

GAP GROUP p.l.c.

CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

30th JUNE 2025

CONTENTS	PAGE
Directors' Report	1 - 4
Income Statement & Statement of Comprehensive Income	5
Statement of Financial Position	6 - 7
Statement of Changes in Equity	8
Statement of Cash Flows	9
Notes to the Financial Statements	10 - 12

DIRECTORS' REPORT

FOR THE PERIOD ENDED 30th JUNE 2025

Interim Directors' report pursuant to Capital Market Rules 5.75.2

This interim report is published in terms of the Capital Market Rules issued by the Listing Authority and the Prevention of Financial Market Abuse Act 2005. The underlying accounting policies are the same as those adopted by GAP Group p.l.c (the 'Company') in its published annual report.

The interim financial information included in this report has been extracted from the Company's unaudited accounts for the six months ended 30 June 2025, as approved by the Board of Directors on the 25 August 2025 and are prepared in accordance with IAS 34 'Interim Financial Reporting'.

Principal Activities

The principal activity of Gap Group p.l.c. is to hold investments in subsidiary companies and to raise financial resources from the capital markets to finance its investments and the property development projects of its subsidiaries. The principal activity of the Group is to acquire, develop and dispose of immovable property and to construct, develop and enter into arrangements with contractors and other service providers in connection with its properties. The directors do not envisage any changes to the Company's and Group's principal activities in the foreseeable future.

Review of business

Works on the developments progressed well and within the scheduled time frames. The Group continued to sign new preliminary agreements at a steady pace whilst a promising number of contracts from its various projects were signed during the financial period under review.

Mulberry Park

Works on the Mulberry Park in Qawra started in December 2020 and progressed at a steady pace. The project consists of 93 residential units and was completed during 2023.

At the end of the period, the company has contracted all the residential units and 103 garages.

The company held 59 garages in stock, 16% of which were subject to a promise of sale.

The Pantheon

Works on The Pantheon development in Mosta started in December 2020 and progressed at a steady pace. The project is split in 3 different Zones and consists of 114 residential units.

As at 30 June 2025, out of the 110 residential units, 108 units have been contracted and a further 2 units were subject to a promise of sale agreement. This means that 100% of the units were committed, out of which 98% have been contracted.

By the period end, the company has also contracted 98 garages and held 59 in stock, 22% of which were subject to a promise of sale agreement.

DIRECTORS' REPORT - continued

Seaberry Park

Works on Seaberry Park development in Qawra started in early 2022 and were fully completed by the end of 2023. The project consists of 113 units and 185 garages.

As at 30 June 2025, all the residential units were contracted.

By the end of June 2025 the company has also contracted 95 garages and held 90 in stock, 17% of which were subject to promise of sale.

Sunflower Living

During 2023, the company acquired a plot of land in Qawra through one of its subsidiaries. The project consists of 59 units and 59 garages.

As at 30 June 2025, out of 59 residential units, 58 units were subject to a Preliminary Agreement. This means that 98% of the units have been committed.

By the end of June 2025, out of 59 garages, 41 garages were under promise of sale agreement. Thus 69% of the garages are committed.

Pier Points

Works on Pier Points in Marsaskala commenced in January 2023 and are advancing according to schedule. The project consists of 154 residential units, 2 commercial units and 188 garages. As at 30 June 2025, excavation was 100% complete, construction was 85% complete whereas finishes were 55%.

The first phase of the project, consisting of 57 residential units, was successfully launched on the market during the month of July 2025 and as at the date of this report, the company has already signed more than 30 promise of sale agreements.

DIRECTORS' REPORT - continued

Bonds in issue

At the end of the period, the company had one bond in issue, namely the GAP Group p.l.c. 4.75% Secured Bonds 2025 - 2027.

On 11 April 2024, the company redeemed in full the remaining balance of the GAP Group p.l.c. 3.7% Secure Bonds 2023-2025, amounting to €5,792,000. Furthermore, on 30 December 2024, the company redeemed in full the remaining balance of the GAP Group p.l.c 3.9% Secured Bonds 2024-2026, amounting to €15,472,000.

As at 30 June 2025 the aggregate amount of bonds in issue amounted to €21,649,242 being the GAP Group p.l.c. 4.75% Secured Bonds 2025-2027.

