

REGISTRATION DOCUMENT

Dated 22 March 2024

This Registration Document is issued in accordance with the provisions of Chapter 4 of the Capital Markets Rules issued by the Malta Financial Services Authority and of the Prospectus Regulation.



BEST DEAL PROPERTIES HOLDING P.L.C.

a public limited liability company registered in Malta
with company registration number C 88974

Guaranteed* by Best Deal Ghadira Limited, a private limited liability company registered in Malta
with company registration number C 106260

**Prospective investors are to refer to the Guarantee contained in Annex II of the Securities Note forming part of the Prospectus for a description of the scope, nature, and terms of the Guarantee. Reference should also be made to the sections entitled "Risk Factors" contained in the Summary, in this Registration Document, and in the Securities Note for a discussion of certain risk factors which should be considered by prospective investors in connection with the Secured Bonds and the Guarantee provided by the Guarantor, as well as the Security Interest granted by the Guarantor.*

Legal Counsel

ZamitPace 

Security Trustee



Sponsor, Manager & Registrar



THIS REGISTRATION DOCUMENT HAS BEEN APPROVED BY THE MFSA AS THE COMPETENT AUTHORITY UNDER THE PROSPECTUS REGULATION. THE MFSA ONLY APPROVES THE PROSPECTUS AS MEETING THE STANDARDS OF COMPLETENESS, COMPREHENSIBILITY AND CONSISTENCY IMPOSED BY THE PROSPECTUS REGULATION. SUCH APPROVAL SHALL NOT BE CONSIDERED AS AN ENDORSEMENT OF THE ISSUER THAT IS THE SUBJECT OF THIS REGISTRATION DOCUMENT. IN PROVIDING THIS AUTHORISATION, THE MFSA DOES NOT GIVE ANY CERTIFICATION REGARDING THE POTENTIAL RISKS IN INVESTING IN ANY INSTRUMENT ISSUED BY THE COMPANY. FURTHERMORE, SUCH AUTHORISATION SHOULD NOT BE DEEMED OR BE CONSTRUED AS A REPRESENTATION OR WARRANTY AS TO THE SAFETY OF INVESTING IN SUCH INSTRUMENTS.

THE MFSA ACCEPTS NO RESPONSIBILITY FOR THE CONTENTS OF THE PROSPECTUS, MAKES NO REPRESENTATIONS AS TO ITS ACCURACY OR COMPLETENESS AND EXPRESSLY DISCLAIMS ANY LIABILITY WHATSOEVER FOR ANY LOSS HOWSOEVER ARISING FROM, OR IN RELIANCE UPON, THE WHOLE OR ANY PART OF THE CONTENTS OF THE PROSPECTUS, INCLUDING ANY LOSSES INCURRED BY INVESTING IN THE SECURITIES ISSUED BY THE ISSUER.

A PROSPECTIVE INVESTOR SHOULD ALWAYS SEEK FINANCIAL ADVICE BEFORE DECIDING TO INVEST IN ANY LISTED FINANCIAL INSTRUMENTS. A PROSPECTIVE INVESTOR SHOULD BE AWARE OF THE POTENTIAL RISKS IN INVESTING IN THE SECURITIES OF AN ISSUER AND SHOULD MAKE THE DECISION TO INVEST ONLY AFTER CAREFUL CONSIDERATION AND CONSULTATION WITH HIS OR HER OWN FINANCIAL ADVISER.

Approved by the Directors

Christopher Attard

Pierre Bartolo

signing in their own capacity as directors of the Company and for and on behalf of each of Robert Buttigieg, David Basile, Erskine Vella, James Bullock, Mario P Galea and Marlene Seychell



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1. IMPORTANT INFORMATION

THIS REGISTRATION DOCUMENT CONTAINS INFORMATION ON BEST DEAL PROPERTIES HOLDING P.L.C., IN ITS CAPACITY AS ISSUER, AND ON BEST DEAL GHADIRA LIMITED, AS GUARANTOR, IN ACCORDANCE WITH THE REQUIREMENTS OF THE CAPITAL MARKETS RULES, THE COMPANIES ACT (CHAPTER 386 OF THE LAWS OF MALTA) AND THE PROSPECTUS REGULATION.

NO BROKER, DEALER, SALESMAN OR OTHER PERSON HAS BEEN AUTHORISED BY THE ISSUER, THE GUARANTOR OR THEIR RESPECTIVE DIRECTORS, TO PUBLISH OR ISSUE ANY ADVERTISEMENT OR TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATIONS IN CONNECTION WITH THE ISSUER, THE GUARANTOR AND, OR THE SECURITIES OF THE ISSUER OTHER THAN THOSE CONTAINED IN THIS REGISTRATION DOCUMENT AND IN THE DOCUMENTS REFERRED TO THEREIN, AND IF PUBLISHED, ISSUED, GIVEN OR MADE, SUCH ADVERTISEMENT, INFORMATION OR REPRESENTATIONS MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORISED BY THE ISSUER, THE GUARANTOR OR THEIR RESPECTIVE DIRECTORS OR ADVISERS.

ALL THE ADVISERS TO THE ISSUER NAMED UNDER THE HEADING “ADVISERS TO THE ISSUER” IN SUB-SECTION 5.2 OF THIS REGISTRATION DOCUMENT HAVE ACTED AND ARE ACTING EXCLUSIVELY FOR THE ISSUER IN RELATION TO THE PROSPECTUS AND HAVE NO CONTRACTUAL, FIDUCIARY OR OTHER OBLIGATION TOWARDS ANY OTHER PERSON AND WILL ACCORDINGLY NOT BE RESPONSIBLE TO ANY INVESTOR OR ANY OTHER PERSON WHOMSOEVER IN RELATION TO THE TRANSACTIONS PROPOSED IN THE PROSPECTUS.

THE MALTA FINANCIAL SERVICES AUTHORITY ACCEPTS NO RESPONSIBILITY FOR THE CONTENTS OF THE PROSPECTUS, MAKES NO REPRESENTATIONS AS TO ITS ACCURACY OR COMPLETENESS AND EXPRESSLY DISCLAIMS ANY LIABILITY WHATSOEVER FOR ANY LOSS HOWEVER ARISING FROM OR IN RELIANCE UPON THE WHOLE OR ANY PART OF THE CONTENTS OF THE PROSPECTUS.

THE PROSPECTUS DOES NOT CONSTITUTE, AND MAY NOT BE USED FOR PURPOSES OF, AN OFFER OR INVITATION TO SUBSCRIBE FOR SECURITIES ISSUED BY THE ISSUER, BY ANY PERSON IN ANY JURISDICTION: (I) IN WHICH SUCH OFFER OR INVITATION IS NOT AUTHORISED; OR (II) IN WHICH THE PERSON MAKING SUCH OFFER OR INVITATION IS NOT QUALIFIED TO DO SO; OR (III) TO ANY PERSON TO WHOM IT IS UNLAWFUL TO MAKE SUCH OFFER OR INVITATION. THE DISTRIBUTION OF THE PROSPECTUS IN CERTAIN JURISDICTIONS MAY BE RESTRICTED AND ACCORDINGLY, PERSONS INTO WHOSE POSSESSION IT IS RECEIVED ARE REQUIRED TO INFORM THEMSELVES ABOUT, AND TO OBSERVE, SUCH RESTRICTIONS.

IT IS THE RESPONSIBILITY OF ANY PERSONS IN POSSESSION OF THIS DOCUMENT AND ANY PERSONS WISHING TO APPLY FOR ANY SECURITIES ISSUED BY THE ISSUER TO INFORM THEMSELVES OF, AND TO OBSERVE AND COMPLY WITH, ALL APPLICABLE LAWS AND REGULATIONS OF ANY RELEVANT JURISDICTION. PROSPECTIVE APPLICANTS FOR ANY SECURITIES THAT MAY BE ISSUED BY THE ISSUER SHOULD INFORM THEMSELVES AS TO THE LEGAL REQUIREMENTS OF APPLYING FOR ANY SUCH SECURITIES AND ANY APPLICABLE EXCHANGE CONTROL REQUIREMENTS AND TAXES IN THE COUNTRIES OF THEIR NATIONALITY, RESIDENCE OR DOMICILE.

SAVE FOR THE OFFERING IN THE REPUBLIC OF MALTA, NO ACTION HAS BEEN OR WILL BE TAKEN BY THE ISSUER THAT WOULD PERMIT A PUBLIC OFFERING OF THE SECURITIES DESCRIBED IN THE SECURITIES NOTE OR THE DISTRIBUTION OF THE PROSPECTUS (OR ANY PART THEREOF) OR ANY OFFERING MATERIAL IN ANY COUNTRY OR JURISDICTION WHERE ACTION FOR THAT PURPOSE IS REQUIRED. ACCORDINGLY, NO SECURITIES MAY BE OFFERED OR SOLD, DIRECTLY OR INDIRECTLY, AND NEITHER THE PROSPECTUS NOR ANY ADVERTISEMENT OR OTHER OFFERING MATERIAL MAY BE DISTRIBUTED OR PUBLISHED IN ANY JURISDICTION, EXCEPT UNDER CIRCUMSTANCES THAT WILL RESULT IN COMPLIANCE WITH ANY APPLICABLE LAWS AND REGULATIONS. PERSONS INTO WHOSE POSSESSION THE PROSPECTUS OR ANY SECURITIES MAY COME MUST INFORM THEMSELVES ABOUT, AND OBSERVE, ANY SUCH RESTRICTIONS ON THE DISTRIBUTION OF THE PROSPECTUS AND THE OFFERING AND SALE OF SECURITIES.

A COPY OF THIS DOCUMENT HAS BEEN SUBMITTED TO THE MALTA FINANCIAL SERVICES AUTHORITY IN SATISFACTION OF THE CAPITAL MARKETS RULES, THE MALTA STOCK EXCHANGE IN SATISFACTION OF THE MALTA STOCK EXCHANGE BYE-LAWS AND HAS BEEN DULY FILED WITH THE REGISTRAR OF COMPANIES, IN ACCORDANCE WITH THE ACT.

THE PROSPECTUS AND THE OFFERING, SALE OR DELIVERY OF ANY SECURITIES ISSUED BY THE ISSUER MAY NOT BE TAKEN AS AN IMPLICATION: (I) THAT THE INFORMATION CONTAINED IN THE PROSPECTUS IS ACCURATE AND COMPLETE SUBSEQUENT TO ITS DATE OF ISSUE; OR (II) THAT THERE HAS BEEN NO MATERIAL ADVERSE CHANGE IN THE FINANCIAL POSITION OF THE ISSUER OR THE GUARANTOR SINCE SUCH DATE; OR (III) THAT ANY OTHER INFORMATION SUPPLIED IN CONNECTION WITH THE PROSPECTUS IS ACCURATE AT ANY TIME SUBSEQUENT TO THE DATE ON WHICH IT IS SUPPLIED OR, IF DIFFERENT, THE DATE INDICATED IN THE DOCUMENT CONTAINING THE SAME.



A PROSPECTIVE INVESTOR SHOULD ALWAYS SEEK FINANCIAL ADVICE BEFORE DECIDING TO INVEST IN ANY FINANCIAL INSTRUMENTS. A PROSPECTIVE INVESTOR SHOULD BE AWARE OF THE POTENTIAL RISKS OF INVESTING IN THE SECURITIES OF AN ISSUER AND SHOULD MAKE THE DECISION TO INVEST ONLY AFTER CAREFUL CONSIDERATION AND CONSULTATION WITH HIS OR HER OWN PROFESSIONAL ADVISERS.

IN TERMS OF ARTICLE 12(1) OF THE PROSPECTUS REGULATION, THE PROSPECTUS SHALL REMAIN VALID FOR A PERIOD OF TWELVE (12) MONTHS FROM THE DATE OF THE APPROVAL OF THE PROSPECTUS BY THE MFSA. THE ISSUER IS OBLIGED TO PUBLISH A SUPPLEMENT ONLY IN THE EVENT OF SIGNIFICANT NEW FACTORS, MATERIAL MISTAKE OR MATERIAL INACCURACY RELATING TO THE INFORMATION SET OUT IN THE PROSPECTUS WHICH MAY AFFECT THE ASSESSMENT OF THE SECURITIES AND WHICH ARISES OR IS NOTED BETWEEN THE TIME WHEN THE PROSPECTUS IS APPROVED AND THE CLOSING OF THE ISSUE PERIOD OR THE TIME WHEN TRADING ON A REGULATED MARKET COMMENCES, WHICHEVER OCCURS LATER. THE OBLIGATION TO SUPPLEMENT THE PROSPECTUS IN THE EVENT OF SIGNIFICANT NEW FACTORS, MATERIAL MISTAKES OR MATERIAL INACCURACIES DOES NOT APPLY WHEN THE PROSPECTUS IS NO LONGER VALID.

STATEMENTS MADE IN THIS REGISTRATION DOCUMENT ARE, EXCEPT WHERE OTHERWISE STATED, BASED ON THE LAW AND PRACTICE CURRENTLY IN FORCE IN MALTA AND ARE SUBJECT TO CHANGES THEREIN.

UNLESS OTHERWISE STATED, THE CONTENTS OF THE ISSUER'S OR GUARANTOR'S WEBSITES (IF ANY) OR ANY WEBSITE DIRECTLY OR INDIRECTLY LINKED TO THE ISSUER'S OR GUARANTOR'S WEBSITES DO NOT FORM PART OF THE PROSPECTUS. ACCORDINGLY, NO RELIANCE OUGHT TO BE MADE BY ANY INVESTOR ON ANY INFORMATION OR OTHER DATA CONTAINED IN SUCH WEBSITES AS THE BASIS FOR A DECISION TO INVEST IN ANY SECURITIES ISSUED BY THE ISSUER.

