

SUMMARY

Dated 9 November 2022

This Summary is issued in accordance with the provisions of Chapter 4 of the Capital Markets Rules published by the MFSA and of the Prospectus Regulation.

In respect of an issue of €15 million 4.75% Secured Bonds 2025 - 2027
of a nominal value of €100 per Bond issued at par by



BEST DEAL PROPERTIES HOLDING P.L.C.

a public limited liability company registered in Malta
with company registration number C 88974

Guaranteed by Best Deal Estates Limited a private limited liability company registered in Malta
with company registration number C 102444

ISIN: MT0002121219

Legal Counsel

ZammitPace 

Security Trustee



FINCO TRUST SERVICES LIMITED

Sponsor, Manager & Registrar



M Z I N V E S T M E N T S E R V I C E S

THIS SUMMARY HAS BEEN APPROVED BY THE MFSA AS THE COMPETENT AUTHORITY UNDER THE PROSPECTUS REGULATION. THE MFSA ONLY APPROVES THIS SUMMARY AS MEETING THE STANDARDS OF COMPLETENESS, COMPREHENSIBILITY AND CONSISTENCY IMPOSED BY THE PROSPECTUS REGULATION. SUCH APPROVAL SHOULD NOT BE CONSIDERED AS AN ENDORSEMENT OF THE ISSUER AND/OR THE SECURITIES THAT ARE THE SUBJECT OF THIS SUMMARY.

THIS SUMMARY IS VALID FOR A PERIOD OF 12 MONTHS FROM THE DATE HEREOF. FOLLOWING THE LAPSE OF THIS VALIDITY PERIOD, THE ISSUER IS NOT OBLIGED TO SUPPLEMENT THIS SUMMARY IN THE EVENT OF SIGNIFICANT NEW FACTORS, MATERIAL MISTAKES OR MATERIAL INACCURACIES.

Approved by the Directors



Christopher Attard



Pierre Bartolo

*signing in their own capacity as directors of the Company and for and on behalf of each of
Robert Buttigieg, David Basile, Erskine Vella, James Bullock, Mario P Galea and Marlene Seychell*



This Summary is prepared in accordance with the requirements of the Prospectus Regulation and the delegated acts issued thereunder. This Summary contains key information which enables investors to understand the nature and the risks associated with the Issuer, the Guarantor and the Secured Bonds.

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

1. INTRODUCTION AND WARNINGS

This Summary contains key information on the Issuer, the Guarantor and the Secured Bonds, summarised details of which are set out below:

Issuer	Best Deal Properties Holding p.l.c., a public limited liability company registered under the laws of Malta bearing company registration number C88974 and having legal identifier number (LEI) 485100A1WBOSGJKWHT04;
Address	63, J.L. Buildings, Office 5, Luqa Road, Paola PLA 9045, Malta;
Telephone number	21692279
Website	www.bestdealholdings.com ;
Guarantor	Best Deal Estates Limited, a private limited liability company registered in Malta with company number C 102444 having its registered office at 63, J.L. Buildings, Office 5, Luqa Road, Paola PLA9045, Malta and having legal identifier number (LEI) 485100MD2OKINQMXVG21;
Competent authority approving the Prospectus	The MFSA, established in terms of the Financial Markets Act (Cap. 345 of the laws of Malta);
Address, telephone number and official website of the competent authority	Malta Financial Services Authority, Triq l-Imdina, Zone 1, Central Business District, Birkirkara CBD 1010, Malta. The telephone number of the competent authority is 2144 1155. The official website of the competent authority is https://www.mfsa.mt/ ;
Name of Securities	4.75% Secured Bonds due 2025 – 2027;
ISIN of the Secured Bonds	MT0002121219;
Prospectus approval date	9 November 2022.

Prospective investors are hereby warned that:

- (i) this Summary should be read as an introduction to the Prospectus. It is being provided to convey the key characteristics and risks associated with the Issuer and the Secured Bonds being offered pursuant 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;
- (ii) any decision of the investor to invest in the Secured Bonds should be based on a consideration of the Prospectus as a whole by the investor;
- (iii) an investor may lose all or part of the capital invested in subscribing for Secured Bonds;
- (iv) where a claim relating to the information contained in the 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;
- (v) civil liability attaches only to those persons who have tabled the Summary, including any translation thereof, 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 the Secured Bonds; and
- (vi) the Bonds are complex instruments and may be difficult to understand.



