Financial Analysis Summary
9 November 2022

ISSUER

BEST DEAL PROPERTIES HOLDING P.L.C. (C 88974)

M Z INVESTMENT SERVICES

MZ INVESTMENT SERVICES

The Directors
Best Deal Properties Holding p.l.c.
63 J.L. Buildings, Office 5,
Luqa Road,
Paola, PLA 9045,
Malta

9 November 2022

Dear Board Members,

Financial Analysis Summary

In accordance with your instructions, and in line with the requirements of the MFSA Listing Policies, we have compiled the Financial Analysis Summary (the "Analysis") set out in the following pages and which is being forwarded to you together with this letter.

The purpose of the financial analysis is that of summarising key financial data appertaining to Best Deal Properties Holding p.l.c. (the "**Issuer"** or "**Company"** or "**BDP Group**" or "**Group"**), Best Deal Developments Limited (the "**2018 Guarantor**") and Best Deal Estates Limited (the "**2022 Guarantor**"). The data is derived from various sources or is based on our own computations as follows:

(a) Historical financial data for the period 23 October 2018 to 31 December 2019 and for the years ended 31 December 2020 and 31 December 2021 has been extracted from the audited consolidated financial statements of the Issuer.
(b) The projected consolidated financial data relating to the Issuer for the years ending 31 December 2022 and 31 December 2023 has been provided by management.
(c) Our commentary on the results of BDP Group and on its financial position is based on the explanations provided by management.
(d) The ratios quoted in the Analysis have been computed by us applying the definitions set out in Part 4 of the Analysis.
(e) Relevant financial data in respect of the companies included in Part 3 has been extracted from public sources such as websites of the companies concerned, financial statements filed with the Registrar of Companies or websites providing financial data.

The Analysis is meant to assist investors in the Issuer's securities and potential investors by summarising the more important financial data of BDP Group. The Analysis does not contain all data that is relevant to investors or potential investors. The Analysis does not constitute an endorsement by our firm of any securities of the Issuer and should not be interpreted as a recommendation to invest in any of the Issuer's securities. We shall not accept any liability for any loss or damage arising out of the use of the Analysis. As with all investments, potential investors are encouraged to seek independent professional financial advice before investing in the Issuer's securities.

Yours faithfully,

Evan Mohnani
Senior Financial Advisor

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PART 1 – INFORMATION ABOUT THE BDP GROUP

1. HISTORY AND PRINCIPAL ACTIVITIES OF BDP GROUP

Best Deal Properties Holding p.l.c. (the "**Company**") was established on 23 October 2018 as the parent company of the BDP Group. Its principal activity is to act as a holding company and to raise finance and advance such financing to its subsidiaries. The BDP Group is engaged in property development of residential units and sale of such units.

In December 2018, BDP Group raised €16 million through the issue of 4.25% secured bonds 2024 for the purposes of acquiring three sites in Żabbar, Mellieħa and Pembroke and developing thereon the following three projects:

(i) **Żabbar, Developmen**t - the construction, development and finishing over the site known as Il-Wilga tal-Imniegel, measuring approximately 4,149m², of 24 maisonettes, 81 apartments and 22 penthouses, spread over nine blocks and 198 underlying garages;

(ii) **Mellieħa Development** - the construction, development and finishing over the site known as Tal-Hawlija, Ta' Masrija and Tas-Salib, measuring in aggregate approximately 1,249m², of 3 maisonettes, 39 apartments and 7 overlying penthouses, as well as 50 underlying garages;

(iii) **Pembroke I Development** – the construction, development and finishing over the corner site situated at 102 and 103 in Triq Mediterran c/w Triq Gabriele Henin, Pembroke, having a footprint measuring approximately 380m², of 2 maisonettes, 4 three-bedroomed apartments, 2 penthouses and 6 underlying garages.

On 30 October 2019, the Group raised further equity from a new investor – C Developments Limited, which acquired 20% of the Company through an offer for subscription of 625,000 new ordinary shares of a nominal value of €0.10 each at a share issue price of €1.60, in terms of a Company Admission Document dated 21 August 2019. The new ordinary shares, together with the 2,500,000 existing ordinary shares of the Company were admitted to Prospects MTF.

Moreover, C Developments Limited advanced to the Company an amount of €1,200,000 to further assist BDP Group with ongoing working capital requirements.

Each project undertaken by the Group is promoted through the Best Deal Properties brand, which is operated by Best Deal Properties Limited, a company external to the BDP Group and equally owned by Christopher Attard and Erskine Vella.

2. DIRECTORS AND MANAGEMENT STRUCTURE

2.1 DIRECTORS OF THE ISSUER

The Company's governance principally lies in its Board of Directors, responsible for the general governance of the Company and to set its strategic aims, for its proper administration and management and for the general supervision of its affairs. Its responsibilities include the oversight of the Company's internal control procedures and financial performance, and the review of the Company's business risks, thus ensuring such risks are adequately identified, evaluated, managed and minimised. The Board members of the Company as at the date of this report are included hereunder:

Christopher Attard	Executive Director
Pierre Bartolo	Executive Director
Robert Buttigieg	Executive Director
Erskine Vella	Executive Director
David Basile	Executive Director
James Bullock	Non-Executive Director
Mario P. Galea	Independent Non-Executive Director
Maria Carmela k/a Marlene Seychell	Independent Non-Executive Director

2.2 DIRECTORS OF THE 2018 GUARANTOR

A board of four directors (listed below) is entrusted with the day-to-day management of Best Deal Developments Limited ("**2018 Guarantor**") and is responsible for the execution of the 2018 Guarantor's investments and the funding thereof and awarding of project contracts for the development of the 2018 Guarantor's properties.

Christopher Attard	Director
Pierre Bartolo	Director
Robert Buttigieg	Director
Erskine Vella	Director

2.3 DIRECTORS OF THE 2022 GUARANTOR

A board of five directors (listed below) is entrusted with the day-to-day management of Best Deal Estates Limited ("**2022 Guarantor**") and is responsible for the execution of the 2022 Guarantor's investments and the funding thereof and awarding of project contracts for the development of the 2022 Guarantor's properties.