THE VALUE OF INVESTMENTS CAN FALL AS WELL AS RISE, AND PAST PERFORMANCE IS NOT NECESSARILY INDICATIVE OF FUTURE PERFORMANCE. PROSPECTIVE INVESTORS SHOULD CAREFULLY CONSIDER ALL THE INFORMATION CONTAINED IN THE PROSPECTUS AS A WHOLE AND SHOULD CONSULT THEIR OWN FINANCIAL AND OTHER PROFESSIONAL ADVISERS.



2. DEFINITIONS

In this Registration Document the following words and expressions shall bear the following meanings except where otherwise expressly stated or where the context otherwise requires:

2018 Bonds	The 4.25% secured bonds due 2024 issued by the Company pursuant to a prospectus dated 03 December 2018, of a nominal value of €100 per bond and of an aggregate nominal value of €16,000,000, and having ISIN MT0002121201;
2022 Bonds	The 4.75% secured bonds due 2025 - 2027 issued by the Company pursuant to a prospectus dated 09 November 2022, of a nominal value of €100 per bond and of an aggregate nominal value of €15,000,000, and having ISIN MT0002121219;
Act	The Companies Act (Chapter 386 of the laws of Malta);
BDP Group or Group	The Issuer and any company or entity in which the Issuer has a controlling interest;
Bond Issue or Offer	The issue of the Secured Bonds;
Bond Obligations	The punctual performance by the Company of all its obligations under the Secured Bonds upon issuance including the repayment of principal and payment of interest thereon;
Bondholder/s	A holder of Secured Bonds;
Capital Markets Rules	The capital markets rules issued by the Malta Financial Services Authority in terms of the Financial Markets Act (Chapter 345 of the Laws of Malta);
Company or Issuer	Best Deal Properties Holding p.l.c., a public limited liability company registered under the laws of Malta bearing company registration number C88974 and having its registered office at 63, J.L. Buildings, Office 5, Luqa Road, Paola PLA 9045, Malta;
Directors or Board	The directors of the Company whose names are set out in section 5 under the heading “Identity of Directors, Advisers, Security Trustee and Auditors”;
Euro or €	The lawful currency of the Republic of Malta;
Financial Analysis Summary	The financial analysis summary dated 22 March 2024 compiled by the Sponsor in line with the applicable requirements of the MFSA Listing Policies, a copy of which is set out in Annex III of the Securities Note forming part of the Prospectus;
Ghadira Development	the construction, development, and finishing, over the Ghadira Site, comprising a total of 53 apartments, 10 maisonettes, 2 penthouses and 119 garages, as better described in sub-section 6.5.3.2 of the Registration Document and in the Property Valuation Report;
Ghadira Site or Hypothecated Property	The site located in Mellieħa, measuring <i>circa</i> two thousand six hundred and forty-three square metres (2,643 sqm), as better described in the Property Valuation Report;
Guarantee	The joint and several guarantee, dated 22 March 2024, granted by the Guarantor as security for the punctual performance of the Issuer’s payment obligations under the Bond Issue, subject to the terms and conditions contained in the Security Trust Deed and as the same is held on trust for the benefit of the Bondholders by the Security Trustee. A copy of the Guarantee is appended to the Securities Note as Annex II thereto;
Guarantor	Best Deal Ghadira Limited, a private limited liability company registered in Malta with company number C 106260 and having its registered office at 63, J.L. Buildings, Office 5, Luqa Road, Paola PLA9045, Malta;
Loan Agreement	The loan agreement to be entered into by and between the Issuer (as lender) and the Guarantor (as borrower) pursuant to and in accordance with the terms and conditions of which the net proceeds from the Bond Issue, amounting to approximately €14.6 million, will be advanced by title of loan from the Issuer to the Guarantor;
Malta Stock Exchange or MSE	Malta Stock Exchange p.l.c., as originally constituted in terms of the Financial Markets Acts (Chapter 345 of the laws of Malta) with company registration number C 42525 and having its registered office at Garrison Chapel, Castille Place, Valletta VLT 1063, Malta;
Mellieħa Development	The construction, development, and finishing, over the site known as Tal-Hawlija, Ta’ Masrija and Tas-Salib measuring in aggregate approximately 1,249sqm, of a total of 55 garages, seven maisonettes, 35 apartments and seven penthouses;
Memorandum and Articles of Association or M&A	The memorandum and articles of association of the Company in force at the time of publication of the Prospectus;
MFSA	The Malta Financial Services Authority, established in terms of the Malta Financial Services Authority Act (Chapter 330 of the laws of Malta) in its capacity as the competent authority in terms of the Financial Markets Act, authorised to approve prospectuses and admissibility to listing and to monitor and supervise local regulated markets and participants thereof falling within the regulatory and supervisory remit of the MFSA;
Ongoing Developments	The Pembroke I Development, the Mellieħa Development, the Żabbar Development and the Siggiewi Development;
Ordinary Shares or Shares	Ordinary shares having a nominal value of €0.10 each in the capital of the Company;



Pembroke I Development	The construction, development, and finishing, over the corner site situated at 102 and 103 in Triq Mediterran c/w Triq Gabriele Henin, Pembroke, having a footprint measuring approximately 380sqm, of seven garages, two maisonettes, four three-bedroom apartments and two penthouses;
Planning Authority	The Planning Authority established in terms of the Development Planning Act (Chapter 552 of the laws of Malta);
Pledge Agreement	The pledge agreement to be entered into by and between the Guarantor and the Security Trustee for the purpose of constituting a pledge on insurance policy proceeds as security for the full nominal value of the Secured Bonds and interest thereon, to be constituted prior to the commencement of works on the Ghadira Site;
Property Valuation Report	The property valuation report issued by TBA Periti and dated 26 February 2024;
Prospects MTF	The market regulated as a multilateral trading facility operated by the MSE providing a venue for start-up growth of small to medium sized enterprises to float their capital (including equity or debt) on the market;
Prospectus	Collectively, this Registration Document, the Securities Note and the Summary;
Prospectus Regulation	Commission Regulation (EU) 2017/1129 of 14 June 2017 of the European Parliament and of the Council on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC, as may be amended and/or supplemented from time to time;
Registration Document	This document in its entirety issued by the Issuer dated 22 March 2024, forming part of the Prospectus;
Secured Bonds	As defined in the Securities Note;
Securities Note	The securities note issued by the Issuer dated 22 March 2024, forming part of the Prospectus;
Security Interest or Collateral	The following security: <ul style="list-style-type: none"> (a) the first ranking general hypothec, for the full nominal value of the Secured Bonds and interests thereon over all the present and future property of the Guarantor, to be constituted upon the final deed of sale and acquisition of the Ghadira Site; (b) the first ranking special hypothec for the full nominal value of the Secured Bonds and interests thereon over the Ghadira Site together with all and any immovables constructed or to be developed thereon subject to such reductions as may be made from time to time in terms of the Security Trust Deed, to be constituted upon the final deed of sale and acquisition of the Ghadira Site; (c) the Pledge Agreement; and (d) the Guarantee;
Security Trust Deed	The security trust deed in respect of the Bond Issue, entered into between the Security Trustee, the Issuer, and the Guarantor, dated 22 March 2024;
Security Trustee	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);
Siggiewi Development	The construction, development, and finishing, over the site located in the outskirts of Siggiewi, measuring <i>circa</i> 4,985sqm, of a total of 20 maisonettes, 60 apartments, 15 penthouses and 155 garages, spread over eight blocks;
Sponsor, Manager & Registrar	M.Z. Investment Services Limited having company registration number C 23936 and registered office at 63, M.Z. House, St. Rita Street, Rabat RBT 1523, Malta, licensed by the MFSA and a member of the MSE;
Subsidiary	An entity over which the parent has control. In terms of the International Financial Reporting Standards adopted by the European Union, a group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. The term "Subsidiary" shall be construed accordingly. The term "Subsidiaries" shall collectively refer to the said entities;
Summary	The summary published by the Issuer dated 22 March 2024, forming part of the Prospectus;
Zabbar Development	The construction, development, and finishing, over the site known as Il-Wilga tal-Imniegel measuring approximately 4,149sqm, of a total of 198 garages, 24 maisonettes, 81 apartments and 22 penthouses, spread over nine blocks.

All references in the Prospectus to "Malta" are to the "Republic of Malta".

Unless it appears otherwise from the context:

- a) words importing the singular shall include the plural and *vice-versa*;
- b) words importing the masculine gender shall include also the feminine gender and *vice-versa*;

- c) the word “may” shall be construed as permissive and the word “shall” shall be construed as imperative;
- d) any references to a person include natural persons, firms, partnerships, companies, corporations, associations, organisations, governments, states, foundations, or trusts;
- e) any reference to a person includes that person’s legal personal representatives, successors, and assigns;
- f) any phrase introduced by the term “including”, “include”, “in particular” or any similar expression is illustrative only and does not limit the sense of the words preceding the term; and
- g) any references to a law, legislative act and, or other legislation shall mean that particular law, legislative act and, or legislation as in force at the time of issue of this Registration Document.

3. RISK FACTORS

PROSPECTIVE INVESTORS SHOULD CAREFULLY CONSIDER WITH THEIR OWN PROFESSIONAL ADVISERS THE FOLLOWING RISK FACTORS AND OTHER INVESTMENT CONSIDERATIONS, AS WELL AS ALL THE OTHER INFORMATION CONTAINED IN THE PROSPECTUS, BEFORE MAKING ANY INVESTMENT DECISION WITH RESPECT TO THE ISSUER. SOME OF THESE RISKS ARE SUBJECT TO CONTINGENCIES WHICH MAY OR MAY NOT OCCUR AND NEITHER THE ISSUER NOR THE GUARANTOR IS IN A POSITION TO EXPRESS ANY VIEWS ON THE LIKELIHOOD OF ANY SUCH CONTINGENCIES OCCURRING.

WHILE THE SEQUENCE IN WHICH THE RISKS BELOW ARE LISTED IS INTENDED TO BE INDICATIVE OF THE ORDER OF PRIORITY AND OF THE EXTENT OF THEIR CONSEQUENCES, PROSPECTIVE INVESTORS ARE HEREBY CAUTIONED THAT THE OCCURRENCE OF ANY ONE OR MORE OF THE RISKS SET OUT BELOW COULD HAVE A MATERIAL ADVERSE EFFECT ON THE BDP GROUP’S BUSINESS, RESULTS OF OPERATIONS AND FINANCIAL CONDITION.

IF ANY OF THE RISKS DESCRIBED BELOW WERE TO MATERIALISE, THEY COULD HAVE A SERIOUS EFFECT ON THE ISSUER’S AND, OR GUARANTOR’S FINANCIAL RESULTS AND TRADING PROSPECTS AND ON THE ABILITY OF THE ISSUER TO FULFIL ITS OBLIGATIONS UNDER THE SECURITIES TO BE ISSUED IN TERMS OF THE PROSPECTUS AND OF THE GUARANTOR TO HONOUR ITS OBLIGATIONS UNDER THE GUARANTEE.

THE RISKS AND UNCERTAINTIES DISCUSSED BELOW ARE THOSE IDENTIFIED AS SUCH BY THE DIRECTORS OF THE ISSUER AS AT THE DATE OF THE PROSPECTUS, BUT THESE RISKS AND UNCERTAINTIES MAY NOT BE THE ONLY ONES THAT THE ISSUER AND THE GUARANTOR MAY FACE. ADDITIONAL RISKS AND UNCERTAINTIES, INCLUDING THOSE WHICH THE ISSUER’S DIRECTORS ARE NOT CURRENTLY AWARE OF, MAY WELL RESULT IN A MATERIAL IMPACT ON THE FINANCIAL CONDITION AND OPERATIONAL PERFORMANCE OF THE ISSUER AND, OR THE GUARANTOR.

NEITHER THE PROSPECTUS NOR ANY OTHER INFORMATION SUPPLIED HEREIN IN CONNECTION WITH SECURITIES ISSUED BY THE ISSUER:

- (I) IS INTENDED TO PROVIDE THE BASIS OF ANY CREDIT OR OTHER EVALUATION, NOR
- (II) SHOULD BE CONSIDERED AS A RECOMMENDATION BY THE ISSUER OR THE SPONSOR OR AUTHORISED INTERMEDIARIES THAT ANY RECIPIENT OF THIS PROSPECTUS OR ANY OTHER INFORMATION SUPPLIED IN CONNECTION THEREWITH, SHOULD PURCHASE ANY SECURITIES ISSUED BY THE ISSUER.

PROSPECTIVE INVESTORS SHOULD MAKE THEIR OWN INDEPENDENT EVALUATION OF ALL RISK FACTORS AND SHOULD CONSIDER ALL OTHER SECTIONS IN THIS DOCUMENT.

3.1 Forward-looking Statements

The Prospectus and the documents incorporated therein by reference or annexed thereto contain forward-looking statements that include, *inter alia*, statements concerning the Issuer’s and Guarantor’s strategies and plans relating to the attainment of their respective objectives, capital requirements and other statements of expectations, beliefs, future plans and strategies, anticipated developments and other matters that are not historical facts and which may, accordingly, involve predictions of future circumstances.

Prospective investors can generally identify forward-looking statements by the use of terminology such as “may”, “will”, “expect”, “intend”, “plan”, “estimate”, “anticipate”, “believe”, or similar phrases. Such forward-looking statements are inherently subject to a number of risks, uncertainties and assumptions, a few of which are beyond the Issuer’s and Guarantor’s control. Important factors that could cause actual results to differ materially from the expectations of the Issuer’s directors include those risks identified under the heading “Risk Factors” and elsewhere in the Prospectus.

If any of the risks described below were to materialise, they could have a material adverse effect on the Issuer's and Guarantor's financial results and trading prospects and the ability of the Issuer to fulfil its Bond Obligations under the securities to be issued in terms of the Prospectus and of the Guarantor to honour its obligations under the Guarantee.