2. KEY INFORMATION ON THE ISSUER

2.1 Who is the Issuer of the Secured Bonds?

2.1.1 Domicile and legal form, its LEI and country of incorporation

The Issuer is Best Deal Properties Holding p.l.c., a public limited liability company registered in Malta in terms of the Companies Act (Chapter 365 of the laws of Malta). The Issuer was incorporated and is domiciled in Malta, with legal entity identifier (LEI) number 485100A1WBOSGJKWHT04.

2.1.2 Principal activities of the Issuer

The Issuer is the holding and finance company of the BDP Group and was incorporated for the purpose of financing its Subsidiaries' respective projects. The Issuer does not carry out any trading activities of its own and its revenue is limited to the dividends it receives from its Subsidiaries and interest receivable due under intra-group loan agreements.

2.1.3 Major Shareholders

The authorised share capital of the Issuer is three hundred fifty thousand Euro (€350,000) divided into three million five hundred thousand (3,500,000) ordinary shares of ten Euro cents (€0.10) each. The issued share capital of the Issuer is three hundred twelve thousand five hundred Euro (€312,500) divided into three million one hundred twenty-five thousand (3,125,000) ordinary shares of ten Euro cents (€0.10) each, fully paid up. The Company's issued share capital is subscribed equally by Christopher Attard, Erskine Vella, Pierre Bartolo, RCJ Investments Limited and C Developments Limited.

2.1.4 Directors of the Issuer

As at the date of the Prospectus, the Board of Directors of the Issuer is composed of the following 7 individuals: Christopher Attard (Executive Director); Pierre Bartolo (Executive Director); David Basile (Executive Director); Robert Buttigieg (Executive Director); Erskine Vella (Executive Director); James Bullock (Chairman and Non-Executive Director); Mario P. Galea (Independent, Non-Executive Director); and Maria Carmela k/a Marlene Seychell (Independent, Non-Executive Director).

2.1.5 Statutory Auditors

The auditor of the Issuer as of the date of the Prospectus is RSM Malta of Mdina Road, Zebbug ZBG9015, Malta (accountancy board registration number AB/26/84/53).

2.2 What is the key financial information regarding the Issuer?

The key information regarding the Issuer on a consolidated basis is set out below:

Income Statement	FY2021 Audited	FY2020 Audited	FY2019 Audited	6-mth period ended 30 Jun'22 Unaudited	6-mth period ended 30 Jun'21 Unaudited
Operating profit/(loss) (€'000)	3,795	1,413	(574)	1,451	1,122
Statement of Financial Position	31 Dec'21 Audited	31 Dec'20 Audited	31 Dec'19 Audited	30 June'22 Unaudited	
Net financial debt (€'000)	11,544	18,459	20,468	9,297	
Breakdown as follows:					
Borrowings (€'000)	1,860	4,774	5,598	1,696	
Debt securities (€'000)	13,296	15,022	15,671	9,022	
Sinking fund (€'000)	(3,365)	(875)	-	(429)	
Cash and cash equivalents (€'000)	(247)	(462)	(801)	(992)	
Cash Flow Statement	FY2021 Audited	FY2020 Audited	FY2019 Audited	6-mth period ended 30 Jun'22 Unaudited	6-mth period ended 30 Jun'21 Unaudited
Cash flows from (used in) operating activities (€'000)	7,134	2,178	(24,001)	2,883	1,012
Cash flows from (used in) financing activities (€'000)	(2,490)	(875)	(2)	(2,016)	2,936
Cash flows from (used in) investing activities (€'000)	(4,835)	(1,650)	24,788	(5,074)	770

2.3 What are the key risks specific to the Issuer?

The most material risks specific to the Issuer, which may negatively impact the operations and financial position of the Issuer should the circumstances mentioned therein materialise, are as follows:

2.3.1 Risks relating to the Issuer's exposure to and dependence on the BDP Group and its business

The Issuer is the holding parent company of the BDP Group, which was set up primarily as a finance and investment company with one of its purposes being that of raising finance and advancing same to members of the Group. Accordingly, the operating results of the BDP Group have a direct effect on the Issuer's financial position and performance.

2.3.2 Risks relating to the rising costs for materials, resources, and utilities

The price of raw materials has been subject to substantial increases. Should the volatility in prices continue in an upward trajectory over the rest of the year as well as subsequent years, the BDP Group may be negatively affected if these increased costs are not capable of being reflected in increased charges for the delivery of certain products and services of the BDP Group.

