Financial Analysis Summary
14 February 2025

ISSUER

Best Deal Properties Holding p.l.c.

(C 88974)

PREPARED BY

M Z INVESTMENTS

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The Directors
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14 February 2025

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 this Analysis is that of summarising key financial information appertaining to Best Deal Properties Holding p.l.c. (the "**Issuer**", "**Group**" or "**BDPH**"). The data is derived from various sources or is based on our own computations as follows:

(a) Historical information for the most recent three financial years ended 31 December 2021, 31 December 2022, and 31 December 2023 has been extracted from the respective audited consolidated annual financial statements.

(b) The forecast and projected information for the financial years ending 31 December 2024 and 31 December 2025 have been provided by the Issuer.

(c) Our commentary on the financial performance, cash flows, and financial position of the Group is based on the explanations provided by BDPH.

(d) The ratios quoted in this Analysis have been computed by applying the definitions set out in Part 4 – Explanatory Definitions of this report.

(e) Relevant financial data in respect of the companies included in Part 3 – Comparative Analysis of this Analysis has been extracted from public sources such as websites of the companies concerned, financial statements filed with the Malta Business Registry, as well as other sources providing financial information.

This Analysis is meant to assist existing and potential investors in the Issuer's securities by summarising the more important financial information of the Group. This Analysis does not contain all data that is relevant to investors and is meant to complement, and not replace, the contents of the full Prospectus. This 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 or not invest in any of the Issuer's securities. We will not accept any liability for any loss or damage arising out of the use of this Analysis, and no representation or warranty is provided in respect of the reliability of the information contained in the Prospectus. As with all investments, existing and potential investors are encouraged to seek professional advice before investing in the Issuer's securities.

Yours faithfully,

Evan Mohnani
Head of Corporate Broking

TABLE OF CONTENTS

PART 1 – INFORMATION ABOUT THE GROUP 4

1. HISTORY AND PRINCIPAL ACTIVITIES 4
2. DIRECTORS AND MANAGEMENT STRUCTURE 5
3. ORGANISATIONAL STRUCTURE 6
4. COMPLETED PROJECTS 6
5. CURRENT PROJECTS 7
6. NEW PROJECTS 8
7. FUTURE DEVELOPMENTS 8
8. SECURITY AND SINKING FUND 9
9. INFORMATION RELATING TO THE ISSUER'S EQUITY 10
10. INFORMATION RELATING TO THE ISSUER'S BONDS 10
11. ECONOMIC AND SECTOR ANALYSIS 11

PART 2 – GROUP PERFORMANCE REVIEW 14

12. FINANCIAL HIGHLIGHTS 14

PART 3 – COMPARATIVE ANALYSIS 22

PART 4 – EXPLANATORY DEFINITIONS 24

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PART 1 – INFORMATION ABOUT THE GROUP

1. HISTORY AND PRINCIPAL ACTIVITIES

Best Deal Properties Holding p.l.c. was established on 23 October 2018 and is the parent, holding, and finance company of a number of subsidiaries which are engaged in the construction, development, and sale of residential real estate. As such, the Issuer is economically dependent on the prospects of its operating subsidiaries.

In December 2018, the Group raised €16 million through the issuance of 4.25% secured bonds 2024 (the "**2018 Bonds**"), which were guaranteed by Best Deal Developments Limited (the "**2018 Guarantor**"), for the purpose of acquiring and developing three sites located in Pembroke, Żabbar, and Mellieħa described below. The 2018 Bonds were redeemed in full on 12 December 2024.

(i) **Pembroke (I) Development – Jewel Court**: the project involved the development of a corner site with unobstructed sea and country views situated in Triq il-Mediterran corner with Triq Gabriele Henin, Pembroke, measuring approximately 380 sqm. In aggregate, the project comprised the construction of 2 maisonettes, 4 apartments, 2 duplex penthouses, and 7 garages.

(ii) **Żabbar Development – Lotus Complex**: the project involved the development of the site known as Il-Wilġa tal-Imnieġel, measuring approximately 4,149 sqm, and which is positioned on three roads in Triq Ta' Lanza corner with New Street in Triq il-Kaħwiela, and corner with Triq il-Kaħwiela, Żabbar. In aggregate, the project comprised the construction of 9 blocks consisting of 24 maisonettes, 81 apartments, 22 penthouses, and 198 garages. Four of the afore-mentioned 9 blocks enjoy open country views from the front terraces as they face a green area.

(iii) **Mellieħa Development – Laguna Court**: the project involved the development of the sites known as Tal-Ħawlija, Ta' Masrija, and Tas-Salib, in aggregate measuring approximately 1,249 sqm, located in Triq Ta' Masrija and New Street off Triq il-Mitħna l-Qadima, Mellieħa. The project comprised the construction of 3 blocks having panoramic views visible from the 6th and 7th floors, and consisting of 7 maisonettes, 35 apartments, 7 penthouses, and 55 garages.

In 2019, the Group raised fresh equity from a new investor – C Developments Limited – which acquired 20% of BDPH through an offer for subscription of 625,000 new ordinary shares of a nominal value of €0.10 each at the share issue price of €1.60. The transaction was concluded in terms of a Company Admission Document dated 21 August 2019. The new ordinary shares, together with the 2,500,000 existing ordinary shares, were admitted to Prospects MTF on 22 August 2019. Moreover, C Developments Limited advanced €1.20 million to BDPH to further support the Group's working capital requirements.

In Q4 2022, the Group raised €15 million through the issuance of 4.75% secured bonds 2025-2027 (the "**2022 Bonds**"), which are guaranteed by Best Deal Estates Limited (the "**2022 Guarantor**"), for the purpose of acquiring and developing four parcels of land, in aggregate measuring 4,985 sqm, located in an area known as Tal-Għasfura in Nicolo Baldacchino Street, Siġġiewi (the "**Siġġiewi Site**"). This project involves the construction of 8 blocks comprising 20 maisonettes, 60 apartments, 15 penthouses, and 155 garages (including 2 sub-stations) ("**Città Ferdinand**").

Best Deal Għadira Limited (the "**2024 Guarantor**") was incorporated on 23 August 2023 for the purpose of pursuing a new residential project located in Għadira, Mellieħa. On 30 April 2024, the 2024 Guarantor concluded the purchase of a site for a consideration of €7.80 million and measuring 2,643 sqm (the "**Għadira Site**") which the Group is currently developing into a residential complex comprising 10 maisonettes, 53 apartments, 2 penthouses, and 119 garages ("**The Cove**"). The Għadira Site is adjacent to Triq it-Tunnaġġ and Triq id-Denċi corner with Triq it Tumbrell and is free and unencumbered from the obligation of payment of or conditions related to ground rent and, or emphyteutical or other burdens. The Għadira Site is also free from third party servitudes, has guaranteed vacant possession, and includes its airspace and subterranean levels. The Cove is being partly financed from the proceeds received from the issuance of €15 million 5.75% secured bonds 2027-2029 ("the **2024 Bonds**").

Best Deal Paola Limited ("**BDPLA**") was incorporated on 22 August 2024 for the purpose of pursuing a new residential project located in Paola, limits of Ħal-Tarxien. On 11 February 2025, BDPLA concluded the purchase of two sites, in aggregate measuring circa 678 sqm, together with their overlying airspace, situated in Triq Ħal-Luqa and Triq it-Tfief (the "**Paola Site**") for a total consideration of €2.51 million. The transaction was financed through the Group's own funds and the Paola Site will be redeveloped into a complex comprising 2 commercial units (one of which will be kept within the Group for own use), 2 maisonettes, 19 apartments (16 two-bedroomed units and 3 three-bedroomed units), 3 penthouses, and 48 garages (the "**Paola Development**").

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Following Planning Authority approval granted on 2 September 2024, works on the Paola Development are expected to commence in Q1 2025. Construction of the units in shell form is expected to last till Q2 2026 whilst finishing works are anticipated to be completed by Q4 2027. The entire project is estimated to cost approximately €8.20 million to pursue.[1]

Total income from the sale of properties forming part of the Paola Development is expected to amount to circa €9.94 million, and the project will be partly financed from the proceeds received from the issuance of €7 million 5.35% unsecured bonds 2032 ("the **2025 Bonds**"), income received from the sale of units and garages forming part of the Paola Development, and other sources of funds of the Group.

2. DIRECTORS AND MANAGEMENT STRUCTURE

2.1 DIRECTORS OF THE ISSUER

The board of directors of BDPH comprises the following eight individuals who are entrusted with the overall development, strategic direction, and risk management of the Group:

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

2.2 DIRECTORS OF BDPLA, THE 2024 GUARANTOR & THE 2022 GUARANTOR

The board of directors of BDPLA, the 2024 Guarantor, and the 2022 Guarantor are composed of the following five individuals:

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

2.3 MANAGEMENT STRUCTURE

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

[1] Including the consideration paid for the acquisition of the Paola Site, as well as projected finance costs and selling commissions.

3. ORGANISATIONAL STRUCTURE

The diagram below illustrates the organisational structure of the Group:

The Issuer is equally owned by C Developments Limited, RCJ Investments Limited, Christopher Attard, Erskine Vella, and Pierre Bartolo, whereby each shareholder holds a 20% equity stake in BDPH. C Developments Limited is equally owned by Mr Francis Basile Cherubino, Edward Cherubino, David Basile Cherubino, and Luisa De Piro O'Connell. On the other hand, RCJ Investments Limited is equally owned by Robert Buttigieg, Christopher Buttigieg, and Jennifer Sant.

