



GAP GROUP PLC

COMPANY ANNOUNCEMENT

Issue of €40,000,000 Gap Group p.l.c. 3.65% Secured Bonds 2022

The Board of Directors of Gap Group p.l.c. (the “**Company**”) hereby announces that the Company has received regulatory approval for the issue of €40,000,000 Gap Group p.l.c. 3.65% Secured Bonds 2022, having a nominal value of €100 per Bond and issued at par (the “**New Gap Bonds**”). The Bonds are being issued in two fungible tranches at par (“**First Tranche Bonds**” and “**Second Tranche Bonds**” and collectively the “**Secured Bonds**”) as explained in further detail hereunder.

The issue of the Secured Bonds is being made (i) in the case of the First Tranche Bonds, to facilitate the conversion of Eligible Applicants’ 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 new capital to fund the development and completion of the development in Luqa through the issue of the Second Tranche Bonds and the settlement of all amounts outstanding under the bank facility granted to Gap Luqa Limited by MeDirect Bank (Malta) plc.

First Tranche Bonds

The First Tranche Bonds are exclusively available for subscription by holders of the €40 million Gap Group p.l.c. 4.25% Secured Bonds 2023 (“**Original Bonds**”) appearing on the register as at 4 March 2019 (“**Eligible Applicants**”). The issue of the First Tranche Bonds is essentially an Exchangeable Bond Transfer and, accordingly, 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 Company but may, subject to the rate of conversion, enable the security trustee of the Original Bonds to release funds from the reserve account to the Company.

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 Exchangeable Bond Transfers and bond issue expenses, and the remaining balance shall be advanced to re-finance (whether in full or in part) the bank facility with MeDirect Bank (Malta) plc and/or the development of the Luqa development. Any remaining capital expenditure on the said project will be financed from proceeds receivable on signing of sale contracts.

GAP GROUP P.L.C.

Company Registration Number C75875

GAP Holdings Head Office, Censu Scerri Street, Tigné Sliema SLM 3060, Malta

Tel: +356 2327 1000, E-Mail: info@gap.com.mt, Web: www.gap.com.mt

In this respect, the Company is inviting Eligible Applicants to subscribe to the First Tranche Bonds by surrendering all or part of their respective Original Bonds, and in so doing, shall benefit from a premium of 5% on the nominal value of Original Bonds being surrendered. The premium shall be paid by the Company following the unconditional allocation of the First Tranche Bonds and shall take the form of either: (i) an allocation of an equivalent amount of Second Tranche Bonds, if available¹; or (ii) paid by the Company through a direct bank transfer.

Currently, there are €40 million in nominal value of outstanding Original Bonds. In the event that all of the Original Bonds are converted into First Tranche Bonds, all the funds in the reserve account (approximately €18 million) will be released to the Company and no Second Tranche Bonds will be issued. The Security Trustee will only release funds from the 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 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.

Second Tranche Bonds

The Company will only issue Second Tranche Bonds up to a maximum amount of €20 million, if and to the extent that the full amount standing to the credit of the reserve account is not released to the Company but retained by the security trustee as cash collateral for the outstanding nominal value of the Original Bonds. Second Tranche Bonds are available for subscription by Eligible Applicants and the general public. The Second Tranche Bonds will be used to re-finance the MeDirect Bank (Malta) plc loan and to part-fund the development and completion of the Luqa Development. Any remaining capital expenditure on the said project will be financed from proceeds receivable on signing of sale contracts.

Moreover, Eligible Applicants have the option to receive settlement of the premium, referred to above, through the allocation of an equivalent amount of Second Tranche Bonds, subject to availability and rounded down to the nearest €100. The issue of the Second Tranche Bonds is at the discretion of the Company and, accordingly, should it elect not to issue the Second Tranche Bonds, the premium will be fully payable by direct credit bank transfer.

¹ The issue of the Second Tranche Bonds is at the discretion of the Company. Should the Company not issue Second Tranche Bonds, any unsettled premium will be paid by the Company by direct credit into the bank account indicated by the Eligible Applicant.

Full details of the New Gap Bonds are set out in the Prospectus dated 4 March 2019 which will be available on the Company's website (www.gap.com.mt) from 6 March 2019. Copies of the Prospectus may be obtained from Authorised Financial Intermediaries specified in the Prospectus as from 11 March 2019. Application forms will be mailed to Eligible Applicants on 6 March 2019, while application forms for other investors will be available from Authorised Financial Intermediaries as from 11 March 2019.



Paul Attard
Company Secretary

4 March 2019

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