

SECURITIES NOTE

Dated 22 March 2024

This document is a Securities Note issued in accordance with the provisions of Chapter 4 of the Capital Markets Rules published by the Malta Financial Services Authority and of the Prospectus Regulation. This Securities Note is issued pursuant to the requirements of Rule 4.14 of the Capital Markets Rules and contains information about the Bonds. Application has been made for the admission to listing of the Bonds on the Official List of the Malta Stock Exchange. This Securities Note should be read in conjunction with the most updated Registration Document issued from time to time containing information about the Issuer.

In respect of an issue of €15 million 5.75% Secured Bonds 2027 - 2029
of a nominal value of €100 per Bond issued at par by



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 this Securities Note for a description of the scope, nature and terms of the Guarantee and also to refer to Section 5.7.2 of this Securities Note for a description of the Collateral. Reference should also be made to the sections entitled "Risk Factors" contained in the Summary, in the Registration Document and in this Securities Note for a discussion of certain risk factors which should be considered by prospective investors in connection with the Bonds and the Guarantee provided by the Guarantor.*

ISIN: MT0002121227

Legal Counsel

ZammitPace 

Security Trustee



FINCO TRUST SERVICES LIMITED

Sponsor, Manager & Registrar



MZ INVESTMENTS

THIS SECURITIES NOTE 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 QUALITY OF THE SECURITIES THAT ARE THE SUBJECT OF THIS SECURITIES NOTE. IN PROVIDING THIS AUTHORISATION, THE MALTA FINANCIAL SERVICES AUTHORITY DOES NOT GIVE ANY CERTIFICATION REGARDING THE POTENTIAL RISKS IN INVESTING IN THE SAID SECURITIES AND SUCH AUTHORISATION SHOULD NOT BE DEEMED OR BE CONSTRUED AS A REPRESENTATION OR WARRANTY AS TO THE SAFETY OF INVESTING IN SUCH INSTRUMENTS. INVESTORS SHOULD MAKE THEIR OWN ASSESSMENT AS TO THE SUITABILITY OF INVESTING IN THE SECURITIES.

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.

THESE SECURITIES ARE COMPLEX FINANCIAL INSTRUMENTS AND MAY NOT BE SUITABLE FOR ALL TYPES OF INVESTORS. A POTENTIAL INVESTOR SHOULD NOT INVEST IN THE SECURITIES UNLESS: (I) HE/SHE HAS THE NECESSARY KNOWLEDGE AND EXPERIENCE TO UNDERSTAND THE RISKS RELATING TO THIS TYPE OF FINANCIAL INSTRUMENT; (II) THE SECURITIES MEET THE INVESTMENT OBJECTIVES OF THE POTENTIAL INVESTOR; AND (III) SUCH PROSPECTIVE INVESTOR IS ABLE TO BEAR THE INVESTMENT AND FINANCIAL RISKS WHICH RESULT FROM INVESTMENT IN THESE SECURITIES. INVESTORS SHOULD MAKE THEIR OWN ASSESSMENT AS TO THE SUITABILITY OF INVESTING IN THE SECURITIES SUBJECT OF THIS SECURITIES NOTE.

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 ADVISOR.

Christopher Attard

Approved by the Directors

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 SECURITIES NOTE CONSTITUTES PART OF THE PROSPECTUS DATED 22 MARCH 2024 AND CONTAINS INFORMATION ON BEST DEAL PROPERTIES HOLDING P.L.C. IN ITS CAPACITY AS ISSUER, BEST DEAL GHADIRA LIMITED AS GUARANTOR, AND ABOUT THE BONDS IN ACCORDANCE WITH THE REQUIREMENTS OF THE CAPITAL MARKETS RULES, THE COMPANIES ACT (CHAPTER 386 OF THE LAWS OF MALTA) AND THE PROSPECTUS REGULATION, AND SHOULD BE READ IN CONJUNCTION WITH THE REGISTRATION DOCUMENT ISSUED BY THE ISSUER.

THIS SECURITIES NOTE SETS OUT THE CONTRACTUAL TERMS UNDER WHICH THE BONDS ARE ISSUED BY THE ISSUER AND ACQUIRED BY A BONDHOLDER, WHICH TERMS SHALL REMAIN BINDING UNTIL THE REDEMPTION DATE OF THE BONDS OR A DESIGNATED EARLY REDEMPTION DATE, AS APPLICABLE, UNLESS THEY ARE OTHERWISE CHANGED IN ACCORDANCE WITH SECTION 6.18 OF THIS SECURITIES NOTE.

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 THE PROSPECTUS 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 SECTION 5.2 OF THE 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 THIS SECURITIES NOTE, 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 THIS SECURITIES NOTE.

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.

THE PROSPECTUS AND THE OFFERING, SALE OR DELIVERY OF ANY BONDS 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.

THIS SECURITIES NOTE IS VALID FOR A PERIOD OF 12 MONTHS FROM THE DATE HEREOF. FOLLOWING THE LAPSE OF THIS VALIDITY PERIOD, THE ISSUER IS NOT OBLIGED TO SUPPLEMENT THE SECURITIES NOTE IN THE EVENT OF SIGNIFICANT NEW FACTORS, MATERIAL MISTAKES OR MATERIAL INACCURACIES.

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 AS TO LEGAL, TAX, INVESTMENT OR ANY OTHER RELATED MATTERS CONCERNING THE BONDS AND THE PROSPECTUS.



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 INVESTORS 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 THIS 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.

THE SECURED BONDS HAVE NOT BEEN, NOR WILL THEY BE, REGISTERED UNDER THE UNITED STATES SECURITIES ACT, 1933, AS AMENDED, OR UNDER ANY FEDERAL OR STATE SECURITIES LAW AND MAY NOT BE OFFERED, SOLD OR OTHERWISE TRANSFERRED, DIRECTLY OR INDIRECTLY, IN THE UNITED STATES OF AMERICA, ITS TERRITORIES OR POSSESSIONS, OR ANY AREA SUBJECT TO ITS JURISDICTION (THE "U.S.") OR TO OR FOR THE BENEFIT OF, DIRECTLY OR INDIRECTLY, ANY U.S. PERSON (AS DEFINED IN REGULATION "S" OF THE SAID ACT). FURTHERMORE, THE ISSUER WILL NOT BE REGISTERED UNDER THE UNITED STATES INVESTMENT COMPANY ACT, 1940 AS AMENDED AND INVESTORS WILL NOT BE ENTITLED TO THE BENEFITS SET OUT THEREIN.

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 MALTA BUSINESS REGISTRY, IN ACCORDANCE WITH THE ACT.

STATEMENTS MADE IN THIS PROSPECTUS 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

Capitalised words and expressions used in this Securities Note and which are defined in the Registration Document forming part of the Prospectus shall, except where the context otherwise requires and except where otherwise defined herein, bear the same meaning herein as the meaning given to such words and expressions in the Registration Document. Furthermore, in this Securities Note the following words and expressions shall bear the following meanings except where otherwise expressly stated or where the context otherwise requires:

2018 Bondholder/s	A holder of 2018 Bonds;
2018 Bond Transfer	The subscription for Bonds by a 2018 Bondholder settled, after submitting the preprinted Application Form, by the transfer to the Issuer of all or part of the 2018 Bonds held by such 2018 Bondholder as at the Cut-off Date, which transfer shall be effected at the par value of the 2018 Bonds;
2018 Reserve Account	The reserve account maintained by the 2018 Security Trustee for the benefit of the 2018 Bondholders pursuant to the 2018 Prospectus and the security trust deed dated 03 December 2018;
2018 Security Trustee	The security trustee appointed in terms of the security trust deed, dated 03 December 2018, pursuant to the 2018 Prospectus;
2024 Reserve Account	The reserve account maintained by the Security Trustee for the benefit of the Bondholders;
Admission	Admission of the Secured Bonds to the Official List and to trading on the main market for listed securities of the MSE becoming effective in accordance with the Capital Markets Rules and the MSE Bye-Laws;
Applicant(s)	A person or persons (in the case of joint applicants) who subscribe(s) for the Secured Bonds;
Application(s)	The application to subscribe for Secured Bonds made by an Applicant through an Authorised Financial Intermediary;
Application Form	The form of application mailed to 2018 Bondholders by the Issuer to subscribe for Secured Bonds, a specimen of which is contained in Annex IV of this Securities Note;
Appropriateness Test	Shall have the meaning set out in Section 8.2.18 of this Securities Note;
Authorised Financial Intermediaries	The licensed financial intermediaries whose details appear in Annex I of this Securities Note;
Bonds or Secured Bonds	Up to €15,000,000 Secured Bonds of a nominal value of €100, redeemable at the Redemption Value on the Redemption Date or a Designated Early Redemption Date, bearing interest at the rate of 5.75% per annum on the nominal value of the Secured Bond, as detailed in this Securities Note;
Business Day	Any day between Monday and Friday (both days included) on which commercial banks in Malta settle payments and are open for normal banking business;
CET	Central European Time;
Civil Code	The Civil Code (Chapter 16 of the laws of Malta);
CSD	The Central Securities Depository of the Malta Stock Exchange having its address at Garrison Chapel, Castille Place, Valletta VLT 1063, Malta;
Cut-Off Date	8 March 2024;
Designated Early Redemption Dates	Any date falling between 12 April 2027 and 11 April 2029, at the sole option of the Issuer, on which the Issuer shall be entitled to prepay all or part of the principal amount of the Secured Bonds and all interests accrued up to the date of prepayment, by giving not less than 30 days' notice to the Bondholders and "Early Redemption" shall be construed accordingly;
Interest Payment Date	12 April of each year between and including each of the years 2025 and 2029 provided that if any such day is not a Business Day such Interest Payment Date shall be carried out to the next following day that is a Business Day;
Intermediaries' Offer	An offer for subscription of Bonds made by the Issuer to the Authorised Financial Intermediaries through subscription agreements, as further detailed in Section 6.3 of this Securities Note;
Issue Date	24 April 2024;
Issue Period	The period between 08:30 hours on 27 March 2024 and 14:00 hours on 12 April 2024;



MIFID II	Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Directive 2002/92/EC and Directive 2011/61/ EU (recast);
MSE Bye-Laws	The MSE bye-laws issued by the authority of the board of directors of Malta Stock Exchange plc, as may be amended from time to time;
Official List	The list prepared and published by the Malta Stock Exchange as its official list in accordance with the Malta Stock Exchange Bye-Laws;
Redemption Date	12 April 2029;
Redemption Value	The nominal value of each Secured Bond (€100 per Secured Bond);
Suitability Test	Shall have the meaning assigned to it in Section 8.2.18 of this Securities Note;
Terms and Conditions	The terms and conditions of the Secured Bonds set out in Sections 5.5, 6 and 8 of this Securities Note.

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 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
- f) 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 Securities Note.

3. RISK FACTORS

THE VALUE OF INVESTMENTS CAN GO UP OR DOWN AND PAST PERFORMANCE IS NOT NECESSARILY INDICATIVE OF FUTURE PERFORMANCE.

AN INVESTMENT IN THE SECURED BONDS INVOLVES CERTAIN RISKS INCLUDING THOSE DESCRIBED BELOW. PROSPECTIVE INVESTORS SHOULD CAREFULLY CONSIDER, WITH THEIR OWN FINANCIAL AND OTHER PROFESSIONAL ADVISERS, THE FOLLOWING RISK FACTORS AND OTHER INVESTMENT CONSIDERATIONS AS WELL AS ALL THE OTHER INFORMATION CONTAINED IN THE PROSPECTUS BEFORE DECIDING TO MAKE AN INVESTMENT IN THE SECURED BONDS. THE RISK FACTOR FIRST APPEARING UNDER EACH CATEGORY CONSTITUTES THAT RISK FACTOR THAT THE DIRECTORS OF THE ISSUER HAVE ASSESSED TO BE, AT THE DATE OF THIS SECURITIES NOTE, THE MOST MATERIAL RISK FACTOR UNDER SUCH CATEGORY. IN MAKING THIS ASSESSMENT OF MATERIALITY, THE DIRECTORS OF THE ISSUER HAVE EVALUATED THE COMBINATION OF: (I) THE PROBABILITY THAT A RISK FACTOR OCCURS; AND (II) THE EXPECTED MAGNITUDE OF THE ADVERSE EFFECT ON THE FINANCIAL CONDITION AND PERFORMANCE OF THE ISSUER AND ITS SECURITIES IF SUCH RISK FACTOR WERE TO MATERIALISE.

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 BUSINESS, RESULTS OF OPERATIONS AND FINANCIAL CONDITION.

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 FINANCIAL 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 EVALUATION OF ALL RISK FACTORS AND SHOULD CONSIDER ALL OTHER SECTIONS IN THIS DOCUMENT.

3.1 Forward-looking Statements

This Securities Note contains statements that are, or may be deemed to be, “forward-looking statements”. These forward-looking statements can be identified by the use of forward-looking terminology, such as the terms “believes”, “estimates”, “anticipates”, “expects”, “intends”, “may”, “will” or “should” or, in each case, their negative or other variations or comparable terminology. Forward-looking statements relate to matters that are not historical facts. They appear in a number of places throughout the Prospectus, and documents incorporated therein by reference, and include statements regarding the intentions, beliefs or current expectations of the Issuer and, or the Directors concerning, amongst other things, the Issuer’s and, or the Guarantor’s strategy and business plans, capital requirements, results of operations, financial condition, liquidity, prospects, the markets in which it operates and general market conditions.

By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Forward-looking statements are not guarantees of future performance and should therefore not be construed as such. The Issuer’s and, or the Guarantor’s actual results of operations, financial condition and performance, and trading prospects may differ materially from the impression created by the forward-looking statements contained in the Prospectus. In addition, even if the results of operations, financial condition and performance, and trading results, of the Issuer and, or the Guarantor are consistent with the forward-looking statements contained in the Prospectus, those results or developments may not be indicative of results or developments in subsequent periods.

Potential investors are advised to read the Prospectus in its entirety and, in particular, all the risks set out in this section and in the section entitled “Risk Factors” in the Registration Document, for a review of the factors that could affect the Issuer’s performance and an investment in the Bonds. In light of these risks, uncertainties and assumptions, the events described in the forward-looking statements in this document may not occur.

All forward-looking statements contained in this document are made only as at the date hereof. Subject to applicable legal and regulatory obligations, the Issuer and its Directors expressly disclaim any obligations to update or revise any forward-looking statement contained herein to reflect any change in expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based.

