

JUEL GROUP P.L.C.

INDEPENDENT ACCOUNTANT
REPORT AND PRO FORMA
CONSOLIDATED FINANCIAL
INFORMATION

FOR THE YEAR ENDED
31.12.2022

Table of Contents

Independent accountant report	I - III
Purpose of the pro forma consolidated financial information	2
Basis of Preparation of the Pro Forma Consolidated Financial Information	3
Pro Forma Consolidated Statement of Financial Position	4
Notes to the Pro Forma Consolidated Financial Information	5-14
Statement of Pro Forma Adjustments.....	15
Notes to the statements of Pro Forma Adjustments	16-17

Appendices

Date: 22nd May 2023

The Directors

Juel Group p.l.c.
Avian Hill,
Triq L-Ispanjulett C/W Triq Il-Gallina, Kappara,
San Gwann
Malta

Dear Sir,

Independent Accountant's Report on the compilation of pro forma consolidated financial information for Juel Group p.l.c.

We have completed our assurance engagement to report on the compilation of pro forma financial information of Juel Group p.l.c. ("the Issuer") and its subsidiaries ("the Group") by the directors of the Issuer.

The pro forma financial information consists of:

- The pro forma consolidated statement of financial position as at 31 December 2022;
- Relevant notes to the pro forma consolidated financial information.

The basis on which the directors of the Issuer have compiled the pro forma financial information are specified in the applicable criteria ("the applicable criteria") as set out in sections 5.43 to 5.53 of the Capital Market rules issued by the Malta Financial Services Authority ("the Capital Market rules"). The basis of preparation of the pro forma consolidated financial information is set on page [3].

The pro forma consolidated financial information has been compiled by the directors of the Issuer to illustrate the impact of the pro forma adjustments that were made during 2023 on the Issuer's financial position as at 31 December 2022 and the Group's financial performance for the year ended 31 December 2022 as if the event or transactions had taken place as at 31 December 2022.

As part of the compilation process, information about the Group's financial position and financial performance has been extracted by the directors from the unaudited consolidated financial statements of GAP Group Investments (II) Limited, the audited consolidated financial statements of GAP Group p.l.c., and the audited consolidated financial statements of Juel Group p.l.c, for the year/period ended 31 December 2022.

The responsibility of the directors' of the Issuer for the pro forma consolidated financial information.

The directors of the Issuer are responsible for compiling the pro forma consolidated financial information on the basis of the applicable criteria and for selecting reliable and appropriate accounting policies. The accounting policies of the Group are set out in note [2] to the pro forma consolidated financial information on page 5.

Our responsibilities

Our responsibility is to express an opinion, as required by section 5.52 of the Capital Market Rules, about whether the pro forma consolidated financial information has been compiled in all material respects, by the directors of the Issuer, on the basis of the applicable criteria.

Basis of opinion

We conducted our engagement in accordance with 'International Standard on Assurance Engagements 3420 – Assurance Engagements to Report on the Compilation of Pro forma Financial Information Included in a Prospectus' ("ISAE 3420") issued by the International Auditing and Assurance Standards Board.

This standard requires that we plan and perform procedures to obtain reasonable assurance about whether the directors of the Issuer have compiled, in all material respects, the pro forma consolidated financial information on the basis of the applicable criteria.

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

The purpose of the pro forma financial information included in a Prospectus is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the entity as if the event had occurred or the transaction had been undertaken at an earlier date selected for the purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the event or transaction in 2023 would have been as presented.

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

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

The procedures selected depend on our judgement having regard to our understanding of the nature of the Issuer, the event or transaction in respect of which pro forma consolidated financial information has been compiled, and other relevant engagement information. The engagement also involves evaluating the overall presentation of the pro forma consolidated financial information.