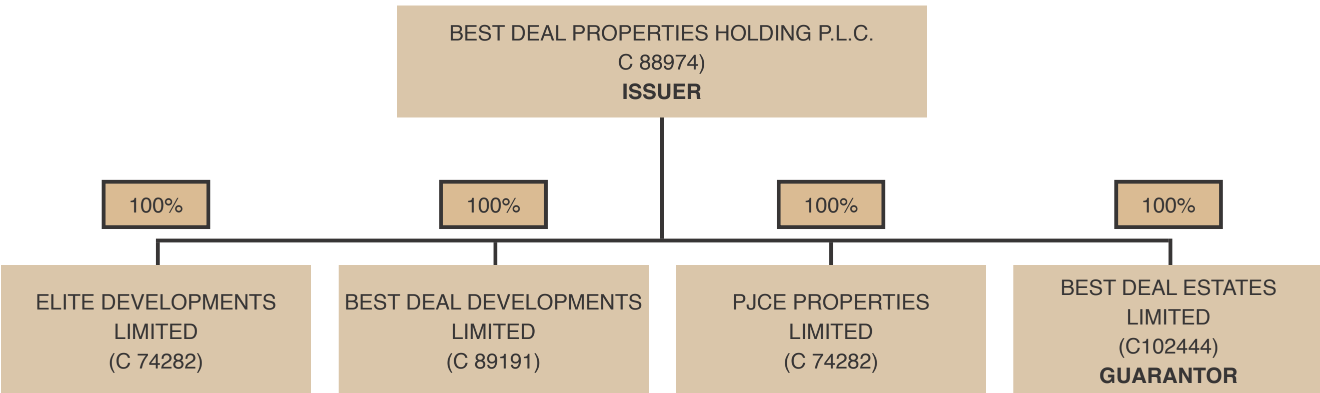
Christopher Attard	Director
Pierre Bartolo	Director
David Basile	Director
Robert Buttigieg	Director
Erskine Vella	Director

2.3 EMPLOYEES AND MANAGEMENT STRUCTURE

The Issuer, the 2018 Guarantor and the 2022 Guarantor have no employees and are managed directly by their respective board of directors. In managing each project, the directors of the 2018 Guarantor and 2022 Guarantor are supported by a number of external consultants who are appointed as required.

3. ORGANISATIONAL STRUCTURE

The diagram hereunder illustrates the organisational structure of the BDP Group.



The principal object of the Issuer is that of a holding company. As such, the Issuer is mainly dependent on the business prospects of its operating subsidiaries.

Elite Developments Limited has been involved in the construction and development of two residential projects - Crystal Court and Blue Moon Court, both of which are located in Marsascala. PJCE Properties Limited has been involved in the construction and development of Garnet Court situated in Mqabba. These projects are fully completed and described in section 4 below.

At present, the 2018 Guarantor is developing the Zabbar Development, Mellieħa Development and Pembroke I Development. The afore-stated projects are further described in section 5 below.

The 2022 Guarantor was incorporated on 31 May 2022 for the purposes of acquiring a portion of land in Siġġiewi (the "**Siġġiewi Site**"), and to construct and develop over the Siġġiewi Site a total of 20 maisonettes, 75 apartments and 155 garages spread of eight blocks (the "**Siġġiewi Development**") as further described in section 6 below.

4. COMPLETED PROJECTS

4.1 CRYSTAL COURT - MARSASCALA

Elite Developments Ltd embarked on developing Crystal Court in June 2016, when it acquired the land situated at Triq Salvu Buhagiar c/w Triq il-Gemmugha c/w Triq il-Qrempuc, Marsascala. The project includes two blocks comprising 5 maisonettes at ground floor, 7 two-bedroomed apartments, 11 three-bedroomed apartments, 2 three-bedroomed penthouses and 30 underlying garages. All units and garages were sold in FY2018 and FY2019, except for 1 garage which was sold in FY2020.

4.2 BLUE MOON COURT - MARSASCALA

In 2017, Elite Developments Limited acquired a second property situated in Triq il-Grigal c/w Triq is-Sajjieda, Marsascala. The property development includes two blocks consisting of 5 maisonettes at ground floor level, 15 three-bedroomed apartments, 3 penthouses and 19 underlying garages. All units and garages were sold in FY2020, except for 1 residential unit and 1 garage which were sold in FY2021.

4.3 GARNET COURT - MQABBA

In 2018, PJCE Properties Limited acquired two parcels of land in Triq il-Familja Brancati, Mqabba. The said project comprises 2 maisonettes at ground floor level, 23 three-bedroomed apartments, 3 penthouses and 33 underlying garages. All units and garages were sold in FY2021, except for 1 residential unit and 1 garage which were sold in FY2022. As at 20 October 2022, 1 apartment is in stock and available for sale.

5. WORKS IN PROGRESS

5.1 ZABBAR DEVELOPMENT

The site measures *circa* 4,149m^2 and is situated in Triq Ta' Lanza c/w New Street in Triq il-Kahwiela c/w Triq il-Kahwiela, Zabbar and positioned on three roads. The project comprises the development of nine blocks consisting of 24 maisonettes, 81 apartments (spread on three floors) and 22 penthouses and 198 underlying garages. Four of the afore-mentioned nine blocks enjoy open country views from the front terraces as they face a green area.

As at 30 June 2022, construction of all blocks were 100% complete, while finishes were 86% complete. The Zabbar Development is being financed from proceeds of the 2018 Bond Issue, cash flows generated from unit sales of other projects of the Group and cash flows from sales of units generated from the initial phases of this project.

As at 20 October 2022, 16 units are included in stock and available for sale.

5.2 MELLIEĦA DEVELOPMENT

The Mellieħa site measures *circa* 1,249m^2 and is located in Triq Ta' Masrija and New Street off Triq il-Mithna L-Qadima, Mellieħa. The project is split in three blocks comprising 2 levels of garages (50 garages), 3 maisonettes at ground floor level, 39 apartments spread over 5 floor levels and 7 penthouses. On completion, the units will include a mix of one-bedroomed, two-bedroomed and three-bedroomed apartments and panoramic views will be visible from the sixth and seventh levels.

Full completion of the project is scheduled for 2023 and is principally being financed from proceeds of the 2018 Bond Issue, revenue generated from the Mellieħa Development and other sources of funds of the BDP Group. As at 30 June 2022, the construction of all blocks was 100% complete, while finishes were 10% complete.

Sale of units from the Mellieħa Development are expected to generate *circa* €15.4 million in total revenue. As at 20 October 2022, 31 residential units (being 63% of total inventory) are subject to promise of sale agreements.

5.3 PEMBROKE I DEVELOPMENT

The property comprises a corner plot of land with unobstructed sea and country views situated in Triq il-Mediterran c/w Triq Gabriele Henin, Pembroke. The acquisition cost was funded out of proceeds from the 2018 Bond Issue and *circa* €0.5 million was settled in kind through the assignment of a penthouse at Blue Moon Court.

The Pembroke I Development comprises 6 garages, 2 maisonettes, 4 three-bedroomed apartments and 2 three-bedroomed duplex penthouses. As at 30 June 2022, construction works were 100% complete while finishes were 95% complete.

As at 20 October 2022, only 1 residential unit was in stock and available for sale.

6. NEW DEVELOPMENTS

6.1 PEMBROKE II DEVELOPMENT

The Pembroke II Development is a residential development located in Triq Profs J. E. Debono, Pembroke which will include 6 basement garages, 2 maisonettes at ground floor level, 4 apartments at first and second floor levels, and 2 duplex penthouses at third and fourth floor levels. The said property is subject to a promise of sale agreement where it was agreed to exchange a duplex penthouse and garage forming part of Pembroke I Development for the above-mentioned new location in Pembroke.