3.2 Risks Relating to the Secured Bonds

3.2.1 *Complex financial instrument and suitability assessment*

Debt instruments which may be redeemed by an issuer prior to their maturity date are considered as having an embedded call option, with the price of the bonds taking these components into account. The Secured Bonds may be redeemed at the option of the Issuer on a Designated Early Redemption Date. In view of this early redemption component, the Secured Bonds are complex financial instruments for the purposes of MIFID II. Investors should consult with an investment advisor before investing in the Secured Bonds. In particular, investors should consult with an investment advisor with a view to ascertaining that each prospective investor: (a) has sufficient knowledge and experience to make a meaningful evaluation of the Secured Bonds, the merits and risks of investing in the Secured Bonds and the information contained or incorporated by reference in the Prospectus or any applicable supplement; (b) has sufficient financial resources and liquidity to bear all the risks of an investment in the Secured Bonds, including where the currency for principal or interest payments is different from the prospective investor’s currency and that the Secured Bonds meet the investment objectives of the prospective investor; (c) understands thoroughly the terms of the Secured Bonds; and (d) is able to evaluate (either alone or with the help of a financial advisor) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks. An informed investment decision can only be made by investors after they have read and fully understood the risk factors associated with an investment in the Secured Bonds, and the inherent risks associated with the BDP Group’s business.

3.2.2 *The Secured Bonds are redeemable at the option of the Issuer*

Any or all of the Secured Bonds may be redeemed by the Issuer on a Designated Early Redemption Date. Once the Secured Bonds are redeemed, the relevant Bondholders shall no longer be entitled to any interest or other rights in relation to those Secured Bonds. If the Secured Bonds are redeemed on a Designated Early Redemption Date, a Bondholder would not receive the same return on investment that it would have received if the Secured Bonds were redeemed on the Redemption Date. In addition, Bondholders may not be able to re-invest the proceeds from an early redemption at yields that would have been received had they not been redeemed. This optional redemption feature may also have a negative impact on the market value of the Secured Bonds.

3.2.3 *Subsequent changes in interest rates and potential impact on inflation*

The Secured Bonds shall carry a fixed interest rate. Investment in the Secured Bonds involves the risk that subsequent changes in market interest rates may adversely affect the value of the Secured Bonds. The price of fixed rate bonds should, theoretically, be adversely impacted if interest rates increase above the level of the interest paid on the said bond. In an economic scenario where prevailing market interest rates are rising, the prices of fixed rate bonds decline and conversely, if market interest rates are declining, the prices of fixed rate bonds tend to rise. This is part of the market risk inherent in financial instruments but it is only crystallised if a Bondholder decides to sell the Secured Bonds before maturity on the secondary market, since on maturity, a Bondholder will still be entitled to receive the face value of the Secured Bonds.

The coupon payable on the Secured Bonds is a nominal interest rate. The real interest rate is computed by subtracting inflation from the nominal interest rate, the result of which indicates the real return on the Secured Bond coupons. In a period of high inflation, an investor’s real return on the Secured Bonds will be lower than the Secured Bonds’ nominal interest rate and thus undermine an investor’s expected return. Furthermore, an increase in inflation may result in a decrease in the traded price of the Secured Bonds on the secondary market.



3.2.4 No prior market for the Secured Bonds

Prior to the Bond Issue and Admission, there has been no public market for the Secured Bonds within or outside Malta. Due to the absence of any prior market for the Secured Bonds, there can be no assurance that the price of the Secured Bonds will correspond to the price at which the Secured Bonds will trade in the market subsequent to the Bond Issue. The market price of the Secured Bonds could be subject to significant fluctuations in response to numerous factors, including the occurrence of any of the risk factors identified in Section 3 of the Registration Document.

3.2.5 Orderly and liquid secondary market

The existence of an orderly and liquid market for the Secured Bonds depends on a number of factors, including, but not limited to, the presence of willing buyers and sellers of the Secured Bonds at any given time and the general economic conditions in the market in which the Secured Bonds are traded. Such factors are dependent upon the individual decisions of investors and the general economic conditions of the market, over which the Issuer has no control. Accordingly, there can be no assurance that an active secondary market for the Secured Bonds will develop, or, if it develops, that it will continue. Furthermore, there can be no assurance that an investor will be able to trade in the Secured Bonds at all.

3.2.6 Future public offers

No prediction can be made about the effect which any future public offerings of the Issuer's securities (including, but not limited to, the effects arising out of a change in the cash flow requirements of the Issuer or other commitments of the Issuer vis-à-vis the new security holders), or any takeover or merger activity involving the Issuer (including, but not limited to, a delisting, in full or in part, of the Secured Bonds) will have on the market price of the Secured Bonds prevailing from time to time.

3.2.7 Currency of reference

A Bondholder shall bear the risk of any adverse fluctuations in exchange rates between the currency of denomination of the Secured Bonds (Euro) and the Bondholder's currency of reference, if different. Such adverse fluctuations may impair the return of investment of the Bondholder in real terms after taking into account the relevant exchange rate.

3.2.8 Changes in law

The Terms and Conditions of the Secured Bonds are based on Maltese law in effect as at the date of this Prospectus. No assurance can be given as to the impact of any possible judicial decision or change in Maltese law or administrative practice after the date of this Prospectus.

3.2.9 Amendments to the Terms and Conditions of the Secured Bonds

In the event that the Issuer wishes to amend any of the Terms and Conditions of the Secured Bonds it may call a meeting of Bondholders in accordance with the provisions of Section 6.16 of this Securities Note. These provisions permit defined majorities to bind all Bondholders including Bondholders who did not attend and vote at the relevant meeting and Bondholders who voted in a manner contrary to the majority.

3.3 Risks Relating to the Guarantor and the Collateral

3.3.1 Risks relating to the business of the Guarantor

The risk factors contained in Section 3.3 of the Registration Document entitled "Operational Risks relating to the BDP Group and its Business" apply to the business of the Guarantor. If any of the risks mentioned in Section 3.3 of the Registration Document were to materialise, they could have a material adverse effect on the ability of the Guarantor to satisfy its obligations under the Guarantee.

3.3.2 Risks relating to the Guarantee and the Collateral granted by the Guarantor

The Secured Bonds are being guaranteed by the Guarantor on a joint and several basis with the Issuer. Accordingly, the Security Trustee, for the benefit of the Bondholders, shall be entitled to request the Guarantor to pay both the interest due and the principal amount under the said Secured Bonds on first demand (subject to the terms of the Guarantee) if the Issuer fails to meet any amount, when due in terms of the Prospectus. The joint and several Guarantee also entitles the Security Trustee to take action against the Guarantor without having to first take action against the Issuer.

The strength of the undertakings given under the Guarantee and, accordingly, the level of recoverability by the Security Trustee from the Guarantor of any amounts due under any of the Secured Bonds, is dependent upon and directly linked to the financial position and solvency of the Guarantor. The Guarantee is further supported by, *inter alia*, the Collateral over the Hypothecated Property belonging to the Guarantor. Whilst this grants the Security Trustee a right of preference and priority for repayment over the relative Hypothecated Property, there can be no guarantee that the value of the relevant Hypothecated Property over the term of the Secured Bonds will be sufficient to cover the full amount of interest and principal outstanding under the Bonds. This may be caused by a number of factors not least of which general economic factors that could have an adverse impact on the value of the relevant Hypothecated Property. If such circumstances were to arise or subsist at the time that the Security Interest is to be enforced by the Trustee, it could have a material adverse effect on the recoverability of all the amounts that may be outstanding under the Secured Bonds.

In addition to the aforesaid, the valuation of the Hypothecated Property so prepared by an independent qualified architect contain 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. There can be no assurance that such property valuations and property-related assets will reflect actual market values at the time of enforcement of the security interests over the Hypothecated Property.

3.3.3 Terms of the Security Trust Deed

By acquiring Secured Bonds, a Bondholder is considered to be bound by the terms of the Security Trust Deed as if he/she/it had been a party to it. The Security Trust Deed contains a number of provisions which prospective investors ought to be aware of prior to acquiring the Secured Bonds. For instance, in terms of the Security Trust Deed:

- the Security Trustee is not liable for any loss or expense attributable to any action taken or omitted to be taken by the Security Trustee, or any person appointed by the Security Trustee, unless the loss or expense is shown to have been caused by the fraud, gross negligence, breach of duty or wilful misconduct of the Security Trustee or the person so appointed;
- the Security Trustee is not bound to take any such steps or proceedings or take any other action to enforce the security constituted by the Security Interest unless the Security Trustee shall have been indemnified to its satisfaction against all actions, proceedings, claims and demands to which it may thereby render itself liable and all costs, charges, damages and expenses which it may incur by so doing;
- the Security Trustee is not bound to declare the Bonds to have become immediately due and repayable in the case of an event of default, described in Section 6.14 of this Securities Note, unless requested to do so by not less than seventy-five per centum (75%) in nominal value of the Secured Bonds then outstanding, by notice in writing to the Issuer and Guarantor;
- the Security Trustee may pay itself out of the trust fund all sums owing to it in respect of the remuneration costs, charges, expenses or interest or by virtue of any indemnity from the Company to which it is entitled under the Security Trust Deed or by law or by virtue of any release or indemnity granted to it and all such sums as aforesaid shall be so retained and paid in priority to the claims of the Bondholders and shall constitute an additional charge upon the property charged with the Collateral.

3.3.4 Ranking of security interests granted by the Guarantor

The security interests to be constituted by the Guarantor in favour of the Security Trustee shall rank after the claims of privileged creditors should a note of inscription of a special privilege be registered with the Public Registry in Malta securing the privileged creditor's claim. Privileged creditors include, but are not limited to, architects, contractors, masons, and other workmen, over an immovable constructed, reconstructed or repaired for the debts due to them in respect of the expenses and the price of their work. In terms of this Securities Note, the contractor responsible for the development of the Ghadira Development, will waive its right to the registration of a special privilege with the Public Registry in Malta and has further undertaken to use best efforts to ensure that any of its sub-contractors will waive their right to a special privilege. However, no assurances can be given that a sub-contractor of the contractor will not register a special privilege over the Ghadira Site (and any developments and constructions thereon). In addition, over the course of its business, the Guarantor may contract debts with other privileged creditors. In such case, privileged creditors will rank with preference to the Security Trustee in whose favour the general hypothec and special hypothec is constituted.

4. PERSONS RESPONSIBLE AND STATEMENT OF APPROVAL

This document includes information given in compliance with the Prospectus Regulation for the purpose of providing prospective investors with information with regards to the Secured Bonds. All of the Directors, whose names appear in Section 5.1.1 of the Registration Document entitled "Directors of the Issuer" accept responsibility for the information contained in this Securities Note.

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 Securities Note is in accordance with the facts and does not omit anything likely to affect the import of such information. The Directors accept responsibility accordingly.

All representations and other statements made in the Prospectus are made by the Issuer, and the Directors take sole responsibility for all such representations and statements. The Sponsor, Manager and Registrar, and the Issuer's advisers have advised and assisted the Issuer in the preparation of this document, but none make any representation or statement, unless otherwise expressly stated in the Prospectus, and each of them disclaims any responsibility for any representations and other statements made in the Prospectus.

4.1 Consent for use of the Prospectus

Consent required in connection with the use of the Prospectus by the Authorised Financial Intermediaries

For the purposes of any subscription for Secured Bonds through any of the Authorised Financial Intermediaries in terms of this Securities Note and any subsequent resale, placement or other offering of the Secured Bonds by such Authorised Financial Intermediaries in circumstances where there is no exemption from the requirement to publish a prospectus under the Prospectus Regulation, the Issuer consents to the use of this Prospectus (and accepts responsibility for the information contained therein) with respect to any such subsequent resale or placement or other offering of Secured Bonds, provided this is limited only:



- (i) in respect of Secured Bonds subscribed for through the Authorised Financial Intermediaries pursuant to the Intermediaries' Offer;
- (ii) to any resale or placement of Secured Bonds subscribed for as aforesaid, taking place in Malta; and
- (iii) to any resale or placement of Secured Bonds subscribed for as aforesaid, taking place within the period of 60 days from the date of the Prospectus.

None of the Issuer, the Sponsor, Manager & Registrar or any of their respective advisers take any responsibility for any of the actions of any Authorised Financial Intermediary, including their compliance with applicable conduct of business rules or other local regulatory requirements or other securities law requirements in relation to a resale or placement of the Secured Bonds.

Other than as set out above, neither the Issuer nor the Sponsor, Manager & Registrar has authorised (nor do they authorise or consent to the use of this Prospectus in connection with) the making of any public offer of the Secured Bonds by any person in any circumstance. Any such unauthorised offers are not made on behalf of the Issuer or the Sponsor, Manager & Registrar and neither the Issuer nor the Sponsor, Manager & Registrar has any responsibility or liability for the actions of any person making such offers.

No person has been authorised to give any information or to make any representation not contained in or inconsistent with this Prospectus. If given or made, it must not be relied upon as having been authorised by the Issuer or Sponsor, Manager & Registrar. The Issuer does not accept responsibility for any information not contained in this Prospectus.

Investors should enquire whether an intermediary is considered to be an Authorised Financial Intermediary in terms of the Prospectus. If the investor is in doubt as to whether it can rely on the Prospectus and, or who is responsible for its contents, it should obtain legal advice.

In the event of a resale, placement or other offering of Secured Bonds by an Authorised Financial Intermediary, the Authorised Financial Intermediary shall provide investors with information on the terms and conditions of the resale, placement, or other offering at the time such is made.

Any resale, placement, or other offering of Secured Bonds to an investor by an Authorised Financial Intermediary shall be made in accordance with any terms and other arrangements in place between such Authorised Financial Intermediary and such investor including as to price, allocations, and settlement arrangements. Where such information is not contained in the Prospectus, it shall be the responsibility of the respective Authorised Financial Intermediary at the time of such resale, placement, or other offering to provide the investor with that information.

Any Authorised Financial Intermediary using this Prospectus in connection with a resale, placement, or other offering of Secured Bonds subsequent to the Bond Issue shall, limitedly for the period of 60 days from the date of the Prospectus, publish on its website a notice to the effect that it is using this Prospectus for such resale, placement, or other offering in accordance with the consent of the Issuer and the conditions attached thereto. The consent provided herein shall no longer apply following the lapse of such period.

Any new information with respect to Authorised Financial Intermediaries unknown at the time of approval of this Securities Note shall be made available through a company announcement which shall also be made available on the Issuer's website: www.bestdealholdings.com.

4.2 Statement of Authorisation

This Securities Note has been approved by the MFSA as the competent authority under the Prospectus Regulation. The MFSA only approves this Securities Note as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Such approval should not be considered as an endorsement of the quality of the securities that are the subject of this Securities Note. Investors should make their own assessment as to the suitability of investing in the Bonds.