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

Opinion

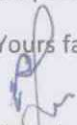
In our opinion

- The pro forma consolidated financial information has been properly compiled in accordance with the basis of preparation stated;
- The basis of preparation of the pro forma consolidated financial information is consistent with the Group accounting policies of the Issuer;
- The pro forma adjustments are appropriate for the purposes of the pro forma financial information as disclosed pursuant to Capital Market Rules 5.46.

Restriction to distribution and use of this report

This report has been issued solely for this purpose, and accordingly should not be used for any other purpose.

Yours faithfully,



Pamela Fenech

Director
TACS Malta Limited

Purpose of the pro forma consolidated financial information

The pro forma consolidated financial information has been prepared for illustrative purposes only.

The pro forma financial information relates to Juel Group p.l.c. (“the Company”) and its subsidiaries (“the Group”) and illustrates the Group’s financial performance for the year/period ended and financial position as at 31 December 2022. Because of its nature, the pro forma consolidated financial information addresses a hypothetical situation and therefore does not represent the Group’s actual financial results or position as at 31 December 2022.

The pro forma consolidated financial information has been compiled to illustrate the impact of the adjustments that were made during 2023 on the Company’s financial position as at 31 December 2022 and the Group’s financial performance for the year/period ended 31 December 2022 as if the event or transactions had taken place as at 31 December 2022.

Basis of preparation of the pro forma consolidated financial information

The pro forma consolidated financial information shows the financial performance and position of Juel Group p.l.c., its subsidiary entities and its interest in equity-accounted investees in accordance with International Financial Reporting Standards as adopted by the European Union ("eu-IFRS") except that, due to the nature of the pro forma financial information:

- The pro forma consolidated financial information does not include all the disclosure requirements under EU-IFRS and other laws or securities regulations, including but not limited to the Maltese Companies Act (Cap 386) and the Capital Market Rules;
- Do not necessarily present line items (including totals and sub totals) and the classification thereof in the pro forma consolidated statement of profit or loss and other comprehensive income and the pro forma consolidated statement of financial position in accordance with EU-IFRS;
- Do not consider certain recognition or measurement criteria;
- Do not show comparative amounts.

The pro forma consolidated financial information has been prepared in a manner consistent with the Group accounting policies in force as at 31 December 2022, as amended, where applicable, to incorporate new EU-IFRSs that are applicable for annual period beginnings on 1 January 2022 and any new accounting policies adopted by the Group as from 1 January 2022.

The pro forma consolidated financial information has been prepared under the assumption that the following transactions which were carried out during 2023 were effected on 31 December 2022:

- Inclusion of GAP Group Investments (II) Limited in Juel Group on acquisition;
- Assignment of related party balances to other equity;
- The capitalization of shareholder's loans following the assignment of the related party balances.

The pro forma information was presented in columnar format showing separately the historical unadjusted financial information, the pro forma adjustments and the resulting pro forma financial information in the final column. This is laid out on page 15.

The sources of the pro forma information was extracted from the consolidated unaudited financial statements of GAP Group Investments (II) Limited, the consolidated audited financial statements of GAP Group p.l.c., and the consolidated audited financial statements of Juel Group Limited, for the year/period ending 31 December 2022.

PROFORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION - 31st DECEMBER 2022

	Notes	Group € €000
ASSETS		
Non-current assets		
Investment property	5	10,700
Property, plant and equipment	4	21,129
Equity-accounted Investees	3	7,915
Total Non-Current Assets		39,744
Current assets		
Current tax assets		
Inventory	6	6,188
Trade and other receivables	7	143
Cash and bank balances		1,164
Total Current Assets		7,497
Total Assets		47,241
EQUITY AND LIABILITIES		
Capital and reserves		
Share capital and premium	8	20,958
Other equity		(17)
Total equity		20,941
Non-current liabilities		
Bank loans	9	6,064
Deferd tax liability	12	856
Total non-current liabilities		6,920
Current liabilities		
Bank loans	9	8,000
Bond advance facility	10	9,488
Trade and other payables	11	1,750
Current tax liabilities		20
Deposits received in advance	11	122
Total current liabilities		19,380
Total liabilities		26,300
Total equity and liabilities		47,241