2.3.3 Risks relating to the economic repercussions of infectious diseases (including the COVID-19 pandemic and possible similar future outbreaks)

As a result of the spread of COVID-19, global economic activity, including in Malta, has experienced a general downturn. The Group's revenue generated from its property development activities may be negatively impacted through a reduction in price of units held for resale, as well as the risk of a downward shift in demand, frequency, and volume of such transactions. The Group's business development and day-to-day operations may also be delayed or abandoned due to directives issued by the relevant public and health authorities.

2.3.4 Risks associated with the acquisition, development, and sale of property

There are several factors that commonly affect the real estate development industry, many of which are beyond the BDP Group's control, and which could adversely affect the economic performance of the BDP Group and the value of its real estate properties under development. Such factors include, *inter alia*, general industry trends; changes in local market conditions; shortages and, or price increases in raw materials, services, or other construction inputs; and insufficiency of resources to complete the projects.

2.3.5 Risks associated with the competitive nature of the property market

An increase in supply and, or a reduction in demand in the property segments in which the BDP Group operates and targets to sell the remaining units in stock and the properties being developed, may cause sales of units forming part of its properties under development to sell at prices which are lower than is being anticipated by the BDP Group or that sales of such units are in fact slower than is being anticipated.

2.3.6 Risks associated with property valuations and net realisable value

Property valuations are largely dependent on current and, or, expected market conditions which are susceptible to fluctuation and therefore, there can be no assurance that such property valuations will reflect actual market values. Furthermore, the Group may purchase and, or have purchased property based on inaccurate valuations.

2.3.7 Risks associated with the engagement and, or the involvement of service providers and associated counterparty risks

The BDP Group relies upon third party or related service providers for the construction and completion of its property developments. This gives rise to counter-party risks in those instances where such third parties do not perform in line with the BDP Group's expectations and in accordance with their contractual obligations.

2.3.8 Risks relating to cost overruns and delays in completing the BDP Group's projects

The projects being undertaken by the BDP Group (including, *inter alia*, the Siggiewi Development) are susceptible to certain risks inherent in real estate development, most notably the risk of completion within their scheduled completion date and within the budgeted cost. If either or both of these risks were to materialise, they could have a significant impact on the financial condition of the Guarantor and the Issuer, and the ability of the latter to meet its obligations under the Bonds.



3. KEY INFORMATION ON THE SECURITIES

3.1 What are the main features of the securities?

The Secured Bonds are being issued in the amount of €15,000,000 with a nominal value of €100 per Secured Bond issued at the rate of 4.75% per annum and redeemable at par on 30 November 2027 or, at the sole option of the Issuer, any date falling between 30 November 2025 and 29 November 2027. The first interest payment shall be effected on 30 November 2023 (covering the period from 30 November 2022 to 29 November 2023).

The Secured Bonds shall be issued in fully registered and dematerialised form and shall 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 shall have the following ISIN: MT0002121219.

The Secured Bonds constitute the general, direct, unconditional, and secured obligations of the Issuer and shall be guaranteed in respect of both the interest due and the principal amount by the Guarantor on a joint and several basis (the “**Guarantee**”). The Secured Bonds shall at all times rank *pari passu* without any priority or preference among themselves. The Secured Bonds are secured by the following collateral constituted in favour of the Security Trustee for the benefit of the Bondholders (the “**Collateral**”):

- a) the first ranking general hypothec for the full nominal value of the Secured Bonds and interest thereon over all the present and future property of the Guarantor;
- b) the first ranking special hypothec for the full nominal value of the Secured Bonds and interest thereon over the Siggiewi Site together with all and any constructions to be developed thereon;
- c) the pledge agreement to be entered into by and between the Guarantor and the Security Trustee for the purpose of constituting a pledge on insurance policy proceeds in relation to the Hypothecated Property as security for the full nominal value of the Secured Bonds and interest thereon; and
- d) the Guarantee.

There are no special rights attached to the Secured Bonds other than the right of Bondholders to: (i) the repayment of capital; (ii) the payment of interest; (iii) the benefit of the Collateral through the Security Trustee; (iv) attend, participate in and vote at meetings of Bondholders in accordance with the Terms and Conditions of the Bond Issue; and (v) such other rights attached to the Secured Bonds emanating from the Prospectus. There are no restrictions on the free transferability of the Secured Bonds.

