BDPH 14/2019

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 listing rules of the Listing Authority (the "**Listing Rules**") and rules issued by the MSE regulating the Prospects MTF market (the "**Prospects Rules**")*

QUOTE

The Board of Directors of the Company, on the 9th of April 2020, considered and approved the Company's audited consolidated financial statements for the period ended 31 December 2019. Furthermore, the Company has been informed by the Board of Directors of Best Deal Developments Limited (C 89191) (the "Guarantor") that the Board of Directors of the Guarantor, on the 9th of April 2020, considered and approved the audited financial statements of the Guarantor for the period ended 31 December 2019. The said financial statements are available for viewing on the Company's website through the following link: https://bestdealholdings.com/financial-information/.

The Board of Directors note that after a one-off gain of €515,000, the Group reports a loss after tax of FY2019 of €125,000, which represents a material variance of circa €900,000 from the 2019 projections that were published in the Company Admission Document issued on the 21 August 2019 and Prospectus issued on 3 December 2018, given that the projections had forecasted an operating profit after tax of over €800,000. The projections were based on the expectation that all the sales contracts of the 'Blue Moon' court, which is situated in Marsascala, would have been concluded in the last quarter of 2019. However, due to delays, works on the 'Blue Moon' court were completed in the first quarter of 2020. The Company has preliminary agreements in hand for all units in the 'Blue Moon' court. Consequently, sales contracts shall take place in FY2020 rather than FY2019. In accordance with the Company's revenue recognition accounting policy, a sale can only be recorded once the contract is signed and the asset is transferred to the buyer. This delay was the main reason behind the €6.1 million revenue variance between actual results and projected figures for the financial year ended 31 December 2019. After considering the corresponding decrease in cost of sales, the group, made up of the Company and its subsidiaries (the "Group"), registered an operating loss of €0.6 million, as compared to a projected profit of €1.4 million.

UNQUOTE

By order of the Board.

Dr Roderick Zammit Pace
Company Secretary

14 April 2020