The pro forma consolidated financial information was approved by the Board of Directors, authorised for issue on (include date) and signed on its behalf by:


 Adrian Muscat
 Director

NOTES TO THE PRO FORMA CONSOLIDATED INFORMATION

1 . Group undertakings

On 22 December 2022, Juel Group Limited acquired the share capital of Muscat Holdings Limited, Muscat Holdings (II) Limited, Juel Holdings Limited and Juel Hospitality Limited from Mr. Adrian Muscat in exchange for the issue of shares in the company in favour of Mr. Adrian Muscat.

The financial information was extracted from the audited consolidated financial statements of Juel Group p.l.c, the unaudited consolidated financial statements of GAP Group Investments (II) Limited, and the unaudited consolidated financial statements of GAP Group p.l.c.. These groups include subsidiaries as laid out in Appendix A and Appendix B.

2 . Summary of significant group accounting policies

The principal accounting policies adopted in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all periods presented, unless otherwise stated.

a) Basis of preparation

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

Critical accounting estimates and judgements

The preparation of financial statements in conformity with (IFRSs) as adopted by the (EU) requires the use of certain accounting estimates. It also requires directors to exercise their judgements in the process of applying the Group'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.

b) Basis of Consolidation

Subsidiaries

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 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.

NOTES TO THE PRO FORMA CONSOLIDATED INFORMATION (CONTINUED)

2 Summary of significant group accounting policies (continued)

b) Basis of Consolidation (continued)

Interest in equity-accounted investees

The Group's interest in equity-accounted investees comprise interests in associates.

Associates are those entities in which the Group has significant influence, but not control or joint control, over the financial and operating policies.

Interest in associates are accounted for using the equity method. They are initially recognised at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements including the Group's share of the profit and loss and OCI of equity-accounted investees, up to the date on which significant control ceases.

Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence on impairment.

c) Financial assets

Classification

The Group classifies its financial assets as measured at amortised cost, as designated at fair value through other comprehensive income (FVOCI) and as designated at fair value through profit or loss (FVTPL). The classification is based on the business model in which a financial asset is managed and its contractual cash flows.

Recognition and measurement

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated at FVTPL:

- i. The asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- ii. The contractual terms of the financial asset give rise on specified dates to cash flows that are Solely Payments of Principle and Interest ("SPPI").

A debt instrument is measured at FVOCI only if it meets both of the following conditions and is not designated as FVTPL:

- i. The asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- ii. The contractual terms of the financial asset give rise on specified dates to cash flows that are SPPI.

On initial recognition of an equity investment that is not held-for-trading, the Group may irrevocably elect to present subsequent changes in fair value in OCI. This election is made on an investment-by-investment basis.

All other financial assets are classified as measured at FVTPL.

In addition, on initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

NOTES TO THE PRO FORMA CONSOLIDATED INFORMATION (CONTINUED)

2 Summary of significant group accounting policies (continued)

c) Financial Assets (continued)

Impairment

Simplified approach model

For trade and other receivables, the Group applies the simplified approach required by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

The expected loss rates are based on the payment profiles of sales over a period of 12 months before 31 December 2022 or 1 January 2022 respectively and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the liability of the customers to settle the receivable. Receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, among others, the probability of insolvency or significant financial difficulties of the debtor. Impaired debts are derecognised when they are assessed as uncollectible.

d) Recognition of revenues and costs

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the company's activities. Revenue is shown net of value added tax, returns, rebates and discounts. The company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and when the specific criteria have been met as described below.