Between FY2016 and FY2023, the Group was involved in the construction and sale of three residential projects – Crystal Court and Blue Moon Court, both located in Marsascala, and Garnet Court located in Mqabba. Further information about these three projects is available in Section 4 – Completed Projects. Elite Developments Limited was responsible for the execution of the projects in Marsascala whilst PJCE Properties Limited was involved in the Garnet Court project. On 25 April 2024, Elite Development Limited merged with PJCE Properties Limited and was thereafter struck off.

Each project undertaken by the Group is promoted through the Best Deal Properties brand which is operated by Best Deal Properties Limited – a company that is not part of the Group and which is equally owned by Christopher Attard and Erskine Vella.

4. COMPLETED PROJECTS

4.1 CRYSTAL COURT – MARSASCALA

In June 2016, the Group embarked on developing Crystal Court when it acquired the land situated at Triq Salvu Buħaġiar corner with Triq il-Ġemmugħa and Triq il-Qrempuċ, Marsascala. The project included two blocks comprising 5 maisonettes, 18 apartments, 2 penthouses, and 30 garages. All units and garages were sold in FY2018 and FY2019, except for 1 garage which was sold in FY2020. The total cost of the project amounted to €3.40 million whilst total revenues amounted to €4.80 million.

4.2 BLUE MOON COURT'– MARSASCALA

In 2017, the Group acquired a second property situated in Triq il-Grigal corner with Triq is-Sajjieda, Marsascala. The development included 2 blocks consisting of 5 maisonettes, 15 apartments, 3 penthouses, and 19 garages. All units and garages were sold in FY2020, except for 1 residential unit and 1 garage which were sold in FY2021. The total cost of the project amounted to €5.50 million whilst total revenues amounted to €7.24 million.

4.3 GARNET COURT – MQABBA

In 2018, PJCE Properties Limited acquired two parcels of land in Triq il-Familja Brancati, Mqabba. This project comprised 2 maisonettes, 23 apartments, 3 penthouses, and 33 garages. All units and garages were sold in FY2021 except for 2 residential units and 2 garages which were sold in FY2022 and FY2023. The total cost of the project amounted to €6.20 million whilst total revenues amounted to €7.61 million of which €6.90 million was recognised in FY2021, €0.34 million was accounted for n FY2022 and €0.37 million in FY2023.

4.4 JEWEL COURT – PEMBROKE

The project was initiated in 2019 and completed and sold in 2022. The total cost of the project amounted to €3 million whilst total revenues amounted to €4.51 million of which €2.65 million was accounted for between FY2021 and FY2023 (€1.27 million in FY2021, €0.79 million in FY2022, and €0.59 million in FY2023) whilst the remaining €1.86 million will be recognised in FY2024.

4.5 LOTUS COMPLEX – ŻABBAR

Civil works started in January 2019 and all 9 blocks have been constructed and finished. As at the end of September 2024, 126 residential units (out of a total of 127) and 154 garages (out of a total of 198) were either sold or subject to a promise of sale ("**POS**") agreement. As a result, only 1 residential unit and 44 garages were available for sale as at 30 September 2024.

The total cost of the project amounted to *circa* €27.10 million whilst total revenues are expected to amount to €37.57 million of which an aggregate of €30.95 million have been accounted for between FY2020 to FY2023.

4.6 LAGUNA COURT – MELLIEĦA

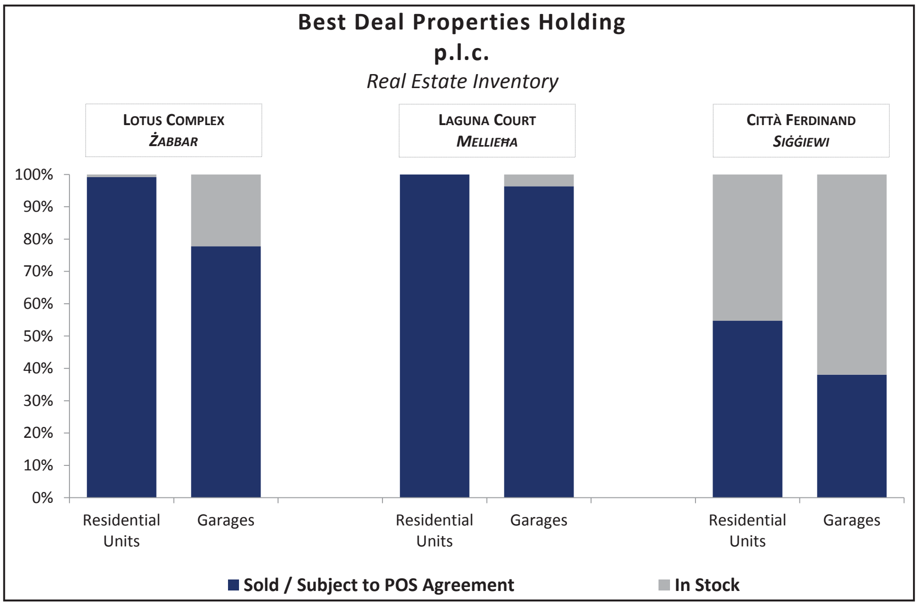
Construction works started in 2019 whilst finishing works were completed in Q2 2024. As at the end of September 2024, all residential units (totalling 49) and 53 garages (out of a total of 55) were either sold or subject to a POS agreement. As a result, only 2 garages were available for sale as at 30 September 2024. The total cost of the project is expected to amount to circa €31 million. Total revenue is projected to amount to €42.30 million and is expected to be registered for accounting purposes as to €10.70 million in the current financial year (FY2024), and €16.30 million and €15.30 million in FY2025 and FY2026 respectively.

5. CURRENT PROJECTS

5.1 CITTÀ FERDINAND – SIĠĠIEWI

Development works started in Q1 2023 and the project is expected to be completed in shell form by the end of 2024 and finished by the end of 2026. The total cost of the project is expected to amount to circa €31 million whilst total revenues are expected to amount to €42.30 million. The majority of the income from this project is expected to be recognised in FY2024 (€10.68 million) and FY2025 (€16.26 million).

As at the end of September 2024, 52 residential units (out of a total of 95) and 59 garages (out of a total of 155) were either sold or subject to a POS agreement. As a result, 43 residential units and 96 garages were available for sale as at 30 September 2024.



5.2 THE COVE – GĦADIRA

The project is estimated to cost €29.20 million to pursue whilst revenues are projected to amount to €38.96 million. Most of the income from this project is expected to be recognised in FY2026 and FY2027. The units are expected to be constructed in shell form by the end of Q3 2026, whilst finishing works are anticipated to be completed by the end of Q1 2028.

6. NEW PROJECTS

6.1 PEMBROKE (II) DEVELOPMENT

The Pembroke (II) Development is situated in Triq Profs J. E. Debono, Pembroke, and will comprise 2 maisonettes, 4 apartments, 2 duplex penthouses, and 6 garages.

The project is expected to cost approximately €2.50 million to complete and generate €3.38 million in revenue. The development is being financed from the Group's own cash flows and will be completed in shell form by the end of 2025 and finished by the end of 2027.

6.2 PAOLA DEVELOPMENT

The project is estimated to cost €8.20 million to pursue whilst revenues are projected to amount to €9.94 million. Most of the income from this project is expected to be recognised in FY2026 and FY2027. Development works are set to commence in Q1 2025 and the project is expected to be completed by the Q4 2027.

Best Deal Properties Holding p.l.c.
Property Development Projects

	Cost (€'000)	Revenue (€'000)	Start Year	End Year	No. of Commercial Units	No. of Maisonettes	No. of Apartments	No. of Penthouses	Total No. of Residential Units	Total No. of Garages
Completed Projects										
Crystal Court (Marsascala)	3,400	4,800	2016	2018	-	5	18	2	**25**	**30**
Blue Moon Court (Marsascala)	5,500	7,240	2017	2019	-	5	15	3	**23**	**19**
Garnet Court (Mqabba)	6,200	7,610	2018	2021	-	2	23	3	**28**	**33**
Jewel Court (Pembroke)	3,000	4,510	2019	2022	-	2	4	2	**8**	**7**
Lotus Complex (Żabbar)	27,100	37,570	2019	2023	-	24	81	22	**127**	**198**
Laguna Court (Mellieħa)	10,800	15,480	2019	2024	-	7	35	7	**49**	**55**
	56,000	**77,210**			**-**	**45**	**176**	**39**	**260**	**342**
Current Projects										
Città Ferdinand (Siġġiewi)	31,000	42,300	2023	2026	-	20	60	15	**95**	**155**
The Cove (Għadira)	29,200	38,960	2024	2028	-	10	53	2	**65**	**119**
	60,200	**81,260**			**-**	**30**	**113**	**17**	**160**	**274**
New Projects										
Pembroke (II) Development	2,500	3,380	2024	2027	-	2	4	2	**8**	**6**
Paola Development	8,200	9,940	2025	2027	2	2	19	3	**26**	**48**
	10,700	**13,320**			**2**	**4**	**23**	**5**	**34**	**54**
Total	**126,900**	**171,790**			**2**	**79**	**312**	**61**	**454**	**670**

7. FUTURE DEVELOPMENTS

C&E Developments Limited (C 75325), a company jointly owned by Mr Christopher Attard and Mr Erskine Vella, entered into a promise of sale agreement to acquire a site measuring circa 1,500 sqm situated in Bubaqra, Żurrieq (the "**Żurrieq Site**") for a consideration of €3.20 million.

On 2 November 2023, the 2018 Guarantor entered into an assignment agreement with C&E Developments Limited ("the Assignor") wherein the latter promised to cede and assign to the 2018 Guarantor, that promised to accept, all rights and obligations of the Assignor in respect of the Żurrieq Site resulting from the aforementioned promise of sale agreement.

