted to €1.9 million and comprised further sales of units from the Lija project and the disposal of a plot within the Luqa Development. GLL registered total comprehensive income for the interim period of €0.6 million.

Total assets as at 30 June 2018 amounted to €19.1 million and principally included inventory (work-in-progress on development project) of €9.6 million and related party loans receivable of €9.2 million. Liabilities mainly comprised related party loans amounting to €11.1 million, bank loan of €5.1 million and other creditors amounting to €1.5 million.

There were no significant changes in the financial or trading position and there has been no material adverse change in the prospects of each of the Issuer, GML and GLL since the date of their latest financial statements.

B.13 Not Applicable: neither the Issuer nor any of the Guarantors are aware of any recent events which are to a material extent relevant to the evaluation of their solvency.

B.14 *B.19* The Issuer is mainly dependent on the business prospects of its operating subsidiaries and the distribution of profits by way of dividend in its favour by its subsidiaries. At present, the Issuer, through the Guarantors is involved in the construction, development and completion of:

i. a total of 152 residential units and 174 lock-up garages, spread over 10 blocks with a variety of one, two and three bedroom units over the site known as Ta' Masrija in Mellieħa measuring approximately 5,100m^2 (the "**Mellieħa Development**");

ii. a total of 237 apartments and 219 garages spread over 5 zones with a mix of one, two and three bedroom units over the site having a developable area of approximately 8,500m^2 known as Ta' Blejkiet in Luqa (the "**Luqa Development**").

Each project undertaken by the Group is typically undertaken through a special purpose vehicle established for that project, and each special purpose vehicle is managed through its board of directors, which has common members with the directors of the Issuer. In this respect, the Mellieħa Development is managed through the Board of GML and the Luqa Development shall be managed through the board of GLL. The Issuer is not dependent on other entities within the Group or outside the Group with respect to the management of its developments.

GLL is dependent on the Issuer as to the amount of net proceeds from the Bond Issue that will be on-lent to it by the Issuer in terms of the Securities Note. GML is not dependent on other entities within the Group.

B.15 *B.19* The principal objects of the Issuer is that of a holding company and to promote, including through subsidiaries, the acquisition and development of real estate properties. Each of GML and GLL are project companies entrusted with the construction and development of real estate projects. GML is the owner of the site over which the Mellieħa Development is being constructed, developed and completed. GLL is the owner of the site over which the Luqa Development shall be constructed, developed and completed.

B.16 *B.19* The Group is equally owned by three individual shareholders, namely, Paul Attard, George Muscat and Adrian Muscat, through Gap Group Investments II Limited (C 75856).

B.17 Not Applicable: Neither the Issuer nor any of the Guarantors has sought the credit rating of an independent rating agency, and there has been no assessment by any independent rating agency of the Secured Bonds issued by the Issuer.

B.18 For the purposes of the joint and several guarantee granted by GLL and GML (the "**Guarantee**"), each of the Guarantors have irrevocably and unconditionally guaranteed to the Security Trustee, for the benefit of itself and the Bondholders, that if for any reason the Issuer fails to pay any sum payable by it to such Bondholder pursuant to the terms and conditions of the Secured Bonds as and when the same shall become due under any of the foregoing, it will pay to the Security Trustee on demand the indebtedness to the Security Trustee. The guarantee given by GML is a limited guarantee and is limited only to the value of the special hypothec it shall register for the benefit of Equinox International Limited, in its capacity as security trustee, over Block A to Block E forming part of the Mellieħa Development, presently being constructed and developed, or such parts thereof, as may be required depending on the rate of conversions of €40,000,000 4.25% Secured Bonds 2023 issued by the Issuer pursuant to a prospectus dated 16 September 2016 and carrying ISIN MT0001231209 (the "**Original Bonds**") to First Tranche Bonds. Should a special hypothec not be registered by GML over Block A to Block E of the Mellieħa Development, or any parts thereof, GML shall not be constituted as a guarantor of the Bonds and GLL shall be the sole guarantor.