Accordingly, the Issuer and Guarantor caution prospective investors that these forward-looking statements are subject to risks and uncertainties that could cause actual events or results to differ materially from those expressed or implied by such statements, that such statements do not bind the Issuer and Guarantor with respect to future results and no assurance is given that the projected future results or expectations covered by such forward-looking statements will be achieved.

Prospective investors are advised to read the Prospectus in its entirety and, in particular, all the risk factors set out in the Prospectus for a further discussion of the factors that could affect the Issuer's and Guarantor's future performance. In the light of these risks, uncertainties and assumptions, the events described in the forward-looking statements in the Prospectus may not occur. All forward-looking statements contained in the Prospectus are made only as at the date hereof. The Issuer and its Directors expressly disclaim any obligations to update or revise any forward-looking statements contained herein to reflect any change in expectations with regard thereto or any change in events, conditions, or circumstances on which any statement is based.

3.2 Risks Relating to the Issuer and the BDP Group

3.2.1 *Issuer's exposure to and dependence on the BDP Group and its business*

The Issuer is the holding parent company of the BDP Group, which was set up primarily as a finance and investment company with one of its purposes being that of raising finance and advancing same to members of the Group. In this respect, the Issuer is dependent on the business prospects of the BDP Group companies, and consequently, the operating results of the BDP Group have a direct effect on the Issuer's financial position and performance. As such, the risks intrinsic in the business and operations of the BDP Group shall have a direct effect on the financial position of the Issuer.

The business activities of the BDP Group are subject to general market and economic conditions, both locally and overseas. These conditions include, *inter alia*, consumer demand, financial market volatility, inflation, fluctuations in interest rates, exchange rates, direct and indirect taxation, unemployment, credit markets, government spending and other general market and economic conditions. In the event that general market and economic conditions were to experience a downturn, these weakened conditions may have an adverse impact on the financial position and operational performance of the BDP Group's business activities, potentially having a negative effect on the Issuer's financial position, cash flows, operational performance and its ability to fulfil its obligations in respect of the repayment of principal and interest under the Bonds punctually when due.

The BDP Group is also subject to the timely completion of its existing and prospective developments (including, but not limited to, the Ghadira Development) and other budgetary constraints relative to its business. These include factors such as the level of investment across the local property market, inflation and fluctuations in interest rates, exchange rates, property prices and other economic and social factors affecting demand for real estate generally. In the event that general economic conditions and property market conditions experience a downturn which is not contemplated in the Group's planning during the completion of its prospective real estate development projects, this shall have an adverse impact on the financial condition of the Group and the ability of the Issuer and the Guarantor to meet their respective obligations under the Bonds.

3.2.2 *The Issuer's dependence on payments due by the Guarantor and other BDP Group companies*

As a finance company, the majority of the Issuer's assets consist of loans issued to the Guarantor and investments in the Guarantor and other BDP companies. Consequently, the Company is entirely dependent on the receipt of interest and loan repayments from the Guarantor and other BDP companies, and income derived from dividends receivable from the Guarantor and other BDP Group companies. In this respect, the operating results of the Guarantor and other BDP Group companies have a direct effect on the Company's financial position.

The interest payments, loan repayments and dividends to be effected by BDP Group companies (including the Guarantor) are subject to certain risks. More specifically, the ability of BDP Group companies to effect payments to the Company will depend on the cash flows and earnings of BDP Group companies, which may be restricted by: (i) changes in applicable laws and regulations; (ii) by the terms of agreements to which they are or may become party, including the indenture governing their existing indebtedness, if any; (iii) risks of delays in completion of its existing and prospective developments (including, but not limited to, the Ghadira Development); (iv) slowdown in tempo of property sales; or (v) by other factors beyond the control of the Company. The occurrence of any such factors could, in turn, negatively affect the ability of the Issuer to meet its obligations in connection with the payment of interest on the Bonds and repayment of principal when due.

3.3 Operational Risks relating to the BDP Group and its Business

3.3.1 Risks associated with the acquisition, development, and sale of property

There are a number of factors that commonly affect the real estate development industry, many of which are beyond the BDP Group's control, and which could adversely affect the economic performance of the BDP Group and the value of its real estate properties under development. Such factors include:

- general industry trends, including the cyclical nature of the real estate market;
- changes in local market conditions, such as an oversupply of similar properties, a reduction in demand for real estate or change of local preferences;
- shortages and, or price increases in raw materials, services or other construction inputs, such as, among others, cement, steel, energy and other utilities, leading to cost overruns;
- insufficiency of resources to complete the projects;
- sales transactions or rental of commercial areas not being made at the prices and, or at the timings envisaged resulting in a liquidity strain or even potential penalties or other financial sanctions or litigation;
- possible structural and environmental problems;
- acts of nature, such as earthquakes and floods, that may damage any of the properties or delay development thereof;
- the inherent risks to health and safety arising from the nature of property development, including the risk of serious injury or even fatality, and the litigations that may arise therefrom; and
- increased competition in the market segment in which the BDP Group operates may lead to an oversupply of residential or commercial properties in such markets, which could lead to a lowering of prices and rental rates and a corresponding reduction in revenue of the BDP Group.

Any of the factors described above could have a material adverse effect on the BDP Group's business, its financial condition and prospects and accordingly on the repayment of the Secured Bonds and interest thereon.

3.3.2 Risks associated with the competitive nature of the property market

The real estate market in Malta is very competitive in nature. An increase in supply and, or a reduction in demand in the property segments in which the BDP Group operates and targets to sell the remaining units in stock and the properties being developed, may cause sales of units forming part of its properties under development to sell at prices which are lower than is being anticipated by the BDP Group or that sales of such units are in fact slower than is being anticipated. If these risks were to materialise, particularly if due to unforeseen circumstances there is a delay in the tempo of sales envisaged by the BDP Group, they could have a material adverse impact on the BDP Group and the Company's ability to repay the Bonds and interest thereon.

3.3.3 Risks associated with property valuations and net realisable value

The valuation referred to in the Prospectus is prepared by independent qualified architects. However, the valuation of property is intrinsically subjective and based on several assumptions at a given point in time. In providing a market value of the respective properties, the architects have made certain assumptions which ultimately may cause the actual values to be materially different from any future values that may be expressed or implied by such forward-looking statements or anticipated on the basis of historical trends as reality may not match the assumptions. Subsequently, the BDP Group may purchase and, or have purchased property on the basis of inaccurate valuations. Moreover, property valuations are largely dependent on current and, or expected market conditions that may fluctuate from time to time. There can be no assurance that such property valuations and property-related assets will reflect actual market values.

3.3.4 Risks associated with the engagement and, or involvement of service providers and associated counterparty risks

The BDP Group relies upon third party or related service providers such as architects, project managers, building contractors, subcontractors, suppliers, and others for the construction and completion and (where applicable) subsequent operation of its property developments. This gives rise to counter-party risks in those instances where such third parties do not perform in line with the BDP Group's expectations and in accordance with their contractual obligations. If these risks were to materialise, the resulting development cost overruns or delays in completion or loss of revenue could have an adverse impact on the Group's business, and its financial condition, results of operations and prospects.

The Guarantor has engaged Best Deal Properties Limited (a third-party company external to the BDP Group) to market and promote the Ghadira Development through the Best Deal Properties brand and to provide administrative and other services in terms of a services agreement dated 19 September 2023 (a copy of which is available for inspection as described in section 17 below). As such, the timing and volume of sales of units in the Ghadira Development depend on the strength of the Best Deal Properties brand and the marketing ability of the above-mentioned third-party company. While every effort is expected to be made to ensure a positive



relationship between the Guarantor and Best Deal Properties Limited, there is no assurance that events or circumstances in the future may not adversely affect that relationship or that Best Deal Properties Limited will not enforce its contractual rights under the services agreement in a manner that is adverse to the Guarantor and the BDP Group.

3.3.5 Risks relating to cost overruns and delays in completing the BDP Group's projects

The projects being undertaken by the BDP Group (including, *inter alia*, the Ghadira Development) are susceptible to certain risks inherent in real estate development, most notably the risk of completion within their scheduled completion date and within the budgeted cost. If either or both of these risks were to materialise, they could have a significant impact on the financial condition of the Guarantor and the Issuer, and the ability of the latter to meet its obligations under the Secured Bonds. In particular, the risks of delays and cost overruns could cause actual sales revenues and costs to differ from those projected and which are affected, amongst others, by factors attributable to counterparties, general market conditions, and competition which are beyond the BDP Group's control.

Delays in the time scheduled for completion of the projects may also cause significant delays in the tempo of the sales forecasted by the BDP Group for units within the said projects affected by such delay, which can have a significant adverse impact on the BDP Group's financial condition and cash flows. Similarly, if the projects were to incur significant cost overruns that were not anticipated, the BDP Group may have difficulties in sourcing the funding required for meeting such cost overruns and therefore may risk not completing the projects, which shall have a material adverse impact on the cash flows generated from sales of units in said project development and a material adverse impact on the financial condition of the specific Guarantor and ultimately the Issuer.

During the term of the Secured Bonds, the BDP Group may acquire and develop further properties in addition to the Ghadira Development (including, *inter alia*, the Pembroke II Development). As such, the abovementioned exposure to cost overruns and delays in completing the Ghadira Development shall also apply to the construction and development of such additional properties.

3.3.6 Risks relating to funding

The funding of the Ghadira Development is partly dependent on the proceeds from the gradual sale of the units in each of the Ongoing Developments and the Ghadira Development. In the event that the projected sale of units is not attained or is delayed, the BDP Group may not have sufficient funds to complete the Ghadira Development, within the time-frames envisaged in this document, and, or to meet its payment obligations in relation to the construction and finishing of the Ghadira Development punctually when due.

3.3.7 Risks relating to site health and safety and environmental-related liabilities

The BDP Group is susceptible to risks relating to the health and safety of third parties, including the risk of serious injury or fatality. A failure which results in a major or significant health and safety incident, such as injury to, or fatality of, members of the construction workforce on any of its property development sites or of third parties may be costly in terms of potential liabilities as well as the generation of adverse publicity having a negative impact on the BDP Group's reputation. Whilst the BDP Group is required to adopt, maintain, and constantly review comprehensive health and safety policies and practices, there can be no assurance said policies and practices will prove effective in ensuring health and safety on its property development sites.

Furthermore, there can be no guarantee that the BDP Group will not incur unexpected liabilities such as fines for environmental pollution in respect of its Ongoing Developments. This could result in significant additional costs and, or delays in the completion of developments. Additional costs and, or fines may affect the ability of the Group to service or repay the Secured Bonds. The reputation of the BDP Group could be adversely affected if unexpected environmental issues are identified. Environmental issues that affect one site could affect the saleability of units forming part of the Ongoing Developments. A negative reputation may affect the BDP Group's ability to complete and, or dispose of developments, and to use any such proceeds to service or repay the Secured Bonds.

3.3.8 Risks relating to failure to reflect environmental, social and governance considerations in the BDP Group's business model

The focus on environmental, social and governance ("ESG") considerations globally, and in particular the related initiatives undertaken by European institutions, is likely to increase scrutiny by regulators, investors, and the general public on the BDP Group's operations.

ESG considerations that may impact the BDP Group include, *inter alia*, energy performance, energy and resource efficiency, waste management, energy and water use, the use of renewables, as well as social and employment considerations of workers and the health and safety thereof. Risks in this respect may include the lack of appropriate management and governance structures. Failure to manage these risks may have a negative impact on the BDP Group's reputation, operations and financial condition.

3.3.9 Risks related to the image and reputation of the Best Deal Properties brand

The marketing and sale of the BDP Group's projects are promoted through the Best Deal Properties brand, which is operated by a company external to the BDP Group, namely Best Deal Properties Limited. This latter company is principally involved in selling properties of the BDP Group and other third-party developers and owners through the Best Deal Properties brand. As such, the BDP Group's financial performance is influenced by the image, perception and recognition of the Best Deal Properties brand in Malta.

An event, or series of events, that materially damage/s the reputation of the Best Deal Properties brand could have an adverse effect on the tempo of sales and revenues of the BDP Group. Furthermore, any failure by Best Deal Properties Limited to maintain favourable brand recognition could have a significant negative effect on the BDP Group's business, results of operations and financial condition.

3.4 Economic and Financial Risks of the BDP Group

3.4.1 Risks relating to rising costs for materials, resources and utilities

The BDP Group operates in the property development industry, which necessitates the availability of certain resources (including human resources), materials and utilities, at cost-effective prices. The BDP Group's principal risks relate to its ability to deliver projects within agreed upon project deliverables, including project design specifications, quantity requirements, the involvement of qualified and skilled personnel, adequacy of resources and equipment, technical and industry standards, certification requirements, scheduled programme of works, fitting and finishing specifications and, ultimately, within project budgeted costs and stipulated project deadlines.

In recent years, the price of raw materials has been subject to substantial increases caused by a combination of heightened market demand and low availability, ongoing global supply chain challenges, increase in shipping costs, shortages in containers, ships, and human resources. Accordingly, a surge in prices has been witnessed for, *inter alia*, aluminium, steel, copper, oil, wood, and paper. Should the volatility in prices continue in an upward trajectory, the BDP Group may be negatively affected if these increased costs are not capable of being reflected in increased charges for the delivery of certain products and services of the Group.

Furthermore, the BDP Group may be unable to maintain an adequate stock of the materials and resources it requires, including the appropriate workforce for the BDP Group's development projects resulting in increased costs and project delays. The BDP Group's inability to comply with its obligations could adversely impact the BDP Group's relations with its customers and suppliers, prejudice its goodwill and, or could result in a material adverse effect on the financial position, financial performance, and operational results of the BDP Group.

