

BDPH 35/2021

**COMPANY ANNOUNCEMENT**

*The following is a company announcement issued by Best Deal Properties Holding P.L.C. (C 88974) (hereinafter the “**Company**”) pursuant to the listing rules of the Listing Authority (the “**Listing Rules**”) and rules issued by the MSE regulating the Prospects MTF market (the “**Prospects Rules**”)*

**QUOTE**

Reference is made to the Company Announcement issued by the Company on 13 April 2021 (BDPH 34/2021), in which the Company, *inter alia*, announced that on the 12<sup>th</sup> of April 2021 the Board of Directors of the Company considered and approved the Company’s audited consolidated financial statements for the period ended 31 December 2020 (the “**2020 CFS**”).

The Board of Directors note that the profit before tax reported in the 2020 CFS amounted to €1.3 million, which represents a material variance of €1.1 million from the 2020 projections that were published in the Financial Analysis Summary issued on 26 June 2020 by way of Company Announcement BDPH 20/2020 (the “**Projections**”), given that the Projections had forecasted a profit before tax of €2.4 million.

The abovementioned difference between the 2020 CFS and the Projections is mainly attributable to a material variance between revenues of circa €1.8 million, given that actual revenues for the financial year ending 31 December 2020 amounted to €11 million (Projections: €12.8 million). It is to be noted that this difference in revenue was partially compensated by a decrease in cost of sales, as well as lower administration expenses.

The Projections were based on the expectation that the sales contracts relative to the ‘Blue Moon’ project (situated in Marsascala), ‘Garnet Court’ (located in Mqabba), and ‘Lotus Court’ (located in Zabbar) would have progressed further by the reporting date. While progress on all the developments has advanced - in fact, inventory value stood at €25.68 million as at 31 December 2020 (Projections: €24.79 million) - the group, made up of the Company and its subsidiaries (the “**Group**”), experienced delays in the execution of the final deeds of sale, particularly as a consequence of social distancing and other COVID-19 related public health measures.

It is pertinent to note that customer deposits paid on the execution of promise of sale agreements amounted to €1.58 million as at 31 December 2020 (Projections: €0.88 million), illustrating that the Group has entered into more promise of sale agreements with customers than projected. It is the expectation that the Group will conclude the sales contracts relative to these promise of sale agreements during the course of 2021. Accordingly, notwithstanding the disruption created by the outbreak of the COVID-19 pandemic, the Company is confident that the Group shall continue its operations in line with its current business plan and, consequently, continue increasing its revenue in the forthcoming years with the sale of properties currently under development.

**UNQUOTE**

By order of the Board.



Dr Stephanie Shaw  
Company Secretary

13 April 2021