The obligations of each Guarantor under the Guarantee shall remain in full force and effect until no sum remains payable to any Bondholder pursuant to the issue of the Secured Bonds.

SECTION C SECURITIES

C.1 The Issuer shall issue an aggregate of €40,000,000 in Secured Bonds having a face value of €100 per bond, subject to a minimum holding of €2,000 in Secured Bonds. The Secured Bonds shall be issued through the combination of two fungible tranches: the First Tranche Bonds and the Second Tranche Bonds, provided that the resultant combination of First Tranche Bonds and Second Tranche Bonds shall not exceed the aggregate amount of €40 million.

The First Tranche Bonds shall be issued up to a maximum of €40 million. The issue of the Second Tranche Bonds is subject to the Issuer exercising the Second Tranche Bond Option, namely, the option of the Issuer to issue up to an additional €20 million in Second Tranche Bonds in the event that the conversion of Original Bonds by the holders of Original Bonds as at 4 March 2019 ("**Eligible Applicants**") to the First Tranche Bonds does not result in the release of the full amount of approximately €18 million in the reserve account maintained by Equinox International Limited, in its capacity as security trustee for the benefit of the holders of Original Bonds (the "**Original Reserve Account**").

The Secured Bonds will be issued in fully registered and dematerialised form and will be represented in uncertificated form by the appropriate entry in the electronic register maintained on behalf of the Issuer at the CSD. On admission to trading the Secured Bonds will have the following ISIN:MT0001231217. The Secured Bonds shall bear interest at the rate of 3.65% per annum.

C.2 The Secured Bonds are denominated in Euro (€).

C.5 The Secured Bonds are freely transferable and, once admitted to the Official List, shall be transferable only in whole in accordance with the rules and regulations of the MSE applicable from time to time.

C.8 A Bondholder shall have such rights as are, pursuant to the Securities Note, attached to the Secured Bonds, including:

(i) the repayment of capital;
(ii) the payment of interest;
(iii) the benefit of the Security Interests through the Security Trustee, as explained in element E.3(3) below;
(iv) attend, participate in and vote at meetings of Bondholders in accordance with the terms and conditions of the Secured Bond; and
(v) enjoy all such other rights attached to the Secured Bonds emanating from the Prospectus.

Ranking

The Issuer shall at no point have in issue more than €60 million in bonds outstanding, whether in terms of the Original Bonds or Secured Bonds or a combination of the two. Depending on the rate of conversion of Original Bonds into First Tranche Bonds and the extent of Second Tranche Bonds that may be issued, holders of Original Bonds or Secured Bonds shall at all times remain secured for the nominal value of Bonds held by either cash collateral held in the reserve account by Equinox International Limited in its capacity as security trustee for the holders of Original Bonds (the "**Original Security Trustee**") or hypothecary rights over immovable property or a combination of the two.

The Secured Bonds shall be secured and Bondholders shall have the benefit of the Collateral. The extent and nature of the Collateral shall depend on a number of variables, principally the rate of conversion of Original Bonds into First Tranche Bonds and the consequent issue of Second Tranche Bonds.

Where all of the First Tranche Bonds are issued, the liability of the Issuer under the Original Bond shall have been discharged and a new liability under the First Tranche Bonds created. In this case, it is expected that all the funds available in the Original Reserve Account (expected to be approximately €18 million) shall be released to the Issuer and the Second Tranche Bond Option would not be exercised. The First Tranche Bonds shall in this case be secured by:

i. a first ranking general hypothec over all the assets of the Issuer for the full nominal value of the Secured Bonds and interest thereon over all the present and future property of the Issuer;

ii. a first ranking general hypothec over all present and future assets of GLL for the full nominal value of the Secured Bonds and interest thereon over all the present and future property of the Issuer;

iii. a first ranking special hypothec over the Luqa Development for the full nominal value of the Secured Bonds and interest thereon over all the present and future property of the Issuer;

iv. a first ranking special hypothec over Block A to Block E of the Mellieħa Development for the amount of €20.5 million and interest thereon;

v. a pledge on insurance proceeds; and

vi. the Guarantee.

