

BDPH 82/2023

COMPANY ANNOUNCEMENT

*The following is a company announcement issued by Best Deal Properties Holding P.L.C. (C 88974) (hereinafter the “**Company**”) pursuant to rule 4.11.12 of the Prospects Rules.*

QUOTE

The Company refers to the obligation which Prospects MTF Companies are subject to in terms of Rule 4.11.03 and Rule 4.11.12 relating to the publication of the twelve-month financial information as defined in Table 1 paragraph 3 and specifically the publication and dissemination by means of a company announcement of Financial Sustainability Forecasts, including management assumptions thereon (“FSFs”). The below copy of the FSFs, as approved by the Board of Directors, is based on the following assumptions:

Revenue

The revenue for the twelve months ending 31 December 2023 of the Group (made up of Best Deal Properties Holding plc, Best Deal Developments Limited, Elite Developments Limited, PJCE Properties Limited, and Best Deal Estates Limited) is expected to amount to €15.5 million. Projected revenue is expected to be generated from the sale of apartments, maisonettes and penthouses located across four different sites. The Group holds Contracts and / or Promise of Sale Agreements for all the sales being projected.

Direct costs

Direct costs principally include the acquisition of the sites on which the residential units are being developed, stamp duty, permit expenses, development costs (including construction, mechanical and electrical, and finishing costs), insurance costs, professional fees relating to the acquisition and development of the sites, and commissions, if any, paid to real estate agents. Included in the direct costs is the interest expense that is directly related to the acquisition and, or development of the sites.

Administrative expenses

Administrative expenses consist primarily of marketing costs, professional fees, and ongoing listing costs. Administrative expenses are assumed to increase in line with inflation.

Finance costs

Finance costs relate primarily to interest on the Group’s other borrowings which are not allocated to a particular development, and hence not classified under Direct Costs.

Taxation

Current taxation is based on a final withholding tax of 8% of the net selling value. Profits derived from finishing works are taxed at 35%.

Working capital

The Group's working capital mainly comprises the net impact of movements in inventories, trade and other receivables together with trade and other payables. Current and trade payables include amounts relating to (i) deposits which have been received upon signing of promise of sale agreements; (ii) credit terms offered by suppliers for the development and finishing of the residential units; and (iii) accrued interest.

Ongoing works

During the financial period ending 31 December 2022, the Group completed the Jewel Court in Pembroke, and continued works on Laguna Court in Mellieha, and Lotus Complex in Zabbar. Works on Laguna Court and Lotus Complex are still in progress during the course of 2023. Works on Citta Ferdinand in Siggiewi – the new project of the Group – will also be undertaken during 2023.

Movement in bank borrowings and outstanding bond

In line with Section 5.8 of the Company's Prospectus dated 3 December 2018, the Company may at any time purchase back the secured bonds in the open market or otherwise at any price. During the financial year ended 31 December 2022, the company repurchased a total of 6,898,700 of its 4.25% secured bonds from its bondholders. During 2022, the BOV loan was also settled in full.

The debt reduction will result in a positive impact on the gearing level of the Company, as it gradually reduces its operations' dependency on external financing. The net gearing ratio is expected to drop from 63.6% in the financial period ending 31 December 2022 to 52.2% in the financial period ending 31 December 2023.

Projected consolidated income statement for the year ending 31 December

| €000s | 2023 |
|--------------------------|--------------|
| Revenue | 15,517 |
| Cost of sales | (11,741) |
| Gross profit | 3,776 |
| Administrative expenses | (618) |
| Operating profit | 3,157 |
| Interest payable | (30) |
| Profit/(Loss) before tax | 3,127 |
| Final tax | (1,056) |
| Net Profit | 2,072 |

Projected consolidated statement of financial position as at 31 December

| €000s | 2023 |
|------------------------------------------|---------------|
| ASSETS | |
| Non-current assets | |
| Property, plant and equipment | 5 |
| Goodwill | 42 |
| Deferred tax assets | 226 |
| Sinking fund reserve | 4,423 |
| Total non-current assets | 4,696 |
| Current assets | |
| Inventory (work in progress) | 22,624 |
| Trade and other receivables | 465 |
| Cash and cash equivalents | 5,857 |
| Total current assets | 28,946 |
| Total assets | 33,642 |
| EQUITY AND LIABILITIES | |
| Equity | |
| Share capital | 313 |
| Share premium | 938 |
| Other equity | 2,325 |
| Retained earnings | 7,425 |
| Total equity | 11,000 |
| Non-current liabilities | |
| 16,000,000 4.25% Secured Bonds 2024 | 6,442 |
| 15,000,000 4.75% Secured Bonds 2025-2027 | 14,658 |
| Shareholders' loan | 1,200 |
| Total non-current liabilities | 22,300 |
| Current liabilities | |
| Trade payables | 79 |
| Client deposits | 263 |
| Total current liabilities | 342 |
| Total liabilities | 22,642 |
| Total equity and liabilities | 33,642 |

Projected consolidated statement of cash flows for the year ending 31 December

| €000s | 2023 |
|---------------------------------------------------------|--------------|
| Operating activities | |
| Operating profit after movement in working capital | 5,341 |
| Tax payments | (1,054) |
| Net cash generated from/ (used in) operating activities | 4,287 |
| Investing activities | |
| Release from/(transfer to) sinking fund reserve | 618 |
| Net cash generated from/ (used in) investing activities | (1,471) |
| Financing activities | |
| Interest expenses | (30) |
| Dividend payments | (250) |
| Movement in bond | (22) |
| Net cash generated from/ (used in) financing activities | (302) |
| Net movement in cash and cash equivalents | 4,603 |
| Opening cash balance | 1,254 |
| Closing cash balance | 5,857 |

UNQUOTE

By order of the Board.



Dr Stephanie Manduca
Company Secretary

17 April 2023