Sales of property are recognised when the significant risks and rewards of ownership of the property being sold effectively transferred to the buyer. This is generally considered to occur at the later of the contract of sale and the date when all the company's obligations relating to the property are completed and the possession of the property can be transferred in the manner stipulated by the contract of sale. Amounts received in respect of sales that have not yet been recognised in the financial statements, due to the fact that the significant risks and rewards of ownership still rest with the company, are treated as payments received on account and presented within trade and other payables.

Other operating income consisting of the following is recognised on an accruals basis:

Rental income
Interest

Dividends receivable are accounted for on a cash basis

Costs are recognised when the related goods and services are sold, consumed or allocated, or when their future useful lives cannot be determined.

e) Borrowing costs

Borrowing costs directly attributable to the acquisition and construction of property are capitalised as part of the cost of the project and are included in its carrying amount. Capitalisation of borrowing costs ceases when substantially all the activities necessary to prepare any distinct part of the project for its sale or intended use is completed. Borrowing costs which are incurred for the purpose of acquiring or constructing qualifying property, plant and equipment or investment property are capitalized as part of its cost. Borrowing costs are capitalized which acquisition or construction is actively underway and cease once the asset is substantially complete, or suspended if the development of the asset is suspended. All other borrowing costs are recognized as an expense in the profit and loss account in the period as incurred.

NOTES TO THE PRO FORMA CONSOLIDATED INFORMATION

2 Summary of significant group accounting policies (continued)

f) Bank borrowings

Subsequent to initial recognition, interest-bearing bank loans are measured at amortised cost using the effective interest method unless the effect of discounting is immaterial. Bank loans are carried at face value due to their market rate of interest.

Subsequent to initial recognition, interest-bearing bank overdrafts are carried at face value in view of their short-term maturities.

g) Other financial liabilities

Other financial liabilities are recognized initially at fair value of proceeds received, net of transaction costs incurred. Other financial liabilities are subsequently measured at amortised cost using the effective interest method unless the effect of discounting is immaterial. Any difference between the proceeds, net of transaction costs, and the settlement or redemption of other borrowings is recognised in profit or loss over the term of the borrowings, unless the interest on such borrowings is capitalised in accordance with the company's accounting policy on borrowing costs.

h) Property, plant and equipment

All property, plant and equipment are initially recorded at cost and subsequently stated at cost less depreciation.

Cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the asset's carrying amount when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. Expenditure on repairs and maintenance of property, plant and equipment is recognised as an expense when incurred.

Property, plant and equipment are stated at cost or valuation less accumulated depreciation. Depreciation is provided for on the straight line method in order to write off cost over the expected useful economic lives of the assets as follows:

	Years
Computer and IT infrastructure	4
Furniture & Fittings	10
Motor Vehicles	5

The assets' residual values and useful lives are reviewed and adjusted if appropriate, at each statement of financial position date.

Gains and losses on disposal of property, plant and equipment are determined by comparing proceeds with the carrying amount, and are taken into account in determining operating profit.

An asset's carrying amount is written down immediately to its recoverable amount if its carrying amount is greater than its estimated recoverable amount.

Land is not depreciated.

i) Investment property

Investment property is measured at fair value with any change therein recognised in profit and loss. Any gain or loss on disposal of investment property is recognised in profit and loss. Rental income from investment property is recognised as other revenue on a straight line basis over the term of the lease.

NOTES TO THE PRO FORMA CONSOLIDATED INFORMATION

2 Summary of significant group accounting policies (continued)

j) Inventory - Stock Development Project

One of the objects of the Group 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 stock. 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, net realisable value or the fair value as described in the paragraph above. 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.

k) Foreign currency translation

(a) Functional and presentation currency

Items included in these Financial Statements are measured using the currency of the primary economic environment in which the entity operates (the functional currency). These Financial Statements are presented in Euro, which is the company's functional currency and presentation currency.

(b) Transactions and Balances

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income. Translation differences on non-monetary items, such as equities, are reported as part of the fair value gain or loss.