In the event that not all of the Original Bonds are converted into First Tranche Bonds, and there accordingly remains outstanding Original Bonds in issue, those Original Bonds remaining outstanding shall be secured firstly by cash collateral standing to the credit of the Original Reserve Account. In the event that the nominal value of the Original Bonds remaining outstanding is higher than the amount standing to the credit of the Original Reserve Account, then the Original Bonds shall remain secured by a combination of the Original Reserve Account value and such parts of Block A to Block E of the Mellieħa Development that would cover the full nominal value of Original Bonds remaining outstanding. In these events the Secured Bonds will be secured by:

i. a second-ranking general hypothec over all the assets of the Issuer for the full nominal value of the Secured Bonds and interest thereon over all the present and future property of the Issuer;

ii. a first ranking general hypothec over all present and future assets of GLL for the full nominal value of the Secured Bonds and interest thereon over all the present and future property of the Issuer;

iii. a first ranking special hypothec over the Luqa Development for the full nominal value of the Secured Bonds and interest thereon over all the present and future property of the Issuer;

iv. a first ranking special hypothec over those parts of Block A to Block E of the Mellieħa Development which are not retained to cover the Original Bonds that remain outstanding;

v. a pledge on insurance proceeds; and

vi. the Guarantee.

Accordingly, the Bonds shall constitute the secured, general, direct, and unconditional secured obligations of the Issuer and the Guarantors, and shall rank with first priority and preference over all unsecured indebtedness of the Issuer and the Guarantors, if any. The Bonds shall also rank with first priority and preference over the hypothecated immovable property, pursuant to the special hypothecs to be registered by GLL over the Luqa Development and GML over Block A to Block E of Mellieħa Development, or parts thereof. The Issuer has also constituted a general hypothec as security for its obligations under the Bonds. Unless and until the first ranking general hypothec enrolled in the Public Registry with inscription number I 8717/2016, registered in favour of the Original Security Trustee is released, the Original Security Trustee as creditor of the Issuer and pursuant to the first-ranking general hypothec will be paid in preference to the Security Trustee acting for the benefit of Bondholders, in the case of a competition of creditors over the assets of the Issuer.

Limitation on rights

GGCL being the principal contractor engaged to construct and develop Blocks A to E of the Mellieħa Development and the Luqa Development has waived its rights to register a special privilege in terms of the Civil Code (Cap.16, laws of Malta) over such immovable properties. Whist this is intended to minimise the possibility that any real rights are created over the afore-mentioned developments that would have the effect of diminishing the value of the Security Interests registered in favour of the Security Trustee, there can be no guarantee that a sub-contractor conducting works on one or more of the afore-mentioned development does not constitute a special privilege according to law.

C.9 The issue and allotment of the Secured Bonds is conditional upon: (i) the Secured Bonds being admitted to the Official List of the MSE; and (ii) the Collateral being constituted in favour of the Security Trustee in accordance with the ranking set out in this Prospectus. Subject to the Bond Issue becoming unconditional, the Secured Bonds shall bear interest from and including 5 April 2019 at the rate of 3.65% per annum on the nominal value thereof, payable annually in arrears on each Interest Payment Date. The nominal value of the Secured Bonds will be repayable in full upon maturity on the Redemption Date unless they are previously re-purchased and cancelled. The first interest payment will be effected on 5 April 2020 at the rate of 3.65% per annum on the nominal value thereof, payable annually in arrears on each Interest Payment Date. Any Interest Payment Date which falls on a day other than a Business Day will be carried over to the next following day that is a Business Day. The gross yield calculated on the basis of the Interest, the Bond Issue Price and the Redemption Value of the Secured Bonds at Redemption Date is 3.65% per annum. The remaining component of Element C.9 is Not Applicable, given that no representative of debt security holders has been appointed.