5. ESSENTIAL INFORMATION

5.1 Reasons for the Issue and Use of Proceeds

The proceeds from the Bond Issue, which net of Bond Issue expenses are expected to amount to approximately €14.6 million, will be used for the following purposes, in the amounts and order of priority set out below:

- (i) an amount of up to €6.1 million in 2018 Bonds may be acquired via transfer to the Issuer by 2018 Bondholders in consideration for the subscription of Secured Bonds and will result in the cancellation of such 2018 Bonds by the Issuer, giving rise to obligations on the part of the Issuer under the Secured Bonds; and
- (ii) an amount of up to €8.5 million for the purposes of funding the acquisition, by the Guarantor, of the Ghadira Site over which the Ghadira Development will be developed, and related costs of acquisition.



With regard to the 2018 Bond Transfer referred to in paragraph (i) above:

- (a) In the event that the full €6.1 million in the form of the 2018 Bonds are purchased by the Issuer by way of 2018 Bond Transfer, the 2018 Bonds Security Trustee shall proceed with releasing in favour of the Company all security interests granted in its favour pursuant to the 2018 Prospectus, as well as the cash balance held in the 2018 Reserve Account (which amounted to *circa* €3.5 million as at 29 February 2024). The said cash balance standing to the credit of the 2018 Reserve Account shall be transferred to the 2024 Reserve Account and thereafter disbursed by the Security Trustee, on behalf of the Guarantor, to pay contractors engaged to undertake excavation and construction works relating to the Ghadira Development, once the Ghadira Site is acquired as indicated in paragraph (ii) above.
- (b) In the event that less than €6.1 million in the form of 2018 Bonds are purchased and cancelled by the Issuer by way of 2018 Bond Transfer, the 2018 Bonds Security Trustee shall retain a cash amount to the credit of the 2018 Reserve Account which shall be equal to the nominal value of outstanding 2018 Bonds to be utilised for the redemption of said outstanding 2018 Bonds on maturity. In the event that there remain outstanding 2018 Bonds exceeding in nominal value the amount standing to the credit of the 2018 Reserve Account (the “**Outstanding Bonds Balance**”), the 2018 Bonds Security Trustee shall receive an amount of net proceeds from the Secured Bonds which shall be equivalent to the Outstanding Bonds Balance to be utilised to top-up the cash collateral in the 2018 Reserve Account. Subject to the nominal value of any outstanding 2018 Bonds being covered by cash collateral held in the 2018 Reserve Account, the 2018 Bonds Security Trustee shall release any other security interests granted in its favour pursuant to the 2018 Prospectus, including any cash collateral standing to the credit of the 2018 Reserve Account in excess of the nominal value of outstanding 2018 Bonds. The said cash balance standing to the credit of the 2018 Reserve Account shall be transferred to the 2024 Reserve Account and thereafter shall be disbursed by the Security Trustee, on behalf of the Guarantor, to pay to contractors engaged to undertake excavation and construction works relating to the Ghadira Development, once the Ghadira Site is acquired as indicated in paragraph (ii) above.
- (c) Any amount of Secured Bonds not subscribed to by the 2018 Bondholders by way of 2018 Bond Transfer shall be made available for subscription in cash during the Issue Period in accordance with the plan of distribution and allocation policy described in sections 6.4 and 6.5 below. Any balance of proceeds that may result following the funding of the acquisition of the Ghadira as indicated in paragraph (ii) above shall be retained by the Security Trustee to be disbursed to contractors, on behalf of the Guarantor, engaged to undertake excavation and construction works relating to the Ghadira Development.

The issue and allotment of the Secured Bonds is conditional upon: (a) the Bond Issue being fully subscribed; (b) confirmation of admission of the Secured Bonds to the Official List; and (c) the Security Interest being constituted in favour of the Security Trustee.

In the event that any of the aforesaid conditions (a) to (c) is not satisfied, the Security Trustee shall return the Bond Issue proceeds to the Bondholders.

5.2 Dynamics for Closing

The Security Trustee shall release the net proceeds from the issue of the Secured Bonds which are expected to amount to €14.6 million as follows:

- (i) from the amount of €8.5 million, the amount of €7.55 million shall be released to the vendors of the Ghadira Site and €0.25 million shall be released to the Guarantor as reimbursement of the deposit which was paid to the vendors on entering into the promise of sale agreement dated 03 October 2022. The Security Trustee shall appear on the said deed of sale pursuant to a delegation of authority granted by the Guarantor in its favour to pay the purchase price of the Ghadira Site to the vendors as aforesaid. The amount of *circa* €0.5 million shall be utilised to pay stamp duty and notarial fees and shall be released to the notary public responsible for such purpose. The remaining amount of €0.2 million shall be used to settle the brokerage fee applicable on said acquisition. Simultaneously upon the entry into the deed of sale pertaining to the Ghadira Site, each of the Issuer and Guarantor shall appear on a public deed with the Security Trustee to grant and constitute in favour of the Security Trustee the Collateral over their respective assets;
- (ii) the amount of such loan facility which is intended to be used to finance the excavation and construction of the Ghadira Development as set out in Section 5.1(i) above (including paragraphs (a) to (c) of Section 5.1) which will be held by the Security Trustee, will be drawn down in one or more subsequent drawdowns following a request by the Guarantor to the Issuer, in order to pay invoices for excavation and construction works on the Ghadira Development, as such invoices are received from the relevant contractors and against presentation of such invoices and architect's certificate of completion in respect of the relevant works included in the invoice. The said drawdowns will not be paid by the Security Trustee to the Guarantor, but will be paid by the Security Trustee directly to the relevant contractors in satisfaction of the relevant invoices.

5.3 Funding from Other Sources

The Guarantor requires approximately €24.6 million to acquire the Ghadira Site and to develop and complete the Ghadira Development. The amount of €8.5 million from the net proceeds of the Bond Issue to be received by the Issuer shall be on-lent to the Guarantor to purchase the Ghadira Site. The balance of the net proceeds of the Bond Issue to be received by the Issuer, amounting to €6.1 million, shall be on-lent to the Guarantor to part finance costs required to excavate the Ghadira Site and construct the Ghadira Development. The remaining amount required for the construction and finishing of the Ghadira Development will be funded from sales of units generated from the initial phases of the Ghadira Development and cash flows generated from unit sales of other projects of the BDP Group.

5.4 Expenses

Professional fees, and costs related to publicity, advertising, printing, listing, registration, sponsor, management, registrar fees, selling commission, and other miscellaneous expenses in connection with this Bond Issue are estimated not to exceed €400,000. There is no particular order of priority with respect to such expenses.



5.5 Issue Statistics

Amount	€15,000,000;
Form	the Secured Bonds shall be issued in fully registered and dematerialised form and shall be represented in uncertificated form by the appropriate entry in the electronic register maintained on behalf of the Issuer at the CSD;
Denomination	Euro (€);
ISIN	MT0002121227;
Minimum amount per subscription	minimum of €5,000 and multiples of €100 thereafter;
Redemption Date	12 April 2029 or on the Designated Early Redemption Date;
Designated Early Redemption Date	any date falling between 12 April 2027 and 11 April 2029, at the sole option of the Issuer, on which the Issuer shall be entitled to prepay all or part of the principal amount of the Secured Bonds and all interests accrued up to the date of prepayment, by giving not less than 30 days' notice to the Bondholders and "Early Redemption" shall be construed accordingly;
Application Forms mailed to 2018 Bondholders	26 March 2024;
Closing Date for Applications to be received from 2018 Bondholders	12 April 2024 at 14:00 hours CET;
Plan of Distribution	the Secured Bonds are open for subscription by: 2018 Bondholders; and Authorised Financial Intermediaries (either for their own account or for the account of their underlying customers) pursuant to the Intermediaries' Offer in respect of any balance of the Bonds not subscribed to by 2018 Bondholders, as aforesaid;
Preferred Allocations	up to an amount of €6,106,100 in nominal value of Bonds shall be allocated to 2018 Bondholders applying for Bonds by way of 2018 Bond Transfer up to the extent of their holdings of 2018 Bonds at the Cut-Off Date, subject to a minimum Application of €5,000 in Bonds. Any 2018 Bondholder whose holding in 2018 Bonds is less than €5,000 shall be required to pay the difference together with the submission of their Application Form (" Cash Top-Up ");
Bond Issue Price	at par (€100 per Secured Bond);
Status of the Bonds	the Secured Bonds shall constitute general, direct, secured, and unconditional obligations of the Issuer, to be secured in the manner described in Section 5.7.2, guaranteed by the Guarantor and shall at all times rank <i>pari passu</i> and without any preference among themselves. Save for such exceptions as may be provided by applicable law, the Secured Bonds shall be secured by the Security Interest and accordingly, shall rank with priority or preference over other present and future unsecured obligations of the Issuer and the Guarantor;
Guarantee	the joint and several guarantee, dated 22 March 2024, granted by Best Deal Ghadira Limited as security for the punctual performance of the Issuer's payment obligations under the Bond Issue;
Security Interest	the following security: <ul style="list-style-type: none">(i) 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;(ii) the first ranking special hypothec for the full nominal value of the Secured Bonds and interests thereon over 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;(iii) the Pledge Agreement; and(iv) the Guarantee;
Listing	the Malta Financial Services Authority has approved the Secured Bonds for admissibility to listing and subsequent trading on the Official List of the Malta Stock Exchange. Application has been made to the Malta Stock Exchange for the Secured Bonds to be listed and traded on its Official List;
Intermediaries' Offer	an amount of up to €8,893,900 in nominal value of Bonds, as such amount would be increased by any amount not subscribed for by 2018 Bondholders by way of 2018 Bond Transfer, shall form part of an Intermediaries' Offer as set out in Section 6.3 of this Securities Note;

Issue Period	the period between 08:30 hours CET on 27 March 2024 and 14:00 hours CET on 12 April 2024 during which the Secured Bonds are available for subscription;
Interest	5.75% per annum;
Interest Payment Date(s)	annually on 12 April as from 12 April 2025 (the first interest payment date);
Governing Law of Secured Bonds	the Secured Bonds are governed by and shall be construed in accordance with Maltese law;
Jurisdiction	the Maltese Courts shall have exclusive jurisdiction to settle any disputes that may arise out of or in connection with the Secured Bonds.

5.6 Interest of Natural and Legal Persons Involved in the Bond Issue

Save for the subscription of the Secured Bonds by the Authorised Financial Intermediaries (which includes MZ Investment Services Ltd), and any fees payable in connection with the Bond Issue to MZ Investment Services Ltd (as Sponsor, Registrar & Manager), so far as the Issuer is aware no person involved in the Bond Issue has an interest material to the Bond Issue.

5.7 Security Trust Deed and Security Interest

5.7.1 Security Trust Deed

The Issuer and the Guarantor have entered into a Security Trust Deed with the Security Trustee which consists of the covenants of the Issuer and the Guarantor to repay the principal amount under the Secured Bonds on the Redemption Date or a Designated Early Redemption Date and interest thereon and to observe all the covenants and obligations undertaken by the Issuer and the Guarantor under the Security Trust Deed and the Prospectus, as secured by the Security Interest. The Security Interest will be vested in the Security Trustee for the benefit of the Bondholders in proportion to their respective holding of Secured Bonds.

The Security Trustee's role includes holding of the Security Interest for the benefit of the Bondholders and the enforcement of the Security Interest upon the happening of certain events. The Security Trustee shall have no payment obligations to Bondholders under the Secured Bonds which remain exclusively the obligations of the Issuer (or, in the case of default by the Issuer, of the Guarantor), save to the extent that the Security Trustee shall apply any amounts available in terms of the Security Interest held by it towards the redemption of the Secured Bonds on the Redemption Date or a Designated Early Redemption Date or upon enforcement of the Security Interest upon the happening of certain events as aforesaid.

The terms and conditions of the Security Trust Deed shall, upon subscription or purchase of any Bonds, be binding on such subscriber or purchaser as a beneficiary under the trust as if the Bondholders had been a party to the Security Trust Deed and as if the Security Trust Deed contained covenants on the part of each Bondholder to observe and be bound by all the provisions therein, and the Security Trustee is authorised and required to do the things required of it by the Security Trust Deed.

5.7.2 Security Interest

Pursuant to the Security Trust Deed and by way of Security Interest, the Guarantor agreed to jointly and severally guarantee the punctual performance by the Company of the Bond Obligations by entering into the Guarantee.

The Guarantor has agreed to further support the joint and several guarantee under the Guarantee as follows:

- (i) by virtue of a first ranking general hypothec for the full nominal value of the Secured Bonds and interest thereon over all its assets present and future; and
- (ii) by virtue of a first ranking special hypothec for the full nominal value of the Secured Bonds and interest thereon over the Ghadira Site.

Following the Bond Issue, the Security Trustee shall retain all Bond net proceeds until the Security Interest has been constituted and the MSE has confirmed that the Bonds will be admitted to the Official List of the MSE.

It is expected that by 13 May 2024, the Guarantor shall enter into a public deed with the vendors of the Ghadira Site, for the purchase and acquisition of legal title of the site over which the Ghadira Development is to be constructed. The Security Trustee shall appear on said deed for the purpose of: (i) ensuring that the Guarantor obtains legal title to the Ghadira Site, free from any privileged or hypothecary rights in favour of third parties; (ii) releasing in favour of the vendors the cash amount of the purchase consideration (after deduction of the deposit paid on entering into the promise of sale agreement dated 03 October 2022) and related costs, reimbursing the Guarantor with the deposit which was paid to the vendors on entering into the promise of sale agreement dated 03 October 2022, as well as releasing the cash amount for the payment of duty on documents, notarial contract expenses and brokerage fees, amounting to €8.5 million for the Ghadira Site; and (iii) obtaining from the Guarantor the Security Interest over the Ghadira Development.

Following the above-mentioned acquisition, and in terms of the Security Trust Deed, the Guarantor shall take out an insurance policy to cover the full replacement value of the Hypothecated Property and enter into the Pledge Agreement. A pledge creates a right of preference in favour of the collateral holder to be paid out of the asset so secured (the insurance policy) in priority to other creditors.



Out of the Bond Issue net proceeds (described in Section 5.1 above), the Security Trustee shall retain the amount of €6.1 million, or such lower amount as further explained in Section 5.1 above, to be disbursed to contractors undertaking works on the Ghadira Development. All disbursements made by the Security Trustee shall be covered by invoices and, or certificates of an architect confirming that works equivalent to payments disbursed by the Security Trustee have accrued to the Ghadira Development. This is intended to ensure, as far as practicably possible that the aggregate value of cash held by the Security Trustee and the underlying value of the Security Interest are equivalent to the value of Bonds outstanding. Moreover, a contract for the preservation of the special privilege, in relation to the above-mentioned amounts, shall be entered into between the Guarantor and the Security Trustee in accordance with the provisions of article 2010(b) of the Civil Code.