The project costs are expected to amount to *circa* €2.0 million and will be financed from the Group's own cash flows. The development is expected to be completed in shell form by Q2 2023 and finishes by Q3 2024.

6.2 SIĠĠIEWI DEVELOPMENT

In 2022, the 2022 Guarantor acquired the rights under 4 promise of sale agreements to acquire 4 parcels of land in Siġġiewi (together, the "**Siġġiewi Site**") for an aggregate consideration of *circa* €10.2 million. The Siġġiewi Site, measuring approximately 5,000m², shall be utilised for the construction of the Siġġiewi Development which, on completion, shall comprise 155 lock-up garages, 2 stores and a substation at basement level, 20 maisonettes, 60 apartments and 15 penthouses spread over 8 blocks. The properties will be sold in a finished state. Each block shall have separate entrances served with passenger lifts accessing both the residential units and the underlying garage levels.

The construction of the Siġġiewi Development is intended to commence in Q1 2023, with construction envisaged to be completed by Q4 2024 and fully finished by Q2 2026. Development works are estimated to amount to €16.6 million. The above-mentioned acquisition of the Siġġiewi Site and development thereon shall be financed from net proceeds of the 4.75% Secured Bonds 2025-2027 and cash flows generated from the sale of units.

Projected revenues to be generated from the sale of units of the Siġġiewi Development is expected to amount to €37.0 million, with the majority of said revenues expected to be recognised in FY2025 and FY2026.

6.3 GĦADIRA DEVELOPMENT

Best Deal Developments Limited (the "**2018 Guarantor**") has entered into a promise of sale agreement dated 03 October 2022 for the acquisition of the portion of land located in Mellieħa, which extends over and into one half of the fronting streets called Triq it-Tunnara and Triq id-Denci, and slightly less than one half on Triq it-Tumbrell, free and unencumbered from the obligation of payment of or conditions related to groundrent and, or emphyteutical or other burdens, free from third party servitudes, with its airspace and subterranean levels and with guaranteed vacant possession (the "**Target Property**"), for the price of €7.8 million. This is expected to be financed through additional borrowings expected to take place in 2023.

The final deed of sale and purchase is conditional, *inter alia*, on the 2018 Guarantor managing to obtain, at its expense, by no later than seventeen (17) months from the date of the above-mentioned promise of sale, a fully executable development permit to be applied for by the 2018 Guarantor. The promise of sale shall remain valid and effective up to 03 April 2024.

The acquisition is intended to be developed into a residential development comprising 72 apartments spanning over nine floors, one large penthouse referred to as 'Sky Villa' and 108 garages. Pursuant to the terms of the said promise of sale, the 2018 Guarantor is vested with a right of substitution and, or assignment in favour of any third-party company/ies in which the ultimate beneficial owners of the 2018 Guarantor have a direct or indirect shareholding. The Board of Directors of the Issuer understands that such right of assignment is due to be exercised with a view to the 2022 Guarantor appearing on the final deed of sale for the acquisition of the Target Property. In addition to the above, the 2022 Guarantor may seek to identify additional properties for acquisition and subsequent development.

7. SECURITY AND THE RESERVE ACCOUNT

7.1 SECURITY

In 2018, the Company issued €16 million 4.25% secured bonds 2024 (the "**2018 Bonds**") for the purposes of acquiring three sites in Zabbar, Mellieħa and Pembroke and developing thereon the Zabbar Development, the Mellieħa Development and the Pembroke Development, respectively. The balance of said bonds as at 1 August 2022 amounted to €9,183,200.

The 2018 Bonds are guaranteed by the 2018 Guarantor and secured by the following security rights in favour of the Security Trustee for the benefit of the holders of the 2018 Bonds:

(i) the first ranking general hypothec for the full nominal value of the 2018 Bonds and interests thereon over all the present and future property of the Company and 2018 Guarantor;
(ii) the first ranking special hypothec for the full nominal value of the 2018 Bonds and interests thereon over the land on which each of the Pembroke Development, the Mellieħa Development and the Zabbar Development has been / is being developed together with all and any constructions to be developed thereon;
(iii) the special privilege in accordance with the provisions of article 2010(c) of the Civil Code (Chapter 16 of the laws of Malta) for the amounts of: (a) *circa* €0.8 million (or such other amount according to law) over the site of the Pembroke Development; (b) *circa* €3.2 million (or such other amount according to law) over the site of the Mellieħa Development; and (c) *circa* €7.6 million (or such other amount according to law) over the site of the Zabbar Development; and
(iv) the joint and several guarantee, dated 3 December 2018 granted by 2018 Guarantor as security for the punctual performance of the Issuer's payment obligations relating to the 2018 Bonds, subject to the terms and conditions contained in the security trust deed signed between the Issuer, 2018 Guarantor and the Security Trustee dated 3 December 2018.

In terms of the Prospectus dated 9 November 2022, the Issuer plans to raise €15 million through the issue of 4.75% secured bonds 2025 – 2027 (the "**2022 Bonds**") for the purposes of funding the acquisition by the Guarantor of the Siġġiewi Site and part-financing the development of the Siġġiewi Development described in section 6.2 above.

The 2022 Bonds shall be guaranteed by the 2022 Guarantor and secured by the following security rights in favour of the Security Trustee for the benefit of the holders of the 2022 Bonds:

(i) the first ranking general hypothec for the full nominal value of the 2022 Bonds and interests thereon over all the present and future property of the 2022 Guarantor;
(ii) the first ranking special hypothec for the full nominal value of the 2022 Bonds and interests thereon over the Siġġiewi Site together with all and any constructions to be developed thereon;
(iii) the pledge on insurance policy relating to the Siġġiewi Site and development thereon; and
(iv) the joint and several guarantee granted by 2022 Guarantor as security for the punctual performance of the Issuer's payment obligations relating to the 2022 Bonds, subject to the terms and conditions contained in the security trust deed signed between the Issuer, 2022 Guarantor and the Security Trustee dated 9 November 2022.

7.2 RELEASING SECURITY AND THE RESERVE ACCOUNT

All sales of units, including residential units and garages/car spaces, forming part of the hypothecated property (described in section 7.1 above) shall be made on condition that units are released of all hypothecary rights and privileges encumbering the units being sold. For this purpose, the Security Trustee shall be empowered to release individual units of the hypothecated property from the security interest encumbering such unit/s upon receipt by it from the Issuer or from a prospective purchaser of a fixed amount of the purchase price attributed to each unit forming part of the hypothecated property.

All amounts received by the Security Trustee from the sales proceeds of units, forming part of the hypothecated property, shall be credited to the Reserve Account and shall be retained for the purpose of redeeming the 2018 Bonds and, or the 2022 Bonds (as the case may be) on maturity. In the absence of unforeseen circumstances and subject to there being no material adverse changes in circumstances, the directors of the Issuer are of the view that the percentages available for cash flows that will be credited to the Reserve Account will be sufficient to cover the redemption of the outstanding 2018 Bonds and 2022 Bonds on maturity.