C.10 Not Applicable: there is no derivative component in the interest payments on the Secured Bonds.

C.11 The Listing Authority has authorised the Secured Bonds as admissible to Listing pursuant to the Listing Rules by virtue of a letter dated 4 March 2019. Application has been made to the MSE for the Secured Bonds being issued pursuant to the Prospectus to be listed and traded on the Official List. The Secured Bonds are expected to be admitted to the MSE with effect from 15 April 2019 and trading is expected to commence on 16 April 2019.

SECTION D RISKS

D.2 Key information on the key risks specific to the Issuer:

Holding of a Secured Bond involves certain risks. Prospective investors should carefully consider with their own independent financial and other professional advisors, the following risk factors and other investment considerations as well as all the other information contained in the Prospectus before deciding to acquire Secured Bonds. Prospective Investors are warned that by investing in the Secured Bonds they may be exposing themselves to significant risks that may have the consequence of losing a substantial part of all of their investment.

This document contains statements that are, or may be deemed to be, "forward-looking statements", which relate to matters that are not historical facts and which may involve projections of future circumstances. They appear in a number of places throughout the Prospectus and include statements regarding the intentions, beliefs or current expectations of the Issuer and/or its' Directors. These forward looking statements are subject to a number of risks, uncertainties and assumptions and important factors that could cause actual risks to differ materially from the expectations of the Issuer's Directors. No assurance is given that the future results or expectations will be achieved. Prospective investors are advised to read the Prospectus in its entirety and, in particular, the sections entitled "Risk Factors" in the Registration Document and Securities Note, for an assessment of the factors that could affect the Issuer's and Guarantors' future performance.

The risk factors set out below are a summary of the principal risks associated with an investment in the Issuer and the Secured Bonds – there may be other risks which are not mentioned in this summary.

The following is a summary of some of the principal risks relating to the Group and its Business:

i. **The Issuer has a limited trading record and history of operations. Although the Issuer has experienced revenue growth since its inception from June 2016, it is substantially a start-up operation with all the attendant risks that start-ups normally entail. These risks include, but are not limited to, the lack of financial stability and risks of delays in completion of the Mellieħa Development and the Luqa Development as well as increased competitiveness in the property market.**

ii. **As a finance and holding company, the majority of the Issuer's assets consist of loans granted to the Guarantors and investments in the Guarantors and other subsidiaries. Consequently, the Issuer is largely dependent on the receipt of loan repayments and interest thereon and income derived from dividends receivable from the Guarantors and other Subsidiaries. In this respect, the operating results of the Guarantors and other Subsidiaries have a direct effect on the Company's financial position.**

iii. **The real estate market in Malta is very competitive in nature. An increase in supply and/or a reduction in demand in the property segments in which the Group operates and targets to sell the remaining units in stock and the properties being developed, may cause sales of units forming part of the developments of the Group to sell at prices which are lower than is being anticipated by the Group or that sales of such units are in fact slower than is being anticipated.**

iv. **The Group relies upon third-party service providers such as architects, building contractors and suppliers for the construction and completion of each of each of its developments. This gives rise to counter-party risks in those instances where such third parties do not perform in line with the Group's expectations and in accordance with their contractual obligations.**

v. **There are a number of factors that commonly affect the real estate development industry, many of which are beyond the Group's control, and which could adversely affect the economic performance and value of the Group's Projects. Such factors include changes in the general economic conditions in Malta and structural and oversupply of similar properties to those being developed by the Group.**

vi. **The Group may become liable for the costs of removal, investigation, or remediation of any hazardous or toxic substances that may be located on, or in or which may have migrated from, a property owned or occupied by it, which costs may be substantial.**

vii. **The valuations referred to in the Prospectus are prepared by an independent qualified architect who has made certain assumptions which ultimately may cause the actual values to be materially different from any future values.**

viii. **Delays in the time scheduled for completion of the Mellieħa Development and,or the Luqa Development may also cause significant delays in the tempo of the sales forecasted by the Group for units within the Mellieħa Development and,or the Luqa Development affected by such delay, which can have a significant adverse impact on the Group's financial condition and cash flows.**