3.5 Legal, Regulatory and Compliance Risks

3.5.1 Risks relating to the regulatory environment in which the Group operates

Current laws and regulations, which may be amended from time to time, impose a liability for the presence of certain materials or substances or the release of certain materials or substances into the air, land or water or the migration of certain materials or substances from a property and property development, including asbestos, and such presence, release or migration could form the basis for liability to third parties for personal injuries or other damages.

In view of these obligations, the BDP Group may become liable for the costs of removal, investigation or remediation of any substances, including hazardous or toxic substances, that may be located on, or in or which may have migrated from, a property owned or occupied by it, which costs may be substantial. The BDP Group may also be required to remove or remediate any such substances or materials that it causes or knowingly permits at any property that it owns or may in future own.

In addition to environmental constraints, the BDP Group's property development operations are subject to extensive regulations, including national and local regulation and administrative requirements and policies which relate to, among other things, planning, developing, land use, local urban regeneration strategy, fire, health and safety, and others. These regulations often provide broad discretion to the relevant authorities and non-compliance may adversely affect the BDP Group's financial condition, its results of operations and its prospects.

3.5.2 Risks associated with the ability to secure planning and construction consents on a timely basis

Obtaining planning permits, from the competent planning and environment authorities, on a timely basis, is of key importance to the BDP Group's business. There can be no certainty that any given application will result in planning consent being granted, or that if granted, will not be on unduly onerous terms, which, if occurring across a number of developments, may materially and adversely affect the BDP Group's business. Additionally, time delays to the expected timescale for the granting of planning consent may result in a reduction in the number of units that are available for sale within a proposed time frame. Furthermore, local and national planning policies are subject to change, which could consequently impact the BDP Group's development strategy.

3.5.3 Risks relating to the failure to implement sustainable and, or environmental, social and governance considerations in the BDP Group's business model

There is a growing expectation for companies to implement sustainability as a feature in their business strategies to reflect changing social norms and practices. With an increased emphasis on environmental, social and governance ("ESG") considerations at global level, the implementation of sustainable factors in the BDP Group's business model is likely to become under increased scrutiny by investors, regulators, and the public at large. ESG considerations for the purposes of the BDP Group's business may include, *inter alia*, energy performance, energy and resource efficiency, waste management, energy and water use, the use of renewables, as well as social and employment considerations of workers and the health and safety thereof. Should the BDP Group fail to operate its business in a sustainable manner, this may have a material adverse effect on the BDP Group's reputation and public image in both sectors, as well as its relationship with clients, suppliers, and other stakeholders. This, in turn, may have a material adverse impact on the BDP Group's business activities, revenues, financial condition, and operations.

3.5.4 Litigation risk

All industries, including the property development industry, are subject to legal claims, with or without merit. Defense and settlement costs can be substantial, even with respect to claims that have no merit. Due to the inherent uncertainty of litigation and dispute resolution processes, there can be no assurance that the resolution of any legal proceeding or dispute will not have a material adverse effect on the BDP Group's future cash flow, results of operations or financial condition.

4. PERSONS RESPONSIBLE AND STATEMENT OF APPROVAL

This Registration Document includes information prepared in compliance with the Capital Markets Rules issued by the MFSA and the Prospectus Regulation for the purpose of providing Bondholders with information with regard to the Issuer and the Guarantor. Each and all of the Directors of the Issuer whose names appear in sub-section 5.1.1 of this Registration Document accept responsibility for all the information contained in the Prospectus.

To the best of the knowledge and belief of the Directors, who have taken all reasonable care to ensure that such is the case, the information contained in this Registration Document is in accordance with the facts and does not omit anything likely to affect the import of such information. The Directors of the Issuer hereby accept responsibility accordingly.

The Registration Document has been approved by the MFSA as the competent authority in Malta for the purposes of the Prospectus Regulation. The MFSA has only approved the Registration Document as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation and such approval should not be considered as an endorsement of the Issuer or the BDP Group (as the subjects of the Registration Document).

5. IDENTITY OF THE DIRECTORS, ADVISERS, SECURITY TRUSTEE AND AUDITORS

5.1 Directors of the Issuer and the Guarantor

5.1.1 Directors of the Issuer

As at the date of this Registration Document, the Board of Directors of the Issuer is constituted by the following persons:

Christopher Attard	402867M	Executive Director
Pierre Bartolo	37765M	Executive Director
David Basile	117978M	Executive Director
Robert Buttigieg	389399M	Executive Director
Erskine Vella	191778M	Executive Director
James Bullock	659657M	Chairman, Non-Executive Director
Mario P Galea	522554M	Independent, Non-Executive Director
Maria Carmela <i>sive</i> Marlene Seychell	600063M	Independent, Non-Executive Director

Christopher Attard, Pierre Bartolo, David Basile, Robert Buttigieg and Erskine Vella occupy executive positions within the BDP Group. The other three Directors, being James Bullock, Mario P Galea and Marlene Seychell serve on the Board of the Issuer in a non-executive capacity. Mario P Galea and Marlene Seychell are considered as independent Directors since they are free of any significant business, family or other relationship with the Issuer, its controlling shareholders or the management of either, that could create a conflict of interest such as to impair their judgement. In assessing the independence of Mario P Galea and Marlene Seychell, due notice has been taken of rule 5.119 of the Capital Markets Rules.

The business address of the Directors of the Issuer is 63, J.L. Buildings, Office 5, Luqa Road, Paola PLA9045, Malta.

The Company Secretary of the Issuer is Dr Stephanie Manduca, holder of identity card number 324989M.

The *curriculum vitae* of the Directors of the Issuer are set out in sub-section 10.1 of this Registration Document.

5.1.2 Directors of the Guarantor

As at the date of this Registration Document, the Board of Directors of Best Deal Ghadira Limited is constituted by the following persons:

Christopher Attard	402867M	Executive Director
Pierre Bartolo	37765M	Executive Director
David Basile	117978M	Executive Director
Robert Buttigieg	389399M	Executive Director
Erskine Vella	191778M	Executive Director

The business address of the Directors of the Guarantor is 63, J.L. Buildings, Office 5, Luqa Road, Paola PLA 9045, Malta.

Dr Robert Buttigieg is the Company Secretary of the Guarantor.

The *curriculum vitae* of the Directors and Company Secretary of the Guarantor are set out in sub-section 10.1 of this Registration Document.

5.2 Advisers to the Issuer

As at the date of the Prospectus, none of the advisers named below have any beneficial interest in the share capital of the Issuer or any other member of the BDP Group. Additionally, save for the terms of engagement relative to their respective services provided in connection with the preparation of the Prospectus, no material transactions have been entered into by the Issuer or any other member of the BDP Group with any of the advisers referred to below. The organisations listed below have advised and assisted the Directors in the drafting and compilation of the Prospectus and the Security Trust Deed, as applicable.

Legal Counsel:

Name: Zammit Pace Advocates
Address: 35, St Barbara Bastions, Valletta VLT 1961, Malta

Sponsor, Manager & Registrar:

Name: M.Z. Investment Services Limited
Address: 63, St Rita Street, Rabat RBT 1523, Malta

Financial Advisers:

Name: Grant Thornton
Address: Fort Business Centre, Floor 2, Triq l-Intornjatur, Zone 1, Birkirkara CBD 1050, Malta

5.3 Auditors

Name: RSM Malta
Address: Mdina Road, Zebbug ZBG 9015, Malta

The annual statutory financial statements of the Issuer for the financial years ended 31 December 2020, 31 December 2021 and 31 December 2022 were audited by RSM Malta of Mdina Road, Zebbug ZBG 9015, Malta.

In relation to the Guarantor, no audited financial statements have been prepared since incorporation to the date of this Registration Document.

RSM Malta (accountancy board registration number AB/26/84/53) is a firm registered as a partnership of certified public accountants holding a practicing certificate to act as auditors in terms of the Accountancy Profession Act, 1979 (Chapter 281 of the laws of Malta).



5.4 Security Trustee

Name: Finco Trust Services Limited
Address: Bastions Office No. 2, Emvin Cremona Street, Floriana FRN 1281, Malta

Finco Trust Services Limited is duly authorised and qualified to act as a trustee or co-trustee in terms of the Trusts and Trustees Act (Chapter 331 of the laws of Malta).

6. INFORMATION ABOUT THE ISSUER, THE GUARANTOR AND THE BDP GROUP

6.1 The Issuer

Full legal and commercial name of the Issuer: Best Deal Properties Holding p.l.c.
Registered address: 63, J.L. Buildings, Office 5, Luqa Road, Paola PLA 9045, Malta
Place of registration and domicile: Malta
Registration number: C 88974
Date of registration: 23 October 2018
Legal Entity Identifier (“LEI”): 485100A1WBOSGJKWHT04
Legal form: The Issuer is lawfully existing and registered as a public limited liability company in terms of the Act
Telephone number: 2169 2279
Email address: info@bestdealholdings.com
Website*: www.bestdealholdings.com

**The information on the Issuer’s website does not form part of the Prospectus, unless that information is incorporated by reference into the Prospectus.*

The principal object of the Issuer is that of a holding company and to promote, including through its Subsidiaries, the acquisition and development of real estate properties. As such, the Issuer is mainly dependent on the business prospects of its operating subsidiaries.

The projects embarked upon by the BDP Group are typically undertaken through special purpose vehicles established for that project/s, and each special purpose vehicle is managed through its board of directors, which has common members with the directors of the Issuer.

With regards to marketing and sales, each project is promoted through the Best Deal Properties brand, which is operated by Best Deal Properties Limited, a company external to BDP Group and owned by Christopher Attard and Erskine Vella, both founding members of the BDP Group. In terms of a services agreement dated 19 September 2023 (a copy of which is available for inspection as described in section 17 below), between Best Deal Properties Limited (the service provider) and the Guarantor, the former company shall charge an aggregate fixed fee of €105,250 on an annual basis for the provision of marketing and administrative services and health & safety management in relation to the Ghadira Development. Furthermore, a one-time fee of €14,400 shall be due by the Guarantor to Best Deal Properties Limited for materials relating to health & safety management.

Save for the above, the Issuer is not dependent on other entities within the BDP Group or outside the BDP Group with respect to the management of the Projects.

The Issuer operates exclusively in and from Malta.

6.2 The Guarantor

Full legal and commercial name of the Issuer: Best Deal Ghadira Limited
Registered address: 63, J.L. Buildings, Office 5, Luqa Road, Paola PLA 9045, Malta
Place of registration and domicile: Malta
Registration number: C 106260
Date of registration: 23 August 2023
Legal Entity Identifier (“LEI”): 485100XCV4CMS9FUSI15
Legal form: The Guarantor is lawfully existing and registered as a private limited liability company in terms of the Act
Telephone number: 2169 2279
Email address: info@bestdealholdings.com
Website*: www.bestdealholdings.com

**The information on the Guarantor’s website does not form part of the Prospectus, unless that information is incorporated by reference into the Prospectus.*



The Guarantor's principal objective is to purchase properties for the development of residential units. In the immediate term, the Guarantor shall acquire the Ghadira Site, and to construct and develop the Ghadira Development.

The Guarantor is dependent on the Issuer as to the amount of Bond Issue net proceeds that will be on-lent to it by the Issuer, in terms of the Securities Note. The Guarantor is not dependent on other entities within the BDP Group.

The Guarantor operates exclusively in and from Malta.

6.3 History and Development of the BDP Group

The partnership between the founding shareholders of the BDP Group, Christopher Attard, Erskine Vella, John Buttigieg and Pierre Bartolo, commenced in 2016 through the incorporation of Elite Developments Limited (C 74282), with the principal scope of acquiring the sites over which two residential apartment blocks – Crystal Court and Blue Moon Court, both located in Marsascala – have been constructed. In 2018, a second company – PJCE Properties Limited (C 85050) – was established to acquire and develop Garnet Court, in Mqabba.

Christopher Attard has over 30 years' experience in the property development business, whilst Erskine Vella worked as an estate agent for *circa* 15 years before setting up the Best Deal Properties brand with Mr Attard in 2011 to market property in Malta (the establishment and operation of the said brand is unrelated to the BDP Group). Their business development strategy is to engage in property developments through own companies or entities established with third party investors. In all cases, projects involving Mr Attard and Mr Vella are marketed through the Best Deal Properties brand, which is particularly known for its offerings to first-time and mid-tier property buyers in the south of Malta. Elite Developments Limited and PJCE Properties Limited were set up on the same basis of operations. John Buttigieg and Pierre Bartolo were mainly involved in the catering industry, through their stakes in Buttigieg Holdings Ltd (C 4443), before venturing into property development in 2016. Buttigieg Holdings Ltd was fully acquired in same year by International Hotel Investments p.l.c. (a public company listed on the Malta Stock Exchange) and was eventually struck off the Maltese register of companies on 25 January 2020. On 9 November 2018, John Buttigieg transferred his equity holding in Elite Developments Limited and PJCE Properties Limited to RCJ Investments Limited (C 88743), a company owned by his three children.

For the purpose of a re-organisation of the BDP Group, the Issuer was established on 23 October 2018, as a public limited liability company registered under the Act, and each existing shareholder subscribed to 15,000 fully paid-up ordinary shares of €1 each (being €60,000 in aggregate). On 13 November 2018, the Company became the parent company of Elite Developments Limited and PJCE Properties Limited through a share-for-share exchange. Pursuant to the above, the issued share capital of the Company was increased to €250,000, divided into 250,000 ordinary shares of a nominal value of €1 each, fully paid up.

Furthermore, through two assignment of debt agreements both dated 31 October 2018, shareholders' loans amounting to €2.3 million (in aggregate) were transferred from Elite Developments Limited and PJCE Properties Limited to the Company. The said shareholders' loans have no fixed redemption date, do not carry any right to payment of interest and are ranked as subordinated debt.