8. ECONOMIC AND SECTOR ANALYSIS

8.1 ECONOMIC UPDATE

In 2021, the Maltese economy rebounded strongly by 10.4%, on account of improved business and consumer sentiment and growth in investment and services exports. In 2022, real GDP growth is forecast to reach 4.9%, which is higher than projected in spring (4.2%), given the expected stronger gains in the services sector, although tampered by the negative impacts of Russia's invasion of Ukraine. Growth in 2022 is expected to be driven by domestic consumption and net exports. Based on air passenger data projections by Eurocontrol[1], the export of tourism services is on course to a very rapid rebound in 2022 with full recovery expected by 2023, contributing to growth in both years. In 2023, real GDP is forecast to increase at a slower pace, but still by a robust 3.8%, affected by a general economic slowdown of its main trading partners, but partially compensated by continued growth of tourism and other services exports.

In June 2022, Malta was removed from the list of jurisdictions under increased monitoring by the Financial Action Task Force (the international standard setting body on anti-money laundering/countering the financing of terrorism). This positive outcome removed the related limited downside risks flagged in previous forecast rounds.

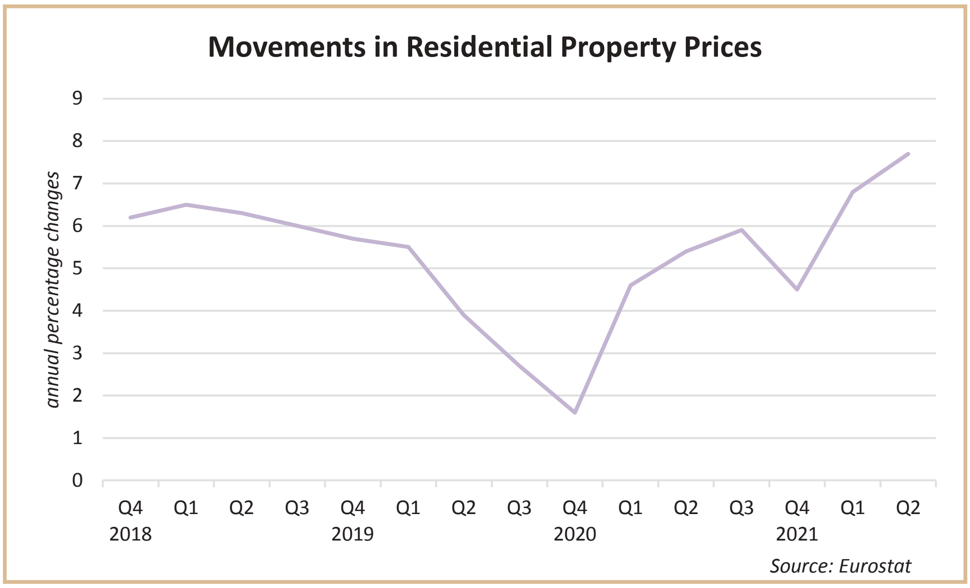
Inflation in 2021 increased only moderately by 0.7% as energy prices were kept unchanged by state interventions and hedging contracts for gas supply. While the authorities have committed to continue limiting energy price growth in 2022, the strong increase in inflation in the first two quarters of 2022 indicates that rising international energy and commodity prices are affecting Malta's prices indirectly. Inflation in 2022 is set to rise to 5.6%. The increases in food, transport and imported goods prices, and a continued recovery in the tourism and hospitality services are set to drive up price pressures also in 2023, with inflation remaining elevated at 3.3%.[2]

8.2 PROPERTY MARKET

The NSO's Property Price Index (PPI) – which is based on actual transactions involving apartments, maisonettes and terraced houses – continued to increase in annual terms. However, the annual rate of change slowed down to 4.5% in the last quarter of 2021 from 5.9% in the third quarter of 2021. Moreover, house price inflation in Malta remained below that in the euro area where prices increased at an annual rate of 9.4%.

[1] The European Organisation for the Safety of Air Navigation, commonly known as Eurocontrol, is an international organisation working to achieve safe and seamless air traffic management across Europe.

[2] Economic Forecast – Summer 2022 (European Commission Institutional Paper 183 July '22).



Notwithstanding the slower growth recorded in the fourth quarter of 2021, the annual average house price inflation remains close to that recorded in the last four years before the pandemic. At the same time, residential property prices seem to have returned to a growth trend following the slowdown in growth during the initial stages of the pandemic. In Q1 2022 and Q2 2022, the annual percentage rate of change increased from 4.5% in Q4 2021 to 6.8% and 7.7% respectively.

Residential property prices are being supported by numerous factors including the low-interest rate environment and a number of Government schemes, which include the temporary measures launched following the pandemic. Such schemes reflect, for example, lower property tax rate and stamp duty to eligible transfers of immovable property. In particular, in 2020, the property tax and stamp duty on the first €400,000 of the value of the transfer were reduced to 5.0% and 1.5% respectively. Moreover, Budget 2021 and Budget 2022 extended or introduced more incentives supporting the property market that were in place before the pandemic.

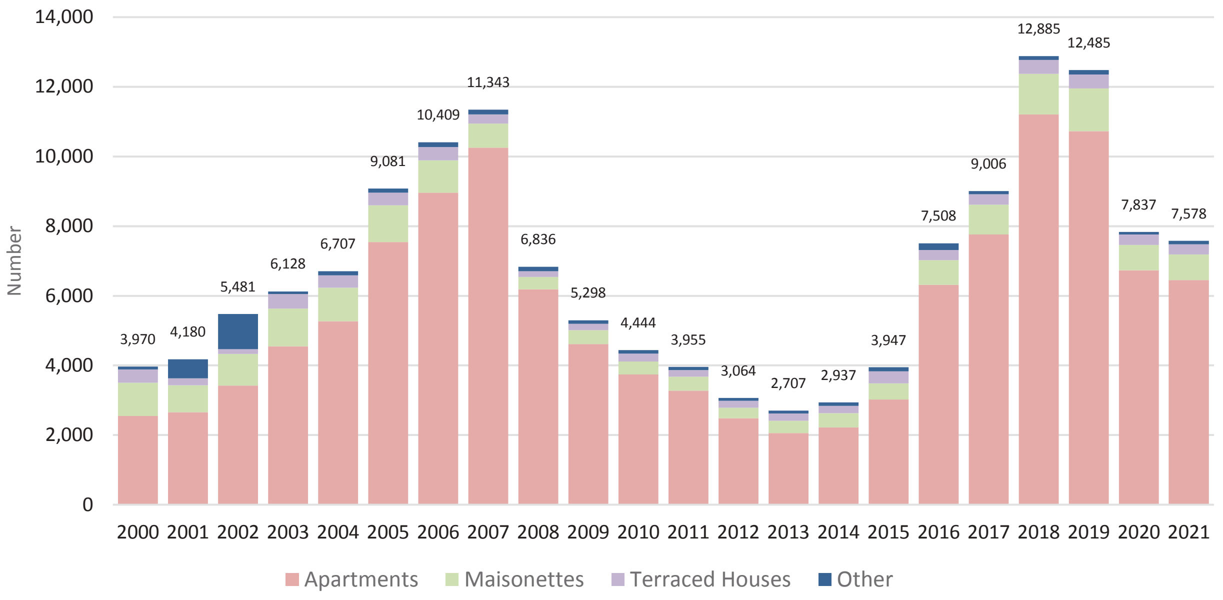
In 2021, the number of final deeds of sale relating to residential property amounted to 14,368 compared to 11,057 deeds in 2020 (+30%). The value of deeds completed in 2021 amounted to €3,155.3 million, an increase of 48% when compared to the prior year (2020: €2,126.6 million).