Reserve Account

Pursuant to the bond prospectus of the 4.75% Secured Bonds 2025 - 2027 a reserve account had been created by the Security Trustee to cover for the redemption of the three bonds. All sales of units forming part of the hypothecated property in favour of the bond issue shall be made on condition that these units are freed from hypothecary rights and privileges against an agreed amount from the sale proceeds being deposited in the said Reserve Accounts.

By 30 June 2024, the Reserve Account of the 4.75% Secured Bonds 2025 – 2027 carried a balance of €50,000.

Principal risks and uncertainties

Although the development works of the afore-mentioned projects and the securing of new sales by way of preliminary agreements are progressing as planned, the company is still subject to several financial risk factors including the market, economic, counter-party, credit and liquidity risks amongst others that may affect the projects and their timely completion. Additionally, the directors are monitoring closely inflationary risks resulting from the conflict in Ukraine and the Middle-East. The directors are confident that the company has robust measures in place to mitigate the likely possible effects of inflationary pressures. Where possible, the board provides principles for the overall risk management as well as policies to mitigate these risks in the most prudent way.

Results and dividends

The results for the period ended 30th June 2025 are shown in the Statement of Comprehensive income on page 5. The Group registered a profit for the period after tax amounting to €2,231,480 (January to June 2024 €7,789,045), while the Company registered a profit of €90,078 (January to June 2024 €21,148).

The directors do not recommend the payment of a dividend.

Directors

The directors of the Company who held office during the period were:

Paul Attard (Executive Director and Company Secretary)
Adrian Muscat (Executive Director)
Francis Gouder (Non-Executive Director)
Mark Castillo (Non-Executive Director)
Dr Chris Cilia (Non-Executive Director)
Justin Cutajar (Non-Executive Director)

The Company's Articles of Association do not require any directors to retire.

The Company's Secretary is Mr Paul Attard.

DIRECTORS' REPORT - continued

Statement of Directors' responsibilities

The directors are required by the Companies Act (Chap. 386) to prepare financial statements in accordance with International Financial Reporting Standards as adopted by the EU which give a true and fair view of the state of affairs of the company at the end of each financial year and of the profit or loss of the company for the year then ended. In preparing the financial statements, the directors should:

- Ensure that the financial statements have been drawn up in accordance with International Financial Reporting Standards as adopted by the European Union;
- Adopt the going concern basis unless it is inappropriate to presume that the company will continue in business;
- Value separately the components of assets and liabilities;
- Select suitable accounting policies and apply them consistently;
- Make judgements and estimates that are reasonable and prudent;
- Account for income and charges relating to the accounting period on the accruals basis;
- Report comparative figures corresponding to those of the preceding accounting period.

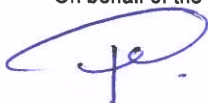
The directors are responsible for ensuring that proper accounting records are kept which disclose with reasonable accuracy at any time the financial position of the company and which enable the directors to ensure that the financial statements comply with the Companies Act (Chap. 386). This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error. The directors are also responsible for safeguarding the assets of the company, and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Directors' Statement pursuant to Capital Markets Rule 5.75.3

The directors confirm that to the best of their knowledge:

- The condensed interim financial statements, which have been prepared in accordance with IAS 34 Interim Financial Reporting give a true and fair value of the financial position of the company as at 30 th June 2025, and its financial performance and cash flows for the period then ended.
- The Interim Directors' report includes a fair review of the information required in terms of Capital Market Ruled 5.81-5.84.

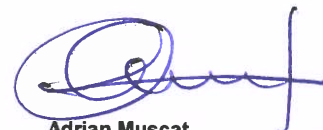
On behalf of the Board of Directors:



Paul Attard
Director

Plan Group, Head Office,
Triq Il-Wirt Naturali,
Bahar Ic-Caghaq,
Naxxar

Date : 25 August 2025



Adrian Muscat
Director

INCOME STATEMENT

FOR THE PERIOD ENDED 30th JUNE 2025

	Group		Company	
	2025	2024	2025	2024
	Jan - June	Jan - June	Jan - June	Jan - June
	€	€	€	€
Revenue	7,534,250	27,678,299	-	-
Cost of sales	(4,390,322)	(16,440,056)	-	-
Gross Profit	3,143,928	11,238,243	-	-
Administrative expenses	(530,696)	(1,456,502)	(111,434)	(136,348)
Operating profit / (loss)	2,613,232	9,781,741	(111,434)	(136,348)
Finance costs	-	(60,622)	(611,913)	(1,192,559)
Finance income	214,602	229,019	824,316	1,360,946
Profit before taxation	2,827,834	9,950,138	100,969	32,039
Tax expense	(596,354)	(2,161,093)	(10,891)	(10,891)
Profit for the period	2,231,480	7,789,045	90,078	21,148