On 31 October 2018, Best Deal Developments Limited (C 89191) was incorporated as a wholly-owned subsidiary of the Issuer. In December 2018, the Company issued 4.25% secured bonds due 2024 pursuant to a Prospectus dated 03 December 2018, of a nominal value of €100 per bond and of an aggregate nominal value of €16,000,000, and having ISIN MT0002121201 (the "2018 Bonds"). The balance of the 2018 Bonds as at 30 June 2023 amounted to €6,275,866. The 2018 Bonds were issued by the Company for the purposes of acquiring three sites in Żabbar, Mellieħa and Pembroke and developing thereon the Żabbar Development, the Mellieħa Development and the Pembroke I Development, respectively.

The 2018 Bonds are guaranteed by Best Deal Developments Limited and secured by the following security rights in favour of the Security Trustee for the benefit of the holders of the 2018 Bonds:

- (i) the first ranking general hypothec for the full nominal value of the Existing Bonds and interests thereon over all the present and future property of the Company and Best Deal Developments Limited;
- (ii) the first ranking special hypothec for the full nominal value of the Existing Bonds and interests thereon over the land on which each of the Pembroke I Development, the Mellieħa Development and the Żabbar Development has been / is being developed together with all and any constructions to be developed thereon;
- (iii) the special privilege in accordance with the provisions of article 2010(c) of the Civil Code (Chapter 16 of the laws of Malta) for the amounts of: (a) *circa* €0.8 million (or such other amount according to law) over the site of the Pembroke I Development; (b) *circa* €3.2 million (or such other amount according to law) over the site of the Mellieħa Development; and (c) *circa* €7.6 million (or such other amount according to law) over the site of the Żabbar Development; and
- (iv) the joint and several guarantee, dated 3 December 2018 granted by Best Deal Developments Limited as security for the punctual performance of the Issuer's payment obligations in terms of the Prospectus dated 03 December 2018, subject to the terms and conditions contained in the security trust deed signed between the Issuer, Best Deal Developments Limited and the Security Trustee, dated 03 December 2018.

On 29 June 2019, the Issuer implemented a 10 for 1 share split, and accordingly the issued share capital of the Company amounted to 2,500,000 ordinary shares of €0.10 each.



On 30 October 2019, the Group raised further equity from a new investor – C Developments Limited, which acquired 20% of the Company through an offer for subscription of 625,000 new ordinary shares of a nominal value of €0.10 each at a share issue price of €1.60 (the “New Shares”), in terms of a Company Admission Document issued by the Company and dated 21 August 2019. The New Shares, together with the 2,500,000 existing ordinary shares of the Company were admitted to Prospects MTF on 22 August 2019. Moreover, C Developments Limited advanced to the Company an amount of €1,200,000 (the “New Shareholder’s Loan”) to further assist the BDP Group with ongoing working capital requirements.

Pursuant to the issue and allotment of the New Shares in favour of C Developments Limited and the New Shareholder’s Loan, the BDP Group’s capital was strengthened through a cash injection of €2.2 million which enabled the Group to accelerate the development of the Zabbar Development, the Mellieha Development and the Pembroke I Development.

On 31 May 2022, Best Deal Estates Limited (C 102444) was set up as a wholly-owned subsidiary of the Company to acquire the Siggiewi Site and develop the Siggiewi Development. In November 2022, the Company issued 4.75% secured bonds due 2025 - 2027 pursuant to the 2022 Prospectus, of a nominal value of €100 per bond and of an aggregate nominal value of €15,000,000, and having ISIN MT0002121219 (the “2022 Bonds”). The balance of the 2022 Bonds as at 30 June 2023 amounted to €15,000,000. The 2022 Bonds were issued by the Company for the purposes of acquiring a site located in Siggiewi and developing thereon the Siggiewi Development.

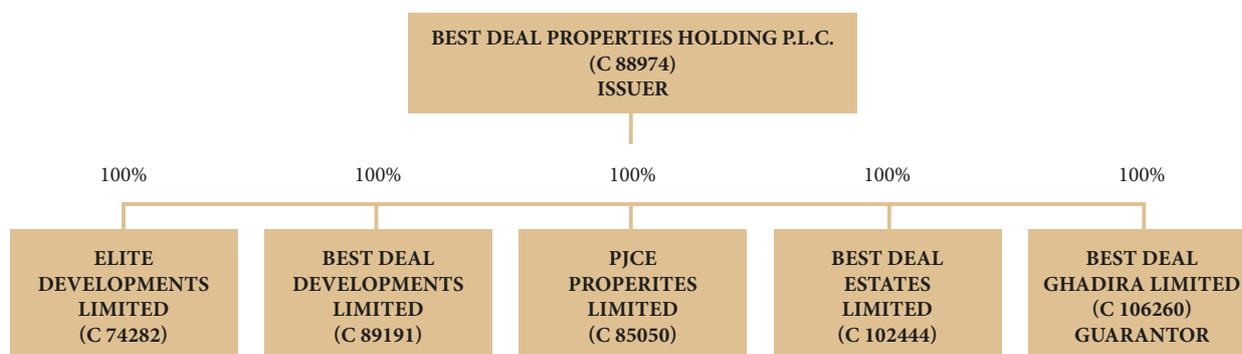
The 2022 Bonds are guaranteed by Best Deal Estates Limited and secured by the following security rights in favour of the Security Trustee for the benefit of the holders of the 2022 Bonds:

- (i) the first ranking general hypothec for the full nominal value of the 2022 Bonds and interests thereon over all the present and future property of Best Deal Estates Limited;
- (ii) the first ranking special hypothec for the full nominal value of the 2022 Bonds and interests thereon over the land on which the Siggiewi Site is being developed together with all and any constructions to be developed thereon;
- (iii) the joint and several guarantee, dated 09 November 2022 granted by Best Deal Estates Limited as security for the punctual performance of the Issuer’s payment obligations in terms of the Prospectus dated 12 December 2022, subject to the terms and conditions contained in the security trust deed signed between the Issuer, Best Deal Estates Limited and the Security Trustee, dated 09 November 2022; and
- (iv) a pledge agreement, dated 12 December 2022 and entered into by and between Best Deal Estates Limited and the Security Trustee for the purpose of constituting a pledge on insurance policy proceeds as security for the full nominal value of the 2022 Bonds and interest thereon.

Following the completion of the deed of acquisition of the Ghadira Site (as detailed in sub-section 6.5.3.2 below), which is expected to take place following the Bond Issue, the Company will have the indirect legal and beneficial interest and control over the Ghadira Development.

6.4 Organisational Structure

The diagram below indicates the structure of the BDP Group as at the date of this Prospectus:



The above subsidiary companies of the Issuer are property companies and have their registered office at 63, J.L. Buildings, Office 5, Luqa Road, Paola PLA 9045, Malta.

PJCE Properties Limited was responsible for the development of Garnet Court, in Mqabba, and Elite Developments Limited was involved in the development of Crystal Court and Blue Moon Court, both located in Marsasala. All three developments are now fully sold.

Best Deal Developments Limited is engaged in three of the Ongoing Developments, namely, Zabbar Development, the Pembroke I Development and the Mellieha Development. Information regarding the said Ongoing Developments is provided in sub-section 6.5.2 below. Best Deal Developments Limited will also be engaged in the construction and development of the Pembroke II Development (as defined in sub-section 6.5.3 below), which is expected to commence in the second quarter of 2024. Information regarding the Pembroke II Development is set out in sub-section 6.5.3 below.

Best Deal Estates Limited is engaged in the Siggiewi Development, as set out in more detail in sub-section 6.5.2.3 below.

As indicated in sub-section 6.2 above, the Guarantor's principal objective is to purchase properties for the development of residential units. In the immediate term, the Guarantor shall acquire the Ghadira Site, and to construct and develop the Ghadira Development, as set out in more detail in sub-section 6.5.3.2 below.

6.5 Overview of the Group's Business and Investments

The Issuer does not undertake any trading activities itself and its sole purpose is that of acting as the finance arm of the Group, principally by raising finance and advancing same to members of the Group. Accordingly, the Issuer is economically dependent principally on the operational results, financial condition and performance of its borrower Group companies.

The principal activity of the Group is the acquisition and development of real estate.

As described in sub-section 6.3 above, the BDP Group initiated operations in 2016 through the acquisition of a site in Marsascala and the development of Crystal Court project. The success of this project encouraged the Group to embark on further projects, many of which have been completed or which are in the process of being completed.

The BDP Group places strong focus on sustainability in the development of its projects. The principal objective of its approach to sustainable property development is ultimately to minimise the negative impact of development on the environment and to maximise the sustainable use of resources. By implementing energy efficient solutions in the construction and finishing of its properties, particularly through the use of efficient building techniques and durable materials and systems, the aim of the BDP Group is to extend the durability and functionality of its properties-for-sale.

A brief overview of each of the projects which have been completed by the BDP Group and those in the course of development are provided hereunder, in sub-sections 6.5.1 and 6.5.2, respectively. An overview of the new projects that are expected to be carried out during the course of 2024 and 2025, namely the Pembroke II Development and the Ghadira Development is provided in sub-section 6.5.3.

6.5.1 Completed Projects

6.5.1.1 Crystal Court- Marsascala

Elite Developments Limited completed the development of Crystal Court in Marsascala comprising two blocks of 30 garages, five maisonettes, seven two-bedroomed apartments, 11 three-bedroomed apartments and two three-bedroomed penthouses. The total cost (including land acquisition) amounted to *circa* €3.4 million. The expenditure was financed principally through a bank loan of €1.9 million and the remaining balance from own funds. Aggregate revenue generated from this project amounted to €4.8 million.

6.5.1.2 Blue Moon Court- Marsascala

Elite Developments Limited completed the Blue Moon project, located in Marsascala, which comprised two blocks consisting of 19 garages, five maisonettes, 15 three-bedroomed apartments and three penthouses. The total cost, including acquisition of the site and completion of the project, amounted to €5.5 million, which was partly financed through a bank loan of €3.1 million. All units and garages were sold generating a total revenue of €7.2 million.

6.5.1.3 Garnet Court- Mqabba

PJCE Properties Limited completed the Garnet Court project, in Mqabba, which comprised 33 garages, two maisonettes at ground floor level, 23 apartments and three penthouses. The total cost, including acquisition of the site and completion of the project amounted to €6.2 million, which was funded through bank borrowings, deposits received from execution of promise of sale agreements and Group cash flows. All the aforementioned units and garages were sold, generating an aggregate revenue of €7.7 million.

6.5.1.4 Pembroke I Development

The Pembroke I Development comprises seven garages, two maisonettes, four three-bedroomed apartments and two three-bedroomed duplex penthouses.

Development commenced in 2019 and was completed in 2022. The acquisition cost (excluding deposits) of *circa* €1.4 million was funded out of the proceeds of the 2018 Bonds as to €0.9 million and a balance of €0.5 million was settled in kind, through the assignment of a penthouse at Blue Moon Court, Zabbar. Aggregate revenue generated from this project is expected to amount to *circa* €4.5 million.



6.5.2 Ongoing Developments

6.5.2.1 Żabbar Development

The Żabbar Development comprises the construction of nine blocks consisting of 24 maisonettes, 81 apartments (spread over three floors) and 22 penthouses and 198 underlying garages. Four of the afore-mentioned nine blocks enjoy open country views from the front terraces as they face a green area.

As at 30 June 2023, construction of all blocks was 100% complete, while finishes were at an advanced stage. The Żabbar Development is scheduled to be completed by Q2 2024 and is principally being financed from 2018 Bond Issue proceeds, revenue generated from the Żabbar Development and other sources of funds of the BDP Group.

Revenue generated from the Żabbar Development during the first three and a half years amounted to €27.1 million. Aggregate revenue generated from this project is expected to amount to *circa* €38.7 million.

6.5.2.2 Mellieħa Development

The Mellieħa Development has been split into three blocks, with two levels of garages (55 garages) and seven maisonettes at ground floor level, 35 apartments spread over five levels and seven penthouses. The units comprise a mix of one-bedroomed, two-bedroomed and three-bedroomed apartments and panoramic views will be visible from the sixth and seventh levels.

The project is expected to be completed by Q2 2024 and is principally being financed from 2018 Bond Issue proceeds, revenue generated from the Mellieħa Development and other sources of funds of the BDP Group.

Revenue generated from the Mellieħa Development over the 18-month period to 30 June 2023 amounted to €6.7 million. Overall, the Mellieħa Development is expected to generate *circa* €15.1 million in total revenue.

6.5.2.3 Siggiewi Development

The Siggiewi Development comprises 20 maisonettes, 60 apartments and 15 penthouses. The sizes vary, and include one, two and three bedroomed units. The development also includes 155 lock-up garages including two substations organised on two basement levels (levels -1 and -2).

Full completion of the project is scheduled for 2026 and is principally being financed from 2022 Bond Issue proceeds, revenue generated from the Siggiewi Development and other sources of funds of the BDP Group. The Siggiewi Development is expected to generate aggregate revenue of *circa* €39.0 million.

6.5.3 New Developments

The Issuer, through its subsidiaries, is expected to carry out two new projects during the course of 2024 and 2025, namely the Pembroke II Development and the Ghadira Development, as follows:

6.5.3.1 Pembroke II Development

On 09 June 2021, Best Deal Developments Limited entered into a promise of exchange agreement where it was agreed to promise to exchange a duplex penthouse and a garage forming part of the Pembroke I Development for a new site located in Pembroke, valued at €750,000. The project will convert this site to a block of apartments comprising two maisonettes at ground level, four apartments at first and second floor levels, two duplex penthouses at third and fourth levels, and six basement garages. The project costs are expected to amount to €2.0 million and will be financed through the profits generated from the Ongoing Developments which are presently being undertaken by the same entity, that is Best Deal Developments Limited.