During the first 9 months of 2022, 10,516 final deeds of sale were concluded, an increase of 44 deeds from the same period a year earlier (Q1 to Q3 2021: 10,472 deeds). The value of the afore-mentioned deeds amounted to €2,363.6 million compared to €2,303.4 million in Q1 to Q3 2021 (+€60.2 million or +2.6%).[1]

The number of residential building permits issued in 2021 amounted to 1,633 permits (2020: 1,675 permits) for the development of 7,578 residential units (2020: 7,837 residential units). As shown in the below chart, the number of units in 2021 (7,578) reflects a decrease of 41% from the all-time high of 12,885 units in 2018.

[1] National Statistics Office Malta – News Release 180/2022.

Development Permits for Dwellings (number of units)



Source: Central Bank of Malta

During the first half of 2022, 1,047 building permits for a total of 5,367 new dwellings were approved. When compared to the corresponding 6-month period of 2021, the number of building permits and approved new dwellings increased by 15% (+137 permits) and 39% (+1,500 new dwellings) respectively.[1]

[1] National Statistics Office Malta – News Release 145/2022.

PART 2 – BDP GROUP PERFORMANCE REVIEW

9. FINANCIAL HIGHLIGHTS

The following financial information isextracted from the audited consolidated financial statements of the Issuer for the period 23 October 2018 to 31 December 2019 and for the years ended 31 December 2020 and 31 December 2021. The projected consolidated financial information for the years ending 31 December 2022 and 31 December 2023 of BDP Group has been provided by management of the Issuer.

The projected financial statements relate to events in the future and are based on assumptions which BDP Group believes to be reasonable. Consequently, the actual outcome may be adversely affected by unforeseen situations and the variation between forecast and actual results may be material.

Best Deal Properties Holding plc Condensed Consolidated Income Statement for the years ending 31 December	**2019 14 months Audited €'000**	**2020 12 months Audited €'000**	**2021 12 months Audited €'000**	**2022 12 months Projection €'000**	**2023 12 months Projection €'000**
Revenue	883	10,952	20,060	18,750	13,773
Cost of sales	(764)	(8,760)	(15,603)	(13,704)	(10,267)
Administrative expenses	(620)	(712)	(595)	(405)	(418)
EBITDA	**(501)**	**1,480**	**3,862**	**4,641**	**3,088**
Depreciation and amortisation	(73)	(67)	(67)	-	-
Operating profit/(loss)	**(574)**	**1,413**	**3,795**	**4,641**	**3,088**
Finance income	-	4	30	-	-
Finance costs	(28)	(104)	(152)	(130)	(30)
Gain on bargain purchase	515	-	-	-	-
Profit/(loss) before tax	**(87)**	**1,313**	**3,673**	**4,511**	**3,058**
Taxation	(38)	(551)	(908)	(1,112)	(939)
Profit/(loss) for the year	**(125)**	**762**	**2,765**	**3,399**	**2,119**

Key Accounting Ratios	**2019 14 months Audited**	**2020 12 months Audited**	**2021 12 months Audited**	**2022 12 months Projection**	**2023 12 months Projection**
Operating profit margin *(EBITDA/revenue)*	-57%	14%	19%	25%	22%
Net profit margin *(Profit after tax/revenue)*	-14%	7%	14%	18%	15%
Earnings per share (€) *(Profit after tax/number of shares)*	-0.04	0.24	0.88	1.09	0.68
Return on equity *(Profit after tax/shareholders' equity)*	-4%	18%	40%	34%	18%
Return on capital employed *(EBITDA/total assets less current liabilities)*	-2%	7%	18%	13%	6%
Return on assets *(Profit after tax/total assets)*	0%	3%	11%	10%	4%

Source: MZ Investment Services Limited

In FY2020, BDP Group generated revenue of €11.0 million, principally from the sale of units in Blue Moon Court (€6.8 million) and the Zabbar development (€4.0 million). EBITDA margin in FY2020 was at 14% and EBITDA amounted to €1.5 million. Overall, the Group reported a net profit after tax of €0.8 million and thereby registered a net profit margin of 7%.

In FY2021, BDP Group generated revenue amounting to €20.1 million compared to €11.0 million in FY2020 (+83%). Approximately 57% of revenue was derived from sales of units forming part of the Zabbar Development and *circa* 34% from Garnet Court. Operating profit for the year amounted to €3.9 million, an increase of €2.4 million from a year earlier, and total comprehensive income amounted to €2.8 million (FY2020: €0.8 million).

Operating profit margin improved from 14% in FY2020 to 19% in FY2021, while net profit margin increased from 7% in FY2020 to 14%. The efficiency ratios being a measure of a company's ability to use one's assets to generate income have also increased year-on-year. In fact, return on equity increased from 18% to 40% in FY2021, return on capital employed improved by 11 percentage points to 18% while return on assets increased from 3% in FY2020 to 11%.

In FY2022 and FY2023, BDP Group is projected to generate revenue of €18.8 million and €13.8 million respectively primarily from the sale of units forming part of the Zabbar Development (54%), Mellieħa Development (32%) and Pembroke I Development (10%). The sales expected to the end of 2022 are in the vast majority subject to promise of sale agreements. Revenue in FY2023 is expected to decrease by €5.0 million due to declining levels of property available for sale (inventory). Sale of units situated in Pembroke II Development and Siġġiewi Development are expected to commence as from FY2024.

The Group's operating profit margin is projected to improve y-o-y by 6 percentage points in FY2022 to 25% but decrease to 22% in FY2023. Overall profitability is expected to increase by 23% (€0.6 million) in FY2022 from €2.8 million in the previous year to €3.4 million. In the following projected year, net profit is expected to amount to €2.1 million compared to €3.4 million (FY2022), reflecting the decrease in revenue from a year earlier. The return on capital employed is estimated at 13% and 6% in FY2022 and FY2023 respectively compared to 18% in FY2021. The lower expected return in the projected two years is in consequence of the timing of property development projects. In FY2022 and FY2023, the Group shall be committing capital resources towards Pembroke II Development and Siġġiewi Development but related revenue and operating profit will be accounted for as of FY2024.