STATEMENT OF COMPREHENSIVE INCOME

Other comprehensive income

Reserve arising on revaluation of investments and amortised cost of interest free long term loan receivable

51,140	268,788	(2,200)	217,500
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Other comprehensive profit/(loss) for the period

51,140	268,788	(2,200)	217,500
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Total Comprehensive Income

2,282,620	8,057,833	87,878	238,648
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Earnings per share

0.89	3.12	0.04	0.01
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STATEMENT OF FINANCIAL POSITION - 30th JUNE 2025

	Group		Company	
	2025	2024	2025	2024
	Jan - June €	Jan - Dec €	Jan - June €	Jan - Dec €
ASSETS				
Non-current assets				
Property, plant and equipment	-	1	-	1
Investment in subsidiaries	-	-	34,344,774	34,344,774
Investments	6,710,959	3,751,000	6,710,959	3,751,000
Loans and other receivables	7,200,169	9,842,989	4,479,840	7,176,000
	<u>13,911,128</u>	<u>13,593,990</u>	<u>45,535,573</u>	<u>45,271,775</u>
Current assets				
Inventory - Development project	50,626,289	49,771,608	-	-
Trade and other receivables	12,159,839	11,973,135	7,323,324	39,388,784
Cash and cash equivalents	8,149,713	9,702,839	4,919,638	3,952,564
Income Tax refundable	26,708	-	-	-
	<u>70,962,549</u>	<u>71,447,582</u>	<u>12,242,962</u>	<u>43,341,348</u>
Total Assets	<u>84,873,677</u>	<u>85,041,572</u>	<u>57,778,535</u>	<u>88,613,123</u>

STATEMENT OF FINANCIAL POSITION - 30th JUNE 2025 (continued)

	Group		Company	
	2025	2024	2025	2024
	Jan - June	Jan - Dec	Jan - June	Jan - Dec
	€	€	€	€
EQUITY AND LIABILITIES				
Capital and reserves				
Share capital	2,500,000	2,500,000	2,500,000	2,500,000
Subordinated shareholders' loan - Quasi equity	2,500,000	2,500,000	2,500,000	2,500,000
Revaluation reserve	591,100	539,960	(99,178)	(96,978)
Retained earnings	47,407,735	45,176,255	6,904,882	6,814,804
Total equity	52,998,835	50,716,215	11,805,704	11,717,826
Non-current liabilities				
Other financial liabilities	4,907	4,907	-	-
Debt securities in issue	6,649,242	7,857,686	6,649,242	7,857,686
Total non-current liabilities	6,654,149	7,862,593	6,649,242	7,857,686
Current liabilities				
Bank loans	5,368,089	5,320,020	-	-
Debt securities in issue	15,000,000	15,000,000	15,000,000	15,000,000
Trade and other payables	4,852,604	6,078,289	687,890	205,813
Other financial liabilities	-	-	23,631,389	53,740,635
Taxation due	-	64,455	4,310	91,163
Total current liabilities	25,220,693	26,462,764	39,323,589	69,037,611
Total liabilities	31,874,842	34,325,357	45,972,831	76,895,297
Total equity and liabilities	84,873,677	85,041,572	57,778,535	88,613,123

The financial information on pages 5 to 9 were approved by the board of directors and were signed on its behalf by:



Paul Attard
Director

Date : 25 August 2025



Adrian Muscat
Director

STATEMENT OF CHANGES IN EQUITY

FOR THE PERIOD ENDED 30th JUNE 2025

	Share Capital €	Quasi Equity €	Revaluation Reserve €	Retained earnings €	Total €
Group					
Balance at 1st January 2024	2,500,000	2,500,000	286,684	30,830,042	36,116,726
Comprehensive income					
Profit for the year	-	-	-	14,346,213	14,346,213
Revaluation reserve	-	-	253,276	-	253,276
Balance at 31st December 2024	2,500,000	2,500,000	539,960	45,176,255	50,716,215
Balance at 1st January 2025	2,500,000	2,500,000	539,960	45,176,255	50,716,215
Comprehensive income					
Profit for the period	-	-	-	2,231,480	2,231,480
Revaluation reserve	-	-	51,140	-	51,140
Balance at 30th June 2025	2,500,000	2,500,000	591,100	47,407,735	52,998,835
Company					
Comprehensive income					
Balance at 1st January 2024	2,500,000	2,500,000	(247,678)	6,684,012	11,436,334
Profit for the year	-	-	-	130,792	130,792
Revaluation reserve	-	-	150,700	-	150,700
Balance at 31st December 2024	2,500,000	2,500,000	(96,978)	6,814,804	11,717,826
Balance at 1st January 2025	2,500,000	2,500,000	(96,978)	6,814,804	11,717,826
Comprehensive income					
Profit for the period	-	-	-	90,078	90,078
Revaluation reserve	-	-	(2,200)	-	(2,200)
Balance at 30th June 2025	2,500,000	2,500,000	(99,178)	6,904,882	11,805,704

STATEMENT OF CASH FLOWS

FOR THE PERIOD ENDED 30th JUNE 2025

	Group		Company	
	2025	2024	2025	2024
	Jan - June	Jan - June	Jan - June	Jan - June
	€	€	€	€
Cash flows from operating activities				
Net profit before taxation	2,827,834	9,950,138	100,969	32,039
Adjustments for:				
Depreciation	-	6,405	-	-
Finance income	(214,602)	(229,019)	(824,316)	(1,360,946)
Finance cost	-	60,622	611,913	1,192,559
Fair value gain / (loss) on interest free long term receivable	51,140	268,788	(2,200)	217,500
Operating profit / (loss) before working capital	2,664,372	10,056,934	(113,634)	81,152
Trade and other receivables	(186,704)	(145,691)	32,065,460	40,185,145
Inventory - Development Project	(854,681)	10,284,816	-	-
Trade and other payables	(1,225,685)	(1,766,705)	24,113,466	14,532,314
Cash generated from operations	397,302	18,429,354	56,065,292	54,798,611
Finance cost	-	(60,622)	(611,913)	(1,192,559)
Income tax paid	(687,517)	(2,296,599)	(97,742)	(132,197)
Net cash from operating activities	(290,215)	16,072,133	55,355,637	53,473,855
Cash flows from investing activities				
Loans and other receivables	2,642,820	2,774,518	2,696,160	2,825,806
Proceeds from sale of fixed assets	1	(719)	-	-
Investments (net)	(2,959,959)	(6,469,141)	(2,959,959)	(6,469,141)
Finance income	214,602	229,019	824,316	1,360,946
Net cash (used in) / from investing activities	(102,536)	(3,466,323)	560,517	(2,282,389)
Cash flows from financing activities				
Bank loans (net)	48,069	(578,525)	-	(1,250,188)
Bonds and debentures	(1,208,444)	(10,699,891)	(1,208,445)	(10,699,892)
Other financial liabilities	-	-	(53,740,635)	(35,385,433)
Net cash (used in) financing activities	(1,160,375)	(11,278,416)	(54,949,080)	(47,335,513)
Movement in cash and cash equivalents	(1,553,126)	1,327,394	967,074	3,855,953
Cash and cash equivalents at beginning of the period	9,702,839	11,311,636	3,952,564	5,486,724
Cash and cash equivalents at end of the period	8,149,713	12,639,030	4,919,638	9,342,677

NOTES TO THE FINANCIAL STATEMENTS - 30th JUNE 2025

1 General information

GAP Group p.l.c. (the "Company") is a limited liability company and is incorporated in Malta, with its registered address at PLAN Group Head Office, Triq il-Wirt Naturali, Bahar Ic - Caghaq, Malta.

The parent company of Gap Group p.l.c. is Gap Group Investments II Limited, a company registered in Malta, with its registered address at PLAN Group Head Office, Triq il-Wirt Naturali, Bahar Ic - Caghaq, Malta.

2 Summary of material accounting policies

2.1 Basis of preparation

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union (EU) with the requirements of the the Maltese Companies Act, 1995. The financial statements are prepared under the historical cost convention, except as disclosed in the accounting policies below.