3.2 Where will the securities be traded?

Application has been made to the Malta Stock Exchange for the Secured Bonds to be listed and traded on its Official List.

3.3 Is there a guarantee attached to the securities?

The Secured Bonds are guaranteed by the Guarantor on a joint and several basis. Accordingly, the Bondholders shall be entitled to request the Guarantor to pay both the interest due and the principal amount under said Secured Bonds on first demand (subject to the terms of the Guarantee) if the Issuer fails to meet any amount when due in terms of the Prospectus. The joint and several Guarantee also entitles the Bondholders to demand payment from the Guarantor without having to first take action against the Issuer.

3.3.1 The Guarantor

The Guarantor is Best Deal Estates Limited. On 31 May 2022, the Guarantor was established as a private limited liability company registered in Malta in terms of the Companies Act (Chapter 386 of the laws of Malta) with company registration number C 102444. The LEI of the Guarantor is 485100MD20KINQMXVG21. The Guarantor was set up as a wholly-owned subsidiary of the Company to acquire the Siggiewi Site and develop the Siggiewi Development.

3.3.2 Key financial information of the Guarantor

The Guarantor was incorporated in May 2022 and, accordingly has not published its first set of audited financial statements.

3.4 What are the key risks specific to the Guarantor and the Collateral?

3.4.1 Risks relating to the business of the Guarantor

The risks of the Issuer are indirectly those of the BDP Group and, in turn, all risks relating to the BDP Group, including the Guarantor, are the risks relevant to the Issuer as detailed in sub-section 2.3 of this Summary.

3.4.2 Risks relating to the Collateral

The strength of the undertakings given under the Guarantee is dependent upon and directly linked to the financial position and solvency of the Guarantor. The Guarantee is further supported by, *inter alia*, the Collateral over the Hypothecated Property belonging to the Guarantor. Whilst this grants the Security Trustee a right of preference and priority for repayment over the



relative Hypothecated Property, there can be no guarantee that the value of the relevant Hypothecated Property over the term of the Secured Bonds will be sufficient to cover the full amount of interest and principal outstanding under the Secured Bonds. If such circumstances were to arise or subsist at the time that the Security Interest is to be enforced by the Security Trustee, it could have a material adverse effect on the recoverability of all the amounts that may be outstanding under the Secured Bonds.

3.5 What are the key risks specific to the Securities?

3.5.1 Complex financial instrument and suitability assessment

The Secured Bonds may be redeemed at the option of the Issuer on a Designated Early Redemption Date. In view of the early redemption component, the Secured Bonds are complex financial instruments for the purposes of MIFID II and may not be suitable for all recipients of the Prospectus. In the event that an investor does not seek professional advice and, or does not read and fully understand the provisions of this Prospectus, there is a risk that such investor may acquire an investment which is not suitable for his or her risk profile.

3.5.2 The Secured Bonds are redeemable at the option of the Issuer

Any or all of the Secured Bonds may be redeemed by the Issuer on a Designated Early Redemption Date. If the Secured Bonds are redeemed on a Designated Early Redemption Date, a Bondholder would not receive the same return on investment that it would have received if the Secured Bonds were redeemed on the Redemption Date. In addition, Bondholders may not be able to re-invest the proceeds from an early redemption at yields that would have been received had they not been redeemed.

3.5.3 Subsequent changes in interest rates and potential impact on inflation

The Secured Bonds shall carry a fixed interest rate. Investment in the Secured Bonds involves the risk that subsequent changes in market interest rates may adversely affect the value of the Secured Bonds. The price of fixed rate bonds should, theoretically, be adversely impacted if interest rates increase above the level of the interest paid on the said bond. In an economic scenario where prevailing market interest rates are rising, the prices of fixed rate bonds decline and conversely, if market interest rates are declining, the prices of fixed rate bonds tend to rise. This is part of the market risk inherent in financial instruments but it is only crystallised if a Bondholder decides to sell the Secured Bonds before maturity on the secondary market, since on maturity, a Bondholder will still be entitled to receive the face value of the Secured Bonds.

The coupon payable on the Secured Bonds is a nominal interest rate. The real interest rate is computed by subtracting inflation from the nominal interest rate, the result of which indicates the real return on the Secured Bond coupons. In a period of high inflation, an investor's real return on the Secured Bonds will be lower than the Secured Bonds' nominal interest rate and thus undermine an investor's expected return. Furthermore, an increase in inflation may result in a decrease in the traded price of the Secured Bonds on the secondary market.