NOTES TO THE PRO FORMA CONSOLIDATED INFORMATION

2 Summary of significant group accounting policies (continued)

l) Cash and cash equivalents

Cash and cash equivalents as shown in the cashflow statement comprise cash in hand and deposits repayable on demand less bank overdrafts. Bank overdrafts are included in the statement of financial position as borrowings under current liabilities.

m) Taxation

Current and deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited directly to equity, in which case the current tax is also dealt within equity.

The charge/credit for current tax is based on the taxable result for the period. The taxable result for the period differs from the result as reported in profit or loss because it excludes items which are not assessable or disallowed and it further excludes items that are taxable or deductible in other periods. It is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Provision is made for deferred taxation, using the liability method, in respect of timing differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes. Deferred tax debits are only carried forward in so far as it is probable that future taxable profits will be available against which the tax losses and unabsorbed capital allowances can be utilised.

n) Share Capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

o) Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the Company's financial statements in the period in which the dividends are approved by the Company's shareholders.

p) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

q) Provisions

Provisions are recognised when the company has a present legal or constructive obligation as a result of past events, it is possible that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

NOTES TO THE PRO FORMA CONSOLIDATED INFORMATION

3 . Equity-accounted Investees - Interest in Associate

Juel Group p.l.c. included one-third of GAP Group Investments (II) Limited into its group, by means of a purchase acquisition of Eur7.9m made on 14th April 2023.

GAP Group Investments (II) Limited is the parent company of GAP Group p.l.c. The registered address of GAP Group Investments (II) Limited is GAP Holdings Head Office, Censu Scerri Street, Tigne, Sliema.

GAP group p.l.c. is the parent company of the following subsidiaries, GAP Gharghur Limited, GAP Group Finance Limited, Geom Developments Limited, GAP QM Limited, Geom Holdings Limited, GAP Mellieha (I) Limited, GAP Luqa Limited, GAP Qawra Limited, GAP Zonqor Limited, GAP Properties Limited, Manikata Holdings Limited and GAP Group Contracting Limited. The registered address of the subsidiaries is GAP Holdings Head Office, Censu Scerri Street, Tigne, Sliema. Refer to the group structure in Appendix A.

The Group's share of the results of the interest in associate and its share of the assets and liabilities is laid out below. The price of the cost of acquisition and the value as per the equity method varied by Eur1.6k. This amount was not amended as it was deemed to be immaterial.

Percentage ownership interest	33%
	000
	€
Non-current assets	26,290
Current assets	16,514
Non-current liabilities	587
Current liabilities	17
Total equity (100%)	42,200
Less 'B' ordinary share capital	(18,455)
Total equity (100%) net of 'B' shares	23,745
Group's share of total equity (33.33%)	7,915
Carrying amount of interest in associate	7,915
Percentage ownership interest	33%
	000
	€
Revenue	29,496
Profit from continuing obligations	5,075
Other comprehensive loss	(359)
Total comprehensive income (100%)	4,716
Goup's share of comprehensive income (33.33%)	1,572

4 . Property plant and equipment

	Hotel property and related costs	Computer and IT	Motor Vehicles	Furniture and fittings	Totals
	000 €	000 €	000 €	000 €	000 €
Cost as at 31.12.2022	20,881	16	20	289	21,206
Depreciation as at 31.12.2022	-	6	12	59	77
NBV as at 31.12.2022	20,881	10	8	230	21,129

NOTES TO THE PRO FORMA CONSOLIDATED INFORMATION

5 . Investment property

	2022
	€000
Cost/Revaluation At 31st December	10,700

The market value of the immovable property as at 31st December 2022 amounted to €10,700,000. The amount of €10,700,000 was based on a valuation of the property carried out by an independent architect in March 2022. The increase in fair value was accounted for through profit and loss.

