

BDPH 106/2024

COMPANY ANNOUNCEMENT

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

QUOTE

The Company refers to the obligation that 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 2024 of the Group (made up of Best Deal Properties Holding plc, Best Deal Developments Limited, PJCE Properties Limited, Best Deal Estates Limited, and Best Deal Ghadira Limited) is expected to amount to €21.2 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 85.8% of the projected revenue.

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 2023, the Group completed most works on Laguna Court in Mellieha, and Lotus Complex in Zabbar, whilst works on the Siggiewi development commenced. In 2024, the Group projects to complete works on the Laguna Court and Lotus Complex, while development on the Siggiewi will continue progressing. Works on the Ghadira project will commence during the year.

Movement in bank borrowings and outstanding bonds

€16,000,000 4.25% secured bonds 2024 (Bond I)

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 2023, the company repurchased a total of €485,600 of its 4.25% secured bonds from its bondholders. Bond III gave the possibility to Bond I holders to convert their holding into Bond III bonds. Holders of €4.8 million worth of Bond I bonds exercised this option, leaving €1.2 million Bond I bonds to be repaid on redemption date in 2024.

€15,000,000 4.75% secured bonds 2025-2027 (Bond II)

The Group issued €15,000,000 during 2023 to finance the purchase and development of the Siggiewi site.

€15,000,000 5.75% secured bonds 2027-2029 (Bond III)

In 2024, the Group issued a new secured bond for the purchase and development of the Ghadira site.

Net Gearing

The net gearing ratio is expected to remain constant at 70% in the financial period ending 31 December 2024 as was reported in the financial period ending 31 December 2023.

Projected consolidated income statement for the year ending 31 December

€000s	2024
Revenue	21,224
Cost of sales	(16,377)
Gross profit	4,848
Administrative expenses	(624)
Operating profit	4,224
Interest payable	(30)
Profit/(Loss) before tax	4,194
Final tax	(1,602)
Net Profit	2,592

Projected consolidated statement of financial position as at 31 December

€000s	2024
ASSETS	
Non-current assets	
Intangible assets	45
Deferred tax assets	226
Sinking fund reserve	3,427
Total non-current assets	3,698
Current assets	
Inventory (work in progress)	29,252
Trade and other receivables	308
Cash and cash equivalents	12,826
Total current assets	42,385
Total assets	46,083
EQUITY AND LIABILITIES	
Equity	
Share capital	313
Share premium	938
Retained earnings	8,828
Total equity	10,078
Non-current liabilities	
15,000,000 4.75% Secured Bonds 2025-2027	14,722
15,000,000 5.75% Secured Bonds 2027-2029	14,807
Other Borrowings	6,000
Total non-current liabilities	35,528
Current liabilities	
Trade payables	361
Client deposits	116
Total current liabilities	477
Total liabilities	36,005
Total equity and liabilities	46,083

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

€000s	2024
Operating activities	
Operating profit after movement in working capital	752
Tax payments	(1,602)
Net cash generated from/ (used in) operating activities	(850)
Investing activities	
Proceeds from available-for-sale investments	2,984
Release from/(transfer to) sinking fund reserve	(3,427)
Movement in related party borrowings	(1,150)
Net cash generated from/ (used in) investing activities	(1,592)
Financing activities	
Interest expenses	(30)
Dividend payments	(250)
Movement in bond	14,807
Movement in short-term borrowings	(7,245)
Movement in other borrowings	6,000
Net cash generated from/ (used in) financing activities	13,282
Net movement in cash and cash equivalents	10,839
Opening cash balance	1,987
Closing cash balance	12,826

UNQUOTE

By order of the Board.



Dr Stephanie Manduca
Company Secretary

30 April 2024