As at the date of this Analysis, the Group has yet to submit a comprehensive planning control application to the Planning Authority in respect of the prospective development of the Żurrieq Site.

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8. SECURITY AND SINKING FUND

8.1 SECURITY

In terms of the Prospectus dated 9 November 2022, the Issuer raised €15 million through the issuance of the **2022 Bonds** for the purpose of part funding Città Ferdinand. The 2022 Bonds are 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) First ranking general hypothec for the full nominal value of the 2022 Bonds and interests thereon over all present and future property of the 2022 Guarantor.

(ii) 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) Pledge on insurance policy relating to the Siġġiewi Site and development thereon.

(iv) Joint and several guarantee granted by the 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, the 2022 Guarantor, and the Security Trustee dated 9 November 2022.

In terms of the Prospectus dated 22 March 2024, the Issuer raised €15 million through the issuance of the **2024 Bonds** for the purpose of part funding The Cove. The 2024 Bonds (I) are guaranteed by the 2024 Guarantor and secured by the following security rights in favour of the Security Trustee for the benefit of the holders of the 2024 Bonds:

(i) First ranking general hypothec for the full nominal value of the 2024 Bonds and interests thereon over all present and future property of the 2024 Guarantor.

(ii) First ranking special hypothec for the full nominal value of the 2024 Bonds and interests thereon over the Għadira Site together with all and any constructions to be developed thereon.

(iii) Pledge on insurance policy relating to the Għadira Site and development thereon.

(iv) Joint and several guarantee granted by the 2024 Guarantor as security for the punctual performance of the Issuer's payment obligations relating to the 2024 Bonds, subject to the terms and conditions contained in the Security Trust Deed signed between the Issuer, the 2024 Guarantor, and the Security Trustee.

8.2 RELEASING OF SECURITY AND SINKING FUNDS

All sale of real estate forming part of the hypothecated properties (as described in Section 8.1 above) are made on condition that the units are released of all hypothecary rights and privileges encumbering the properties being sold. For this purpose, the Security Trustee is empowered to release the hypothecated properties from the security interest encumbering such properties upon receipt by it from the Issuer or from a prospective purchaser a fixed amount of the purchase price attributed to each hypothecated property.

All amounts received by the Security Trustee from the sales proceeds of the hypothecated properties are credited to the sinking funds and retained for the purpose of redeeming the 2022 Bonds and the 2024 Bonds, as the case may be, upon 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 sinking funds will be sufficient to cover the redemption of the 2022 Bonds and the 2024 Bonds upon maturity.

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9. INFORMATION RELATING TO THE ISSUER'S EQUITY

The 3,125,000 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. The key market data as at 31 January 2025 relating to these ordinary shares is provided hereunder:

Best Deal Properties Holding p.l.c. **Key Market Data** **for the financial year 31 December**		**2021** **Actual**	**2022** **Actual**	**2023** **Actual**	**2024** **Forecast**	**2025** **Projection**
Total number of shares in issue ('000)	*[A]*	3,125	3,125	3,125	3,125	3,125
Share price (€)	*[B]*	1.60	1.60	1.60	1.60	1.60
Market capitalisation (€'000)	*[A multiplied by B]*	5,000	5,000	5,000	5,000	5,000
Total equity (€'000)	*[C]*	6,894	9,182	8,887	8,226	10,816
Net debt (€'000)	*[D]*	11,542	16,048	16,996	17,931	19,177
Enterprise value (€'000)	*[A multiplied by B] + [D]*	16,542	21,048	21,996	22,931	24,177
EBITDA (€'000)	*[E]*	3,861	3,410	2,130	3,606	4,284
Net profit (€'000)	*[F]*	2,764	2,538	1,130	1,940	2,840
Earnings per share (€)	*[F divided by A]*	0.88	0.81	0.36	0.62	0.91
Net asset value per share (€)	*[C divided by A]*	2.21	2.94	2.84	2.63	3.46
Price-to-earnings ratio (times)	*[A multiplied by B] divided by [F]*	1.81	1.97	4.42	2.58	1.76
Enterprise value-to-EBITDA (times)	*([A multiplied by B] + [D]) divided by [E]*	4.28	6.17	10.33	6.36	5.64
Price-to-net asset value (times)	*[A multiplied by B] divided by [C]*	0.73	0.54	0.56	0.61	0.46
Dividend (€'000)	*[G]*	-	250	250	1,451	250
Net dividend per share (€)	*[G] divided by [A]*	-	0.08	0.08	0.46	0.08
Dividend payout ratio (%)	*[G] divided by [F]*	-	9.85	22.12	74.79	8.80
Net dividend yield (%)	*[G] divided by [A multiplied by B]*	-	5.00	5.00	29.02	5.00

10. INFORMATION RELATING TO THE ISSUER'S BONDS

The Issuer has two bonds which are listed on the Official List of the Malta Stock Exchange. The key information regarding these bonds as at 31 January 2025 is provided in the table below:

Security ISIN	**Security**	**Symbol Code**	**Amount Issued**	**Amount Outstanding**	**Market Price**
MT0002121219	4.75% Best Deal Properties Holding p.l.c. 2025-2027 [1]	BD27A	€ 15,000,000	€ 14,725,600	99.00%
MT0002121227	5.75% Best Deal Properties Holding p.l.c. 2027-2029 [2]	BD29A	€ 15,000,000	€ 15,000,000	104.40%
			€ 30,000,000	**€ 29,725,600**	

[1] *2022 Bonds*
[2] *2024 Bonds*

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11. ECONOMIC AND SECTOR ANALYSIS

11.1 ECONOMIC UPDATE[2]

In its latest economic update, the Central Bank of Malta ("**CBM**") noted that the Maltese economy has demonstrated resilience in 2024, with strong economic activity supported by favourable domestic conditions. Moreover, high inflationary pressures continued to ease, contributing to an increase in real disposable income which, in turn, is expected to continue sustaining private consumption growth. However, growth is expected to moderate over the coming years as the economy stabilises and converges towards its potential output by 2027.

The CBM anticipates that real GDP growth will decline from 7.5% in 2023 to 4.9% in 2024, before continuing on a downward trajectory to 3.9% in 2025, 3.6% in 2026, and 3.4% in 2027. This slowdown is largely attributed to a normalisation of economic activity following the rapid expansion witnessed in the past three years. While net exports were the primary driver of growth in 2023, the outlook for the future suggests that domestic demand will take on a more dominant role. Private consumption, which has been growing at a rapid pace, is projected to remain strong, though it will gradually decelerate as households adjust to economic conditions. Investment is also expected to recover following a sharp contraction in 2023, which had been driven by exceptional circumstances within the aviation sector.

Government expenditure will continue to play a stabilising role in economic growth, with public sector investment expected to have increased significantly in 2024 before tapering off in subsequent years. Although government consumption remains steady, it is forecasted to decline slightly as a share of GDP over time. Meanwhile, net exports, particularly in the services sector, are expected to contribute positively to growth, but at a more subdued pace compared to previous years. The trade balance is projected to remain in surplus, supported by the strong performance of Malta's services exports, even as import growth picks up due to rising investment activity.

The labour market is forecast to remain robust, albeit with some moderation in employment growth. Total employment is expected to have increased by 4.0% in 2024, down from 6.1% in 2023, before gradually slowing to 2.3% by 2027. Demand for labour is expected to remain high, but a slowdown in economic expansion and an assumed recovery in productivity will lead to a gradual easing of labour market tightness. Net migration inflows are also expected to decelerate due to policy changes affecting the recruitment of third-country nationals in certain sectors. The unemployment rate, already at historically low levels, is forecast to decline marginally, reaching 3.1% by 2027. Wage growth is projected to have been strong in 2024 as employers continue to adjust compensation to account for past inflationary pressures, particularly in both the public and private sectors. However, as economic conditions stabilise, wage growth is expected to moderate over the forecast period.

Inflation has been on a steady downward trajectory, with the Harmonised Index of Consumer Prices expected to have fallen from 5.6% in 2023 to 2.5% in 2024. This decline is driven by lower food price inflation, subdued increases in non-energy industrial goods, and a stabilisation in services inflation. Inflation is expected to continue easing in subsequent years, reaching 2.2% in 2025 and stabilising at 2.0% in 2026 and 2027. The government's commitment to maintaining stable energy prices will contribute to the moderation of inflationary pressures. Despite this overall decline, services inflation remains a key contributor to price growth due to wage-sensitive components of the economy.

Public finances are expected to improve over the forecast horizon, with the fiscal deficit projected to decline from 4.5% of GDP in 2023 to 2.7% by 2027. This improvement is largely due to a gradual reduction in government expenditure as a share of GDP, particularly in relation to subsidies and inflation-mitigation measures. The widening of income tax bands, announced in the 2025 Budget, is expected to lead to lower tax revenues in the short term but will contribute to higher disposable income and consumer spending. The government debt-to-GDP ratio is expected to rise slightly, reaching 50.9% by 2027, mainly due to continued primary deficits and specific fiscal measures such as the transition from Air Malta to KM Malta Airlines which required significant government equity injections.

Despite the overall positive outlook, several risks remain such as geopolitical tensions, potential shifts in global trade policies, and higher-than-expected US tariffs which could pose downside risks to trade and economic activity. Inflationary risks are slightly tilted to the upside, with possible supply-chain disruptions, higher wage pressures, and climate-related factors contributing to potential inflationary shocks. On the fiscal side, the risk of higher-than-expected government expenditure, particularly in the form of additional energy support measures or increased pension and wage commitments, could challenge the ongoing fiscal consolidation process.