The Pembroke II Development is expected to be completed in shell form by Q4 2025, with finishings to be concluded by Q4 2027. Total revenue is projected to amount to *circa* €3.0 million.

6.5.3.2 Ghadira Development

Acquisition of the Ghadira Site

The wholly owned subsidiary of the Issuer, Best Deal Developments Limited, has entered into a promise of sale agreement dated 03 October 2022 (the “**Promise of Sale Agreement**”) for the acquisition of the portion of land located in Mellieħa, which extends over and into one half of the fronting streets called Triq it-Tunnagg and Triq id-Denci, and slightly less than one half on Triq it-Tumbrell, free and unencumbered from the obligation of payment of or conditions related to groundrent and, or emphyteutical or other burdens, free from third party servitudes, with its airspace and subterranean levels and with guaranteed vacant possession (the “**Ghadira Site**”), for the price of €7.8 million.

On 27 February 2024, the Guarantor entered into an assignment agreement with Best Deal Developments Limited, wherein Best Deal Developments Limited promised to cede and assign to the Guarantor (as assignee), who promised to accept, all rights and obligations of Best Deal Developments Limited in respect of the Ghadira Site resulting from the Promise of Sale Agreement.

Subject to the successful issue and allocation of the Secured Bonds, the Issuer will enter into the Loan Agreement, by virtue of which part of the proceeds of the Bond Issue will be made available to the Guarantor for the acquisition of the Ghadira Site, as set out in more detail in sub-section 5.1 of the Securities Note. The final deed of sale pertaining to the Ghadira Site is expected to take place following receipt of the proceeds from the Bond Issue.

Planning Permits

The Assignor has filed a Planning Authority application (PA/01877/23) for the development of the Ghadira Site into the Ghadira Development, which was approved by the Planning Authority on 20 February 2024.

Construction and Development

The Ghadira Development comprises 53 apartments, 10 maisonettes, 2 penthouses and 119 garages.

Development is set to commence in Q2 of 2024 and is expected to be completed by end of 2027 at an estimated cost of *circa* €24.6 million (including site acquisition). The total estimated revenue from the Ghadira Development is estimated at €39.1 million.

As with the completed and ongoing projects, the Ghadira Development will be marketed under the Best Deal Properties brand, and will thus have exposure on the brand's website – www.bestdealmalta.com and benefit from other media coverage.

The Directors have acquired considerable knowledge in developing and marketing similar projects and accordingly, are confident that the actual outcome of the Ghadira Development will at least be in line with expectations. The Directors believe that, given the location of the Ghadira Development, the layout of the units and the proposed level and standard of finishes, the Ghadira Development will be a competitive offering for prospective buyers wishing to acquire a residential property. The target buyers are principally mid-tier Maltese customers, and investors wishing to maximise rental income potential.

Further information on the Ghadira Development is included in the Property Valuation Report.

6.5.4 Future Developments

C&E Developments Limited (C 75325) (a company jointly owned by Mr Christopher Attard and Mr Erskine Vella) (the “Assignor”), entered into a promise of sale agreement to acquire a site measuring *circa* 1,500 sqm situated in Bubaqra, Zurrieq (the “Zurrieq Site”) from its current owners for the consideration of three million two hundred thousand Euro (€3,200,000). On 02 November 2023, Best Deal Developments Limited, the wholly owned subsidiary of the Issuer, entered into an assignment agreement with the Assignor, wherein the Assignor promised to cede and assign to Best Deal Developments Limited (as assignee), that promised to accept, all rights and obligations of the said Assignor in respect of the Zurrieq Site resulting from the aforementioned promise of sale agreement. As at the date of this Registration Document, the Group has yet to submit a comprehensive planning control application to the Planning Authority in Malta in respect of the prospective development of the said site.

6.6 Collateral granted in favour of the Security Trustee

Security for the fulfilment of the Issuer's Bond Obligations in terms of the Bond Issue is to be granted in favour of the Security Trustee for the benefit of Bondholders, by way, *inter alia*, of the granting of the Collateral as described in further detail in sub-section 5.7 of the Securities Note. The security shall be constituted in favour of the Security Trustee for the benefit of all Bondholders from time to time registered in the Central Securities Depository of the Malta Stock Exchange. The Collateral will be vested in the Security Trustee for the benefit of the Bondholders in proportion to their respective holding of Secured Bonds.

7. FINANCING AND SOLVENCY

There are no recent events particular to the Issuer or the Guarantor which are to a material extent relevant to an evaluation of their respective solvency.

No credit ratings have been assigned to the Issuer or the Guarantor at the request or cooperation of the said Issuer or (as the case may be) the Guarantor in the rating process.

The Directors are not aware of any material change in the Issuer's borrowing and funding structure since the end of their latest financial year ending 31 December 2022 and of any material change in the Guarantor's borrowing and funding structure since the date of its incorporation.

The Directors expect the Issuer's and the Guarantor's working capital and funding requirements to be met by a combination of the following sources of finance: (i) retained earnings and cash flow generated by the Group's operations; (ii) external bank credit and loan facilities; and (iii) the net proceeds from the Secured Bonds.



8. TREND INFORMATION

There has been no material adverse change in the financial performance and prospects of the Issuer since the date of its last published audited financial statements to the date of the Prospectus.

There has been no material adverse change in the financial performance and prospects of the Guarantor since the date of incorporation of the Guarantor to the date of the Prospectus.

The Directors are of the view that the Issuer, Guarantor and the BDP Group shall, generally, be subject to the normal business risks associated with the property market in Malta and, barring unforeseen circumstances, does not anticipate any likely material adverse effect on the Issuer's, the Guarantor's and the BDP Group's prospects, at least up to the end of 2024.

The Maltese economy is expected to have grown by 4.0% in real terms in 2023 following the growth of 12.3% and 6.9% registered in 2021 and 2022 respectively. The slowdown in the rate of growth is mainly due to the decreasing effect of the post-pandemic boom in consumption and investment, albeit private consumption remained strong and the outlook for retail sales is positive. Likewise, the tourism sector continued to rebound strongly and exceeded pre-pandemic levels as prospects for this sector for 2024 and 2025 have remained encouraging. Meanwhile, the export segment is expected to be the main contributor to GDP growth in 2023, with consumption being the main driver in 2024 and 2025. As such, the European Commission is expecting Malta's economy to grow by a further 4.0% in 2024, and at a slightly accelerated pace of 4.2% in 2025.

In this context, Malta's labour market remained robust as employment increased by 6.2% in 2022 and continued to grow very strongly in H1 2023. The robust demand for labour across all sectors of the economy, especially in tourism and administrative services, has led the unemployment rate falling to 2.9% in 2022 from 4.4% in 2020 and 3.4% in 2021. This is expected to trend even lower and stabilise at 2.7% in 2023 to 2025.

Despite Government's mechanism to maintain stable energy prices, inflation surged to 6.1% in 2022 from 0.8% and 0.7% in 2020 and 2021 respectively. In 2023, inflation is estimated to have remained high at 5.7% reflecting increasing prices for imported goods, food, and services. Conversely, inflation is anticipated to moderate to 3.3% and 3.1% in 2024 and 2025 respectively amid falling inflationary pressures of food and industrial goods.

After climbing to 9.6% of GDP in 2020, the government's deficit eased to 7.5% and 5.7% in 2021 and 2022 respectively. In 2023, the government's deficit is expected to have fallen further to 5.1% of GDP amid a reduction of the cost of the measures aimed at mitigating the impact of high energy prices (accounting for 1.6% of GDP compared to 2.3% in 2022) and a slower growth in the compensation of employees and social benefits than the rate of growth in nominal GDP.

Despite the higher debt servicing costs, in 2024 the government's deficit is expected to drop to 4.6% amid the phasing out of the costs supporting the operations of Air Malta. Furthermore, social benefits and intermediate consumption expenditures are anticipated to grow slower than nominal GDP. On the other hand, the net budgetary cost of energy-related measures is projected to increase to 2.0% of GDP. In 2025, the reduction of the government deficit to 4.1% of GDP is projected to be driven by the decline in the cost of energy related measures as percentage of GDP (1.0%), intermediate consumption expenditure, as well as slower growth in the costs associated with social benefits. Overall, however, the government debt-to-GDP ratio is anticipated to reach 57.2% in 2025 which would be 5 percentage points higher than the level of 52.2% in 2020¹.

9. FINANCIAL INFORMATION

9.1 Selected Financial Information: The Issuer

The historical financial information about the Issuer is included in the audited consolidated financial statements for the financial years ended 31 December 2020, 31 December 2021 and 31 December 2022. The interim financial information about the Issuer is extracted from the unaudited condensed consolidated financial information for the six-month period beginning 1 January 2023 up to 30 June 2023.

The said financial statements have been published and may be accessed at the following hyperlink: <https://bestdealholdings.com/financial-statements/> and are also available for inspection at the Issuer's registered office as set out under the heading "Documents available for inspection" in section 17 of this Registration Document. The said financial information is incorporated by reference in this Registration Document.

¹European Commission, 'Autumn 2023 Economic Forecast: A modest recovery ahead after a challenging year', 15 November 2023.

There were no significant changes to the financial position and, or trading performance of the Issuer since 30 June 2023 to the date of this Registration Document.

The tables and discussion included in this section 9.1 contain certain alternative performance measures (as defined by the European Securities and Markets Authority (ESMA)), including EBITDA (earnings before interest, tax, depreciation and amortization), which the Group's management and other competitors in the industry use. These non-IFRS financial measures are presented as supplemental information as (i) they represent measures which the Directors believe may be relevant for certain investors, securities analysts and other parties in assessing the Group's operating and financial performance and may contribute to a fuller understanding of the Group's cash generation capacity and the growth of its business; and (ii) they may be used by the Group's management as a basis for strategic planning and forecasting.

With reference to the historical information presented below, EBITDA is equivalent to 'operating profit' as presented in the audited and interim financial statements less depreciation and amortisation.

Best Deal Properties Holding plc					
Condensed Consolidated Income Statement					
	for the year ended 31 December			for the 6-mth period	
	2020	2021	2022	ended 30 June	
	Audited	Audited	Audited	Unaudited	Unaudited
	€'000	€'000	€'000	€'000	€'000
Revenue	10,952	20,060	14,055	6,341	5,253
Cost of sales	(8,760)	(15,603)	(9,908)	(4,650)	(3,759)
Administrative expenses	(712)	(595)	(737)	(207)	(311)
EBITDA	1,480	3,862	3,410	1,484	1,183
Depreciation and amortisation	(67)	(67)	(72)	(33)	(36)
Operating profit	1,413	3,795	3,338	1,451	1,147
Finance income	4	30	20	-	-
Finance costs	(104)	(152)	(277)	(207)	(21)
Profit before tax	1,313	3,673	3,081	1,244	1,126
Taxation	(551)	(908)	(543)	(249)	(354)
Profit for the year	762	2,765	2,538	995	772

In FY2020, the BDP Group generated revenue of €11.0 million, principally from the sale of units in Blue Moon Court (€6.8 million) and the Żabbar Development (€4.2 million). Operating profit for the said year amounted to €1.4 million. Overall, the Group reported a net profit after tax of €0.8 million.

In FY2021, the BDP Group generated revenue amounting to €20.0 million compared to €11.0 million in FY2020 (+83%). Approximately 57% of revenue was derived from sales of units forming part of the Żabbar Development and *circa* 34% from Garnet Court. Operating profit for the year amounted to €3.8 million, an increase of €2.4 million from a year earlier. The Group reported a net profit of €2.8 million (FY2020: €0.8 million).

In FY2022, revenues amounted to €14.1 million reflecting the income derived from five development projects – namely those located in Marsascala, Mellieħa, Mqabba, Pembroke, and Żabbar. Operating profit for the year amounted to €3.4 million compared to €3.8 million in the prior year, while net profit amounted to €2.5 million compared to €2.8 million in FY2021.

For the six-month period ended 30 June 2023, the Group generated €5.3 million in revenue compared to €6.3 million in the same period a year earlier. The majority of said revenue was derived from the sale of residential units and garages forming part of the Żabbar Development and Mellieħa Development. Operating profit amounted to €1.1 million in HY2023 compared to €1.5 million in HY2022. Overall, the Group reported a profit for the interim period of €0.8 million (HY2022: €1.0 million).



Best Deal Properties Holding plc				
Condensed Consolidated Statement of Financial Position				
	31 Dec'20	31 Dec'21	31 Dec'22	30 Jun'23
	Audited	Audited	Audited	Unaudited
	€'000	€'000	€'000	€'000
ASSETS				
Non-current assets				
Property, plant and equipment	1	1	1	-
Goodwill	43	43	47	47
Deferred tax asset	111	108	226	226
Sinking fund reserve	875	3,365	5,040	3,610
	<u>1,030</u>	<u>3,517</u>	<u>5,314</u>	<u>3,883</u>
Current assets				
Inventories	25,682	19,626	26,389	26,493
Trade and other receivables	279	1,148	1,524	1,005
Available-for-sale financial assets	-	-	-	2,224
Income tax assets	-	23	1	-
Cash and cash equivalents	462	247	1,254	856
	<u>26,423</u>	<u>21,044</u>	<u>29,168</u>	<u>30,578</u>
Total assets	<u>27,453</u>	<u>24,561</u>	<u>34,482</u>	<u>34,461</u>
EQUITY				
Capital and reserves				
Called up share capital	313	313	313	313
Share premium	938	938	938	938
Shareholders' loans	2,324	2,324	2,324	2,324
Retained earnings	553	3,318	5,606	6,128
	<u>4,128</u>	<u>6,893</u>	<u>9,181</u>	<u>9,703</u>
LIABILITIES				
Non-current liabilities				
Secured bonds	15,022	13,296	21,122	20,968
Borrowings	1,200	1,200	1,200	1,200
	<u>16,222</u>	<u>14,496</u>	<u>22,322</u>	<u>22,168</u>
Current liabilities				
Borrowings	3,574	660	21	125
Trade and other payables	3,509	2,512	2,958	2,465
Current income tax liabilities	20	-	-	-
	<u>7,103</u>	<u>3,172</u>	<u>2,979</u>	<u>2,590</u>
	<u>23,325</u>	<u>17,668</u>	<u>25,301</u>	<u>24,758</u>
Total equity and liabilities	<u>27,453</u>	<u>24,561</u>	<u>34,482</u>	<u>34,461</u>

As at 31 December 2022, total assets increased by 40.4% on a comparable basis to €34.5 million, principally reflecting the growth in inventories to €26.4 million compared to €19.6 million as at 31 December 2021. Total liabilities rose by 43.2% to €25.3 million as BDP Group increased its total borrowings by 47.4% to €22.3 million (31 December 2021: €15.2 million), which mainly comprised the issue of the 2022 Bonds in Q4 2022.