D.3 Key information on the key risks specific to the Secured Bonds:

An investment in the Issuer and the Secured Bonds may not be suitable for all recipients of the Prospectus and prospective investors are urged to consult an independent investment advisor licensed under the Investment Services Act (Cap. 370 of the laws of Malta) as to the suitability or otherwise of an investment in the Secured Bonds before making an investment decision. The following is a summary of the principal risks associated with the Secured Bonds:

i. There can be no assurance that an active secondary market for the Bonds will develop, or, if it develops, that it will continue. Nor can there be any assurance that an investor will be able to sell or otherwise trade in the Secured Bonds at or above the Bond Issue Price or at all. A public trading market depends on a number of factors over which the Issuer has no control.

ii. Investment in the Secured Bonds involves the risk that subsequent changes in market interest rates may adversely affect the value of the Secured Bonds.

iii. A Bondholder will bear the risk of any fluctuations in exchange rates between the currency of denomination of the Secured Bonds (€) and the Bondholder's currency of reference, if different.

iv. No prediction can be made about the effect which any future public offerings of the Issuer's securities, or any takeover or merger activity involving the Issuer, will have on the market price of the Secured Bonds prevailing from time to time.

v. The Guarantee granted by GML and GLL is further supported by the Collateral over the Hypothecated Property. Whilst this grants the Security Trustee a right of preference and priority for repayment over the Hypothecated Property, there can be no guarantee that the value of the Hypothecated Property over the term of the Secured Bond will be sufficient to cover the full amount of interest and principal outstanding under the Bonds.

vi. The Guarantee given by GML is a limited guarantee and is restricted only to the value of the special hypothec over Block A to Block E forming part of the Mellieħa Development, presently being constructed and developed or such parts thereof as may be required depending on the rate of conversions of Original Bonds to First Tranche Bonds.

vii. Notwithstanding that the Guarantors have constituted first ranking security interests in favour of the Security Trustee, in terms of the Civil Code (Cap. 16 of the Laws of Malta), the debts of certain creditors are considered privileged creditors. The claims of privileged creditors will rank with priority over the general hypothecs and the special hypothecs constituted in favour of the Security Trustee for the benefit of Bondholders.

viii. The issue and allotment of the Secured Bonds is conditional upon the Secured Bonds being admitted to the Official List and on the Security Interests being constituted in favour of the Security Trustee. In the event that either of the aforesaid conditions is not satisfied, the Security Trustee shall return the Bond Issue proceeds to Bondholders.

ix. In the event that the Issuer wishes to amend any of the Terms and Conditions of the Bond Issue it shall call a meeting of Bondholders in accordance with the provisions of the Securities Note. These provisions permit defined majorities to bind all Bondholders including Bondholders who did not attend and vote at the relevant meeting and Bondholders who voted in a manner contrary to the majority.

SECTION E OFFER

E.2b The issue of the Secured Bonds is being made (i) in the case of the First Tranche Bonds, to facilitate the conversion of Original Bondholders' investment in the Original Bonds into the First Tranche Bonds; and (ii) depending on the rate of conversion from Original Bonds into First Tranche Bonds, for the purpose of raising of new capital to fund the development and completion of the Luqa Development through the issue of the Second Tranche Bonds and the settlement of all amounts outstanding under facility agreement granted by MeDirect Bank plc in favour of GLL (the "**MeDirect Facility**").