6 . Inventory

	2022
	€000
Stock of properties held for development and resale	6,066
Stock of properties held for development and resale - Capitalised interest	122
	6,188

7 . Trade and other receivables

	2022
	€000
Trade debtors	2
Prepayments	6
Other receivables	84
Other taxation	51
	143

8 . Share capital and share premium

	2022
	€000
Ordinary 'A' and Ordinary 'B' share capital	19,066
Share premium	1,892
Total share capital and share premium	20,958

NOTES TO THE PRO FORMA CONSOLIDATED INFORMATION

9 . Borrowings

	2022
	€000
Short term - falling due within one year	
Bank loans	8,000
Total short term borrowings	8,000
Long term - falling due after one year	
Bank loans	6,064
Total long term borrowings	6,064
Total borrowings	14,064

As at 31st December 2022, the proposed Issuer had a bank loan of €8,000,000 which was granted to inject funds in one of the subsidiaries to finance the acquisition of the part of the property of the hotel. The interest rate is at 4% per annum. Repayments are to be made from proceeds of the bond issue as laid out in the repayment terms in the sanction letter. The loans are guaranteed by the subsidiaries and its shareholders, which have bound themselves jointly and severally liable for the repayment of the loan and the interest thereon, pursuant and subject to the terms and conditions in the sanction letter.

As at 31st December 2022, one of the subsidiaries had a bank loan of €3,263,777 which was granted to end-finance the acquisition and the development of the two Marsascala projects. The interest rate is at 3.75% per annum. Repayments are to be made from proceeds from the sale of property of Muscat Holdings (II) Limited as laid out in the repayment terms in the sanction letter. The loans are guaranteed by Muscat Holdings (II) Limited and its shareholders, which have bound themselves jointly and severally liable for the repayment of the loan and the interest thereon, pursuant and subject to the terms and conditions in the sanction letter.

As at 31st December 2022, one of the subsidiaries had a bank loan €2,800,000 which was taken to part-finance the development of the hotel. The interest rate is at 4% per annum. Repayments are to be made over 15 years by monthly installments as laid out in the repayment terms in the sanction letter. The loans are guaranteed by Muscat Holdings Limited and Juel Holdings Limited, which have bound themselves jointly and severally liable for the repayment of the loan and the interest thereon, pursuant and subject to the terms and conditions in the sanction letter.

10 . Bond advance facility

	2022
	€000
Bond advance facility	9,487

Juel Group p.l.c. is seeing to issue a €32 million Secured Bond for a term of 12 years at an interest rate of 5.5%. The Bond is expected to refinance the existing bridge debt facilities and part finance the development of the new hotel. €8 million of the bond proceeds will be used to repay the BOV bridge loan which was obtained to part finance the acquisition of the hotel site. Bonds valued at €9.65m will be issued to the security trustee to settle the bond advance facility. The remaining €13.71m will be held by the security trustee and released to the subsidiaries as progress payments to part finance the development costs. The bond will be fully secured via a special hypothec over the hotel property. The Issuer will appoint a security trustee who will collect the bond proceeds and release the funds as progress payments for the development of the hotel.

NOTES TO THE PRO FORMA CONSOLIDATED INFORMATION

11 .	Creditors	<u>2022</u> €000
	Short term - payable within one year	
	Capital creditors	1,702
	Trade and other payables	48
	Deposits received in advance	122
		1,872
	Long term - payable for more than 1 year	
	Amounts due to related companies	1,168
		1,168
	Total trade and other creditors	3,040
12 .	Deferred tax liability	
	The deferred tax liability of €856k arose from the deferred tax effect on the revaluation of the investment property taken to the profit and loss.	
13 .	Cash and cash balances	<u>2022</u> €000
	Cash in hand	11
	Bank deposits	1,153
		1,164
	Total cash and cash equivalents	1,164
14 .	Other Equity	
	The Other Equity relates to a loss incurred that was not absorbed in the acquisition.	