Total equity increased by €2.3 million to €9.2 million on account of the increase in retained earnings registered during the year.

No material changes were noted in the statement of financial position as at 30 June 2023 when compared to 31 December 2022.

Best Deal Properties Holding plc Condensed Consolidated Cash Flow Statement	for the year ended 31 December			for the 6-mth period ended 30 June	
	2020	2021	2022	2022	2023
	Audited	Audited	Audited	Unaudited	Unaudited
	€'000	€'000	€'000	€'000	€'000
Net cash from (used in) operating activities	2,178	7,134	(3,902)	2,883	3,624
Net cash from (used in) investing activities	(875)	(2,490)	(1,680)	2,936	(3,655)
Net cash from (used in) financing activities	(1,650)	(4,835)	6,589	(5,074)	(367)
Net movement in cash and cash equivalents	(347)	(191)	1,007	745	(398)
Cash and cash equivalents at beginning of year	785	438	247	247	1,254
Cash and cash equivalents at end of year	438	247	1,254	992	856

In FY2020, out of the cash generated from operating activities amounting to €2.2 million, €0.9 million was transferred to the sinking fund reserve and €1.6 million was allocated to bank loan repayments and 2018 Bond buybacks.

In FY2021, the Group increased the pace at which it reduced its indebtedness. Cash generated from operating activities amounted to €7.1 million compared to €2.2 million in the previous year, mainly on account of significant reductions in inventories. During the year, the Group made bank loan repayments amounting to €2.8 million, repurchased €1.8 million worth of its 2018 Bonds and transferred a further €2.5 million into the sinking fund reserve (FY2020: €0.9 million).

In FY2022, net movement in cash and cash equivalents amounted to a positive balance of €1 million. Net cash outflows from operating activities amounted to €3.9 million, mainly impacted by the €6.8 million increase in inventories. Net cash used in investing activities stood at €1.7 million and largely represented amounts paid into the sinking fund reserve. This amounted to €5.0 million as at the end of 2022, of which €0.4 million were held in relation to the 2018 Bonds whilst the remaining €4.7 million were held in relation to the 2022 Bonds.

Net cash flows from financing activities amounted to €6.6 million and represented proceeds from the 2022 Bonds (€14.7 million), dividend and interest payments (€0.5 million), as well as repayment of borrowings (€7.5 million). Overall, the Group ended the 2022 financial year with a cash balance of €1.3 million.

During the first half of 2023, cash inflows from operating activities amounted to €3.6 million (HY2022: €3.9 million). In investing activities, €1.4 million was deposited into the sinking fund reserve, while €2.2 million from the sinking fund reserve was invested in a treasury bill (net outflow of €0.8 million).

In HY2023, BDP Group used €0.2 million to repurchase 2018 Bonds from the market and paid dividends of €0.3 million to its shareholders. Cash inflow of €0.1 million related to movement in related party borrowings (HY2022: cash used in financing activities of €5.1 million).

The table below provides a cross-reference list to key sections of the audited consolidated financial statements of the Company for the years ended 31 December 2020, 31 December 2021 and 31 December 2022 and the interim unaudited consolidated financial statements of the Company for the period 1 January 2023 to 30 June 2023.



	Page number in Audited Consolidated Financial Statements (2020)	Page number in Audited Consolidated Financial Statements (2021)*	Page number in Audited Consolidated Financial Statements (2022)*	Page number in Interim Consolidated Financial Statements (June 2023)
Best Deal Properties Holding plc				
Statement of Comprehensive Income	10	n/a	n/a	3
Statement of Financial Position	11	n/a	n/a	4
Statement of changes in equity	12	n/a	n/a	5
Statement of Cash Flows	13	n/a	n/a	6
Notes to the Financial Statements	14-38	n/a	n/a	7-11
Auditor's Report	39-43	n/a	n/a	n/a

* The annual financial reports of the Issuer for 2021 and 2022 have been prepared in the European Single Electronic Format (ESEF) and therefore do not contain page numbers. The said reports are available through the following links:

(i)

https://cdn.borzamalta.com.mt/ESEFAPP//BDPH_20211231_CON_AFR_485100A1WBOSGJKWHT04_20220425151338934/bestdeal-20211231-InlineViewer.xhtml;

(ii)

https://cdn.borzamalta.com.mt/ESEFAPP//BDPH_20221231_CON_AFR_485100A1WBOSGJKWHT04_20230417165042749/bestdeal-20221231-InlineViewer.xhtml

9.2 Selected Financial Information: The Guarantor

The Guarantor was established on 23 August 2023 as a property holding company, initially to acquire the Ghadira Site. The Guarantor has, to date, not conducted any business and has no trading record. As such, there were no significant changes to the financial or trading position of the Guarantor since incorporation to the date of this Registration Document.

10. ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES

10.1 Board of Directors of the Issuer

The Issuer is currently managed by a Board consisting of eight Directors entrusted with its overall direction and management. As at the date of this Registration Document, the Board of the Issuer is composed of the individuals listed in section 5.1.1 of this Registration Document.

The Board of Directors of the Issuer currently consists of five executive Directors and three non-executive Directors.

The following are the respective *curriculum vitae* of the Directors:

Christopher Attard (Executive Director)

Christopher Attard has been involved in the property industry for over 30 years as a property developer in his own name and also through various involvements with other partners. In 2011, he founded Best Deal Properties Limited, with the aim of developing energy efficient properties having high quality finishes tailor-made to customer requirements. The Best Deal brand presently incorporates various development projects under different companies in which Mr Attard is involved as shareholder and director, amongst which are Elite Developments Limited and PJCE Properties Limited. Apart from property development, Mr Attard has been involved over the years in other business ventures, including the catering sector.

Pierre Bartolo (Executive Director)

Pierre Bartolo is a former co-owner and Chief Operations Officer of Buttigieg Holdings Ltd. During his 27 years with the company (being prior to the sale of Buttigieg Holdings Ltd to International Hotel Investments p.l.c. in 2016), Mr Bartolo was involved in all aspects of operations and management and thus directly contributed to the growth of Buttigieg Holdings Ltd within the catering industry. In particular, his involvement with the company included negotiating private sector and government tenders, and opening a number of restaurants and other catering establishments across Malta. Mr Bartolo is now actively involved in the property development industry through his shareholding in the BDP Group.

David Basile (Executive Director)

David Basile Cherubino has a financial and commercial background with various University degrees in economics (B.Com (Hons)), accountancy (B. Accty (Hons)) and a Masters in Business Administration (MBA). He worked for several years with PricewaterhouseCoopers (PWC) in the Tax and Audit department, before joining his family's group of businesses, the Cherubino Group. As Chief Executive Officer of the Cherubino Group, Mr Basile is actively involved in various areas of economic activity both locally and overseas, including manufacturing, distribution, retail, property, and investments across various industries. Mr Basile holds a number of directorships in both private and public listed companies.

Robert Buttigieg (Executive Director and Compliance Officer)

Robert Buttigieg graduated in 2009 and holds a Doctor of Laws (LL.D.) from the University of Malta. After working as a lawyer, focusing mainly on corporate law, for over three years, he decided to go back to the family catering business – Buttigieg Holdings Ltd. In 2012 the company brought the first international coffee franchise, COSTA Coffee, to Malta. Dr Buttigieg oversaw the opening of eleven COSTA Coffee stores in Malta and sixteen COSTA Coffee stores in Spain. After the acquisition of Buttigieg Holdings Ltd by International Hotel Investments p.l.c. in 2016, Dr Buttigieg turned his focus to property development and today he is the Chief Executive Officer of R.J.C. Operations Ltd, a company involved in property rental and development. Dr Buttigieg is a shareholder of R.C.J. Investments Limited, which company is a shareholder in the Issuer.

Erskine Vella (Executive Director)

Erskine Vella was appointed a director of Best Deal Properties Limited from its inception in 2011, after spending 14 years in the real estate business as an estate agent. His extensive experience in sales and marketing in the property sector has contributed to developing the Best Deal Properties brand locally, which resulted in the expansion of the company's client base and also led to a number of third party developers to partner with Best Deal Properties to develop various projects. Best Deal Properties is currently involved in a number of development projects in Malta through different companies in which Mr Vella is a shareholder and director.

James Bullock (Chairman, Non-Executive Director)

James Bullock has had a distinguished career in banking spanning over 42 years. The 40-year relationship with HSBC Bank Malta plc (formerly Mid-Med Bank) saw him occupy senior manager roles, which include Area Commercial Manager of the Valletta Commercial Centre, Deputy Head of Corporate Branch and Head of Commercial Real Estate. Thereafter he moved to FIMBank plc as Vice President utilising his expertise, experience and deep-rooted business connections in the successful launch and growth of the Real Estate division. Mr Bullock has extensive commercial banking experience at both customer facing and Head Office Risk assessment roles and has acquired a strong specialised knowledge of the local property sector. He is an Associate of the UK Chartered Institute of Bankers (now the London Institute of Banking and Finance) and attended various prestigious senior manager courses overseas including Cambridge University, Brickett Wood, Canary Wharf and Hong Kong.

Mario P Galea (Independent Non-Executive Director)

Mario P. Galea is a certified public accountant and auditor holding a warrant to practice both as an accountant and an auditor. Mr Mario currently practices as a business adviser providing oversight and advisory services to businesses and corporations, and serves as an independent non-executive director on the boards and audit committees of various domestic listed companies in the financial and commercial sectors. Mr Galea was founder, managing partner and chairman of Ernst & Young in Malta for more than ten years until his retirement in 2012 and saw the successful introduction and growth of the local firm into a recognised and respected presence in the market. Mr Galea specialised in auditing and assurance, which he has practiced for 35 years in Malta and overseas. Mr Galea has lectured in auditing, assurance and professional and business ethics, led several training courses and spoke at various business and professional conferences in Malta and abroad. Mr Galea has also assisted businesses in several areas particularly relating to governance, accounting and systems of control. Amongst a number of other appointments, he served as president of the Malta Institute of Accountants and for many years formed part of the Accountancy Board which is the accountancy profession regulator in Malta. He has served on various professional committees in Malta and abroad, such as the council of the Federation des Experts Comptables (FEE) in Brussels (now Accountancy Europe). He continues to form part of the Ethics committee of the Malta Institute of Accountants.

Maria Carmela *sive* Marlene Seychell (Independent Non-Executive Director)

Marlene Seychell's career has traversed the public and private sectors, having occupied leadership positions in various public entities. Ms Seychell's strengths lie in various high-level disciplines including strategic planning, communication, management, consultation and cutting-edge thought leadership. She is renowned for her entrepreneurial skills which led to the success of numerous companies and organisations in the private sector. Marlene Seychell has almost 35 years' experience in the fashion retail

industry. Ms Seychell started her own fashion retail business in the UK in 1984, trading two Benetton stores. In 1997 she opened a first Miss Selfridge store in Malta. Under her guidance, the business grew rapidly throughout the Maltese Islands representing internationally renowned brands. In her role, Ms Seychell provided leading edge thinking, sought market opportunities and led the development and implementation of the overall strategy, overseeing operational execution of the brand strategies and maintenance of brand integrity, whilst also focusing on key objectives with the principle aim of driving bottom line sales and improving the overall commercial operation of the business. Over the years, Ms Seychell has built and maintained excellent relationships with the international franchisors she represented, both at board room and operational level. Ms Seychell was also the Chairperson of the Malta Gaming Authority between 2018 to 2019. Ms Seychell is currently also operating her own diversified business portfolio.

10.2 Board of Directors of the Guarantor

The Guarantor is currently managed by a Board consisting of five Directors entrusted with its overall direction and management. As at the date of this Registration Document, the Board of the Guarantor is composed of the individuals listed in section 5.1.2 of this Registration Document.

The *curriculum vitae* of each of the directors of the Guarantors, being Christopher Attard, Pierre Bartolo, David Basile, Robert Buttigieg and Erskine Vella, is set out in section 10.1 above.

10.3 Management Structure

The Issuer is a holding and finance company incorporated under the laws of Malta. The business of the Issuer is managed by its Board of Directors and does not separately employ any senior management. The Directors believe that the present corporate structure is adequate for the current activities of the Issuer. The Directors will maintain this structure under continuous review to ensure that it merits the changing demands of the business and to strengthen the checks and balances necessary for better corporate governance.

The overall management of the Guarantor is entrusted to its board of directors who are the persons responsible for establishing the strategy the Guarantor, including the responsibility for the appointment of all executive officers and other key members of management. In managing each development project, the directors of the Guarantor are supported by a number of external consultants who are appointed as required.