The First Tranche Bonds will be issued solely against the surrender and conversion of the Original Bonds and will accordingly not raise any new funds to the Issuer but may, subject to the rate of conversion, enable the Original Security Trustee to release funds from the Original Reserve Account of the Original Bond to the Issuer. Any funds so released will be used to settle (whether in part or in full, depending on the rate of conversion) the premium applicable on the transfer of the Original Bonds in exchange for First Tranche Bonds Bonds in proportion to the amount of Original Bonds so surrendered (the "**Exchangeable Bond Transfer"**) and Bond Issue expenses. The remaining balance shall be advanced by the Issuer to GLL for the settlement (whether in part or in full depending on the rate of conversion) of the MeDirect Facility and/or the development of the Luqa development.

The Security Trustee shall only release funds from the Original Reserve Account of the Original Bond which are in excess of the nominal value of Original Bonds which remain in issue, but shall otherwise retain amounts standing to the credit of the Original Reserve Account as cash collateral for the redemption of the nominal value of Original Bonds that remain outstanding and not converted into First Tranche Bonds. Provided that the nominal value of any Original Bonds remaining outstanding is covered by cash collateral held in the Original Reserve Account, the Original Security Trustee may release any other collateral securing the Original Bonds. In the event that, following the close of the Offer Period, there remain outstanding in nominal value Original Bonds in excess of the amount standing to the credit of the Original Reserve Account, the Original Security Trustee shall retain additional security over such parts of Blocks A to E of the Mellieħa Development, as would on the basis of independent valuations obtained by the Original Security Trustee, together with the cash collateral in the Original Reserve Account, provide sufficient collateral to cover the outstanding nominal value of the Original Bond still in issue.

The Second Tranche Bonds will only be issued (subject to a maximum of €20 million in nominal value), if and to the extent that the full amount standing to the credit of the Original Reserve Account under the Original Bond is not released to the Issuer but retained by the Original Security Trustee as cash collateral for the outstanding nominal value of the Original Bonds. In the event that the Issuer exercises the Second Tranche Bond Option and, accordingly, issues a maximum amount of €20 million in nominal value of Second Tranche Bonds, the proceeds which, net of Bond Issue expenses are expected to amount to approximately €19.4 million, will be used by the Issuer for the following purposes, in the amounts and priority set out below:

i. A maximum amount of €5.2 million shall be on-lent by the Issuer to GLL to be utilised by GLL to settle all amounts outstanding under the MeDirect Facility; and

ii. A maximum amount of €14.2 million shall be on-lent by the Issuer to GLL for the development and completion of the Luqa Development.

E.3 Allocation of First Tranche Bonds and Second Tranche Bonds

The First Tranche Bonds shall be available for subscription by Eligible Applicants during the Offer Period. Eligible Applicants wishing to subscribe for the First Tranche Bonds during the Offer Period shall be required to surrender their Original Bonds to the Issuer in consideration of the subscription for First Tranche Bonds. The Issuer may issue up to an additional €20 million in Second Tranche Bonds having a nominal value of €100 per Bond in the event that the conversions by Eligible Applicants from Original Bonds to the First Tranche Bonds does not result in the release of the full amount of approximately €18 million in the Original Reserve Account, and, accordingly, the partial funding of the development and construction of the Luqa Development and the repayment of the MeDirect Facility will not be financed from the conversions of Original Bonds to First Tranche Bonds.

The Second Tranche Bonds shall first be available for subscription by Eligible Applicants who have surrendered ALL their Original Bonds in favour of the Issuer in consideration for First Tranche Bonds by virtue of the Exchangeable Bonds Transfer, secondly to Eligible Applicants who have surrendered PART of their Original Bonds in favour of the Issuer in consideration for First Tranche Bonds by virtue of the Exchangeable Bonds Transfer and thirdly to Applicants who have subscribed for Second Tranche Bonds, subject of an Intermediaries' Offer.

