

Today the 22 March 2024

BEST DEAL PROPERTIES HOLDING P.L.C.

AND

BEST DEAL GHADIRA LIMITED

INTRA-GROUP LOAN AGREEMENT

THIS AGREEMENT is made today the 22nd of March 2024

BETWEEN:

- (1) **Best Deal Properties Holding p.l.c.**, a public limited Liability company incorporated in terms of the laws of Malta bearing Company Registration number C 88974 and having its registered address at 63, J.L Building, Luqa Road, Paola PLA 9045, Malta (the "**Lender**"); and
- (2) **Best Deal Ghadira Limited**, a private limited liability company incorporated in terms of the laws of Malta bearing Company Registration number C 106260 and having its registered address at Best Deal Properties, 63, J.L, Building, Luqa Road, Paola PLA 9045, Malta (the "**Borrower**").

The Lender and the Borrower shall be hereinafter referred to individually as a "**Party**" and collectively referred to as the "**Parties**".

WHEREAS:

- A. The Borrower is a wholly-owned subsidiary of the Lender.
- B. Pursuant to a prospectus dated 22 March 2024 (the "**Prospectus**"), the Lender shall issue up to €15,000,000 5.75% secured bonds 2027 - 2029 (the "**Secured Bonds**"), which shall be offered to the public. Interest on the Secured Bonds will become due and payable annually in arrears on 12 April of each year between and including each of the years 2025 and 2029 at the rate of 5.75% per annum, the first interest payment being due and payable on 12 April 2025.
- C. The due and punctual payment of interest and principal by the Lender in respect of the Secured Bonds is unconditionally and irrevocably guaranteed jointly by the Borrower in its capacity as guarantor under a deed of guarantee, dated 22 March 2024 (the "**Deed of Guarantee**").
- D. The Borrower wishes to raise finance for the purposes of funding the following: (i) the acquisition of a site in Mellieha, details of which are set out in the registration document forming part of the Prospectus (the "**Ghadira Site**"); and (ii) the excavation, construction and finishing of the development to be built over the said Ghadira Site (the "**Ghadira Development**"), as further detailed in Section 5.1 of the securities note forming part of the Prospectus.
- E. The Lender is willing to advance the amount of approximately €14.6 million from the net proceeds from the issue of the Secured Bonds (the "**Bond Issue**") to the Borrower subject to the terms and conditions set forth in this Agreement, which proceeds are to be applied by the Borrower as set forth in the Prospectus.

- F. The entry by the Parties into the transaction contemplated above would be for their respective commercial benefit and is in the best interests each Party.

NOW IT IS HEREBY AGREED as follows:

1. DEFINITIONS

- 1.1. Capitalised terms used herein and not defined in clause 1.2 hereof shall, unless the context otherwise requires, have the meaning assigned to them in the Prospectus.

- 1.2. The following words and expressions, where used in this Agreement, have the meanings given to them below:

“**Bonds**” or “**Secured Bonds**” means the issue, by the Lender, of up to €15,000,000 in secured bonds at an annual interest rate of 5.75% subject to the terms and conditions of the Prospectus.

“**Business Day**” means a day (other than a Saturday or Sunday) on which banks are open for general business in Malta.

“**Finco**” means Finco Trust Services Limited, having company registration number C 13078 and having its registered office at The Bastions Office, No.2, Emvin Cremona Street, Floriana FRN 1281, Malta, duly authorised to act as a trustee or co-trustee in terms of Article 43(3) of the Trusts and Trustees Act (Chapter 331 of the laws of Malta) in its capacity as security trustee for the bondholders under the Prospectus.

“**Interest Period**” means the period lasting one year and commencing on the date of this Agreement.

“**Loan**” means the aggregate principal amount of €14.6 million;

“**Prospectus**” means collectively the summary, the registration document and the securities note in connection with the issue of €15 million 5.75% Secured Bonds (as may be amended, varied or supplemented).

2. PURPOSE

- 2.1. Subject to the terms of this Agreement, the Lender agrees to advance the Loan in favour of the Borrower, which accepts upon the terms of this Agreement, the Loan.

- 2.2. The Borrower shall use the Loan for the following purposes:

- (i) the amount of circa €8.5 million shall be used by the Borrower for the purposes of funding the acquisition of the Ghadira Site over which the Ghadira Development will be developed, and related costs of acquisition; and

- (ii) the amount of circa €6.1 million shall be used by the Borrower to engage contractors to undertake excavation and construction works relating to the Ghadira Development, once the Ghadira Site is acquired as indicated in (i) above.
- 2.3. Without prejudice to the aforesaid, the Lender shall not be obliged to enquire or verify the use made by the Borrower of the proceeds of the Loan.

3. LOAN FACILITY

- 3.1. The Lender accepts to grant the Loan to the Borrower, which accepts the Loan, on the date hereof and under the terms and on the conditions hereinafter set out.
- 3.2. The Loan shall be made available to Finco who shall release, in accordance with the terms and conditions of the Prospectus, directly to the vendors, contractors and any other person/s required in terms of Section 5.1 of the securities note forming part of the Prospectus for the purpose stipulated in said Section 5.1, which is to the benefit of the Borrower.

4. REPAYMENT

- 4.1. The Borrower shall repay the Loan, together with any accrued interest on the Outstanding amounts as per Clause 5, in accordance with Annex A (the "**Repayment Schedule**").
- 4.2. Any payments of money by the Borrower to the Lender shall be made by a money transfer to a bank account of the Lender, nominated by the Lender from time to time, net of any bank charges or other expenses which shall be borne by the Borrower unless otherwise agreed to by the Lender.
- 4.3. Whenever any payment due hereunder shall fall due on a day other than a Business Day, such payment shall be made on the next succeeding Business Day, and such extension of time shall be included in the computation of interest or fees, as the case may be.
- 4.4. The Borrower may prepay the whole or any part of the Loan at any time unless otherwise agreed.