Best Deal Properties Holding plc
Condensed Consolidated Statement of Financial Position
as at 31 December

	2019 Audited €'000	2020 Audited €'000	2021 Audited €'000	2022 Projection €'000	2023 Projection €'000
ASSETS					
Non-current assets					
Property, plant and equipment	1	1	1	1	1
Goodwill	43	43	43	43	43
Deferred tax asset	21	111	108	30	2
Sinking fund reserve	-	875	3,365	4,244	7,577
	65	1,030	3,517	4,318	7,623
Current assets					
Inventories	26,432	25,682	19,626	21,682	23,302
Trade and other receivables	156	279	1,148	-	-
Income tax assets	-	-	23	-	-
Cash and cash equivalents	801	462	247	9,111	21,476
	27,389	26,423	21,044	30,793	44,778
Total assets	**27,454**	**27,453**	**24,561**	**35,111**	**52,401**
EQUITY					
Capital and reserves					
Called up share capital	313	313	313	313	313
Share premium	938	938	938	938	938
Shareholders' loans	2,324	2,324	2,324	2,325	2,325
Retained earnings/(accumulated losses)	(209)	553	3,318	6,455	8,313
	3,366	**4,128**	**6,893**	**10,030**	**11,888**
LIABILITIES					
Non-current liabilities					
Secured bonds	15,671	15,022	13,296	23,513	23,659
Borrowings	2,548	1,200	1,200	1,200	15,807
	18,219	16,222	14,496	24,713	39,466
Current liabilities					
Borrowings	3,050	3,574	660	-	-
Trade and other payables	2,817	3,509	2,512	368	987
Current income tax liabilities	2	20	-	-	60
	5,869	7,103	3,172	368	1,047
	24,088	**23,325**	**17,668**	**25,081**	**40,513**
Total equity and liabilities	**27,454**	**27,453**	**24,561**	**35,111**	**52,401**

Key Accounting Ratios	2019	2020	2021	2022	2023
	14 months	12 months	12 months	12 months	12 months
	Audited	Audited	Audited	Projection	Projection
Gearing ratio *(Total net debt/net debt and shareholders' equity)*	86%	82%	63%	53%	47%
Gearing ratio 2 (times) *(Net debt/shareholders' equity)*	6.08	4.47	1.67	1.13	0.88
Net debt to EBITDA (years) *(Net debt/EBITDA)*	n/a	12.47	2.99	2.45	3.37
Net assets per share (€) *(Net asset value/number of shares)*	1.08	1.32	2.21	3.21	3.80
Liquidity ratio (times) *(Current assets/current liabilities)*	4.67	3.72	6.63	83.68	42.77

Source: MZ Investment Services Limited

BDP Group's statement of financial position as at 31 December 2021 comprised total assets of €24.5 million (FY2020: 27.5 million), primarily made up of inventory (being property development work-in-progress) and cash balances (including sinking fund reserve).

Total equity increased by €2.8 million to €6.9 million on account of the net profit registered during the year. Aggregate liabilities amounted to €17.7 million, a decrease of €5.7 million compared to FY2020. During the year, secured bonds and short-term borrowings were reduced by €4.6 million to €14.0 million. Other liabilities include deposits received on promise of sale agreements amounting to €0.8 million (FY2020: €1.6 million).

The gearing ratio of the BDP Group decreased from 82% in FY2020 to 63% in FY2021, whilst net debt to EBITDA, which is an alternative measure to assess leverage, was at 2.99 years in FY2021 compared to 12.47 years in the prior year. The liquidity ratio of the BDP Group in FY2021 was at 6.63 times in FY2021 (FY2020: 3.72 times). The relatively high liquidity ratio emanates from the fact that the majority of the BDP Group's funding facilities are repayable after more than one year.

Equity in FY2022 and FY2023 is projected to increase sequentially by €3.1 million and €1.9 million on account of the profit expected to be generated in the said financial years.

Liabilities are expected to increase by €22.8 million primarily in consequence of the issue of €15 million 4.50% secured bonds 2025-2027 in FY2022 to acquire the Siġġiewi Site and an increase in borrowings of €15 million in FY2023 for the proposed acquisition of the Għadira Site. Furthermore, the outstanding amount of 4.25% secured bonds 2024 has to date been reduced from €14.5 million as at 31 December 2021 to *circa* €9.0 million and is assumed to remain unchanged until maturity date in 2024. It is however observed that the Group will continue to build the sinking fund reserve to be utilised to redeem the afore-mentioned bonds (included in non-current assets). In this regard, the balance of the sinking fund reserve is projected to amount to €7.6 million by FY2023.

Apart from the sinking fund reserve, the other assets of the Group principally comprise cash balances and property being developed (classified as inventories). In FY2022, inventories are projected to amount to €21.7 million and includes the proposed acquisition of the Siġġiewi Site for *circa* €10.2 million. In the subsequent year, inventories comprise the purchase of the Għadira Site for *circa* €7.8 million.

Due to the consistent increase in equity and cash balances, the Group's gearing ratio is expected to decrease from 63% in FY2021 to 53% and 47% in FY2022 and FY2023 respectively.

Best Deal Properties Holding plc Condensed Consolidated Cash Flow Statement for the years ending 31 December	2019 14 months Audited €'000	2020 12 months Audited €'000	2021 12 months Audited €'000	2022 12 months Projection €'000	2023 12 months Projection €'000
Net cash from operating activities	(24,001)	2,178	7,134	466	1,225
Net cash from investing activities	(2)	(875)	(2,490)	(879)	(3,333)
Net cash from financing activities	24,788	(1,650)	(4,835)	9,277	14,473
Net movement in cash and cash equivalents	**785**	**(347)**	**(191)**	**8,864**	**12,365**
Cash and cash equivalents at beginning of year	-	785	438	247	9,111
Cash and cash equivalents at end of year	**785**	**438**	**247**	**9,111**	**21,476**

In FY2020, net movement in cash and cash equivalents amounted to an adverse balance of €0.3 million. Cash generated from operating activities amounted to €2.2 million, of which €1.3 million related to working capital movements. Net cash outflows from investing activities represented transfers to the sinking fund reserve. Net cash used in financing activities amounted to €1.6 million and mainly related to net repayments of bank borrowings.

In FY2021, net movement in cash and cash equivalents amounted to an adverse balance of €0.2 million. Net cash from operating activities amounted to €7.1 million compared to €2.2 million in the previous year, mainly on account of a positive movement in working capital (+€4.2 million). Net cash used in investing activities of €2.5 million and represented amounts paid into the sinking fund reserve (FY2020: €0.9 million). During the year, the Issuer transferred a further €1.8 million to the security trustee (in aggregate, €4.3 million) for the purposes of repurchasing bonds from the capital market and which are accounted for as financing activities.

Net cash outflow from financing activities amounted to €4.8 million compared to outflows of €1.6 million in FY2020. Cash used mainly comprised the repurchase of €1.8 million of bonds outstanding and net repayment of other borrowings.