In order to further protect the Security Interests of the Security Trustee for the benefit of Bondholders and to preserve their ranking over the assets of the Company and Guarantor, the Guarantor will provide the Security Trustee an authentic copy of a public deed registered at the Public Registry in accordance with the provisions of article 1996A of the Civil Code by which the contractor, engaged by the Guarantor to work on the excavation and shell construction of the Hypothecated Property and having a contract value (or the cumulative value of a series of contracts) above €500,000 (five hundred thousand Euro), irrevocably renounces to its right to register a special privilege or special legal hypothec on the Hypothecated Property accorded to it by law in terms of article 2010(b) and article 2022 of the Civil Code or to register or secure any other cause of preference or security on the Hypothecated Property to which it may become entitled in terms of law, by virtue of any claim for outstanding dues for supplies, materials, work or services performed or undertaken by it in connection with the development of the Hypothecated Property. Moreover, the aforesaid contractor shall covenant that it shall only be allowed to subcontract to other subcontractors on condition that a similar waiver of rights is agreed as provided hereinabove.

5.8 Releasing Security and the 2024 Reserve Account

All sales of residential units forming part of the Hypothecated Property are expected to be executed on the basis that units are sold free and unencumbered, and accordingly released of all hypothecary rights and privileges encumbering those units. For this purpose, the Security Trustee is authorised and empowered, pursuant to the Security Trust Deed, to release individual units of the Hypothecated Property from the Security Interest encumbering such unit/s upon receipt by it from the Company or Guarantor or from a prospective purchaser of a fixed portion of the purchase price of each residential unit, as described in (i) below, or in the absence of the indication of a fixed portion, in accordance with allocation of sales proceeds detailed in (ii) below, in each case subject to any other agreement made from time to time by the Security Trustee, the Issuer and the Guarantor as indicated below. Any shortfall in the amount receivable by the Security Trustee pursuant to the foregoing shall be required to be made up, in whole or in part, out of the available sale proceeds from any subsequent sale or sales until such shortfall shall have been made up in its entirety.

The funds so received by the Security Trustee shall be held by it under trust in a segregated bank account with a licensed credit institution in Malta for the benefit of the Bondholders to be known as the “**2024 Reserve Account**” and shall be so held with a view to meeting the redemption of the Secured Bonds on the Redemption Date or any Designated Early Redemption Date or otherwise for the Issuer to re-purchase Secured Bonds in the market for cancellation.

The Security Trustee, Issuer and Guarantor have agreed on a list of projected prices for each residential unit (the “**Projected Sales Price**”) and then established a fixed allocation of the Projected Sales Price from each residential unit in the Ghadira Development forming part of the Hypothecated Property, based on a percentage allocation of the Projected Sales Price. The Trustee shall only be bound to release the Security Interests registered in its favour over a particular residential unit against receipt by it of the agreed fixed amount that is attributed to that unit in the Security Trust Deed. This is intended to ensure that the security created for the interest of Bondholders is only reduced against a cash payment made by the Issuer to the credit of the 2024 Reserve Account to be held by the Security Trustee for the benefit of Bondholders. The Security Trust Deed empowers the Security Trustee at any time, acting in its sole and absolute discretion, to agree amendments with the Issuer and the Guarantor to the agreed fixed amount attributed to any unit in the Security Trust Deed.

Pursuant to the Security Trust Deed, the allocation of sales proceeds shall be made as provided hereunder:

- a. all Payments on Account (as defined below) shall be allocated to the Guarantor for application in meeting the overall development costs of the Ghadira Development;
- b. a pre-determined amount from the sale of each residential unit forming part of the Ghadira Development shall be allocated from the Net Balance of Price to the Security Trustee for the benefit of the 2024 Reserve Account (subject to any other agreement made from time to time by the Security Trustee, the Issuer and the Guarantor as indicated below); and
- c. the remaining balance of the Net Balance of Price shall be allocated to the Guarantor and shall be applied firstly to meet the overall development costs of the Ghadira Development.

The proceeds from the sale of a residential unit can be classified as follows

- The amount paid by a buyer on account of the purchase consideration of any residential unit which shall not (save as indicated below) exceed 10% of the gross sale price of that residential unit (the “**Payment on Account**”); and
- The outstanding balance of the purchase consideration of a residential unit, after deducting the Payment on Account, sales commissions payable by the Guarantor (and VAT on commissions) and provisional tax or other taxes (whether existing today or in the future), imposts and, or fees payable on or in respect of the full sales price (the “**Net Balance of Price**”).

The Security Trust Deed empowers the Security Trustee at any time, acting in its sole and absolute discretion, to agree amendments with the Issuer and the Guarantor (i) to the percentage of the gross sale price representing the Payment on Account; and (ii) the pre-determined amount to be allocated from the Net Balance of Price to the Security Trustee for the benefit of the 2024 Reserve Account.

In the absence of unforeseen circumstances and subject to there being no material adverse changes in circumstances, the Directors are of the view that, the portion of Projected Sales Price of residential units in the Hypothecated Property allocated to the Security Trustee from available cash flows that will be credited to the 2024 Reserve Account will be sufficient to cover the redemption of the Secured Bonds on the Redemption Date.

It is the intention of the Issuer and Security Trustee to apply part of the funds standing to the credit of the 2024 Reserve Account with a view to meeting the redemption of the Secured Bonds on the Redemption Date or a Designated Early Redemption Date or otherwise for the Issuer to repurchase Secured Bonds in the market for cancellation or otherwise invested in accordance with the terms and conditions of the Security Trust Deed. The funds standing to the credit of the 2024 Reserve Account which are not utilised as aforesaid shall be invested in line with the investment parameters set out in the Security Trust Deed and which are summarised hereinafter. Interest or other income from such investments will accrue to the credit of the 2024 Reserve Account.

During the term of the Bonds, the Security Trustee shall be empowered to manage the 2024 Reserve Account and invest the amounts standing to the credit of the 2024 Reserve Account in its discretion, subject to, *inter alia*, the following restrictions:

- (i) Any amount standing to the credit of the 2024 Reserve Account may be held on deposit with a Bank licensed as a credit institution in Malta or any Member State of the European Union, provided that not more than 50 per cent of any amount standing to the credit of the 2024 Reserve Account, from time to time, shall be deposited with the same institution if the amount of the deposit exceeds the sum of €8 million; and/or
- (ii) Any amount standing to the credit of the 2024 Reserve Account may be invested in debt securities issued by or guaranteed by the Government of Malta or other member state of the European Union or the EEA; and/or
- (iii) An amount of up to 50 per cent of the amount standing to the credit of the 2024 Reserve Account may be invested in debt securities admitted to listing and trading on a Regulated market in the European Union, provided that not more than €2 million may be exposed to one or more debt securities issued by the same issuer; and provided that such investment will not expose the 2024 Reserve Account to any currency exchange risk.

5.9 Expected Timetable of Principal Events

1 Issue Period for 2018 Bondholders	27 March 2024 to 12 April 2024
2 Commencement of interest	12 April 2024
3 Intermediaries' Offer	17 April 2024
4 Expected date of announcement of basis of acceptance	19 April 2024
5 Refunds of unallocated monies, if any	19 April 2024
6 Expected dispatch of allotment letters	24 April 2024
7 Expected date of admission of securities to listing	24 April 2024
8 Expected date of commencement of trading in the securities	25 April 2024

6. INFORMATION CONCERNING THE SECURED BONDS

Each Secured Bond shall be issued on the terms and conditions set out in this Securities Note and, by subscribing to or otherwise acquiring the Bonds, the Bondholders are deemed to have knowledge of all the terms and conditions of the Bonds hereafter described and to accept and be bound by the said terms and conditions.

6.1 General

6.1.1 Each Secured Bond forms part of a duly authorised issue of 5.75% Secured Bonds 2027 - 2029 of a nominal value of €100 per Bond issued by the Issuer at par up to the principal amount of €15,000,000 (except as otherwise provided under section 6.16 "Further Issues"). The Issue Date of the Secured Bonds is 24 April 2024. The Bond Issue is guaranteed by Best Deal Ghadira Limited.

6.1.2 The currency of the Bonds is Euro (€).

6.1.3 The Bonds shall bear interest at the rate of 5.75% per annum payable annually in arrears on 12 April of each year, with the first interest payment falling due on 12 April 2025 and covering the period between 12 April 2024 and 11 April 2025. Any Interest Payment Date which falls on a day other than a Business Day will be carried over to the next following day that is a Business Day.

6.1.4 Subject to admission to listing of the Bonds to the Official List of the MSE, the Bonds shall be assigned ISIN: MT0002121227.



- 6.1.5** Unless previously re-purchased and cancelled, the Bonds shall be redeemable at par on the Redemption Date or a Designated Early Redemption Date.
- 6.1.6** An amount of up to €8,893,900 in Secured Bonds and any balance of Secured Bonds not subscribed to by 2018 Bondholders, by way of 2018 Bond Transfer, shall be offered for subscription by Authorised Financial Intermediaries participating through an Intermediaries' Offer. As such, Authorised Financial Intermediaries shall be required to submit completed subscription agreements indicating the number of Secured Bonds they are interested to subscribe for by latest 17 April 2024 at 12:00 hours CET. The Issuer, acting through the Sponsor, Manager and Registrar, will communicate the number of Bonds each Authorised Financial Intermediary has been allocated in terms of the respective subscription agreement by latest 12:00 hours CET on 18 April 2024.
- 6.1.7** The minimum subscription amount of Bonds that can be subscribed for by Applicants upon subscription is €5,000, and in multiples of €100 thereafter.
- 6.1.8** The issue of the Bonds is made in accordance with the requirements of the Capital Markets Rules, the Act, and the Prospectus Regulation.
- 6.1.9** The Bond Issue is not underwritten.
- 6.1.10** There are no special rights attached to the Secured Bonds other than as specified in Section 6.8 hereunder.
- 6.1.11** In view of the early redemption component referred to in Section 6.1.5 above, the Secured Bonds are complex financial instruments for the purposes of MIFID II. Accordingly, the Secured Bonds may only be suitable for investors who have the knowledge and experience to understand the risk related to this type of financial instrument. Potential investors should consult an investment advisor before investing in the Secured Bonds.

6.2. Applications by 2018 Bondholders by surrendering their 2018 Bonds

- 6.2.1** Up to an amount of €6,106,100 in nominal value of Bonds shall be allocated to 2018 Bondholders applying for Bonds by way of 2018 Bond Transfer up to the extent of their holdings of 2018 Bonds at the Cut-Off Date, subject to a minimum application of €5,000. Any 2018 Bondholder whose holding in Maturing Bonds is less than €5,000 shall be required to pay the difference (the “Cash Top-Up”).

2018 Bondholders electing to subscribe for Secured Bonds through 2018 Bond Transfer shall be allocated Secured Bonds for the corresponding nominal value of 2018 Bonds transferred to the Issuer, including Cash Top-Up, where applicable. The transfer of 2018 Bonds to the Issuer in consideration for the subscription for Secured Bonds shall cause the obligations of the Issuer with respect to such 2018 Bonds to be extinguished and shall give rise to obligations on the part of the Issuer under the Secured Bonds.

Bonds applied for by 2018 Bondholders by way of 2018 Bond Transfer shall be allocated prior to any other allocation of Secured Bonds.

A 2018 Bond Transfer shall be without prejudice to the rights of 2018 Bondholders to receive interest on the 2018 Bonds up to but excluding 12 April 2024. Same 2018 Bonds shall be redeemed on 12 April 2024 as determined by the Issuer and duly notified to 2018 Bondholders.

All Applications for the subscription of Secured Bonds by 2018 Bondholders by means of 2018 Bond Transfer must be submitted to any Authorised Financial Intermediary (which includes the Sponsor, Registrar and Manager) by 14:00 hours CET of 12 April 2024.

- 6.2.2** Payment by Applicants of the Cash Top-Up referred to in Section 6.2.1 above shall be made in Euro and in cleared funds at the Bond Issue Price, through a method of payment as accepted by the respective Authorised Financial Intermediary.
- 6.2.3** 2018 Bondholders subscribing for Bonds by means of 2018 Bond Transfer are, in virtue of such subscription, confirming:
- i. that all or part, as the case may be, of the 2018 Bonds held by the Applicant on the Cut-off Date are being transferred to the Issuer, together with the payment due in respect of any Cash Top-Up, as and if applicable;
 - ii. that the Application Form constitutes the Applicant's irrevocable mandate to the Issuer to:
 - a. cause the transfer of the 2018 Bonds in the Issuer's name in consideration of the issue of Secured Bonds; and
 - b. engage, at the Issuer's cost, the services of such brokers or intermediaries as may be necessary to fully and effectively vest title in the 2018 Bonds in the Issuer and fully and effectively vest title in the appropriate number of Secured Bonds in the Applicant;
 - iii. that in respect of the payment of the Cash Top-Up in terms of Section 6.2.1 above, the Applicant's remittance will be honoured on first presentation and agrees that, if such remittance is not so honoured on its first presentation, the Issuer acting through the Sponsor, Registrar and Manager reserves the right to invalidate the relative Application. Furthermore, the Applicant will not be entitled to receive a registration advice or to be registered in the register of Bondholders, unless the Applicant makes payment in cleared funds and such consideration is accepted by the Issuer, acting through the Sponsor,

Registrar and Manager, which acceptance shall be made in the Issuer's absolute discretion and may be on the basis that the Applicant indemnifies the Issuer against all costs, damages, losses, expenses and liabilities arising out of or in connection with the failure of the Applicant's remittance to be honoured on first presentation.

6.2.4 Where the Applicant is the holder of 2018 Bonds which as at the Cut-off Date are held subject to usufruct, the signatures of both the bare owner and the usufructuary will be required in the Application Form.

6.2.5 2018 Bondholders shall have priority in the allocation of Secured Bonds with respect to that number of Secured Bonds for which payment is being made by means of a 2018 Bond Transfer, subject to a Cash Top-Up, as and if applicable.

6.2.6 2018 Bondholders who do not elect to avail themselves of the possibility to exchange their investment in terms of the procedure outlined in this Section 6.2 shall receive all capital and accrued interest up to but excluding 12 December 2024.

6.3 Intermediaries' Offer

An amount of up to €8,893,900 in Secured Bonds and any balance of Secured Bonds not subscribed to by 2018 Bondholders shall be offered for subscription by Authorised Financial Intermediaries participating in the Intermediaries' Offer. Any subscriptions received during the Intermediaries' Offer shall be subject to the same terms and conditions as those applicable to Applications by 2018 Bondholders, but limited to any remaining balance of Secured Bonds after fully allocating the Secured Bonds applied for by 2018 Bondholders as detailed in Section 6.2 above.