The preparation of financial statements in conformity with IFRSs requires the use of certain accounting estimates. It also requires directors to exercise their judgements in the process of applying the company's accounting policies. Estimates and judgements are continually evaluated and based on historical experience and other factors including expectations of future events that are believed to be reasonable under the circumstances.

In the opinion of the directors, the accounting estimates and judgements made in the course of preparing these financial statements are not difficult, subjective or complex to a degree which would warrant their description as critical in terms of the requirements of IAS 1.

2.2 Consolidation

Subsidiary undertakings, which are those companies in which the Group, directly or indirectly, has an interest of more than one half of the voting rights or otherwise has power to govern the financial and operating policies have been consolidated. Subsidiaries are consolidated from the date on which effective control is transferred to the Group and are no longer consolidated from the date of disposal. Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group. The Group's financial statements include the financial statements of the parent Company and all its subsidiaries.

In the Company's financial statements investments in subsidiaries are accounted for on the basis of the direct equity interest and are stated at cost less any accumulated impairment losses. Dividends from investments are recognised in the profit or loss.

The Group accounts for business combinations using the acquisition method when control is transferred to the Group. The consideration transferred in the acquisition is measured at fair value as are the identifiable net assets acquired.

NOTES TO THE FINANCIAL STATEMENTS - 30th JUNE 2025

2 Summary of material accounting policies

2.3 Inventory - Development project

The main object of the Company is the development of land acquired for development and resale. This development is intended in the main for resale purposes, and is accordingly classified in the financial statements as Inventory. Any elements of a project which are identified for business operation or long-term investment properties are transferred at their carrying amount to Property, plant and equipment or investment properties when such identification is made and the cost thereof can reliably be segregated.

The development is carried at the lower of cost and net realisable value. Cost comprises the purchase cost of acquiring the land together with other costs incurred during its subsequent development, including:

- (i) The cost incurred on development works, including demolition, site clearance, excavation, construction, etc., together with the costs of ancillary activities such as site security.
- (ii) The cost of various design and other studies conducted in connection with the project, together with all other expenses incurred in connection therewith.
- (iii) Any borrowing costs, including imputed interest, attributable to the development phases of the project.

The purchase cost of acquiring the land represents the cash equivalent of the contracted price. This was determined at date of purchase by discounting to present value the future cash outflows comprising the purchase consideration.

Net realisable value is the estimated selling price in the ordinary course of business, less the costs of completion and selling expenses.

As stated in note 2.2 the Group accounts for business combinations using the acquisition method. Accordingly, at group level, the identifiable net assets acquired, including inventory held by the newly-acquired subsidiary, are measured at fair value as at date of acquisition of subsidiary. Therefore, at consolidated group level, inventory cost represents the fair value of inventory held by the acquired subsidiary as at date of acquisition of subsidiary, together with additional development and borrowing costs incurred following date of acquisition.

3 Borrowings

As at 30 June 2025, GAP Group p.l.c held one bond, the 4.75% Secured Bonds 2025 – 2027.

The €23,000,000 million 4.75% Secured Bonds are redeemable at par at any date falling between 22 December 2025 and 21 December 2027 at the sole discretion of the Issuer.

The 3.7% Secured Bonds 2023-2025 were fully redeemed on 11 April 2024.

The 3.9% Secured Bonds 2024 - 2026 were fully redeemed on 30 December 2024.

As at 30 June 2025, the proceeds from the bond issued was equal to €21,649,242. The bond is secured for the full nominal value of the Secured Bonds and interests thereon as follows:

- i. Second ranking general hypothec over all the assets of the Issuer and over all the present and future property of the Issuer.
- ii. First ranking general hypothec over all the present and future assets of the Company and of GAP Zonqor Limited.
- iii. First ranking special hypothec over all present and future assets of the Company and over the Zonqor projects of GAP Zonqor Limited.

NOTES TO THE FINANCIAL STATEMENTS - 30th JUNE 2025

4 Transactions with related parties

All companies forming part of GAP Group p.l.c. are considered by the directors to be part of the group of Companies. Companies having the same shareholders and directors are considered by the directors to be related parties.

During the course of the period ended 30th June 2025, the Company entered into transactions with related undertakings all of which arose in the ordinary course of business.

5 Financial risk management

The Company's financial risk management objectives and policies are consistent with those disclosed in the financial statements for the year ended 31st December 2024.