3.5.4 No prior market for the Secured Bonds

Prior to the Bond Issue and Admission, there has been no public market for the Secured Bonds within or outside Malta. Due to the absence of any prior market for the Secured Bonds, there can be no assurance that the price of the Secured Bonds will correspond to the price at which the Secured Bonds will trade in the market subsequent to the Bond Issue.

3.5.5 Amendments to the Terms and Conditions of the Secured Bonds

In the event that the Issuer wishes to amend any of the Terms and Conditions of the Secured Bonds it may call a meeting of Bondholders. Defined majorities of Bondholders may 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.

4. KEY INFORMATION ON THE OFFER OF SECURITIES TO THE PUBLIC AND THE ADMISSION TO TRADING ON A REGULATED MARKET

4.1 Under which conditions and timetable can I invest in this security?

4.1.1 The Intermediaries' Offer

Pursuant to the Intermediaries' Offer, the Issuer shall enter into subscription agreements with the Authorised Financial Intermediaries whereby the Issuer shall bind itself to allocate a total amount of up to €15,000,000 in nominal value of Secured Bonds to such Authorised Financial Intermediaries, which in turn shall bind themselves to subscribe to, for their own account or for the account of their underlying clients, a specified number of Secured Bonds. Authorised Financial Intermediaries must effect payment to the Issuer for the Secured Bonds subscribed to by not later than the closing of the Offer Period.



4.1.2 Expected timetable of the Bond Issue

1 Offer Period	14 November 2022 to 29 November 2022
2 Commencement of interest on the Secured Bonds	30 November 2022
3 Expected date of announcement of basis of acceptance	30 November 2022
4 Refunds of unallocated monies, if any	2 December 2022
5 Expected dispatch of allotment letters	9 December 2022
6 Expected date of admission of securities to listing	9 December 2022
7 Expected date of commencement of trading in the securities	12 December 2022

4.1.3 Plan of distribution, allotment and allocation policy

The Issuer has reserved the full amount of the Secured Bonds to Authorised Financial Intermediaries which shall enter into subscription agreements pursuant to the Intermediaries' Offer. The Issuer shall announce the result of the Bond Issue through a company announcement by not later than 30 November 2022.

4.1.4 Total estimated expenses

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 €400,000. There is no particular order of priority with respect to such expenses.

4.2 Why is this Prospectus being produced?

4.2.1 Use of proceeds

The proceeds from the Bond Issue will be used by the Issuer to provide a loan facility to the Guarantor, pursuant to the Loan Agreement, to be utilised as provided below. The Loan Agreement will bear interest at 7% per annum, and the principal amount thereof shall be repayable by not later than 31 December 2026. In turn, the Loan Agreement will be used by the Guarantor for the following purposes, in the following amounts and order of priority: (i) the amount of *circa* €10.2 million for the purposes of funding the acquisition, by the Guarantor, of the Siggiewi Site over which the Siggiewi Development will be developed, and related costs of acquisition; and (ii) the amount of *circa* €4.4 million shall be retained by the Security Trustee to be disbursed to contractors, on behalf of the Guarantor, engaged to undertake excavation and construction works relating to the Siggiewi Development, once the Siggiewi Site is acquired as indicated in (i) above.

The issue and allotment of the Secured Bonds is conditional upon: (a) the Bond Issue being fully subscribed; (b) confirmation of admission of the Secured Bonds to the Official List; and (c) the Security Interest being constituted in favour of the Security Trustee. In the event that any of the aforesaid conditions (a) to (c) is not satisfied, the Security Trustee shall return the Bond Issue proceeds to the Bondholders. The Bonds shall not be included on the Official List of the Malta Stock Exchange unless the Security Interest has been perfected.

4.2.2 Underwriting

The Bond Issue is not underwritten.

4.2.3 Conflicts of interest

Save for the possible subscription for Bonds by Authorised Financial Intermediaries (which include the Sponsor, Manager and Registrar) and any fees payable to M.Z. Investment Services Limited as Sponsor, Manager and Registrar in connection with the Bond Issue, so far as the Issuer is aware, no person involved in the Bond Issue has any material conflicts of interest pertaining to the offer of Bonds or their admission to trading.