In this regard, the Issuer shall enter into conditional subscription agreements with Authorised Financial Intermediaries for the subscription of up to the amount of Secured Bonds as stated hereinabove.

In terms of each subscription agreement entered into with an Authorised Financial Intermediary, the Issuer will be conditionally bound to issue, and each Authorised Financial Intermediary will bind itself to subscribe for, up to the total amount of Secured Bonds as indicated therein, subject to the Secured Bonds being admitted to trading on the Official List. The subscription agreements, which will be subject to the Terms and Conditions of the Prospectus, will become binding on each of the Issuer and the respective Authorised Financial Intermediaries upon delivery, provided that these intermediaries would have paid to the Registrar all subscription proceeds in cleared funds on delivery of the subscription agreement.

In terms of the subscription agreements, Authorised Financial Intermediaries may subscribe for the Secured Bonds either for their own account or for the account of underlying customers, including retail customers. The minimum amount which each Authorised Financial Intermediary may apply for in terms of the applicable subscription agreement is €5,000 and in multiples of €100 thereafter and such minimum and multiples shall also apply to each underlying Applicant. Completed subscription agreements, together with evidence of payment, are to reach the Sponsor, Manager and Registrar by 12:00 hours CET on 17 April 2024. The Issuer, acting through the Sponsor, Manager and Registrar, shall communicate the amount allocated under each subscription agreement by 12:00 hours CET on 18 April 2024. Any amounts unallocated in terms of the subscription agreements shall be returned to the respective Authorised Financial Intermediary by direct credit to the account indicated in the respective subscription agreement by latest close of business on 19 April 2024.

6.4 Plan of Distribution and Allotment

The Secured Bonds shall be made available for subscription to all categories of investors, in the order of priority set out below:

- i. an amount of up to €6,106,100 to 2018 Bondholders up to the amount of 2018 Bonds held as at the Cut-off Date and subject to any Cash Top-Up, as and if applicable;
- ii. an amount of up to €8,893,900 in nominal value of Bonds, as such amount would be increased by any amount not subscribed for by 2018 Bondholders by way of 2018 Bond Transfer pursuant to Section 6.2 above, to Authorised Financial Intermediaries through an Intermediaries' Offer.

Applications for subscriptions to the Bonds may be made through the Authorised Financial Intermediaries, which include the Sponsor, Registrar and Manager, subject to a minimum application of €5,000 and in multiples of €100 thereafter.

Applications shall not be accepted by Authorised Financial Intermediaries unless, based on the results of such Appropriateness Test, the Authorised Financial Intermediary is satisfied that an investment in the Secured Bonds may be considered appropriate for the Applicant. To the extent that an Authorised Financial Intermediary is providing advice in respect of a purchase of the Secured Bonds by an Applicant, such Authorised Financial Intermediary shall also be required to conduct a Suitability Test in respect of the Applicant and based on the results of such test, be satisfied that an investment in the Secured Bonds may be considered suitable for the Applicant. The allocation of the Secured Bonds is subject to the allocation policy of the Issuer set out in Section 6.5 of this Securities Note.



It is expected that an allotment letter will be issued by the Issuer to Applicants by latest 24 April 2024. The registration advice and other documents and any monies returnable to Applicants may be retained pending clearance of the remittance or surrender of the 2018 Bonds, as the case may be, and any verification of identity as required by the Prevention of Money Laundering Act, Chapter 373 of the laws of Malta, and regulations made thereunder. Such monies will not bear interest while retained as aforesaid.

Dealings in the Secured Bonds shall not commence prior to: (i) the Secured Bonds being admitted to the Official List; and (ii) the Security Interest being constituted in favour of the Security Trustee.

6.5 Allocation Policy

The Issuer shall allocate the Bonds on the basis of the following policy and order of priority:

- i. an amount of up to €6,106,100 to 2018 Bondholders applying for Bonds by way of 2018 Bond Transfer, and subject to any Cash Top-Up as and if applicable, in accordance with Section 6.2 above, and subject to a minimum application of €5,000;
- ii. the remaining balance of unallocated Secured Bonds shall be made available for subscription by Authorised Financial Intermediaries through an Intermediaries' Offer as detailed in Section 6.3 above. Subscription agreements received from Authorised Financial Intermediaries through an Intermediaries' Offer shall be allocated without priority or preference and in accordance with the allocation policy as determined by the Issuer, acting through the Sponsor, Manager and Registrar, which will be communicated by latest 12:00 hours CET on 18 April 2024. Any amounts unallocated in terms of the subscription agreements shall be returned to the respective Authorised Financial Intermediary by direct credit to the account indicated in the respective subscription agreement by latest close of business on 19 April 2024.

The Issuer shall announce the result of the Bond Issue and the basis of acceptance of all Applications and the allocation policy to be adopted through a company announcement by latest 19 April 2024.

6.6 Ranking of the Secured Bonds

The Bonds shall constitute the general, direct, and unconditional secured obligations of the Issuer, guaranteed by the Guarantor. The payment of the principal under the Bonds and interest thereon shall be secured by the Security Interest, which shall, *inter alia*, initially comprise a first-ranking general hypothec over the Guarantor's assets and a first-ranking special hypothec over the Hypothecated Property, which the Guarantor has agreed to constitute in favour of the Security Trustee for the benefit of Bondholders, the Guarantee and the Pledge Agreement.

The Security Interest shall be held by the Security Trustee for the benefit of the Bondholders, and accordingly, the Bonds shall rank with priority or preference over other present and future unsecured obligations of the Issuer and Guarantor. Notwithstanding the aforesaid, privileges or similar charges accorded by law in specific situations may arise during the course of the business of each of the Issuer and Guarantor which may rank with priority or preference to the Bonds and, or the Security Interest, as applicable. It is further noted that in terms of the Security Trust Deed, the Security Trustee may pay itself out of the trust fund all sums owing to it in respect of the remuneration costs, charges, expenses or interest or by virtue of any indemnity from the Company to which it is entitled under the Security Trust Deed or by law or by virtue of any release or indemnity granted to it, and all such sums as aforesaid shall be so retained and paid in priority to the claims of the Bondholders and shall constitute an additional charge upon the property charged with the Security Interest.

During the course of construction of the Ghadira Development, situations may arise whereby the contractors or suppliers may become entitled by law to register a special privilege over the Hypothecated Property, thereby obtaining a priority in ranking over the Security Trustee. In this respect, the contractor, engaged by the Guarantor to work on the excavation and shell construction of the Hypothecated Property and having a contract value (or the cumulative value of a series of contracts) above €500,000 (five hundred thousand euro), shall irrevocably renounce to its right to register a special privilege or special legal hypothec on the Hypothecated Property accorded to it by law in terms of article 2010(b) and article 2022 of the Civil Code or to register or secure any other cause of preference or security on the Hypothecated Property to which it may become entitled in terms of law, by virtue of any claim for outstanding dues for supplies, materials, work or services performed or undertaken by it in connection with the development of the Hypothecated Property without first obtaining the written consent of the Security Trustee, until such time that the indebtedness under the Secured Bonds has been settled and repaid in full and the Security Interests granted in favour of the Security Trustee and referred to in the Prospectus have been discharged. Whilst this is intended to minimise the possibility that any real rights are created over the aforementioned development that would have the effect of diminishing the value of the Security Interest registered in favour of the Security Trustee, there can be no guarantee that any other contractor conducting other works on the Ghadira Development does not constitute a special privilege or secure any other preference or security according to law.

Accordingly, following the issue of the Secured Bonds and application of the proceeds as set out above, the Security Trustee for the benefit of Bondholders will have the benefit of a special hypothec over the Hypothecated Property for the full amount of fifteen million Euro (€15,000,000) and interests thereon in addition to the general hypothec over all assets, present and future, of the Guarantor for the full amount of fifteen million Euro (€15,000,000) and interests thereon and the Guarantee. The Guarantor shall also grant a pledge over the proceeds from insurance policies taken out in respect of the said Hypothecated Property pursuant to the Pledge Agreement. A pledge creates a right of preference in favour of the collateral holder to be paid out of the asset so secured (the insurance policy) in priority to other creditors.

6.7 Negative Pledge

The Guarantor undertakes in favour of the Security Trustee, that for as long as any principal or interest under the Secured Bonds or any indebtedness under the Secured Bonds remains outstanding, not to create or permit to subsist any charge, encumbrance, hypothec (whether general or special), privilege or security interest other than the Security Interest or a Permitted Security Interest (as defined below) to secure any Financial Indebtedness (as defined below) of the Issuer and, or the Guarantor.

For the purposes of this clause:

“**Financial Indebtedness**” means any indebtedness in respect of (A) monies borrowed; (B) any debenture, bond, note, loan stock or other security; (C) any acceptance credit; (D) the acquisition cost of any asset to the extent payable before or after the time of acquisition or possession by the party liable where the advance or deferred payment is arranged primarily as a method of raising finance or financing the acquisition of that asset; (E) leases entered into primarily as a method of raising finance or financing the acquisition of the asset leased; (F) amounts raised under any other transaction having the commercial effect of borrowing or raising of money; (G) any guarantee, indemnity or similar assurance against financial loss of any person;

“**Permitted Security Interest**” means: (i) any security interest arising by operation of law; (ii) any security interest securing any indebtedness of the Issuer and, or the Guarantor created for the sole purpose of financing or raising finance for the redemption of the Bonds; (iii) any other security interest (in addition to (i) and (ii) above) securing Financial Indebtedness of the Issuer and, or Guarantor (as the case may be), in an aggregate outstanding amount not exceeding 80% of the difference between the value of the net assets of the Guarantor and the aggregate principal amount of Bonds outstanding at the time; provided that any security interest set out in (iii) above shall only be entered into by the Issuer and, or the Guarantor (as the case may be) after written confirmation from the certified auditors of the Issuer and, or the Guarantor (as the case may be) is given to the Security Trustee confirming that the conditions set out in (iii) above have been adhered to and observed. Provided further that the aggregate Permitted Security Interests referred to in (i), (ii), and (iii) above do not result in the net assets of the Guarantor being less than the aggregate principal amount of the Bonds still outstanding together with one year’s interest thereon;

6.8 Rights Attaching to the Secured Bonds

This Securities Note in its entirety contains the terms and conditions of issue of the Secured Bonds and creates the contract between the Issuer and a Bondholder. Any and all references to the terms and conditions of the Secured Bonds shall be construed as a reference to all and each section of this Securities Note. A Bondholder shall have such rights as are, pursuant to this Securities Note, attached to the Secured Bonds, including:

- (i) the repayment of capital;
- (ii) the payment of interest;
- (iii) the benefit of the Security Interest through the Security Trustee;
- (iv) the right to attend, participate in and vote at meetings of Bondholders in accordance with the Terms and Conditions of the Bond Issue; and
- (v) the enjoyment of all such other rights attached to the Secured Bonds emanating from the Prospectus.

6.9 Interest

The Secured Bonds shall bear interest from and including 12 April 2024 at the rate of 5.75% per annum on the nominal value thereof, payable annually in arrears on each Interest Payment Date. The first interest payment will be effected on 12 April 2025 (covering the period 12 April 2024 to 11 April 2025). Any Interest Payment Date which falls on a day other than a Business Day will be carried over to the next following day that is a Business Day. In terms of article 2156 of the Civil Code, the right of Bondholders to bring claims for payment of interest and repayment of the principal on the Secured Bonds is barred by the lapse of five years.

When interest is required to be calculated for any period of less than a full year, it shall be calculated on the basis of a 360-day year consisting of 12 months of 30 days each, and in the case of an incomplete month, the number of days elapsed.

6.10 Yield

The gross yield calculated on the basis of the Interest, the Bond Issue Price and the Redemption Value of the Secured Bonds is 5.75% per annum. The gross yield to call as at the earliest possible Redemption Date (being 12 April 2027) is 5.75% per annum.

6.11 Registration, Form, Denomination and Title

Certificates will not be delivered to Bondholders in respect of the Secured Bonds. The entitlement to Secured Bonds will be represented in uncertificated form by the appropriate entry in the electronic register maintained on behalf of the Issuer by the CSD. There will be entered in such electronic register the names, addresses, identity card numbers (in the case of natural persons), registration numbers (in the case of companies) and MSE account numbers, and any other relevant information as required from time to time, of the Bondholders and particulars of the Secured Bonds held by them respectively, and the Bondholders shall have, at all reasonable times during business hours, access to the register of bondholders held at the CSD for the purpose of inspecting information held on their respective account.



The CSD will issue, upon a request by a Bondholder, a statement of holdings to such Bondholder evidencing his/ her/its entitlement to Secured Bonds held in the register kept by the CSD.

Upon submission of a form of Application, Bondholders who do not have an online e-portfolio account shall be registered by the CSD for the online e-portfolio facility and shall receive by mail at their registered address a handle code to activate the new e-portfolio login. The Bondholder's statement of holdings evidencing entitlement to Secured Bonds held in the register kept by the CSD and registration advices evidencing movements in such register will be available through the said e-portfolio facility on: <https://eportfolio.borzamalta.com.mt/>. Those Bondholders who opt not to avail themselves of this facility should indicate such on the form of Application. Further detail on the e-portfolio is found on: <https://eportfolio.borzamalta.com.mt/Help>.

The Secured Bonds will be issued in fully registered form, without interest coupons, in denominations of any integral multiple of €100 provided that on subscription the Secured Bonds will be issued for a minimum of €5,000 per individual Bondholder. Authorised Financial Intermediaries subscribing to the Secured Bonds through nominee accounts for and on behalf of clients shall apply the minimum subscription amount of €5,000 to each underlying client.

Any person in whose name a Bond is registered may (to the fullest extent permitted by applicable law) be deemed and treated at all times, by all persons and for all purposes (including the making of any payments), as the absolute owner of such Bond. Title to the Secured Bonds may be transferred as provided below under the heading "Transferability of the Bonds" in Section 6.15 of this Securities Note.

6.12 Payments

Payment of the principal amount of Secured Bonds will be made in Euro by the Issuer to the person in whose name such Secured Bonds are registered, with interest accrued up to the Redemption Date, by means of direct credit transfer into such bank account as the Bondholder may designate from time to time, provided such bank account is denominated in Euro and held with any licensed bank in Malta. Such payment shall be effected within seven days of the Redemption Date or Designated Early Redemption Date (as applicable). The Issuer shall not be responsible for any charges, loss or delay in transmission. Upon payment of the Redemption Value the Secured Bonds shall be redeemed and the appropriate entry made in the electronic register of the Secured Bonds at the CSD.

In the case of Secured Bonds held subject to usufruct, payment will be made against the joint instructions of all bare owners and usufructuaries. Before effecting payment, the Issuer and, or the CSD shall be entitled to request any legal documents deemed necessary concerning the entitlement of the bare owner/s and the usufructuary/ies to payment of the Secured Bonds.