Overall, the Maltese economy is expected to continue expanding over the next few years, albeit at a more moderate pace compared to the recent past. Economic fundamentals remain strong, supported by resilient domestic demand, a healthy labour market, and a stable external position.

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[2]**Source**: Central Bank of Malta, 'Outlook for the Maltese Economy', 16 December 2024, available at: https://www.centralbankmalta.org/archive-economic-projections.

MZ INVESTMENTS

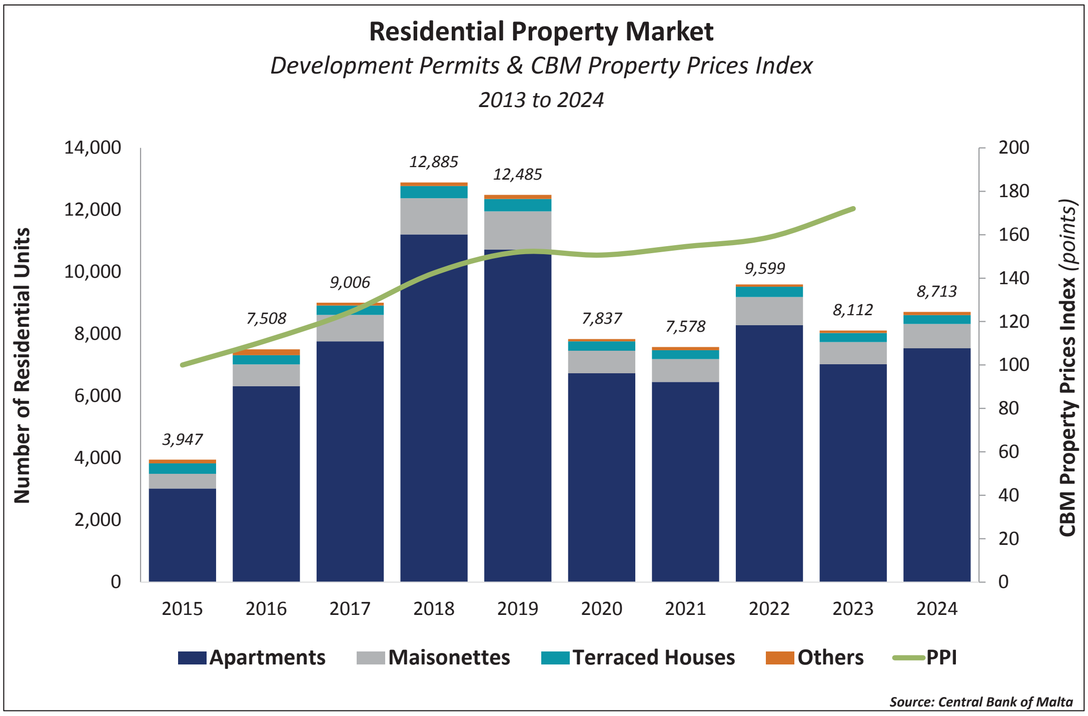
Key Economic Indicators	2023 Actual	2024 Forecast	2025 Forecast	2026 Projection	2027 Projection
Real GDP growth *(% change, year-on-year)*	7.50	4.90	3.90	3.60	3.40
Inflation *(% change, year-on-year)*	5.60	2.50	2.20	2.00	2.00
Unemployment (%)	3.50	3.20	3.20	3.10	3.10
General Government budget balance *(% of GDP)*	(4.50)	(3.90)	(3.50)	(3.00)	(2.70)
Gross public debt *(% of GDP)*	47.40	49.40	50.20	50.80	50.90

11.2 PROPERTY MARKET [3]

DEVELOPMENT PERMITS FOR DWELLINGS

Data provided by the Central Bank of Malta ("**CBM**") and the National Statistics Office (" ") shows that in 2024, the total number of permits for the construction of new dwellings eased by 3.22% to 1,535 permits compared to 1,586 permits issued in 2023. However, the total number of approved new residential units increased by 7.41% year-on-year to 8,713 units (2023: 8,112 units), mostly comprising apartments which totalled 7,540 units (2023: 7,026 apartments) representing 86.54% of the total number of approved new units in 2024. The sharpest year-on-year percentage increase in the number of approved residential units was for the construction of other type of dwellings including villas, bungalows, and farmhouses, which increased by 30.49% to 107 units. These were followed by maisonettes (+9.97% to 783 units compared to 712 units in 2023), and apartments (+7.32%). On the other hand, the total number of approved terraced houses declined by 3.08% in 2024 to 283 units compared to 292 units in 2023.

The highest number of approved new residential units in a single year since Malta adopted the euro was recorded in 2018, with 2,363 permits issued for the construction of a total of 12,885 residential units. In 2019, although the number of permits had increased by 6.69% to 2,521 permits, these were for the construction of 12,485 units which represented a year-on-year decline of 3.10%. Between 2019 and 2021, the total number of approved new residential units trended lower each year, reaching a five-year low of 7,578 units in 2021 before rebounding strongly by 26.67% to 9,599 new units in 2022.



[3] Sources: Central Bank of Bank and National Statistics Office online portals at https://www.centralbankmalta.org/real-economy-indicators and https://nso.gov.mt/property respectively.

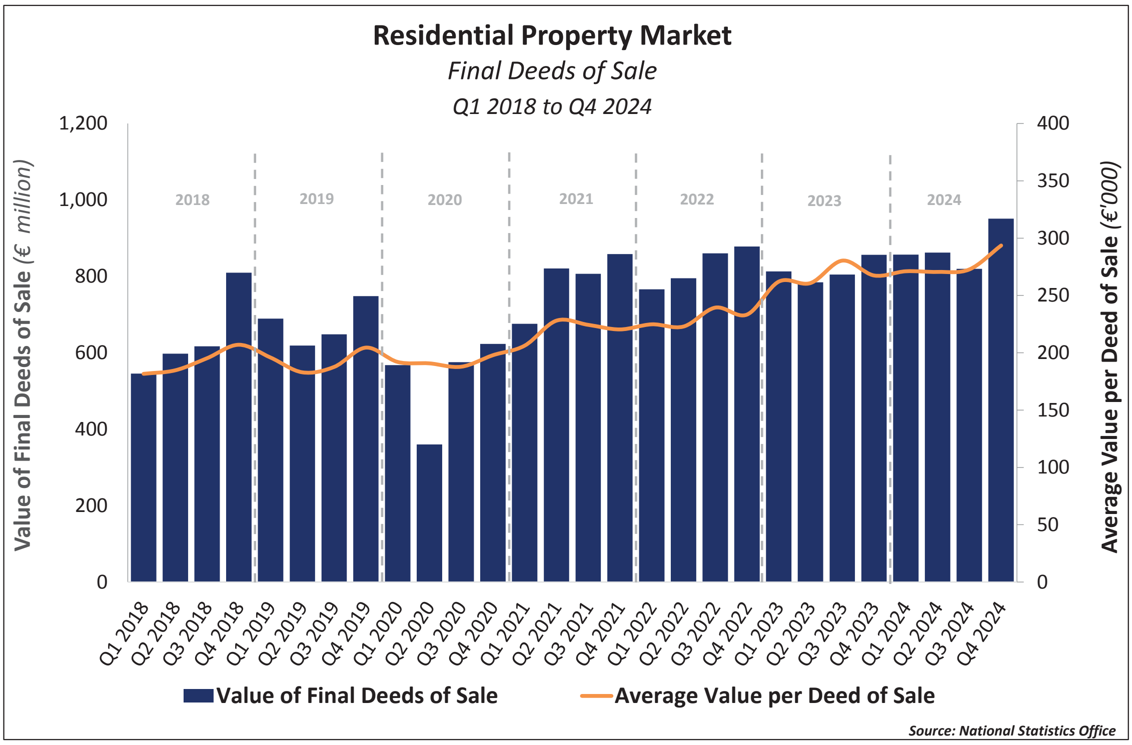
MZ INVESTMENTS

PROPERTY PRICES & TRANSACTIONS

IIn nominal terms, the CBM Property Prices Index – which is based on the advertised sale prices of apartments, maisonettes, terraced houses, and other types of dwellings – stood at 178.38 points in Q3 2024, representing a year-on-year increase of 4.08% over the same period in 2023 (171.38 points). The sharpest year-on-year percentage increase took place in the prices of 'other property' comprising town houses, houses of character, and villas, which advanced by 26.63%. The advertised prices of terraced houses and maisonettes increased by just over 11%, whilst apartments which saw their advertised prices increase by 4.34%.

The NSO Property Price Index – which is based on actual transactions involving apartments, maisonettes, and terraced houses – reached an all-time high of 165.22 points as at the end of Q3 2024 – representing a year-on-year increase of 6.93% in nominal terms. Apartment prices rose by 6.91%, while the increase in maisonette prices was slightly more subdued at 5.84% year-on-year.

A total of 12,594 final deeds of sale relating to residential property were registered in 2024 compared to 12,180 deeds in 2023 and 14,331 deeds in 2022. The total value of final deeds of sale increased by 7.12% in 2024 to a new record of €3.49 billion compared to €3.26 billion in 2023 and €3.30 billion in 2022. Furthermore, the average value per deed of sale increased to €277,100 compared to €267,500 in 2023 and €230,200 million in 2022. Meanwhile, the total number of promise of sale agreements for residential property in 2024 increased year-on-year by 3.06% to 13,588, compared to 13,185 in 2023 and 12,164 in 2022.