The following is a synopsis of the general terms and conditions applicable to the Secured Bonds. A Bondholder is deemed to have invested only after having received, read and understood the contents of the Prospectus, including the full terms and conditions contained in the annexes thereto:

1. *Form, Denomination and Title*
   The Secured Bonds will be issued in fully registered and dematerialised form and will be represented in uncertificated form by the appropriate entry in the electronic register maintained on behalf of the Issuer at the CSD. The Secured Bonds will be issued without interest coupons, in denominations of any integral multiple of €100 provided that on subscription the Secured Bonds will be issued for a minimum of €2,000 per individual Bondholder. Authorised Financial Intermediaries subscribing to the Secured Bonds through nominee accounts for and on behalf of clients shall apply the minimum subscription amount of €2,000 to each underlying client. Any person in whose name a Secured Bond is registered may (to the fullest extent

permitted by applicable law) be deemed and treated at all times, by all persons and for all purposes (including the making of any payments) as the absolute owner of such Secured Bond. Title to the Secured Bonds may be transferred as provided in the Securities Note.

2. *Interest*
Details of interest payable on the Secured Bonds is provided in Element C.9 of this Summary Note.

3. *Status of the Secured Bonds and Security*
The Secured Bonds, as and when issued and allotted, shall constitute the general, direct, unconditional and secured obligations of the Issuer and the Guarantors, and shall at all times rank *pari passu*, without any priority or preference among themselves and, save for such exceptions as may be provided by applicable law, with priority or preference to all other present and future unsecured obligations of the Issuer GLL and GML (up to the amount of GML's limited guarantee) except with respect to the rights of Original Bondholders under the first-ranking general hypothec constituted in favour of the Original Security Trustee for the benefit of Original Bondholders. The Bonds shall also rank with first priority and preference over the Hypothecated Property, pursuant to the special hypothecs to be registered by GLL and GML over the Hypothecated Property. The Secured Bonds shall also be guaranteed, in respect of both the interest and the principal amount due, by the Guarantors in terms of the Guarantee.

Details of the Security Interests to be constituted in favour of the Security Trustee for the benefit of Bondholders is provided in Element C.8 of this Summary Note.

4. *Payments*
Payment of the principal amount of a Secured Bond will be made in Euro by the Issuer to the person in whose name such Secured Bonds are registered, with interest accrued up to the Redemption Date, by means of direct credit transfer into such bank account as the Bondholder may designate from time to time. Such payment shall be effected within seven (7) days of the Redemption Date. Payment of interest on a Secured Bond will be made to the person in whose name such Secured Bond is registered at the close of business fifteen (15) days prior to the Interest Payment Date, by means of a direct credit transfer into such bank account as the Bondholder may designate, from time to time. Such payment shall be effected within seven (7) days of the Interest Payment Date.

5. *Redemption*
Unless previously purchased and cancelled, the Secured Bonds will be redeemed at their nominal value (together with interest accrued to the date fixed for redemption) on 5 April 2022.

6. *Events of Default*
Pursuant to the Trust Deed, the Security Trustee may in its absolute and uncontrolled discretion, and shall upon the request in writing of not less than 75% in value of the Bondholders, declare the Secured Bonds to have become immediately due and repayable at their principal amount together with accrued interest, upon the happening of any of the following events: (i) the Issuer shall fail to pay any interest and/or principal on any Secured Bond when due; or (ii) the Issuer shall be in breach of any material obligation contained in the Prospectus and such failure continues for sixty (60) days after written notice thereof shall have been given to the Issuer by a Bondholder; or (iii) a judicial process is levied against any part of the Issuer's property and is not discharged within one month; or (iv) the Issuer stops to pay its debts or ceases or threatens to cease to carry on its business; or (v) the Issuer or a Guarantor is unable to pay its debts within the meaning of section 214(5); or (vi) a judicial or provisional administrator is appointed upon the whole or any part of the property of the Issuer or a Guarantor; or (vii) an order is made or an effective resolution is passed for winding up of the Issuer or a Guarantor; or (viii) the Issuer or a Guarantor substantially changes the object or nature of business as currently carried on; or (ix) the Issuer or a Guarantor commits a material breach of any of the covenants or provisions contained in the trust deed; or (x) the security constituted by any charge upon the whole or any part of the undertaking or assets of the Issuer or a Guarantor shall become enforceable; or (xi) any representation or warranty made or deemed to be made is or proves to have been incorrect in the sole opinion of the Security Trustee; or (xii) any default occurs relating to any financial indebtedness of the Issuer or a Guarantor in excess of €1 million; or (xiii) any consent required by the Issuer or a Guarantor in connection with the Projects is substantially modified in the sole opinion of the Security Trustee; or (xiv) it becomes unlawful at any time for the Issuer or any Guarantor to continue with the development of the Projects; or (xv) the Issuer or a Guarantor repudiates the Bonds and/or the Trust Deed; or (xvi) all or a material part of the ownership interests in the Issuer or a Guarantor are seized, nationalised, expropriated or compulsorily acquired by or under the authority of any government.