In FY2022, the Group is projected to generate €0.5 million of net cash from operating activities which is expected to comprise operating profit of €3.6 million and the remaining balance being net adverse movement in working capital changes. In investing activities, the amount of €0.9 million is expected to be paid into the sinking fund reserve.

Net cash from financial activities is projected to amount to €9.3 million on account of net increase in bonds and other borrowings of €9.6 million and dividend payments amounting to €0.3 million.

Net movement in cash in FY2023 is projected to amount to €12.4 million mainly on account of an increase in net borrowings of €14.8 million and cash generated from operating activities amounting to €1.2 million. On the other hand, payments to the sinking fund reserve (accounted for as investing activities) is estimated to amount to €3.3 million.

INFORMATION RELATING TO THE ISSUER'S EQUITY

The 2,500,000 ordinary shares of the Issuer, having a nominal value of €0.10 per share, are listed on Prospects MTF pursuant to a Company Admission Document dated 21 August 2019. Key market data relating to the said ordinary shares is provided hereunder:

Key Market Data	31 Dec'19 Actual	31 Dec'20 Actual	31 Dec'21 Actual	31 Dec'22 Projection	31 Dec'23 Projection
Total shares outstanding	3,125,000	3,125,000	3,125,000	3,125,000	3,125,000
Year-end share price (€)	1.60	1.60	1.60	1.60	1.60
Market capitalisation *[A]*	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000
Net debt (€) *[B]*	20,468,000	18,459,000	11,544,000	11,358,000	10,413,000
Enterprise value *[A + B]*	25,468,000	23,459,000	16,544,000	16,358,000	15,413,000
Price/earning ratio (times)	-40.00	6.56	1.81	1.47	2.36
Dividends payable to shareholders (€)	-	-	-	250,000	250,000
Dividend cover (Net profit/dividends paid) (times)	-	-	-	13.60	8.48

Source: MZ Investment Services Limited

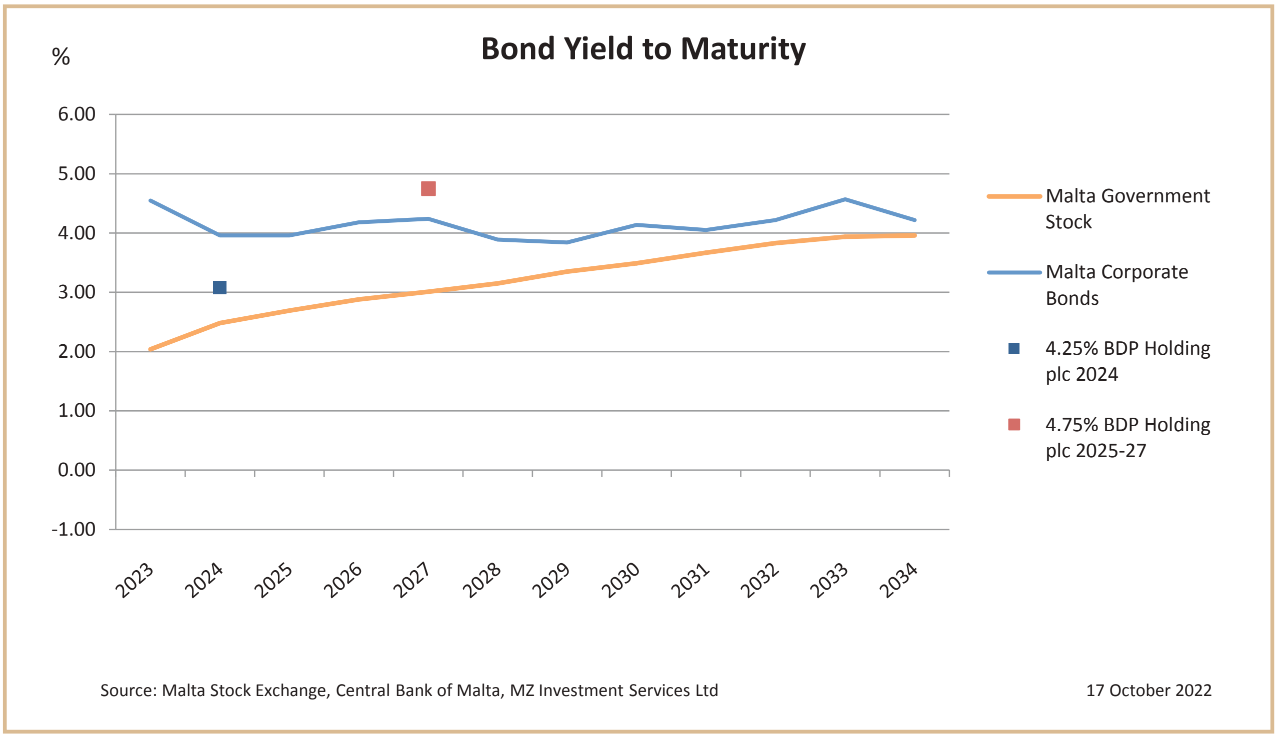
PART 3 - COMPARABLES

The table below compares the Issuer and its bond issues to other debt issuers listed on the Malta Stock Exchange and their respective debt securities. The list includes issuers (excluding financial institutions) that have listed bonds. Although there are significant variances between the activities of the Issuer and other issuers (including different industries, principal markets, competition, capital requirements etc), and material differences between the risks associated with BDP Group's business and that of other issuers, the comparative analysis provides an indication of the financial performance and strength of BDP Group.