Payment of interest on a Bond will be made to the person in whose name such Bond is registered at the close of business 15 days prior to the Interest Payment Date, by means of a direct credit transfer into such bank account as the Bondholder may designate, from time to time, which is denominated in Euro and held with any licensed bank in Malta. Such payment shall be effected within seven days of the Interest Payment Date. The Issuer shall not be responsible for any loss or delay in transmission.

All payments with respect to the Secured Bonds are subject in all cases to any applicable fiscal or other laws and regulations prevailing in Malta. In particular, but without limitation, all payments of principal and interest by or on behalf of the Issuer in respect of the Secured Bonds shall be made net of any amount which the Issuer is or may become compelled by law to deduct or withhold for or on account of any present or future taxes, duties, assessments or other government charges of whatsoever nature imposed, levied, collected, withheld or assessed by or within the Republic of Malta or any authority thereof or therein having power to tax.

No commissions or expenses shall be charged by the Issuer to Bondholders in respect of such payments.

6.13 Redemption and Purchase

Unless previously purchased and cancelled, the Secured Bonds shall be redeemed at their nominal value (together with interest accrued to the date fixed for redemption) on 12 April 2029 or, earlier, on a Designated Early Redemption Date.

Subject to the provisions of this Section 6.13, the Issuer may at any time purchase Secured Bonds in the open market or otherwise at any price. Any purchase by tender shall be made available to all Bondholders alike.

All Secured Bonds repurchased by the Issuer shall be cancelled forthwith and may not be re-issued or re-sold.

6.14 Events of Default

Pursuant to the Security Trust Deed, the Security Trustee may in its absolute and uncontrolled discretion, and shall upon the request in writing of Bondholders holding not less than seventy-five per cent (75%) in nominal value of the Secured Bonds then outstanding, by notice in writing to the Issuer and Guarantor declare the Secured Bonds to have become immediately due and repayable at their principal amount together with accrued interest, upon the happening of any of the following events ("Events of Default"):

- (i) the Issuer fails to punctually effect the payment of interest under the Bonds on an Interest Payment Date and such failure continues for a period of sixty (60) days after written notice thereof by the Security Trustee to the Issuer;

- (ii) the Issuer fails to pay the principal amount of a Bond on the date fixed for its redemption and such failure continues for a period of sixty (60) days after written notice thereof by the Security Trustee to the Issuer;
- (iii) the Issuer or the Guarantor fails duly to perform or shall otherwise be in breach of any other obligation contained in the Prospectus and such failure shall continue for sixty (60) days after written notice thereof shall have been given to the Issuer and the Guarantor by the Security Trustee;
- (iv) the Issuer or the Guarantor ceases or threatens to cease to carry on its business;
- (v) the Issuer or Guarantor is unable to pay its debts within the meaning of section 214(5) of the Act, or any statutory modification or re-enactment thereof;
- (vi) a judicial or provisional administrator is appointed upon the whole or any part of the property of the Issuer or Guarantor and such appointment is deemed by the Security Trustee to be prejudicial, in its opinion, to the Bondholders;
- (vii) an order is made or an effective resolution is passed for winding up of the Issuer or Guarantor, except for the purpose of a reconstruction, amalgamation or division, the terms of which have been approved in writing by the Security Trustee;
- (viii) the Issuer or Guarantor commits a breach of any of the covenants or provisions contained in the Security Trust Deed and on its part to be observed and performed and the said breach still subsists for sixty (60) days after having been notified by the Security Trustee;
- (ix) the security constituted by any hypothec, pledge or charge upon the whole or any part of the undertaking or assets of the Issuer or Guarantor or upon the Hypothecated Property shall become enforceable and steps are taken to enforce the same and the taking of such steps shall be certified in writing by the Security Trustee to be in its opinion prejudicial to the Bondholders;
- (x) any material representation or warranty made by or in respect of the Issuer or Guarantor is or proves to have been incorrect in any material respect in the sole opinion of the Security Trustee;
- (xi) any material indebtedness of the Issuer which is declared as due in terms of an executive title which is final and not subject to appeal is not paid when properly due and payable or any guarantee or indemnity of the Issuer in respect of indebtedness which is declared as due in terms of an executive title which is final and not subject to appeal is not honoured when properly due and called upon; PROVIDED THAT for the purposes of this provision, material indebtedness shall mean an amount exceeding €1,500,000 (one million five hundred thousand Euro);
- (xii) the Issuer or Guarantor repudiates, or does or causes or permits to be done any act or thing evidencing an intention to repudiate the Bonds and/or the Security Trust Deed;
- (xiii) the de-listing of the Bonds, save with the consent of not less than 75% in value of the Bondholders; or
- (xiv) all, or in the sole opinion of the Security Trustee, a material part, of the undertakings, assets, rights, or revenues of or shares or other ownership interests in the Issuer or Guarantor are seized, nationalised, expropriated or compulsorily acquired by or under the authority of any government. Provided that for the avoidance of doubt, the acquisition by the government (under any title) of any schemed road within the Ghadira Site shall not constitute an Event of Default.

Upon any such declaration being made as aforesaid the said principal monies and interest accrued under the Bonds shall be deemed to have become immediately payable at the time of the event which shall have happened as aforesaid if the Security Trustee so declares in its declaration.

Provided that in the event of any breach by the Issuer or Guarantor of any of the covenants, obligations or provisions herein contained due to any fortuitous event of a calamitous nature beyond the control of the Issuer or Guarantor, then the Security Trustee may, but shall be under no obligation so to do, give the Issuer or Guarantor such period of time to remedy the breach as in its sole opinion may be justified in the circumstances and if in its sole opinion the breach is remediable within the short term and without any adverse impact on the Bondholders. Provided further that in the circumstances contemplated by this proviso, the Security Trustee shall at all times act on and in accordance with any instructions it may receive in a meeting of Bondholders satisfying the conditions set out in the Security Trust Deed.

The Security Trustee shall not be bound to take any steps to ascertain whether any event of default or other condition, event or circumstance has occurred or may occur, and, until it shall have actual knowledge or express notice to the contrary, the Security Trustee shall be entitled to assume that no such event of default or condition, event or other circumstance has happened and that the Issuer and Guarantor are observing and performing all the obligations, conditions and provisions on their respective parts of the Secured Bonds and the Security Trust Deed.



6.15 Transferability of the Bonds

The Bonds are freely transferable and, once admitted to the Official List of the MSE, shall be transferable only in whole in accordance with the rules and regulations of the MSE applicable from time to time.

Any person becoming entitled to a Bond in consequence of the death or bankruptcy of a Bondholder may, upon such evidence being produced as may from time to time properly be required by the Issuer or the CSD, elect either to be registered himself as holder of the Bond or to have some person nominated by him registered as the transferee thereof. If the person so becoming entitled shall elect to be registered himself, he shall deliver or send to the CSD a notice in writing signed by him stating that he so elects. If he shall elect to have another person registered, he shall testify his election by transferring the Bond, or procuring the transfer of the Bond, in favour of that person.

All transfers and transmissions are subject in all cases to any pledge (duly constituted) of the Secured Bonds and to any applicable laws and regulations.

The cost and expenses of effecting any registration of transfer or transmission, except for the expenses of delivery by any means other than regular mail (if any) and except, if the Issuer shall so require, the payment of a sum sufficient to cover any tax, duty or other governmental charge or insurance charges that may be imposed in relation thereto, will be borne by the Issuer.

The Issuer will not register the transfer or transmission of Bonds for a period of 15 days preceding the due date for any payment of interest on the Bonds or the due date for redemption.

The minimum subscription amount of €5,000 shall only apply upon original subscription of the Bonds. No minimum holding requirement shall be applicable once the Bonds are admitted to listing on the Official List of the MSE and commence trading thereafter, subject to trading in multiples of €100.

6.16 Further Issues

The Issuer may, from time to time, without the consent of the Bondholders, create and issue further debentures, debenture stock, bonds, loan notes, or any other debt securities, either having the same terms and conditions as any outstanding debt securities of any series (including the Bonds) and so that such further issue shall be consolidated and form a single series with the outstanding debt securities of the relevant series (including the Bonds), or upon such terms as the Issuer may determine at the time of their issue, provided that no issue may be made that would rank senior to the Bonds in respect of the Collateral.

The Issuer may, with the consent of the Security Trustee, incur further indebtedness on a short to medium term basis that may rank *pari passu* with the Bonds for the purpose of bridging any cash flow shortfalls arising from the proceeds of sales from the Ghadira Development.

6.17 Meetings of Bondholders

The Issuer may, through the Security Trustee, from time-to-time call meetings of Bondholders for the purpose of consultation with Bondholders or for the purpose of obtaining the consent of Bondholders on matters which in terms of the Prospectus require the approval of a Bondholders' meeting and to effect any change to the applicable Terms and Conditions of the Bonds.

A meeting of Bondholders shall be called by the Directors by giving the Security Trustee not less than twenty-one (21) days' notice in writing. Upon receiving due notice from the Directors, the Security Trustee shall call such meeting by giving all Bondholders listed on the register of Bondholders as at a date being not more than thirty (30) days preceding the date scheduled for the meeting, not less than fourteen (14) days' notice in writing. Such notice shall set out the time, place and date set for the meeting and the matters to be discussed or decided thereat, including, if applicable, sufficient information on any amendment of the Prospectus that is proposed to be voted upon at the meeting and seeking the approval of the Bondholders. Notice of every meeting of the Bondholders shall be given to (a) every Bondholder, (b) the Issuer, (c) the Security Provider, (d) the Security Trustee, and (e) the auditors for the time being of the Issuer and the Security Provider. The accidental omission to give notice of a meeting to, or the non-receipt of notice of a meeting, by any person entitled to receive notice shall not invalidate the proceedings of a meeting. Following a meeting of Bondholders held in accordance with the provisions contained hereunder, the Issuer shall, acting in accordance with the resolution(s) taken at the meeting, communicate to the Bondholders whether the necessary consent to the proposal made by the Issuer has been granted or withheld. Subject to having obtained the necessary approval by the Bondholders in accordance with the provisions of this Section 6.17 at a meeting called for that purpose as aforesaid, any such decision shall subsequently be given effect to by the Issuer.

The amendment or waiver of any of the Terms and Conditions contained in this Securities Note may only be made with the approval of Bondholders at a meeting called and held for that purpose in accordance with the terms hereof.

A meeting of Bondholders shall only validly and properly proceed to business if there is a quorum present at the commencement of the meeting. For this purpose, at least two (2) Bondholders present, in person or by proxy, representing not less than 50% in nominal value of the Bonds then outstanding, shall constitute a quorum. If a quorum is not present within thirty (30) minutes from the time scheduled for the commencement of the meeting as indicated on the notice convening same, the meeting shall stand adjourned to a place, date and time as shall be communicated by the Directors to the Bondholders present at that meeting. The Issuer shall within

two (2) days from the date of the original meeting publish by way of a company announcement the date, time and place where the adjourned meeting is to be held. An adjourned meeting shall be held not earlier than seven (7) days, and not later than fifteen (15) days, following the original meeting. At an adjourned meeting, the number of Bondholders present, in person or by proxy, shall constitute a quorum, and only the matters specified in the notice calling the original meeting shall be placed on the agenda of, and shall be discussed at, the adjourned meeting.

Any person who in accordance with the Memorandum and Articles of Association of the Issuer is to chair the annual general meetings of shareholders shall also chair meetings of Bondholders.

Once a quorum is declared present by the chairman of the meeting, the meeting may then proceed to business and address the matters set out in the notice convening the meeting. In the event of decisions being required at the meeting the directors or their representative shall present to the Bondholders the reasons why it is deemed necessary or desirable and appropriate that a particular decision is taken. The meeting shall allow reasonable and adequate time to Bondholders to present their views to the Issuer and the other Bondholders present at the meeting. The meeting shall then put the matter as proposed by the Issuer to a vote of the Bondholders present at the time at which the vote is being taken, and any Bondholders taken into account for the purpose of constituting a quorum who are no longer present for the taking of the vote shall not be taken into account for the purpose of such vote.

The voting process shall be managed by the Company Secretary of the Issuer under the supervision and scrutiny of the auditors of the Issuer and the Security Trustee. Every Bondholder shall have one vote for each Bond held and any fractional interests shall be disregarded. Voting, whether on a show of hands or on a poll, shall be taken in such manner as the chairman of the meeting shall direct.

The proposal placed before a meeting of Bondholders shall only be considered approved if at least 75% in nominal value of the Bondholders present at the meeting, or at any adjourned meeting, as the case may be, at the time when the vote is being taken, in person or by proxy, shall have voted in favour of the proposal. Minutes shall be made of the proceedings of every meeting, including every Bondholders' Decision and, if signed by the chairman of that meeting or of the next succeeding meeting, shall be conclusive evidence of the proceedings of such meetings.

Save for the above, the rules generally applicable to proceedings at general meetings of shareholders of the Issuer shall *mutatis mutandis* apply to meetings of Bondholders.

6.18 Authorisations and Approvals

The Board of Directors of the Issuer authorised the Bond Issue pursuant to a board of directors' resolution passed on 15 December 2023. The Guarantee being given by the Guarantor in respect of the Secured Bonds has been authorised by a resolution of the board of directors of the Guarantor dated 15 December 2023.

6.19 Notices

Notices will be mailed to Bondholders at their registered addresses and shall be deemed to have been served at the expiration of 24 hours after the letter containing the notice is posted, and in proving such service it shall be sufficient to prove that a prepaid letter containing such notice was properly addressed to such Bondholder at his registered address and posted.

6.20 Governing Law and Jurisdiction

The Secured Bonds are governed by and shall be construed in accordance with Maltese law.

Any legal action, suit or proceedings against the Issuer and, or the Guarantor arising out of or in connection with the Secured Bonds and, or the Prospectus shall be brought exclusively before the Maltese courts.

7. TAXATION

7.1 General

Investors and prospective investors are urged to seek professional advice as regards both Maltese and any foreign tax legislation which may be applicable to them in respect of the Secured Bonds, including their acquisition, holding and transfer as well as on any income derived therefrom or on any gains derived on the transfer of such Secured Bonds. The tax legislation of the investor's country of nationality, residence or domicile and of the Issuer's country of incorporation (Malta) may have an impact on the income received from the Bonds. The following is a summary of the anticipated tax treatment applicable to Bondholders in so far as taxation in Malta is concerned. This information does not constitute legal or tax advice and does not purport to be exhaustive.

The information below is based on an interpretation of tax law and practice relative to the applicable legislation, as known to the Issuer at the date of the Prospectus, in respect of a subject on which no official guidelines exist. Investors are reminded that tax law and practice and their interpretation as well as the levels of tax on the subject matter referred to in the preceding paragraph, may change from time to time.