5. INTEREST

- 5.1. The Loan shall bear interest at the rate of 7% per annum. Interest shall be deemed to have commenced to accrue as from the day following the date of receipt by the Borrower of the funds related to the Loan and shall be payable on an annual basis in arrears.
- 5.2. When interest is required to be calculated for any period of less than a year, it will be calculated on the basis of a 360-day year consisting of 12 months of 30 days each and in the case of an incomplete month, the actual number of days elapsed.

6. EVENT OF DEFAULT

6.1. An Event of Default shall occur where:

6.1.1. the Borrower does not repay the Loan in accordance with the Repayment Schedule at the place at and in the currency in which it is expressed to be payable unless payment is made within;

- (a) (in the case of principal and interest) five Business Days of its due date; or
- (b) (in the case of any other amount) seven Business Days of its due date.

6.1.2. the Borrower goes into insolvency or liquidation;

6.1.3. any procedure for the taking of control by another is implemented against any property or assets of the Borrower;

6.1.4. the Borrower ceases or threatens to cease to carry on its business;

6.1.5. the Borrower breaches any of the provisions or covenants contained in this Agreement;
or

6.1.6. any material adverse change occurs in relation to the Borrower;

6.2. No Event of Default under Clause 6.1 will occur if the failure to comply is capable of remedy and is remedied within 15 Business Days of the earlier of: (i) the Lender giving notice to the Borrower; and (ii) the Borrower becoming aware of the failure to comply.

7. REPRESENTATIONS AND WARRANTIES

7.1. The Borrower represents and warrants to Lender as follows:

7.1.1. *Due Incorporation*: the Borrower is a company duly incorporated, validly existing and in good standing under the laws of Malta; and

7.1.2. *Authority*: the execution, delivery and performance by Borrower of the Agreement and the consummation of the transactions contemplated: (a) are within the power of Borrower; and (b) have been duly authorised.

8. NON-WAIVER

8.1. No failure by the Lender or the Borrower to exercise, and no delay by the Lender or Borrower in exercising, any right, power or privilege granted to it hereunder shall operate as a waiver

thereof, nor shall any single or partial exercise of any rights, power or privilege preclude any other or further exercise thereof or the exercise of any other right, power or privilege. The rights and remedies herein provided are cumulative and not exclusive of any rights or remedies provided by law.

9. DEMAND OR NOTICE

9.1. All notices, consents and demands shall be made in writing and shall be given by registered or certified mail postage prepaid to:

(i) The **Lender** at 63, J.L, Building, Luqa Road, Paola PLA 9045, Malta; and

(ii) The **Borrower** at 63, J.L, Building, Luqa Road, Paola PLA.9045, Malta.

9.2. Unless otherwise indicated herein, notices hereunder shall be effective when sent.

10. ASSIGNMENT AND TRANSFER

10.1. The Borrower shall not assign or transfer any of its rights and, or obligations under this Agreement without the prior consent of the Lender. The Lender shall have the right to assign or transfer its rights under this Agreement without the consent of the Borrower.

11. MISCELLANEOUS

11.1. This Agreement shall be binding upon, and inure for the benefit of, the parties and their respective successors, transferees and assigns.

11.2. This Agreement constitutes and contains the entire agreement of the Borrower and the Lender with respect to the subject matter hereby and supersede any and all prior agreements, negotiations, correspondence, understandings and communications among the parties, whether written or oral, respecting the subject matter hereof.

11.3. This Agreement may be executed in two counterparts each of which shall be an original and such counterparts taken together shall be deemed to constitute one and the same instrument.

11.4. Any change in the constitution of any of the parties to this Agreement or their absorption or amalgamation with any other person or the acquisition of all or part of their undertaking by any other person shall not in any way prejudice or affect their rights under this Agreement.

11.5. Any term, covenant, agreement or condition of this Agreement may be amended or waived if such amendment or waiver is in writing and is signed by the Borrower and the Lender, following the receipt of any prior written approval, if any, as issued by the relevant regulatory authority/ies.

12. GOVERNING LAW AND DISPUTE RESOLUTION

12.1. This Agreement shall be governed by and construed in all respects in accordance with the laws of Malta.

12.2. Any dispute, controversy or claim arising out of or in relation to this Agreement, including the existence, validity, breach or termination thereof, shall be finally settled by the Courts of Malta.

IN WITNESS WHEREOF this Agreement has been signed on behalf of the parties hereto the day and year first above written.

SIGNATURE PAGE TO FOLLOW

SIGNED by



Christopher Attard
For and on behalf of
Best Deal Properties Holding p.l.c.



Pierre Bartolo
For and on behalf of
Best Deal Properties Holding p.l.c.



Christopher Attard
For and on behalf of
Best Deal Ghadira Limited



Pierre Bartolo
For and on behalf of
Best Deal Ghadira Limited

Annex A- Schedule of Capital Payments

The loan repayments made from the sales of the residential units forming part of the Ghadira Development shall be calculated in the following manner:

- on the first €10 million sales – repayments equivalent to 25% of selling prices
- on the next €10 million sales - repayments equivalent to 45% of selling prices
- on the third set of €10 million sales - repayments equivalent to 55% of selling prices
- on any remaining sales, repayments shall be made at the rate of 66% of selling prices.