

BDPH 103/2024

COMPANY ANNOUNCEMENT

The following is a company announcement issued by Best Deal Properties Holding P.L.C. (C 88974) (hereinafter the “Company”) pursuant to the Capital Markets Rules issued by the Malta Financial Services Authority (the “Capital Markets Rules”) and the rules issued by the Malta Stock Exchange regulating the Prospects MTF market (the “Prospects Rules”)

QUOTE

Reference is made to the Company Announcement issued by the Company on 26 April 2024 (BDPH101/2024), in which the Company, *inter alia*, announced that, on the 26th of April 2024, the Board of Directors of the Company considered and approved the Company’s audited consolidated financial statements for the period ended 31 December 2023 (the “**2023 CFS**”).

The profit on the Best Deal Group’s activities for the year ended 31 December 2023 was mainly generated from the subsidiary Best Deal Development Limited (“**BDDL**”) through the sales of units from Zabbar, Pembroke, and Mellieha developments.

The Board of Directors note that a material variance resulted between 2023 projections that were published via company announcement BDPH82/2023 on 17 April 2023 and actual results registered for the financial year ending 31 December 2023. The projections had a profit after tax of €2.07 million for the year ending 31 December 2023, however, the Group generated a profit of €1.1 million during these twelve months.

BDDL incurred delays in the finalisation of the notarial deeds of acquisition of some of its units that were projected to be signed by 31 December 2023, decreasing the revenue from the projected €15.5 million to €14.7 million. This decrease in revenue will be materialising in the financial year ending 31 December 2024. The gross profit margin has decreased from the projected 24% to 20% due to three factors: (i) the abovementioned delays in the execution of the final deeds which carry a higher margin; (ii) a difference in the sales mix between different projects yielding different gross profit margins; and (iii) an increase in development costs that were not being forecasted at the time of publication of the aforementioned company announcement. However, despite these increases in costs, the Directors are confident that in each project undertaken, the overall profit margins on such projects will be superior to those forecasted. The increase in inventory in the Statement of Financial Position as at 31 December 2023 is testament to the fact that Company experienced an increased level of productivity during the year through the advanced progress on the Siggiewi project.

UNQUOTE

By order of the Board.



Dr Stephanie Manduca
Company Secretary

27 April 2024