10.4 Conflicts of Interest

As at the date of this Registration Document, each of the five Executive Directors of the Issuer are officers of several companies within the Group. Christopher Attard, Pierre Bartolo, David Basile, Robert Buttigieg and Erskine Vella are directors of the Issuer, the Guarantor, and Best Deal Estates Limited. Christopher Attard, Pierre Bartolo, Robert Buttigieg and Erskine Vella are also directors of PJCE Properties Limited, Elite Developments Limited, and Best Deal Developments Limited. In view of the foregoing, such directors are susceptible to conflicts between the potentially diverging interests of the Issuer, the Guarantor and any of such other BDP Group companies in transactions entered into, or proposed to be entered into, between them.

The said executive Directors of the Issuer and directors of the Guarantor, or any of them, are or may in future be involved, as shareholders, beneficial owners, directors, officers or otherwise in business or in entities outside the BDP Group carrying out business which may be similar to or even competing with the business of the BDP Group, including property development, or in entities supplying works, goods or services to or otherwise carrying out transactions with any BDP Group company. Such involvements of such Directors of the Issuer and directors of the Guarantor may create conflicts between the potentially diverging interests of the Issuer, the Guarantor and any of such other BDP Group companies on the one hand and the private interests of the said directors and, or the interests of the entities outside the BDP Group in which such directors are or may be involved as aforesaid.

The independent, non-executive Directors of the Issuer have the task of ensuring that any potential conflicts of interest that may arise at any moment pursuant to these different roles held by the above-mentioned directors are handled in the best interest of the Issuer and according to law. The independent, non-executive Directors will also be tasked to ensure that transactions vetted by the Board of Directors are determined on an arms-length basis. As regards related party transactions generally, the Audit Committee operates within the remit of the applicable terms of Chapter 5 of the Capital Markets Rules regulating the role of the audit committee with respect to related party transactions.

The said five Executive Directors are also the ultimate beneficial shareholders of the Issuer.

No private interests or duties unrelated to the Issuer, the Guarantor or the BDP Group, as the case may be, have been disclosed by the general management team which may or are likely to place any of them in conflict with any interests in, or duties towards, the Issuer or the Guarantor, as the case may be.

To the extent known or potentially known to the Issuer and the Guarantor as at the date of this Registration Document, other than the information contained and disclosed herein, there are no other conflicts of interest between any duties of the Directors and of executive officers of the Issuer, and, or the directors of the Guarantor, as the case may be, and their respective private interests and, or their duties which require disclosure in terms of the Prospectus Regulation.

10.5 Working Capital

As at the date of this Registration Document, the Directors of the Issuer are of the opinion that working capital available to the Issuer is sufficient for the attainment of its objects and the carrying out of its business for the next 12 months of operations. In providing said working capital statement, the Issuer confirms that the proceeds of the Bond Issue have been included in the calculation of its working capital.

11. BOARD PRACTICES

11.1 Audit Committee

The Audit Committee's primary objective is to assist the Board of the Issuer and the Guarantor in fulfilling its oversight responsibilities over the financial reporting processes, financial policies and internal control structure. The Audit Committee oversees the conduct of the external audit and acts to facilitate communication between the Board, management and the external auditors. The internal and external auditors are invited to attend the Audit Committee meetings. The Audit Committee reports directly to the Board of Directors. The Audit Committee, which meets at least once every three months, is a committee of the Board and is directly responsible and accountable to the Board. The Board reserves the right to change the Audit Committee's terms of reference from time to time.

The terms of reference of the Audit Committee include, *inter alia*, its support to the Board of the Issuer in its responsibilities in dealing with issues of risk management, control and governance and associated assurance. The Board has set formal terms that establish its composition, role and function, the parameters of its remit as well as the basis for the processes that it is required to comply with.

Briefly, the Audit Committee is expected to deal with and advise the Board on: (a) its monitoring responsibility over the financial reporting processes, financial policies and internal control structures; (b) maintaining communications on such matters between the Board, management and the independent auditors; (c) facilitating the independence of the external audit process and addressing issues arising from the audit process; and (d) preserving the Issuer's assets by understanding the Issuer's risk environment and determining how to deal with those risks.

In addition, the Audit Committee also has the role and function of scrutinising and evaluating any proposed transaction to be entered into by the Issuer or Guarantor and a related party, to ensure that the execution of any such transaction is at arm's length and on a commercial basis and ultimately in the best interests of the Issuer or Guarantor, as the case may be.

The Audit Committee is made up entirely of non-executive Directors, two of whom are independent of the Issuer, and who are appointed for a period of three years. Mario P. Galea, an independent, non-executive Director of the Issuer, acts as Chairman, whilst James Bullock and Marlene Seychell act as members. In compliance with the Capital Markets Rules, Mario P. Galea is considered to be the member competent in accounting and, or auditing matters. The Issuer considers that the members of the Audit Committee have the necessary experience, independence and standing to hold office as members thereof.

11.2 Compliance with Corporate Governance Requirements

As a consequence of the issue of the 2018 Bonds, the 2022 Bonds, and the forthcoming Bond Issue and in accordance with the terms of the Capital Markets Rules, the Issuer is required to endeavour to adopt and comply with the provisions of the Code of Principles of Good Corporate Governance forming part of the Capital Markets Rules (the "Code").

The Issuer declares its full support of the Code and undertakes to continue to comply with the Code to the extent that this is considered complementary to the size, nature and operations of the Issuer. The Issuer supports the Code and believes that its application results in positive effects accruing to the Issuer.



As at the date of the Prospectus, the Board considers the Issuer to be in compliance with the Code, save for the following exceptions:

i. **Principle 2** “Chairman and Chief Executive Officer”

The Company has no employees and neither a Chief Executive Officer.

The Board is responsible for the management of the Company. The Chairman exercises independent judgement and is responsible to lead the Board and set its agenda, whilst also ensuring that the directors receive precise, timely and objective information so that they can take sound decisions and effectively monitor the performance of the Company. The Chairman is also responsible for ensuring effective communication with the shareholders and encouraging active engagement by all members of the Board for discussion of complex or contentious issues.

ii. **Principle 7** “Evaluation of the Board’s Performance”

Under the present circumstances, the Board does not consider it necessary to appoint a committee to carry out a performance evaluation of its role, as the Board’s performance is evaluated on an ongoing basis by, and is subject to the constant scrutiny of, the Board itself, the Company’s shareholders, the market and the rules by which the Issuer is regulated as a listed company.

iii. **Principle 8** “Committees”

- The Issuer does not have a Remuneration Committee as recommended in Principle 8; and
- The Issuer does not have a Nomination Committee as recommended in Principle 8.

The Board considers that the size and operations of the Issuer do not warrant the setting up of remuneration and nomination committees. In particular, the Board itself carries out the functions of the remuneration committee. The Board has established a fixed remuneration for directors which is not performance related and this has been approved by the shareholders.

Furthermore, the Issuer does not believe it is necessary to establish a nomination committee as appointments to the Board of Directors are determined by the shareholders of the Company in accordance with the Memorandum and Articles of Association of the Issuer. The Issuer considers that the current members of the Board provide the required level of skill, knowledge and experience expected in terms of the Code.

The Guarantor is a private company and accordingly is not subject to the provisions of the Capital Markets Rules nor to endeavour to adhere to the provisions of the Code. Whilst the Guarantor does not have its own audit committee, it has authorised and tasked the Audit Committee of the Issuer to monitor its operations.

12. LITIGATION

There have been no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) during the period covering 12 months prior to the date of this Registration Document which may have, or have had in the recent past significant effects on the financial position or profitability of the Issuer, the Guarantor and, or the BDP Group, taken as a whole.

13. ADDITIONAL INFORMATION

13.1 Share Capital of the Issuer

The authorised share capital of the Issuer is three hundred fifty thousand Euro (€350,000) divided into three million five hundred thousand (3,500,000) ordinary shares of ten Euro cents (€0.10) each.

The issued share capital of the Issuer is three hundred twelve thousand five hundred Euro (€312,500) divided into three million one hundred twenty-five thousand (3,125,000) ordinary shares of ten Euro cents (€0.10) each, fully paid up.

The Company’s issued share capital is subscribed equally by Christopher Attard, Erskine Vella, Pierre Bartolo, RCJ Investments Limited (C 88743) and C Developments Limited (C 92485). The Issuer adopts measures in line with the Code to ensure that the relationship of the Issuer and, or the Guarantor with each other and, or their respective shareholders are retained at arm’s length, including, in respect of both the Issuer and the Guarantor, adherence to rules on related party transactions set out in Chapter 5



of the Capital Markets Rules requiring the vetting and approval of any related party transaction by the Audit Committee, which is constituted by the non-executive Directors of the Issuer (the majority of whom are independent).

The shares of the Issuer are presently listed on Prospects MTF.

There is no capital of the Issuer which is currently under option, nor is there any agreement by virtue of which any part of the capital of the Issuer is to be put under option.

13.2 Memorandum and Articles of Association of the Issuer

The Memorandum and Articles of Association of the Issuer are registered with the Malta Business Registry. The principal objects of the Issuer are: (a) to carry on the business of a finance company; (b) to acquire, by any title whatsoever, and to take on lease or sub-lease, and to dispose by any title whatsoever, grant and, or lease or sub-lease and hold property of any kind, whether movable or immovable. Clause 3 of the Memorandum of Association contains the full list of objects of the Issuer. A copy of the Memorandum and Articles of Association of the Issuer (a copy of which is available for inspection as described in section 17 below) may be inspected at the Malta Business Registry during the lifetime of the Company.

13.3 Share Capital of the Guarantor

The authorised and issued share capital of the Guarantor is one thousand two hundred Euro (€1,200) divided into one thousand two hundred (1,200) ordinary shares of one Euro (€1) each, fully paid up and subscribed for, allotted and taken up by the Issuer.

There is no capital of the Guarantor which is currently under option, nor is there any agreement by virtue of which any part of the capital of the Guarantor is to be put under option.

13.4 Memorandum and Articles of Association of the Guarantor

The memorandum and articles of association of the Guarantor are registered with the Malta Business Registry. The principal object of the Guarantor is to hold, manage, and commercialise by any title valid at law, any movable or immovable property, whether for commercial or other purposes, and to perform all activities relating to property construction, real estate development and real-estate management.

14. MATERIAL CONTRACTS

The Issuer (as lender) has entered into the Loan Agreement dated 22 March 2024 with the Guarantor (as borrower) pursuant to which the Issuer shall advance to the Guarantor by title of loan the net proceeds of the Bond Issue in an amount of approximately €14.6 million, and in terms of which Loan Agreement interest on the loan amount is payable annually in arrears at the rate of 7% per annum. The Guarantor bound itself to repay the loan in full by not later than 31 December 2028. The terms and conditions of the Loan Agreement are subject to and conditional upon the Guarantee and the Collateral being duly perfected and the Bonds being admitted to the Official List of the MSE.

Save for the Loan Agreement described above and the Security Trust Deed (details of which are set out in sub-section 5.7 of the Securities Note), the Issuer has not entered into any material contracts that are not in the ordinary course of its business which could result in the Issuer being under an obligation or entitlement that is material to the Issuer's ability to meet its obligations to security holders in respect of the Secured Bonds, as such securities are issued pursuant to, and described in, the Securities Note.

15. PROPERTY VALUATION REPORT

The Issuer commissioned TBA Periti to issue a property valuation report in relation to the Ghadira Site and the Ghadira Development. The business address of TBA Periti is No. 43, Main Street, Balzan BZN 1259, Malta.

Capital Markets Rule 7.4.3 provides that property valuations to be included in a prospectus must not be dated (or be effective from) more than 60 days prior to the date of publication of the prospectus. The valuation report is dated 26 February 2024. A copy of the report compiled by TBA Periti, is accessible on the Issuer's website at the following hyperlink: <https://bestdealholdings.com/company-documents/> and is deemed to be incorporated by reference in this Prospectus. A copy thereof shall also be available for inspection at the registered address of the Issuer for the duration period of this Registration Document.



16. THIRD PARTY INFORMATION STATEMENTS BY EXPERTS AND DECLARATIONS OF ANY INTEREST

Save for the Property Valuation Report incorporated by reference in this Prospectus, the Prospectus does not contain any statement or report attributed to any person as an expert.

The Property Valuation Report has been included in the form and context in which it appears with the authorisation of TBA Periti, of No. 43, Main Street, Balzan BZN 1259, Malta, that has given and has not withdrawn its consent to the inclusion of its report herein.

TBA Periti does not have any material interest in the Issuer. The Issuer confirms that the Property Valuation Report has been accurately reproduced and that as far as the Issuer is aware and is able to ascertain from the information contained therein, no facts have been omitted which render the reproduced information inaccurate or misleading.

The sourced information contained in Section 8 of this Registration Document has been accurately reproduced and, as far as the Issuer is aware and is able to ascertain from the published information, no facts have been omitted which would render the reproduced information inaccurate or misleading.

17. DOCUMENTS AVAILABLE FOR INSPECTION AND INCORPORATED BY REFERENCE

For the duration period of this Registration Document the following documents shall be available for inspection at the registered address of the Issuer and also on the Issuer's website (through the following link: <https://bestdealholdings.com/company-documents/>) and are incorporated by reference:

- a) Memorandum and Articles of Association of the Issuer and of the Guarantor;
- b) Audited consolidated financial statements of the Issuer for the three financial years ended 31 December 2020, 31 December 2021 and 31 December 2022;
- c) Interim unaudited financial results of the Issuer for the six months ended 30 June 2023;
- d) Property Valuation Report dated 26 February 2024 in respect of the Ghadira Site and the Ghadira Development;
- e) Services Agreement entered into between Best Deal Properties Limited and the Guarantor, dated 19 September 2023;
- f) The Security Trust Deed;
- g) The Loan Agreement; and
- h) The Financial Analysis Summary.