This information is being given solely for the general information of investors. The precise implications for investors will depend, among other things, on their particular circumstances and on the classification of the Secured Bonds from a Maltese tax perspective, and professional advice in this respect should be sought accordingly.

7.2 Malta Tax on Interest

Since interest is payable in respect of a Bond which is the subject of a public issue, and such interest constitutes “investment income” in terms of article 41(a)(iv)(1) of the Income Tax Act, Chapter 123 of the laws of Malta (the “Income Tax Act”), unless the Bondholder elects, by means of an instruction in writing sent to the Issuer in terms of article 35 of the Income Tax Act, to receive the interest gross of any withholding tax, or if the Bondholder does not fall within the definition of “recipient” in terms of article 41(c) of the Income Tax Act, interest shall be paid to such Bondholder net of a final withholding tax, currently at the rate of fifteen percent (15%) (ten percent (10%) in the case of certain types of collective investment schemes) of the gross amount of the interest, pursuant to article 33 of the Income Tax Act. Bondholders who do not fall within the definition of a “recipient” do not qualify for the abovementioned “investment income” final withholding tax and should seek advice on the taxation of such income as special rules may apply.

Article 41(c) of the Income Tax Act defines the term “recipient” for the purposes of the provisions applicable to “investment income”, and includes, *inter alia*, a person (or a receiver, guardian, tutor, curator, judicial sequestrator, trustee, foundation or other fiduciary acting on behalf of a person) who is resident in Malta during the year in which “investment income” is payable to him/her, and EU/EEA nationals (and their spouse where applicable) who are not resident in Malta for Maltese tax purposes but who apply the tax rates applicable to Maltese residents on the basis that the income that arises in Malta is at least 90% of their worldwide income.

The aforementioned withholding tax is considered a final tax and a Maltese resident individual Bondholder is not obliged to declare the interest so received in his or her income tax return (to the extent that the interest is paid net of tax). No person shall be charged to further tax in respect of such income. Furthermore, such tax should not be available as a credit against the recipient's tax liability or for a refund, as the case may be, for the relevant year of assessment in Malta. The Issuer is required to submit to the Maltese Commissioner for Revenue, the tax withheld by the fourteenth day following the end of the month in which the payment is made. The Issuer will also render an account to the Maltese Commissioner for Revenue of all payments of qualifying “investment income” as well as an account of the amounts so deducted, including the identity of the recipient.

In the case of a valid election in terms of article 35 of the Income Tax Act made by an eligible Bondholder resident in Malta to receive the interest due without the deduction of final tax, interest will be paid gross and such person will be obliged to declare the interest so received in his or her Maltese income tax return and be subject to tax on such interest at the standard rates applicable to such Bondholder at that time. Additionally, in this latter case the Issuer will advise the Maltese Commissioner for Revenue on an annual basis in respect of all interest paid gross and of the identity of all such recipients. Any such election made by a resident Bondholder at the time of subscription may be subsequently changed by giving notice in writing to the Issuer. Such election or revocation will be effective within the time limit set out in the Income Tax Act.

In terms of article 12(1)(c)(i) of the Income Tax Act, Bondholders who are not resident in Malta and who satisfy the applicable conditions set out in the Income Tax Act should be exempt from tax in Malta on the interest received, and they will receive interest gross, subject to the requisite declaration/evidence being provided to the Issuer in terms of law.

7.3 Exchange of Information

In terms of applicable Maltese legislation, the Issuer and, or its agent may be required to collect and forward certain information (including, but not limited to, information regarding payments made to certain Bondholders) to the Maltese Commissioner for Revenue. The Maltese Commissioner for Revenue will or may, in turn, automatically or on request, forward the information to other relevant tax authorities subject to certain conditions.

Please note that the information contained in this section does not constitute tax advice and prospective investors in the Secured Bonds are to consult their own independent tax advisers in case of doubt.

The Common Reporting Standard and the Directive on Administrative Cooperation

The Organisation for Economic Co-operation and Development (‘OECD’) has developed a global framework, commonly known as the Common Reporting Standard (‘CRS’) for the identification and timely reporting of certain financial information on individuals, and controlling persons of certain entities, who hold financial accounts with financial institutions of participating jurisdictions in order to increase tax transparency and cooperation between tax administrations. Numerous jurisdictions, including Malta, have signed the OECD Multilateral Competent Authority Agreement, which is a multilateral agreement outlining the framework to automatically exchange certain financial and personal information as set out within CRS.

So as to introduce an extended automatic exchange of information regime in accordance with the global standard released by the OECD, CRS has also been adopted in the EU through the implementation of Council Directive 2014/107/EU of 9 December 2014 amending Directive 2011/16/EU as regards mandatory automatic exchange of tax information in the field of taxation. This has been transposed in Malta by means of Legal Notice 384 of 2015 amending the Cooperation with Other Jurisdictions on Tax Matters

Regulations, Subsidiary Legislation 123.127 (“CRS Legislation”), and has been applicable since 1 January 2016. In terms of this legal notice, the automatic exchange of information obligations shall extend to jurisdictions that are not EU Member States with which there is a relevant arrangement in place.

Malta based financial institutions (defined as such for the purposes of CRS) are obliged to identify and annually report to the Malta Commissioner for Revenue financial accounts held by a reportable person, as defined under the CRS Legislation, including certain entities with one or more controlling persons, as defined under the CRS Legislation. Financial information relating to the Secured Bonds and the holders thereof may fall within the purview of CRS and may be subject to reporting and information exchange provisions.

Under CRS, financial institutions resident in a CRS participating jurisdiction (such as Malta) would be required to apply onerous due-diligence procedures for the identification of reportable accounts. Bondholders may be required to provide certain information and certifications to financial institutions, such as qualifying custodians or any intermediaries, in order to satisfy their obligations under CRS. Certain confidential information in relation to the Bondholders and, or other reportable persons may be reported to the Commissioner for Revenue or other relevant overseas tax authorities and automatically exchanged pursuant to these arrangements with the tax administrations of other participating jurisdictions.

Investors are also advised to assess any reporting obligations in terms of Council Directive (EU) 2018/822 of 25 May 2018 amending Directive 2011/16/EU as regards mandatory automatic exchange of information in the field of taxation in relation to reportable cross-border arrangements (“DAC 6”), as transposed into Maltese domestic law by way of Legal Notice 342 of 2019 amending the CRS Legislation.

Investors are advised to seek professional advice in relation to the CRS Legislation and EU Council Directive 2014/107/EU. Not complying with the CRS rules may give rise to certain fines or closure of financial accounts.

The Exchange of Information (United States of America) (FATCA) Order

The United States of America (“U.S.”) has enacted rules, commonly referred to as ‘FATCA’, that generally impose a reporting regime and, in some cases withholding requirements, with respect to certain U.S. source payments (including dividends and interest), gross proceeds from the disposition of property that can produce U.S. source interest and dividends as well as certain payments made by, and financial accounts held with, entities that are classified as financial institutions under FATCA. The U.S. has entered into an intergovernmental agreement with Malta dated 6 December 2013 regarding the implementation of FATCA in Malta which has been implemented into Maltese law through the Exchange of Information (United States of America) (FATCA) Order, Subsidiary Legislation 123.156 (“FATCA Legislation”).

Under the FATCA Legislation, financial institutions in Malta (defined as such for the purposes of FATCA) are required to satisfy applicable due diligence requirements to identify and report financial accounts held by specified U.S. persons, as defined under the FATCA Legislation, and certain non-U.S. entities, which are controlled by U.S. Controlling Persons, as defined under the FATCA Legislation, to the Malta Commissioner for Revenue. The Maltese Government and the Government of the U.S. shall annually exchange the information obtained pursuant to the FATCA Legislation on an automatic basis.

Financial account information in respect of holders of the Bonds could fall within the scope of FATCA and they may therefore be subject to reporting obligations. In order to comply with its FATCA obligations, if any, the Issuer and, or its agent may be required to obtain certain information, forms and other documentation on the Bondholders to report information on reportable accounts to the Commissioner for Revenue, in accordance with applicable laws and regulations, which will in turn report this information to the Internal Revenue Service in the U.S. Bondholders should note that a specified U.S. person in terms of FATCA may include a wider range of investors than the current U.S. Person definition referred to in the Terms And Conditions of Application.

Financial institutions reserve the right to request any information and, or documentation required, in respect of any financial account, in order to comply with the obligations imposed under FATCA and any referring legislation. In the case of failure to provide satisfactory documentation and, or information, financial institutions may take such action as it thinks fit, including without limitation, the closure of the financial account.

7.4 Maltese Taxation on Capital Gains Arising on Transfer of the Secured Bonds

On the basis that the Secured Bonds should not fall within the definition of “securities” in terms of article 5(1)(b) of the Income Tax Act, that is, “shares and stocks and such like instrument that participate in any way in the profits of the company and whose return is not limited to a fixed rate of return”, and to the extent that the Secured Bonds are held as capital assets by the Bondholder, no income tax or capital gains should be chargeable in respect of a transfer of the Secured Bonds.

7.5 Duty on Documents and Transfers

In terms of the Duty on Documents and Transfers Act (Chapter 364 of the laws of Malta), (the “Duty on Documents and Transfers Act”), duty of 2% on the consideration or the real value (whichever is higher) is chargeable *inter alia* on the transfer *inter vivos* or transmission *causa mortis* of a “marketable security”. However, on the basis that the Secured Bonds should not fall within the definition of a “marketable security”, defined in the Duty on Documents and Transfers Act as “a holding of share capital in any company and any document representing the same”, the transfer/transmission of the Secured Bonds should not be chargeable to duty.



Furthermore, in terms of article 50 of the Financial Markets Act, as the Secured Bonds should constitute qualifying financial instruments of a company quoted on a regulated market (that is, the MSE) any transfers or transmissions of the Secured Bonds should, in any case, be exempt from duty.

THE ABOVE INFORMATION IS BASED ON TAX LAW AND PRACTICE APPLICABLE AS AT THE DATE OF THIS PROSPECTUS, INVESTORS AND PROSPECTIVE INVESTORS ARE URGED TO SEEK PROFESSIONAL ADVICE AS REGARDS BOTH MALTESE AND ANY FOREIGN TAX LEGISLATION APPLICABLE TO THE ACQUISITION, HOLDING AND DISPOSAL OF SECURED BONDS AS WELL AS INTEREST PAYMENTS MADE BY THE ISSUER. THE ABOVE IS A SUMMARY OF THE ANTICIPATED TAX TREATMENT APPLICABLE TO THE SECURED BONDS AND TO BONDHOLDERS. THIS INFORMATION, WHICH DOES NOT CONSTITUTE LEGAL OR TAX ADVICE, REFERS ONLY TO BONDHOLDERS WHO DO NOT DEAL IN SECURITIES IN THE COURSE OF THEIR NORMAL TRADING ACTIVITY AND DEPENDS, AMONG OTHER THINGS, ON THE PARTICULAR INDIVIDUAL CIRCUMSTANCES OF THE INVESTORS AND OF THE CLASSIFICATION OF THE SECURED BONDS FROM A MALTESE TAX PERSPECTIVE.

8. TERMS AND CONDITIONS OF THE BOND ISSUE

8.1 Early Redemption Option

At the sole option of the Issuer, the Issuer shall be entitled to prepay all or part of the principal amount of the Secured Bonds and all interests accrued up to the date of prepayment on any date falling between 12 April 2027 and 11 April 2029, by giving not less than 30 days' notice to the Bondholders.

8.2 Terms and Conditions of Application

The following terms and conditions shall be read in conjunction with all the other terms and conditions relative to and regulating the contractual relationship created between the Issuer and the Guarantor, on the one hand, and the Security Trustee and Bondholders, on the other.

- 8.2.1** The issue and allotment of the Secured Bonds is conditional upon: (i) the Bond Issue being fully subscribed; (ii) the Secured Bonds being admitted to the Official List of the MSE; and (iii) the Security Interest being constituted in favour of the Security Trustee. In the event that either of the aforesaid conditions is not satisfied within 21 Business Days from the close of the Issue Period, any Application monies received by the Issuer will be returned without interest by direct credit into the Applicant's bank account indicated by the Applicant on the relative form of Application.
- 8.2.2** By submitting a form of Application to an Authorised Financial Intermediary, the Applicant is thereby confirming to the Issuer, the Sponsor, Manager and Registrar and the Authorised Financial Intermediary through whom the Application is made, as applicable, that the Applicant's remittance will be honoured on first presentation and agrees that, if such remittance is not so honoured on its first presentation, the Issuer acting through the respective Authorised Financial Intermediary, reserves the right to invalidate the relative form of Application. Furthermore, the Applicant will not be entitled to receive a registration advice or to be registered in the register of Bondholders, unless the Applicant makes payment in cleared funds and such consideration is accepted by the respective Authorised Financial Intermediary, which acceptance shall be made in the Authorised Financial Intermediary's absolute discretion and may be on the basis that the Applicant indemnifies the Authorised Financial Intermediary against all costs, damages, losses, expenses and liabilities arising out of or in connection with the failure of the Applicant's remittance to be honoured on first presentation.
- 8.2.3** The contract created by the Issuer's acceptance of a data file submitted by an Authorised Financial Intermediary pursuant to the subscription agreements, shall be subject to all the terms and conditions set out in this Securities Note and the Memorandum and Articles of Association. It is the responsibility of investors wishing to apply for the Secured Bonds to inform themselves as to the legal requirements of so applying including any requirements relating to external transaction requirements in Malta and any exchange control in the countries of their nationality, residence, or domicile.
- 8.2.4** If an Application is submitted on behalf of another person, whether legal or natural, the person submitting such Application shall be deemed to have duly bound such other person, whether legal or natural, on whose behalf the Application has been submitted. The person submitting such Application shall be deemed also to have given the confirmations, warranties and undertakings contained in these terms and conditions on their behalf. Such representative may be requested to submit the relative power of attorney or resolution, or a copy thereof duly certified by a lawyer or notary public, if so required by the respective Authorised Financial Intermediary, but it shall not be the duty or responsibility of the respective Authorised Financial Intermediary to ascertain that such representative is duly authorised to submit an Application. Furthermore, in cases where the decision to invest is taken by a third party authorised to transact on behalf of the Applicant (a "decision maker") such as an individual that holds a power of attorney to trade on the Applicant's account or applications under a discretionary account, details of the decision maker need to be made available.
- 8.2.5** In the case of joint Applicants, reference to the term "Applicant" in these terms and conditions is a reference to each of the joint Applicants, and liability therefor is joint and several. The first person, as designated in the respective MSE account number quoted by the Applicant or first named in the register of Bondholders shall, for all intents and purposes, be deemed to be such nominated person by all those joint holders designated in the MSE account number quoted by the Applicant or joint holders in the register, as the case may be. Such person shall, for all intents and purposes, be deemed to be the registered holder of the Secured Bond/s so held.