STATEMENT OF PRO FORMA ADJUSTMENTS

**Consolidated statement of financial position
As at 31 December 2022**

	Historical Unadjusted Financial Information €000	Pro forma adjustments			Aggregated financial information €000
		Adj 1 €000	Adj 2 €000	Adj 3 €000	
ASSETS					
Non-Current assets					
Investment property	10,700				10,700
Property, plant and equipment	21,129			-	21,129
Equity-accounted Investees	-	7,915			7,915
Total Non-Current Assets	31,829	7,915	-	-	39,744
Current assets					
Current tax assets	2				2
Inventory	6,188				6,188
Trade and other receivables	143				143
Amounts due from shareholders	774		(774)		-
Cash and bank balances	1,164				1,164
Total Current Assets	8,271	-	(774)	-	7,497
Total Assets	40,100	7,915	(774)	-	47,241
EQUITY AND LIABILITES					
Capital and reserves					
Share capital and premium	10,951	7,915		2,092	20,958
Other equity	(17)				(17)
Total equity	10,934	7,915	-	2,092	20,941
Non-Current liabilities					
Bank loans	6,064				6,064
Deferd tax liability	856				856
Total Non-Current liabilities	6,920	-	-	-	6,920
Current liabilities					
Bank loans	8,000				8,000
Bond advance facility	9,488				9,488
Trade and other payables	1,750				1,750
Current tax liabilities	20				20
Amounts due to related parties	2,851		(2,851)		-
Amounts due to shareholders	15		2,077	(2,092)	-
Deposits received in advance	122				122
Total current liabilities	22,246	-	(774)	(2,092)	19,380
Total liabilities	29,166	-	(774)	(2,092)	26,300
Total equity and liabilities	40,100	7,915	(774)	-	47,241

NOTES TO THE STATEMENT OF PRO FORMA ADJUSTMENTS

Historical unadjusted financial information

The historical unadjusted financial information was extracted from the consolidated audited financial statements of Juel Group Limited. Refer to Appendix B for the structure of Juel Group Limited.

Statement of pro forma adjustments

The statement of pro forma adjustments provides a reconciliation between the historical unadjusted financial information of Juel Group p.l.c and the pro forma financial information in the last column of Juel Group p.l.c.

The pro forma adjustments relate to transactions carried out in 2023, however they were reflected in the pro forma financial statements as if they were effected on 31 December 2022. The pro forma adjustments are laid out below.

1. Inclusion of GAP Group Investments (II) Limited based on the price of acquisition

Juel Group p.l.c. included one-third of GAP Group Investments (II) Limited in its Group by means of a purchase acquisition at a price of Eur7.9m on 14th April 2023.

GAP Group Investments (II) Limited is the parent company of GAP Group p.l.c. The registered address of GAP Group Investments (II) Limited is GAP Holdings Head Office, Censu Scerri Street, Tigne, Sliema.

GAP group p.l.c. is the parent company of the following subsidiaries, GAP Gharghur Limited, GAP Group Finance Limited, Geom Developments Limited, GAP QM Limited, Geom Holdings Limited, GAP Mellieha (I) Limited, GAP Luqa Limited, GAP Qawra Limited, GAP Zonqor Limited, GAP Properties Limited, Manikata Holdings Limited and GAP Group Contracting Limited. The registered address of the subsidiaries is GAP Holdings Head Office, Censu Scerri Street, Tigne, Sliema. Refer to the group structure in Appendix A.

NOTES TO THE STATEMENT OF PRO FORMA ADJUSTMENTS

Statement of pro forma adjustments

2 . Assignment of related party balance to other equity

Various subsidiaries and associates within the Group have amounts due to Mr. Adrian Muscat, Mr George Muscat, companies owned by Mr. George Muscat and GAP related companies. The balances due to George Muscat and GAP related companies will be assigned to Juel Group Limited which will subsequently be converted into equity prior to the bond issue. Consequently a conversion had to be made in 2023. This adjustment will be reflected in the pro forma adjustment as if it was effected in 2022. The conversion is explained hereunder.