Comparative Analysis	Nominal Value (€)	Yield to Maturity (%)	Interest Cover (times)	Total Assets (€'000)	Net Asset Value (€'000)	Gearing Ratio (%)
4.25% GAP Group plc Secured € 2023	8,349,900	5.29	14.81	112,173	21,575	60.31
5.30% United Finance Plc Unsecured € Bonds 2023	8,500,000	4.55	1.68	37,992	9,916	65.59
5.80% International Hotel Investments plc 2023	10,000,000	4.33	1.06	1,695,229	838,216	40.59
6.00% AX Investments Plc € 2024	40,000,000	3.33	1.69	374,099	237,143	25.10
6.00% International Hotel Investments plc € 2024	35,000,000	3.97	1.06	1,695,229	838,216	40.59
5.30% Mariner Finance plc Unsecured € 2024	35,000,000	4.05	3.30	102,348	52,929	46.65
5.00% Hal Mann Vella Group plc Secured € 2024	30,000,000	3.96	2.60	123,752	48,512	53.05
5.10% 1923 Investments plc Unsecured € 2024	36,000,000	4.84	4.58	149,687	52,831	49.89
4.25% Best Deal Properties Holding plc Secured € 2024	**9,137,200**	**3.03**	**-**	**24,561**	**6,893**	**62.61**
3.70% GAP Group plc Secured € 2023-2025 Series 1	21,000,000	3.53	14.81	112,173	21,575	60.31
5.75% International Hotel Investments plc Unsecured € 2025	45,000,000	5.73	1.06	1,695,229	838,216	40.59
5.10% 6PM Holdings plc Unsecured € 2025	13,000,000	4.70	52.47	155,313	70,709	14.82
4.50% Hili Properties plc Unsecured € 2025	37,000,000	3.96	1.41	208,696	110,881	32.31
4.35% Hudson Malta plc Unsecured € 2026	12,000,000	4.18	4.51	58,951	12,557	68.49
4.25% Corinthia Finance plc Unsecured € 2026	40,000,000	4.16	0.83	1,863,456	899,566	40.81
4.00% International Hotel Investments plc Secured € 2026	55,000,000	3.96	1.06	1,695,229	838,216	40.59
3.75% Premier Capital plc Unsecured € 2026	65,000,000	3.75	11.70	317,675	60,118	74.24
4.00% International Hotel Investments plc Unsecured € 2026	60,000,000	4.13	1.06	1,695,229	838,216	40.59
3.25% AX Group plc Unsec Bds 2026 Series I	15,000,000	3.51	1.69	374,099	237,143	25.10
3.90% GAP Group plc Secured € 2024-2026	21,000,000	4.16	14.81	112,173	21,575	60.31
4.75% Best Deal Properties Holding plc Secured € 2025-27	**15,000,000**	**4.75**	**-**	**24,561**	**6,893**	**62.61**
4.35% SD Finance plc Unsecured € 2027	65,000,000	3.98	4.60	349,955	142,068	27.22
4.00% Eden Finance plc Unsecured € 2027	40,000,000	4.24	3.63	193,529	109,284	28.55
4.00% Stivala Group Finance plc Secured € 2027	45,000,000	4.00	3.25	362,955	235,392	26.66
4.00% Hili Finance Company plc Unsecured € 2027	50,000,000	3.87	4.48	727,669	154,632	71.84
3.85% Hili Finance Company plc Unsecured € 2028	40,000,000	3.89	4.48	727,669	154,632	71.84
3.65% Stivala Group Finance plc Secured € 2029	15,000,000	3.36	3.25	362,955	235,392	26.66
3.80% Hili Finance Company plc Unsecured € 2029	80,000,000	4.05	4.48	727,669	154,632	71.84
3.75% AX Group plc Unsec Bds 2029 Series II	10,000,000	3.75	1.69	374,099	237,143	25.10
3.65% International Hotel Investments plc Unsecured € 2031	80,000,000	4.60	1.06	1,695,229	838,216	40.59
3.50% AX Real Estate plc Unsec Bds 2032	40,000,000	3.89	-	238,228	78,698	63.41
4.50% The Ona plc € 2028 - 2034	16,000,000	4.22	44.94	29,758	8,719	51.62

17-Oct-22

Source: Malta Stock Exchange, Audited Accounts of Listed Companies, MZ Investment Services Ltd



To date, there are no corporate bonds which have a redemption date beyond 2034. The Malta Government Stock yield curve has been included as it is the benchmark risk-free rate for Malta.

The 2024 Bonds are trading at a yield of 3.08%, which is 88 basis points lower when compared to other corporate bonds maturing in the same year. The premium over FY2024 Malta Government Stock is 60 basis points.

The 2025-27 Bonds have a yield of 4.75%, which is 51 basis points higher when compared to other corporate bonds maturing in the same year. The premium over FY2027 Malta Government Stock is 174 basis points.

PART 4 - EXPLANATORY DEFINITIONS

IINCOME STATEMENT	
Revenue	Total revenue generated by the Issuer from its business activities during the financial year.
Cost of sales	Operating expenses include the cost of construction and other related expenses.
EBITDA	EBITDA is an abbreviation for earnings before interest, tax, depreciation and amortisation. EBITDA can be used to analyse and compare profitability between companies and industries because it eliminates the effects of financing and accounting decisions.
Profit after tax	Profit after tax is the profit made by the Issuer during the financial year both from its operating as well as non-operating activities.
PROFITABILITY RATIOS	
Operating profit margin	Operating profit margin is operating income or EBITDA as a percentage of total revenue.
Net profit margin	Net profit margin is profit after tax achieved during the financial year expressed as a percentage of total revenue.
EFFICIENCY RATIOS	
Return on equity	Return on equity (ROE) measures the rate of return on the shareholders' equity of the owners of issued share capital, computed by dividing profit after tax by shareholders' equity.
Return on capital employed	Return on capital employed (ROCE) indicates the efficiency and profitability of a company's capital investments, estimated by dividing operating profit by capital employed.
Return on assets	Return on assets (ROA) is computed by dividing profit after tax by total assets.
EQUITY RATIOS	
Earnings per share	Earnings per share (EPS) is the amount of earnings per outstanding share of a company's share capital. It is computed by dividing net income available to equity shareholders by total shares outstanding as at balance sheet date.
CASH FLOW STATEMENT	
Cash flow from operating activities	Cash generated from the principal revenue-producing activities of the Group.
Cash flow from investing activities	Cash generated from activities dealing with the acquisition and disposal of long-term assets and other investments of the Issuer.
Cash flow from financing activities	Cash generated from the activities that result in change in share capital and borrowings of the Issuer.
BALANCE SHEET	
Non-current assets	Non-current asset are the Issuer's long-term investments, which full value will not be realised within the accounting year. Non-current assets are capitalised rather than expensed, meaning that the Issuer amortises the cost of the asset over the number of years for which the asset will be in use, instead of allocating the entire cost to the accounting year in which the asset was acquired. Such assets include property, plant & equipment and sinking fund reserve.
Current assets	Current assets are all assets of the Issuer, which are realisable within one year from the balance sheet date. Such amounts include development stock (inventories), accounts receivable, cash and bank balances.

Current liabilities	All liabilities payable by the Issuer within a period of one year from the balance sheet date, and include accounts payable and short-term debt, including current portion of bank loans.
Non-current liabilities	The Issuer’s long-term financial obligations that are not due within the present accounting year. The Issuer’s non-current liabilities include long-term borrowings and debt securities.
Total equity	Total equity includes share capital, reserves & other equity components, and retained earnings.
FINANCIAL STRENGTH RATIOS	
Liquidity ratio	The liquidity ratio (also known as current ratio) is a financial ratio that measures whether or not a company has enough resources to pay its debts over the next 12 months. It compares a company’s current assets to its current liabilities.
Net debt to EBITDA	The net debt to EBITDA ratio is a measurement of leverage, calculated as a company’s interest bearing liabilities minus cash or cash equivalents, divided by its EBITDA. This ratio shows how many years it would take for a company to pay back its debt if net debt and EBITDA are held constant.
Gearing ratio	The gearing ratio indicates the relative proportion of shareholders’ equity and debt used to finance a company’s assets, and is calculated by dividing a company’s net debt by net debt plus shareholders’ equity. Alternatively, the gearing ratio can be calculated by dividing a company’s net debt by shareholders’ equity.