MZ INVESTMENTS

PART 2 – GROUP PERFORMANCE REVIEW

12. FINANCIAL HIGHLIGHTS

The historical information is extracted from the audited consolidated annual financial statements of the Issuer for the financial years ending 31 December 2021, 31 December 2022, and 31 December 2023.

The forecast and projected information for the financial years ending 31 December 2024 and 31 December 2025 has been provided by the Group and is based on assumptions deemed reasonable. However, actual outcomes may be affected by unforeseen circumstances, and the variation between forecasts and projections and actual results could be material.

Best Deal Properties Holding p.l.c. **Income Statement** **for the financial year 31 December**	**2021** **Actual** **€'000**	**2022** **Actual** **€'000**	**2023** **Actual** **€'000**	**2024** **Forecast** **€'000**	**2025** **Projection** **€'000**
Revenue	20,060	14,055	14,701	20,801	20,720
Cost of sales	(15,603)	(9,908)	(11,802)	(16,104)	(15,344)
Gross profit	**4,457**	**4,147**	**2,899**	**4,697**	**5,376**
Administrative expenses	(596)	(737)	(769)	(1,091)	(1,092)
EBITDA	**3,861**	**3,410**	**2,130**	**3,606**	**4,284**
Depreciation and amortisation	(67)	(72)	(132)	(1)	(14)
Operating profit	**3,794**	**3,338**	**1,998**	**3,605**	**4,270**
Investment income	-	-	68	-	-
Net finance costs	(122)	(257)	(37)	(30)	-
Profit before tax	**3,672**	**3,081**	**2,029**	**3,575**	**4,270**
Taxation	(908)	(543)	(899)	(1,635)	(1,430)
Profit for the year	**2,764**	**2,538**	**1,130**	**1,940**	**2,840**
Total comprehensive income	**2,764**	**2,538**	**1,130**	**1,940**	**2,840**
Revenue analysis:					
Blue Moon Court (Marsascala)	*459*	*22*	-	-	-
Garnet Court (Mqabba)	*6,900*	*341*	*372*	-	-
The Cove (Għadira)	-	-	-	-	*2,040*
Jewel Court (Pembroke)	*1,272*	*794*	*585*	*1,857*	-
Lotus Complex (Żabbar)	*11,429*	*10,184*	*5,173*	*4,044*	*1,120*
Laguna Court (Mellieħa)	-	*2,714*	*8,541*	*4,224*	-
Città Ferdinand (Siġġiewi)	-	-	*30*	*10,676*	*16,258*
Paola Development	-	-	-	-	*1,005*
Pembroke (II) Development	-	-	-	-	*297*
Total	***20,060***	***14,055***	***14,701***	***20,801***	***20,720***

MZ INVESTMENTS

Best Deal Properties Holding p.l.c. **Key Financial Ratios**	**FY2021** **Actual**	**FY2022** **Actual**	**FY2023** **Actual**	**FY2024** **Forecast**	**FY2025** **Projection**
Gross profit margin *(Gross profit / revenue)*	22.22	29.51	19.72	22.58	25.95
EBITDA margin (%) *(EBITDA / revenue)*	19.25	24.26	14.49	17.34	20.68
Operating profit margin (%) *(Operating profit / revenue)*	18.91	23.75	13.59	17.33	20.61
Net profit margin (%) *(Profit after tax / revenue)*	13.78	18.06	7.69	9.33	13.71
Return on equity (%) *(Profit after tax / average equity)*	50.15	31.58	12.51	22.67	29.83
Return on assets (%) *(Profit after tax / average assets)*	10.63	8.60	3.29	5.22	6.96
Return on invested capital (%) *(Operating profit / average equity and net debt)*	18.50	15.29	7.82	13.85	15.21
Interest cover (times) *(EBITDA / net finance costs)*	31.65	13.27	57.57	120.20	n/a

Income Statement

In **FY2021**, the Group generated revenues of €20.06 million of which almost 57% (or €11.43 million) derived from the sale of property forming part of Lotus Complex, whilst circa 34% (or €6.90 million) emanated from Garnet Court. The remaining portion of income came from the sale of property within Jewel Court (€1.27 million) and Blue Moon Court (€0.46 million).

EBITDA for the year amounted to €3.86 million which translated into a margin of 19.25%. In view of the strong increase in property sales, the interest cover improved markedly year-on-year to 31.65 times.

Overall, the Group reported a net profit of €2.76 million which translated into a margin of 13.78%. The higher level of profits also translated into a higher return on equity of 50.15% and a return on assets of 10.63%.

In **FY2022**, revenues amounted to €14.06 million reflecting the income derived from five development projects – namely those located in Żabbar (€10.18 million), Mellieħa (€2.71 million), Pembroke (€0.79 million), Mqabba (€0.34 million), and Marsascala (€0.02 million). Despite the drop in revenue when compared to FY2021 which also resulted in a contraction in EBITDA and net profit to €3.41 million and €2.54 million respectively, the EBITDA margin improved to 24.26% whilst the net profit margin exceeded the 18% level. In contrast, the return on equity and the return on assets retracted to 31.58% and 8.60% respectively. Likewise, the interest cover eased to 13.27 times.

In **FY2023**, the Group generated revenues of €14.70 million most of which (€13.71 million) derived from the sale of property forming part of Laguna Court (€8.54 million) and Lotus Complex (€5.17 million). On the other hand, income from the sale of property forming part of Jewel Court and Garnet Court only amounted to €0.59 million and €0.37 million respectively.

Despite the 4.60% increase in revenues, EBITDA contracted by 37.54% year-on-year to €2.13 million amid a considerable increase in cost of sales to €11.80 million (FY2022: €9.91 million).[4] As a result, the EBITDA margin retracted to 14.49%. On the other hand, in view of the marked drop in net finance costs, the interest cover improved to 57.57 times.[5]

[4] Cost of sales comprise development costs including land acquisition, permit fees, professional services, demolition, excavation, construction, finishing costs, sales commission, finance costs, and waiver fees.

[5] In accordance with the Group's accounting policies, borrowing costs directly attributable to the acquisition, construction, and finishing of the real estate development projects are capitalized as part of inventories, in line with IAS 23 – Borrowings.

MZ INVESTMENTS

Overall, BDPH registered a net profit of €1.13 million which translated into a margin of 7.69%. The return on equity and the return on assets also drifted lower to 12.51% and 3.29% respectively.

For **FY2024**, revenues are now expected to amount to €20.80 million as opposed to the previous forecast of €21.23 million. Compared to the estimates provided in the Analysis dated 24 May 2024, the Group is forecasting lower level of sales from Jewel Court (-€0.11 million to €1.86 million), Città Ferdinand (-€0.23 million to €10.68 million), and Laguna Court (-€1.20 million to €4.22 million). On the other hand, revenues from the sale of property forming part of Lotus Complex is anticipated to be higher by €1.12 million and amount to €4.04 million compared to the prior estimate of €2.93 million. The aforementioned decrease in projected sales for FY2024 is attributed to delays in signing a number of sales contracts. The execution of these contracts will take place in FY2025.

In view of the downward revision in revenues, EBITDA is now expected to amount to €3.61 million compared to the prior forecast of €4.23 million which, however, would still represent a year-on-year increase of almost 70%. Accordingly, the interest cover is forecasted to improve further to 120.20 times whilst the EBITDA margin is also expected to increase by 285 basis points year-on-year to 17.34%.

The net profit for the year is anticipated to be at €1.94 million which would translate into a margin of 9.33%. When compared to FY2023, the Issuer is also forecasting an improvement in the return on equity and the return on assets to 22.67% and 5.22% respectively.

In **FY2025,** the Group is expecting to generate most of its income from the sale of the properties forming part of Città Ferdinand. Indeed, this project is expected to contribute 78.47% (or €16.26 million) of next year's projected total revenues of €20.72 million, with the remaining income reflecting the sale of properties forming part of The Cove (€2.04 million), Lotus Complex (€1.12 million), Paola Development (€1.01 million), and Pembroke (II) Development (€0.30 million).

Despite the expected year-on-year marginal drop of 0.39% in revenue, EBITDA is projected to increase by 18.80% to €4.28 million reflecting the lower level of cost of sales which are expected to amount to €15.34 million compared to the forecasted figure of €16.10 million in FY2024. Accordingly, the Group is projecting a further improvement of 334 basis points in the EBITDA margin to 20.68%.

After accounting for tax charges of €1.43 million[6], BDPH expects to register a net profit of €2.84 million and a margin of 13.71%. The return on equity and the return on assets are also projected to trend higher to 29.83% and 6.96% respectively.

Best Deal Properties Holding p.l.c. **Statement of Cash Flows** **for the financial year 31 December**	**2021** **Actual** **€'000**	**2022** **Actual** **€'000**	**2023** **Actual** **€'000**	**2024** **Forecast** **€'000**	**2025** **Projection** **€'000**
Net cash from / (used in) operating activities	7,134	(3,902)	646	1,848	(626)
Net cash from / (used in) investing activities	(2,490)	(1,680)	2,056	(162)	2,605
Free cash flow	**4,644**	**(5,582)**	**2,702**	**1,686**	**1,979**
Net cash from / (used in) financing activities	(4,835)	6,589	(1,970)	4,725	(1,965)
Net movement in cash and cash equivalents	**(191)**	**1,007**	**732**	**6,411**	**14**
Cash and cash equivalents at beginning of year	438	247	1,254	1,986	8,397
Cash and cash equivalents at end of year	**247**	**1,254**	**1,986**	**8,397**	**8,411**

6 The Group is taxed at 8% final withholding tax on the sale of properties, 15% on bank interest receivable, and any remaining profits are taxed at 35%.