The first step is to assign the receivables of George Muscat and GAP companies from Juel Group subsidiaries and associates to Adrian Muscat, an adjustment to the shareholder's loan as can be seen in Adjustment 2 on page 15.

After the assignment, Juel Group Limited assumes the debts of its subsidiaries and associates to Mr. Adrian Muscat via a series of assignments and novation agreements.

3 . Capitalisation of shareholder's loans

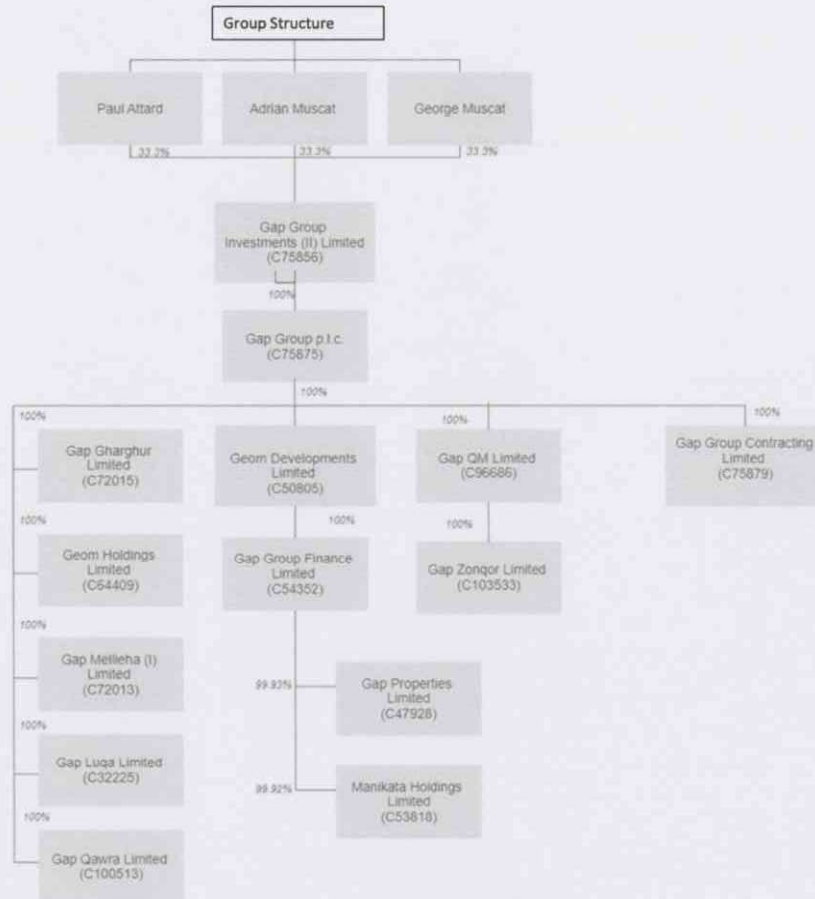
The next step is the capitalisation of the amounts due from Juel Group Limited to Mr. Adrian Muscat in exchange for the issue and allotment of new shares in the Issuer, an adjustment as seen in adjustment 3 on page 15.

Pro Forma Financial Information

The pro forma financial information in the last column shows the the historical unadjusted financial information after the pro forma adjustments. The source of this pro forma financial information includes the consolidated unaudited financial statements of Juel Group Limited and the audited consolidated financial statements of GAP Group p.l.c., and the unaudited consolidated financial statements of GAP Group Investments (II) Limited. Refer to Appendix A and Appendix B for the group structures.

NOTES TO THE STATEMENT OF PRO FORMA ADJUSTMENTS

Appendix A - GAP Group Investments (II) Limited - Group Structure



NOTES TO THE STATEMENT OF PRO FORMA ADJUSTMENTS

Appendix B - Juel Group Limited Group Structure