7. *Transferability of the Secured Bonds*
The Secured Bonds are freely transferable and, once admitted to the Official List shall be transferable only in whole in accordance with the rules and regulations of the MSE applicable from time to time. All transfers and transmissions are subject in all cases to any pledge (duly constituted) of the Secured Bonds and to any applicable laws and regulations. The cost and expenses of effecting any registration of transfer or transmission, except for the expenses of delivery by any means other than regular mail (if any) and except, if the Issuer shall so require, the payment of a sum sufficient to cover any tax, duty or other governmental charge or insurance charges that may be imposed in relation thereto, will be borne by the Issuer. The Issuer will not register the transfer or transmission of Secured Bonds for a period of fifteen (15) days preceding the due date for any payment of interest on the Secured Bonds.

8. *Register of Bondholders*
Certificates will not be delivered to Bondholders in respect of the Secured Bonds in virtue of the fact that the entitlement to Secured Bonds will be represented in an uncertificated form by the appropriate entry in the electronic register maintained on behalf of the Issuer by the CSD.

9. *Further Issues*
The Issuer may, from time to time, without the consent of the Bondholders, create and issue further debentures, debenture stock, bonds, loan notes, or any other debt securities either having the same terms and conditions as any outstanding debt securities of any series (including the Secured Bonds) and so that such further issue shall be consolidated and form a single series with the outstanding debt securities of the relevant series (including the Secured Bonds) or upon such terms as the Issuer may determine at the time of their issue, provided that no issue may be made that would rank senior to the Secured Bonds in respect of the Security Interest.

10. *Meetings of Bondholders*
The Terms and Conditions of the Secured Bonds may be amended or waived with the approval of the Bondholders at a meeting called for that purpose by the Issuer through the Security Trustee.

11. *Governing Law and Jurisdiction*
The Secured Bonds shall be governed by and shall be construed in accordance with Maltese law. Any legal action, suit, action or proceeding against the Issuer and/or the Guarantors arising out of or in connection with the Secured Bonds shall be brought exclusively before the Maltese Courts and the Bondholder shall be deemed to acknowledge that it is submitting to the exclusive jurisdiction of the Maltese Courts as aforesaid.

E.4 No person has any interest that is material to the Bond Issue.

E.7 Professional fees, and costs related to publicity, advertising, printing, listing, registration, sponsor, management, registrar fees, selling commission, and other miscellaneous expenses in connection with this Bond Issue are estimated not to exceed €600,000.

TIMETABLE

1.	Application Forms mailed to Eligible Applicants	6 March 2019
2.	Closing of Offer Period	26 March 2019
3.	Intermediaries' Offer	29 March 2019
4.	Commencement of interest on the Secured Bonds	5 April 2019
5.	Expected date of announcement of basis of acceptance	5 April 2019
6.	Expected date of constitution of Security	12 April 2019
7.	Refunds of unallocated monies	12 April 2019
8.	Expected date of admission of the securities to listing	15 April 2019
9.	Expected dispatch of allotment advices	16 April 2019
10.	Expected date of commencement of trading in the securities	16 April 2019