MZ INVESTMENTS

Statement of Cash Flows

In **FY2021**, the Group registered an adverse net movement in cash and cash equivalents amounting to €0.19 million. Net cash from operating activities amounted to €7.13 million, mainly on account of a positive movement in working capital (+€4.22 million). Net cash used in investing activities stood at €2.49 million and represented amounts paid into the sinking funds. During the year, the Issuer repaid a net amount of €2.89 million of bank borrowings and transferred a further €1.79 million to the Security Trustee for the purpose of repurchasing an equivalent amount of 2018 Bonds from the secondary market. These were accounted for as part of the amount of net cash used in financing activities which in FY2021 totalled €4.84 million.

In **FY2022,** the Issuer recorded a positive net movement in cash and cash equivalents of €1.01 million. Net cash used in operating activities amounted to €3.90 million, mainly impacted by the €6.76 million increase in inventories. Net cash used in investing activities stood at €1.68 million and largely represented amounts paid into the sinking funds. The latter totalled €5.04 million as at the end of 2022 (31 December 2021: €3.37 million), of which €0.37 million were held in relation to the 2018 Bonds whilst the remaining €4.67 million were held in relation to the 2022 Bonds.

Net cash flows from financing activities amounted to €6.59 million and represented proceeds from the issuance of the 2022 Bonds (€14.65 million) as well as the payment of dividends (€0.25 million), interest (€0.28 million) and borrowings (€7.54 million). The latter included the repurchase and cancellation of €6.90 million of 2018 Bonds from the secondary market. Overall, the Group ended the 2022 financial year with a cash balance of €1.25 million compared to €0.25 million as at 31 December 2021.

BDPH registered a positive net movement of €0.73 million in cash and cash equivalents in **FY2023** as the amount of €2.70 million in free cash flow generated throughout the year outweighed the amount of €1.97 million used in financing activities. As a result, the Group ended the year with a cash balance of almost €2 million.

Net cash from operating activities amounted to €0.65 million and included an adverse movement of €0.66 million in working capital.

Within investing activities, the Group's cash flows were positively impacted from a reduction in the amounts held in the sinking funds (€5.04 million). On the other hand, the Issuer used a net amount of €2.98 million for the purchase of financial assets.

In terms of financing activities, the Group used €1.17 million for the partial repayment of shareholders' loans. During FY2023, BDPH also paid €0.25 million in dividends and used €0.49 million for the repurchase and cancellation of 2018 Bonds.

For **FY2024**, the Issuer is expecting a net positive movement in cash and cash equivalents of €6.41 million. BDPH is anticipating generating €1.85 million from operating activities, while cash outflows for investing purposes is expected to amount to €0.16 million. Cash inflows from financing activities is projected at €4.73 million.

Cash flows from operating activities are anticipated to be negatively affected by adverse movements in working capital, largely reflecting the projected increase in inventories resulting from the acquisition of the Għadira Site, and the progress in relation to be projects located in Siġġiewi and Għadira.

Within investing activities, the forecasted contribution to the sinking funds amounting to €3.15 million is mostly offset by the net proceeds of €2.98 million from the sale of financial assets.

In terms of financing activities, during H1 2024, the Group issued the 2024 Bonds, the net proceeds of which were used to cancel most of the outstanding amount of the 2018 Bonds[7] and fund the acquisition of the Għadira Site and related costs of acquisition. On 12 December 2024, the Group redeemed the outstanding amount of €1.24 million relating to the 2018 Bonds upon maturity. The forecasts also account for payment of shareholders' loans amounting to €2.35 million[8] and dividends totalling €1.45 million.

During **FY2025**, the Issuer is projecting a net positive movement of €14,000 in cash and cash equivalents, thus ending the year with a balance of €8.41 million compared to the forecasted figure of €8.40 million as at 31 December 2024.

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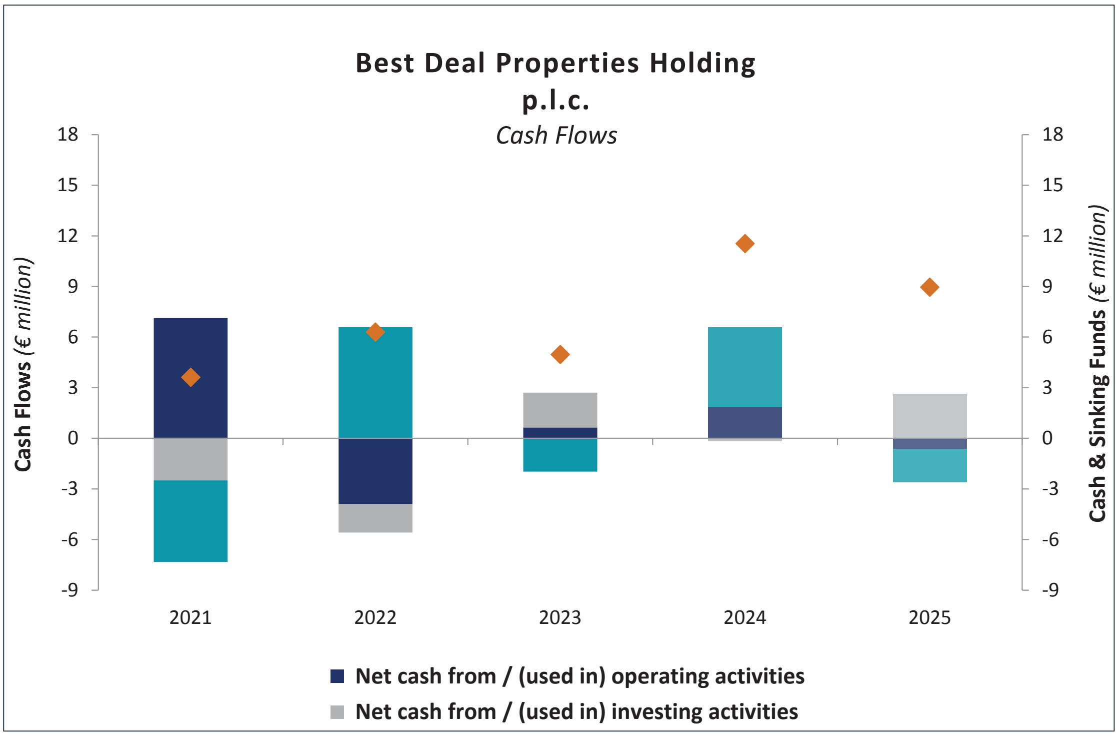
[7] An aggregate amount of just under €4.84 million were surrendered by holders of the 2018 Bonds in exchange for the 2024 Bonds.

[8] Of these, €1.15 million was classified as 'other equity' as at the end of FY2023, whilst the remaining €1.20 million was classified as current liability.

Net cash used in operating activities is projected to amount to €0.63 million, while investing activities is expected to show a net inflow of €2.61 million. The former includes adverse movements in working capital mostly driven by an increase in inventories, which also includes the acquisition of the Paola Site and initial excavation and construction costs. On the other hand, within investing activities, the Group anticipates a net reduction of €2.61 million in the sinking funds reflecting the utilisation of the reserves appertaining to the 2022 Bonds (€3.15 million) and a contribution of €0.54 million towards the 2024 Bonds sinking fund.

Net cash used in financing activities is projected to amount to €1.97 million, comprising a reduction in the outstanding amount of 2022 Bonds to €6.59 million from €14.80 million as at the end of FY2024, and the payment of dividends totalling €0.25 million. Inflows include the net proceeds of €6.70 million from the issue of the 2025 Bonds.



Best Deal Properties Holding p.l.c. Statement of Financial Position as at 31 December	2021 Actual €'000	2022 Actual €'000	2023 Actual €'000	2024 Forecast €'000	2025 Projection €'000
ASSETS					
Non-current assets					
Property, plant and equipment	1	1	-	-	629
Intangible assets	43	47	46	44	43
Deferred tax asset	108	226	225	225	225
2018 Bonds sinking fund	3,365	369	-	-	-
2022 Bonds sinking fund	-	4,671	-	3,147	-
2024 Bonds sinking fund	-	-	-	-	543
	3,517	**5,314**	**271**	**3,416**	**1,440**
Current assets					
Inventories	19,626	26,389	26,114	26,775	30,724
Trade and other receivables	1,148	1,523	2,912	1,459	967
Income tax assets	23	2	-	-	-
Cash and cash equivalents	247	1,254	1,986	8,397	8,411
2018 Bonds sinking fund	-	-	2,984	-	-
	21,044	**29,168**	**33,996**	**36,631**	**40,102**
Total assets	**24,561**	**34,482**	**34,267**	**40,047**	**41,542**
EQUITY					
Capital and reserves					
Called up share capital	313	313	313	313	313
Share premium	938	938	938	938	938
Shareholders' loans	2,325	2,325	1,150	-	-
Retained earnings	3,318	5,606	6,486	6,975	9,565
	6,894	**9,182**	**8,887**	**8,226**	**10,816**
LIABILITIES					
Non-current liabilities					
2018 Bonds	13,294	6,464	-	-	-
2022 Bonds	-	14,658	14,722	14,795	-
2024 Bonds	-	-	-	14,680	14,760
2025 Bonds	-	-	-	-	6,786
Shareholders' loans	1,200	1,200	-	-	-
	14,494	22,322	14,722	29,475	21,546
Current liabilities					
2018 Bonds	-	-	6,044	-	-
2022 Bonds	-	-	-	-	6,585
Bank borrowings	660	-	-	-	-
Shareholders' loans	-	20	1,200	-	-
Trade and other payables	2,513	2,958	3,414	2,346	2,595
	3,173	**2,978**	**10,658**	**2,346**	**9,180**
Total liabilities	**17,667**	**25,300**	**25,380**	**31,821**	**30,726**
Total equity and liabilities	**24,561**	**34,482**	**34,267**	**40,047**	**41,542**
Total debt	*15,154*	*22,342*	*21,966*	*29,475*	*28,131*
Net debt	*11,542*	*16,048*	*16,996*	*17,931*	*19,177*
Invested capital (total equity plus net debt)	*18,436*	*25,230*	*25,883*	*26,157*	*29,993*

MZ INVESTMENTS

Best Deal Properties Holding p.l.c. Key Financial Ratios	FY2021 Actual	FY2022 Actual	FY2023 Actual	FY2024 Forecast	FY2025 Projection
Net debt-to-EBITDA (times) *(Net debt / EBITDA)*	2.99	4.71	7.98	4.97	4.48
Net debt-to-equity (times) *(Net debt / total equity)*	1.67	1.75	1.91	2.18	1.77
Net gearing (%) *(Net debt / net debt and total equity)*	62.61	63.61	65.66	68.55	63.94
Debt-to-assets (times) *(Total debt / total assets)*	0.62	0.65	0.64	0.74	0.68
Leverage (times) *(Total assets / total equity)*	3.56	3.76	3.86	4.87	3.84
Current ratio (times) *(Current assets / current liabilities)*	6.63	9.79	3.19	15.61	4.37

STATEMENT OF FINANCIAL POSITION

The Group's statement of financial position as at 31 December **2021** comprised total assets of €24.56 million primarily made up of inventories (€19.63 million – being property development work-in-progress) and cash balances (€3.61 million when including the amounts held in sinking funds).

Total equity increased by €2.76 million to €6.89 million on account of the net profit registered during the year. On the other hand, total liabilities contracted by €5.66 million year-on-year to €17.67 million as the Group reduced its total debt by €4.64 million to €15.15 million. Other liabilities included deposits received on POS agreements amounting to €0.94 million.

As a result of the expansion in the equity base and the drop in indebtedness, the net gearing ratio and the net debt-to-equity ratio slipped to 62.61% and 1.67 times respectively. Similarly, the leverage ratio improved to 3.56 times and the debt-to-assets ratio eased to 0.62 times.

During **FY2022,** total assets increased by 40.39% to €34.48 million principally reflecting the increase in inventories to €26.39 million. Similarly, total liabilities rose by 43.19% to €25.30 million as the Group increased its total borrowings by 47.42% to €22.34 million amid the issuance of the 2022 Bonds in Q4 2022. Nonetheless, the net gearing ratio only increased to 63.61% reflecting the strengthening of BDPH's equity base to €9.18 million (+33.19%). Likewise, the net debt-to-equity ratio and the leverage ratio trended marginally higher to 1.75 times and 3.76 times respectively.

In **FY2023**, total assets and liabilities remained virtually unchanged at €34.27 million and €25.38 million respectively. Likewise, total debt stayed close to the €22 million level albeit the net debt-to-equity ratio and the net gearing ratio trended marginally higher to 1.91 times and 65.66% respectively reflecting both a reduction in cash balances and sinking funds to €4.97 million (31 December 2022: €6.29 million), as well as a minor contraction in equity to €8.89 million. Similarly, the Group's leverage ratio increased to 3.86 times while the debt-to-assets ratio stayed trended slightly lower to 0.64 times compared to 0.65 times as at the end of FY2022.

MZ INVESTMENTS

For **FY2024**, the Group is projecting a notable increase in total assets and liabilities to €40.05 million and €31.82 million respectively. The sharpest year-on-year movements are expected to be in relation to the level of cash (+€6.41 million), and debt (+€7.51 million to €29.48 million) reflecting the issuance of the 2024 Bonds and redemption of the 2018 Bonds. The forecasts also include the repayment of shareholders' loans (classified within liabilities) amounting to €1.20 million, leaving the Group with debt securities as its sole source of borrowings.

The Issuer is estimating its net gearing ratio and net debt-to-equity ratio to trend higher to 68.55% and 2.18 times respectively. Similarly, the debt-to-assets ratio and the leverage ratio are expected to deteriorate to 0.74 times and 4.87 times respectively. On the other hand, given the estimated year-on-year upsurge in EBITDA, the net debt-to-EBITDA multiple is projected to ease to 4.97 times compared to almost 8 times in FY2023.

The FY2025 projections include a reduction in total liabilities (-€1.09 million to €30.73 million) and an increase in total assets (+€1.49 million to €41.54 million), thus leading to a stronger equity position which is expected to reach €10.82 million (+€2.59 million).

The sharpest year-on-year movement within assets is projected to be in relation to the level of inventories which comprises the acquisition of the Paola site and initial works thereon. On the other hand, sinking fund balances are expected to decrease by €2.60 million following the repayment of outstanding bonds.

During the year, the Issuer expects to raise €7 million from the issue of the 2025 Bonds, thereby resulting in an increase in net debt of €1.25 million from the comparable period to €19.18 million.

Overall, all debt metrics are projected to improve year-on-year, with the net gearing ratio and net debt-to-equity ratio easing to 63.94% and 1.77 times respectively. Likewise, the debt-to-assets ratio is anticipated to slip to 0.68 times whilst the leverage ratio reverting below 4 times. Furthermore, coupled with the anticipated growth in EBITDA, the net debt-to-EBITDA multiple is projected to trend lower to 4.48 times.

PART 3 – COMPARATIVE ANALYSIS

The table below provides a comparison between the Group and its bonds with other debt issuers and their respective debt securities listed on the Official List of the Malta Stock Exchange. Although there are significant variances between the activities of the Group and those of other debt issuers (including different industries, principal markets, competition, capital requirements etc.), and material differences between the risks associated with the Group's business/es and those of other debt issuers, the comparative analysis illustrated in the table below serves as an indication of the relative financial strength and creditworthiness of the Group.

Comparative Analysis*	Amount Issued	Yield-to-Maturity / Worst	Interest Cover	Net Debt-to-EBITDA	Net Gearing	Debt-to-Assets
	(€'000)	(%)	(times)	(times)	(%)	(times)
5.10% 6PM Holdings p.l.c. Unsecured 2025**	13,000	2.95	16.04	0.65	17.79	0.20
4.50% Hili Properties p.l.c. Unsecured & Guaranteed 2025	37,000	2.67	1.80	8.70	46.06	0.45
5.75% International Hotel Investments p.l.c. Unsecured 2025	45,000	5.52	1.61	10.49	43.07	0.41
3.25% AX Group p.l.c. Unsecured 2026	15,000	3.39	1.24	21.28	39.42	0.36
4.25% CPHCL Finance p.l.c. Unsecured & Guaranteed 2026	40,000	4.52	1.45	11.49	43.52	0.41
5.00% Dizz Finance p.l.c. Unsecured & Guaranteed 2026	8,000	5.30	2.27	8.24	80.39	0.57
4.35% Hudson Malta p.l.c. Unsecured & Guaranteed 2026	12,000	4.83	5.64	6.37	77.20	0.60
4.00% International Hotel Investments p.l.c. Secured 2026	55,000	4.34	1.61	10.49	43.07	0.41
4.00% International Hotel Investments p.l.c. Unsecured 2026	60,000	5.11	1.61	10.49	43.07	0.41
3.75% Premier Capital p.l.c. Unsecured 2026	65,000	3.74	10.89	2.16	65.14	0.57
4.00% Eden Finance p.l.c. Unsecured & Guaranteed 2027	40,000	3.99	5.43	4.21	26.73	0.24
4.00% Hili Finance Company p.l.c. Unsecured & Guaranteed 2027	50,000	4.00	4.60	4.44	69.59	0.61
5.25% Mediterranean Investments Holding p.l.c. Unsecured & Guaranteed 2027	30,000	4.35	5.42	2.67	20.40	0.19
4.35% SD Finance p.l.c. Unsecured & Guaranteed 2027	65,000	4.83	5.86	2.93	30.32	0.34
4.00% Stivala Group Finance p.l.c. Secured & Guaranteed 2027	45,000	3.99	5.67	4.17	22.93	0.21
4.75% Best Deal Properties Holding p.l.c. Secured & Guaranteed 2025-2027	14,726	5.13	57.57	7.98	65.66	0.64
4.75% Gap Group p.l.c. Secured & Guaranteed 2025-2027	23,000	4.75	n/a	3.47	55.05	0.56
3.85% Hili Finance Company p.l.c. Unsecured & Guaranteed 2028	40,000	4.45	4.60	4.44	69.59	0.61
5.85% Mediterranean Investments Holding p.l.c. Unsecured & Guaranteed 2028	20,000	4.57	5.42	2.67	20.40	0.19
5.75% Plan Group p.l.c. Secured & Guaranteed 2028	12,000	4.65	7.37	9.26	54.58	0.48
3.75% AX Group p.l.c. Unsecured 2029	10,000	3.75	1.24	21.28	39.42	0.36
3.80% Hili Finance Company p.l.c. Unsecured & Guaranteed 2029	80,000	4.54	4.60	4.44	69.59	0.61
5.00% Hili Finance Company p.l.c. Unsecured & Guaranteed 2029	80,000	4.86	4.60	4.44	69.59	0.61
3.65% Stivala Group Finance p.l.c. Secured & Guaranteed 2029	15,000	4.37	5.67	4.17	22.93	0.21
5.75% Best Deal Properties Holding p.l.c. Secured & Guaranteed 2027-2029	15,000	4.57	57.57	7.98	65.66	0.64
6.25% GPH Malta Finance p.l.c. Unsecured & Guaranteed 2030	18,144	5.22	1.81	6.89	96.76	0.83
3.65% International Hotel Investments p.l.c. Unsecured 2031	80,000	4.51	1.61	10.49	43.07	0.41
5.35% Best Deal Properties Holding p.l.c. Unsecured 2032	7,000	5.35	57.57	7.98	65.66	0.64
3.50% AX Real Estate p.l.c. Unsecured 2032	40,000	4.10	2.04	12.44	49.30	0.45
5.00% Mariner Finance p.l.c. Unsecured 2032	36,930	4.24	4.89	6.08	50.77	0.50
5.85% AX Group p.l.c. Unsecured 2033	40,000	5.12	1.24	21.28	39.42	0.36
6.00% International Hotel Investments p.l.c. Unsecured 2033	60,000	5.27	1.61	10.49	43.07	0.41
5.35% Hal Mann Vella Group p.l.c. Secured 2031-2034	23,000	4.73	2.21	9.47	51.49	0.43
4.50% The Ona p.l.c. Secured & Guaranteed 2028-2034	16,000	4.50	3.09	16.34	74.89	0.65
5.50% Juel Group p.l.c. Secured & Guaranteed 2035	32,000	5.12	1.13	39.37	60.27	0.55

As at 31 January 2025

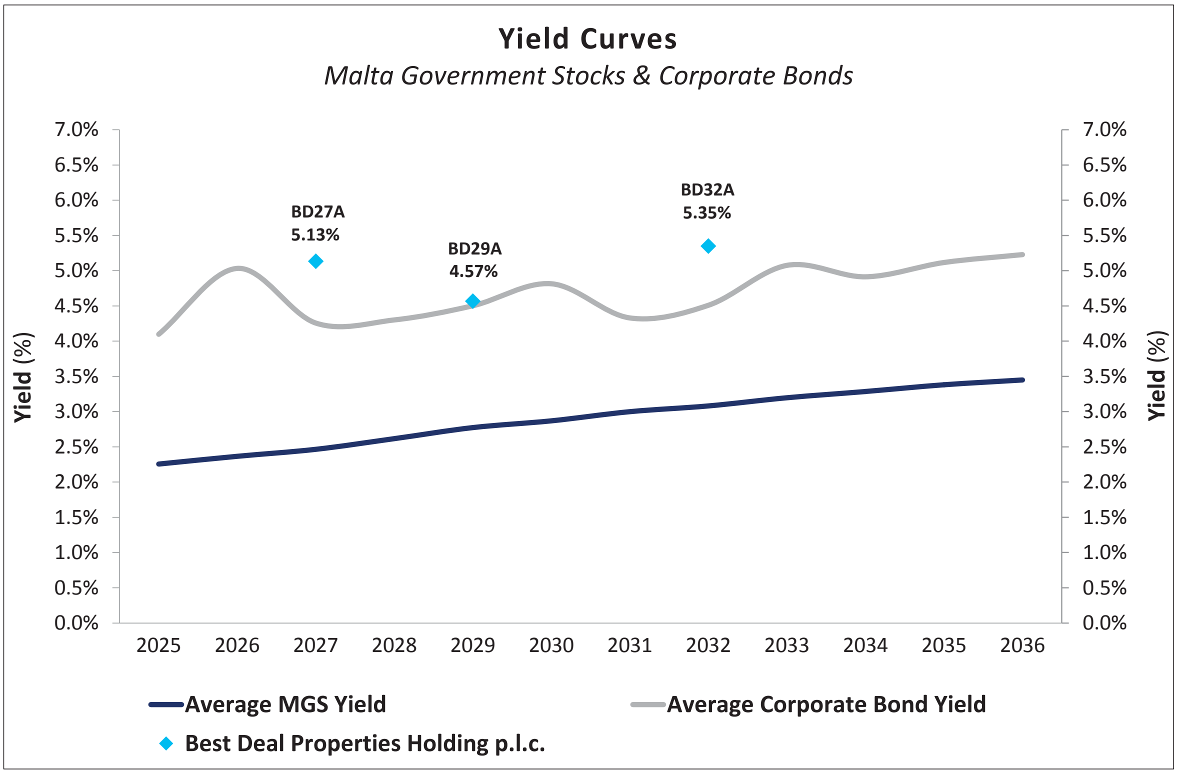
***** The financial ratios pertain to Idox p.l.c..***

Sources: Malta Stock Exchange

M.Z. Investment Services Limited

Most recent audited annual financial statements except for Juel Group p.l.c. (FY2024 forecast, as included in the Financial Analysis Summary dated 28 June 2024).

MZ INVESTMENTS



The closing market price as at 31 January 2025 for the **4.75% Best Deal Properties Holding p.l.c. secured and guaranteed bonds 2025-2027** (BD27A) was 99.00%. This translated into a yield-to-maturity ("**YTM**") of 5.13% which was 87 basis points above the average YTM of 4.26% of other local corporate bonds maturing in the same year. The premium over the corresponding average Malta Government Stock yield of equivalent maturity (2.47%) stood at 266 basis points.

The closing market price as at 31 January 2025 for the **5.75% Best Deal Properties Holding p.l.c. secured and guaranteed bonds 2027-2029** (BD29A) was 104.40%. This translated into a YTM of 4.57% which was 7 basis points above the average YTM of 4.50% of other local corporate bonds maturing in the same year. The premium over the corresponding average Malta Government Stock yield of equivalent maturity (2.77%) stood at 180 basis points.

The new **5.35% Best Deal Properties Holding p.l.c. unsecured bonds 2032** (BD32A) have been priced at a premium of 84 basis points over the average YTM of 4.51% of other local corporate bonds maturing in the same year as at 31 January 2025. The premium over the corresponding average Malta Government Stock yield of equivalent maturity (3.08%) stood at 227 basis points.

MZ INVESTMENTS

PART 4 - EXPLANATORY DEFINITIONS

INCOME STATEMENT	
Revenue	Total income generated from business activities.
EBITDA	Earnings before interest, tax, depreciation, and amortisation. It is a metric used for gauging operating performance excluding the impact of capital structure. EBITDA is usually interpreted as a loose proxy for operating cash flows.
Adjusted operating profit / (loss)	Profit (or loss) from core operations, excluding movements in the fair value of investment property, share of results of associates and joint ventures, net finance costs, and taxation.
Operating profit / (loss)	Profit (or loss) from operating activities, including movements in the fair value of investment property but excluding the share of results of associates and joint ventures, net finance costs, and taxation.
Share of results of associates and Joint ventures	Share of profit (or loss) from entities in which the company does not have a majority shareholding.
Profit / (loss) after tax	Net profit (or loss) registered from all business activities.
PROFITABILITY RATIOS	
EBITDA margin	EBITDA as a percentage of revenue.
Operating profit margin	Operating profit (or loss) as a percentage of total revenue.
Net profit margin	Profit (or loss) after tax as a percentage of total revenue.
Return on equity	Measures the rate of return on net assets and is computed by dividing the net profit (or loss) for the year by average equity.
Return on assets	Measures the rate of return on assets and is computed by dividing the net profit (or loss) for the year by average assets.
Return on invested capital	Measures the rate of return from operations and is computed by dividing operating profit (or loss) for the year by the average amount of equity and net debt.
STATEMENT OF CASH FLOWS	
Net cash from / (used in) operating activities	The amount of cash generated (or consumed) from the normal conduct of business.
Net cash from / (used in) investing activities	The amount of cash generated (or consumed) from activities related to the acquisition, disposal, and/or development of long-term assets and other investments.
Net cash from / (used in) financing activities	The amount of cash generated (or consumed) that have an impact on the capital structure, and thus result in changes to share capital and borrowings.
Free cash flow	Represents the amount of cash generated (or consumed) from operating activities after considering any amounts of capital expenditure.
STATEMENT OF FINANCIAL POSITION	
Non-current assets	These represent long-term investments which full value will not be realised within the next twelve months. Such assets, which typically include property, plant, equipment, and investment property, are capitalised rather than expensed, meaning that the amortisation of the cost of the asset takes place over the number of years for which the asset will be in use. This is done instead of allocating the entire cost to the accounting year in which the asset was acquired.
Current assets	All assets which could be realisable within a twelve-month period from the date of the Statement of Financial Position. Such amounts may include development stock, accounts receivable, cash and bank balances.

MZ INVESTMENTS

Non-current liabilities	These represent long-term financial obligations which are not due within the next twelve months, and typically include long-term borrowings and debt securities.
Current liabilities	Liabilities which fall due within the next twelve months from the date of the Statement of Financial Position, and typically include accounts payable and short-term debt.
Total equity	Represents the residual value of the business (assets minus liabilities) and typically includes the share capital, reserves, as well as retained earnings..
FINANCIAL STRENGTH / CREDIT RATIOS	
Interest cover	Measures the extent of how many times a company can sustain its net finance costs from EBITDA.
Net debt-to-EBITDA	Measures how many years it will take a company to pay off its net interest-bearing liabilities (including lease liabilities) from EBITDA, assuming that net debt and EBITDA are held constant.
Net debt-to-equity	Shows the proportion of net debt (including lease liabilities) to the amount of equity.
Net gearing	Shows the proportion of equity and net debt used to finance a company's business and is calculated by dividing net debt by the level of invested capital..
Debt-to-assets	Shows the degree to which a company's assets are funded by debt and is calculated by dividing all interest-bearing liabilities (including lease liabilities) by total assets.
Leverage	Shows how many times a company is using its equity to finance its assets.
Current ratio	Measures the extent of how much a company can sustain its short-term liabilities from its short-term assets.

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