- 8.2.6** In the case of corporate Applicants or Applicants having separate legal personality, it shall not be incumbent on the Issuer or the Registrar to verify whether the person or persons purporting to bind such Applicant is, or are, in fact duly authorised. Applications by corporate Applicants have to include a valid legal entity identifier (LEI) which must be unexpired. Applications without such information or without a valid LEI will not be accepted.
- 8.2.7** Applications in the name and for the benefit of minors shall be allowed provided that the Applicant already holds an account with the MSE. Any Secured Bonds allocated pursuant to such an Application shall be registered in the name of the minor as Bondholder, with interest and redemption monies payable to the parents / legal guardian/s subscribing for Secured Bonds on the minor's behalf, until such time as the minor attains the age of 18 years, following which all interest and redemption monies shall be paid directly to the registered holder, provided that the Issuer has been duly notified in writing of the fact that the minor has attained the age of 18 years.
- 8.2.8** In respect of a Secured Bond held subject to usufruct, the name of the bare owner and the usufructuary shall be entered in the register. The usufructuary shall, for all intents and purposes, be deemed vis-à-vis the Issuer to be the holder of the Secured Bond/s so held and shall have the right to receive interest on the Secured Bond/s and to vote at meetings of the Bondholders but shall not, during the continuance of the Secured Bond/s, have the right to dispose of the Secured Bond/s so held without the consent of the bare owner, and shall not be entitled to the repayment of principal on the Secured Bonds (which shall be due to the bare owner).
- 8.2.9** The Secured Bonds will be issued in multiples of €100. The minimum subscription amount of Secured Bonds that can be subscribed for by Applicants is €5,000.
- 8.2.10** In the event that any cheque accompanying a form of Application is not honoured on its first presentation, the Issuer and the Registrar reserve the right to invalidate the relative form of Application.
- 8.2.11** For the purposes of the Prevention of Money Laundering and Funding of Terrorism Regulations (Subsidiary Legislation 373.01 of the laws of Malta), as amended from time to time, the Authorised Financial Intermediaries are under a duty to communicate, upon request, all information about clients as is mentioned in articles 1.2(d) and 2.4 of the "Members' Code of Conduct" appended as Appendix 3.6 to Chapter 3 of the MSE Bye-Laws, irrespective of whether the said appointed Authorised Financial Intermediaries are MSE members or not. Such information shall be held and controlled by the MSE in terms of the Data Protection Act (Cap. 586 of the laws of Malta) (the "Data Protection Act") and the General Data Protection Regulation (GDPR) (EU) 2016/679 ("GDPR"), as may be amended from time to time, for the purposes and within the terms of the MSE Data Protection Policy as published from time to time.
- 8.2.12** It shall be incumbent on the respective Authorised Financial Intermediary to ascertain that all other applicable regulatory requirements relating to subscription of Secured Bonds by an Applicant are complied with, including without limitation the obligation to comply with all applicable requirements set out in Regulation (EU) No. 600/2014 of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Regulation (EU) No. 648/2012 ("MiFIR"), as well as applicable MFSA rules for investment services providers.
- 8.2.13** No person receiving a copy of the Prospectus or any form of Application in any territory other than Malta may treat the same as constituting an invitation or offer to such person nor should such person in any event use such form of Application unless, in the relevant territory, such an invitation or offer could lawfully be made to such person, or such form of Application could lawfully be used without contravention of any registration or other legal requirements.
- 8.2.14** Subscription for Secured Bonds by persons resident in, or who are citizens of, or who are domiciled in, or who have a registered address in, a jurisdiction other than Malta, may be affected by the law of the relevant jurisdiction. Those persons should consult their professional advisers (including tax and legal advisers) as to whether they require any governmental or other consents, or need to observe any other formalities, to enable them to subscribe for the Secured Bonds. It is the responsibility of any person (including, without limitation, nominees, custodians, depositaries and trustees) outside Malta wishing to participate in the Bond Issue, to satisfy himself / herself / itself as to full observance of the applicable laws of any relevant jurisdiction, including, but not limited to, obtaining any requisite governmental or other consents, observing any other requisite formalities and paying any transfer or other taxes (of any nature whatsoever) due in such territories. The Issuer shall not accept any responsibility for the non-compliance by any person of any applicable laws or regulations of foreign jurisdictions.
- 8.2.15** The Secured Bonds have not been and will not be registered under the Securities Act of 1933 of the United States of America and accordingly may not be offered or sold within the United States or to or for the account or benefit of a U.S. person.
- 8.2.16** Subject to all other terms and conditions set out in the Prospectus, the respective Authorised Financial Intermediary reserves the right to reject, in whole or in part, or to scale down, any Application, and to present any cheques and, or drafts for payment upon receipt. The right is also reserved to refuse any Application which in the opinion of the respective Authorised Financial Intermediary is not properly completed in all respects in accordance with the instructions or is not accompanied by the required documents.
- 8.2.17** On completing and delivering a form of Application, the Applicant:
- (i) agrees and acknowledges to have had the opportunity to read the Prospectus and to be deemed to have had notice of all information and representations concerning the Issuer and the issue of the Secured Bonds contained therein;



- (ii) warrants that the information submitted by the Applicant in the form of Application is true and correct in all respects. All Applications need to include a valid MSE account number in the name of the Applicant/s. Failure to include an MSE account number will result in the Application being cancelled by the Issuer (acting through the Registrar) and subscription monies will be returned to the Applicant in accordance with Section 8.2.1 above. In the event of a discrepancy between the personal details (including name and surname and the Applicant's address) appearing on the form of Application and those held by the MSE in relation to the MSE account number indicated on the form of Application, the details held by the MSE shall be deemed to be the correct details of the Applicant;
- (iii) acknowledges the processing of any personal data for the purposes specified in the privacy notice published by the Issuer, which is available on the Issuer's website at www.bestdealholdings.com. The Applicant hereby acknowledges that the processing of personal data may validly take place, even without the Applicant's consent, in the circumstances set out in the GDPR and the Data Protection Act and any applicable subsidiary legislation, as may be amended from time to time. The Applicant hereby confirms that he/she/it has been provided with and read the privacy notice;
- (iv) authorises the Issuer (or its service providers, including the CSD and/or the Sponsor, Manager and Registrar) and, or the relevant Authorised Financial Intermediary, as applicable, to process the personal data that the Applicant provides in the form of Application, for all purposes necessary and subsequent to the Bond Issue applied for, in accordance with the Data Protection Act and the GDPR. The Applicant has the right to request access to and rectification of the personal data relating to him/her in relation to the Bond Issue. Any such requests must be made in writing and sent to the Issuer and sent to the CSD at the Malta Stock Exchange. The requests must be signed by the Applicant to whom the personal data relates;
- (v) confirms that in making such Application and, or subscribing for the Secured Bonds, no reliance was placed on any information or representation in relation to the Issuer or the issue of the Secured Bonds other than what is contained in the Prospectus and accordingly agree/s that no person responsible solely or jointly for the Prospectus or any part thereof will have any liability for any such other information or representation;
- (vi) agrees that any refund of unallocated Application monies, without interest, will be paid by direct credit, at the Applicant's own risk, to the bank account as indicated in the form of Application. The Issuer shall not be responsible for any loss or delay in transmission or any charges in connection therewith;
- (vii) warrants that the remittance will be honoured on first presentation and agrees that, if such remittance is not so honoured: (i) the Applicant will not be entitled to receive a registration advice or to be registered in respect of such Secured Bonds, unless and until a payment is made in cleared funds for such Secured Bonds and such payment is accepted by the respective Authorised Financial Intermediary (which acceptance shall be made in its absolute discretion and may be on the basis that the Authorised Financial Intermediary is indemnified for all costs, damages, losses, expenses and liabilities arising out of, or in connection with, the failure of the Applicant's remittance to be honoured on first presentation at any time prior to unconditional acceptance by the Issuer acting through the Registrar of such late payment in respect of the Secured Bonds); or (ii) the Issuer may, without prejudice to other rights, treat the agreement to allocate such Secured Bonds as void and may allocate such Secured Bonds to another person, in which case the Applicant will not be entitled to a refund or payment in respect of such Secured Bonds (other than return of such late payment);
- (viii) agrees that the registration advice and other documents and any monies returnable to the Applicant may be retained pending clearance of his / her remittance and any verification of identity as required by the Prevention of Money Laundering Act (Cap. 373 of the laws of Malta) and regulations made thereunder, and that such monies will not bear interest;
- (ix) warrants, in connection with the subscription of the Secured Bonds, to have observed all applicable laws, obtained any requisite governmental or other consents, complied with all requisite formalities and paid any issue, transfer or other taxes due in connection with the subscription of Secured Bonds in any territory, and that the Applicant has not taken any action which will or may result in the Issuer or the Sponsor, Manager and Registrar acting in breach of the regulatory or legal requirements of any territory in connection with the issue of the Secured Bonds;
- (x) agrees to provide the Registrar and, or the Issuer, as the case may be, with any information which may be requested in connection with the Application;
- (xi) warrants that all applicable exchange control or other such regulations (including those relating to external transactions) have been duly and fully complied with;
- (xii) agrees that all Applications, forms of Application, acceptances of Applications and contracts resulting therefrom will be governed, and construed, in accordance with Maltese law, and to submit to the jurisdiction of the Maltese courts, and agrees that nothing shall limit the right of the Issuer to bring any action, suit or proceedings arising out of or in connection with any such Applications, forms of Application, acceptance of Applications and contracts resulting therefrom in any manner permitted by law in any court of competent jurisdiction;
- (xiii) represents that the Applicant is not a U.S. person (as such term is defined in Regulation S under the Securities Act of 1933 of the United States of America, as amended) as well as not to be accepting the invitation set out in the Prospectus from within the United States of America, its territories or its possessions, or any area subject to its jurisdiction (the "United States") or on behalf or for the account of anyone within the United States or anyone who is a U.S. person;
- (xiv) agrees that the Advisers to the Bond Issue (listed in Section 5.2 of the Registration Document) will owe the Applicant no duties or responsibilities concerning the Secured Bonds or the suitability of the Applicant;

- (xv) warrants that, where an Applicant submits a form of Application on behalf of another person or on behalf of a corporation or corporate entity or association of persons, the Applicant is duly authorised to do so and such person, corporation, corporate entity, or association of persons will also be bound accordingly and will be deemed also to have given the confirmations, warranties and undertakings contained in the terms and conditions and accordingly will be deemed also to have given the confirmations, warranties and undertakings contained in the terms and conditions and undertake to submit your power of attorney or a copy thereto duly certified by a lawyer or notary public if so required by the Issuer or the Registrar;
- (xvi) agrees that all documents in connection with the issue of the Secured Bonds will be sent at the Applicant's own risk and may be sent by post at the address (or, in the case of joint Applicants, the address of the first named Applicant) as designated in the respective MSE account quoted by the Applicant; and
- (xvii) renounces to any rights the Applicant may have to set off any amounts the Applicant may at any time owe the Issuer against any amount due under the terms of the Secured Bonds.

8.2.18 All forms of Application are to be lodged with any of the Authorised Financial Intermediaries. The Secured Bonds are deemed to be complex instruments in accordance with ESMA Guidelines on complex debt instruments and structured deposits dated 4 February 2016. Authorised Financial Intermediaries shall, prior to accepting an Application, conduct an Appropriateness Test in respect of the Applicant and based on the results of such test, be satisfied that an investment in the Secured Bonds may be considered appropriate for the Applicant.

To the extent that an Authorised Financial Intermediary is providing advice in respect of a purchase of the Secured Bonds by an Applicant, such Authorised Financial Intermediary shall also be required to conduct a Suitability Test in respect of the Applicant and based on the results of such test, be satisfied that an investment in the Secured Bonds may be considered suitable for the Applicant.

For the purpose of this Securities Note, the term "Appropriateness Test" means the test conducted by any licensed financial intermediary, when providing an investment service (other than investment advice or portfolio management) in relation to the subscription for and the trading of Secured Bonds, for the purpose of such licensed financial intermediary determining (after collecting the necessary information) whether the investment service or the Secured Bonds are appropriate for the prospective Applicant or prospective transferee. In carrying out this assessment, the licensed financial intermediary shall ask the Applicant or the prospective transferee to provide information regarding the Applicant or transferee's knowledge and experience so as to determine that the Applicant or transferee has the necessary experience and knowledge in order to understand the risks involved in relation to the Secured Bond or investment service offered or demanded, in accordance with the CBR. In the event that the licensed financial intermediary considers, on the basis of the test conducted, that the transfer of Secured Bonds is not appropriate for the Applicant or prospective transferee, the licensed financial intermediary shall reject the prospective Applicant's request to subscribe for or acquire Secured Bonds, irrespective of whether the Applicant or transferee is warned that the investment in the Secured Bonds is not appropriate for the Applicant or transferee;

For the purpose of this Securities Note, the term "Suitability Test" means the process through which a licensed financial intermediary providing investment advice or portfolio management services in relation to the subscription for and trading of Secured Bonds obtains such information from the Applicant or prospective transferee as is necessary to enable the licensed financial intermediary to recommend to or, in the case of portfolio management, to effect for, the Applicant or prospective transferee, the investment service and trading in Secured Bonds that are considered suitable for him/her, in accordance with the CBR. The information obtained pursuant to this test must be such as to enable the licensed financial intermediary to understand the essential facts about the Applicant or prospective transferee and to have a reasonable basis for believing, giving due consideration to the nature and extent of the service provided, that the specific transaction to be recommended, or to be entered into in the course of providing a portfolio management service, satisfies the following criteria: (a) it meets the investment objectives of the Applicant or prospective transferee in question; (b) it is such that the Applicant or prospective transferee is able financially to bear any related investment risks consistent with investment objectives of such Applicant or prospective transferee; and (c) it is such that the Applicant or prospective transferee has the necessary experience and knowledge in order to understand.

9. ADDITIONAL INFORMATION

Save for the Financial Analysis Summary reproduced in Annex III of this Securities Note, the Prospectus does not contain any statement or report attributed to any person as an expert.

The Financial Analysis Summary has been included in the form and context in which it appears with the authorisation of the Sponsor, Manager and Registrar which has given and has not withdrawn its consent to the inclusion of such report herein.

The Sponsor, Manager and Registrar does not have any material interest in the Issuer and, or the Guarantors. The Issuer confirms that the Financial Analysis Summary has been accurately reproduced in the Securities Note and that there are no facts of which the Issuer is aware that have been omitted and which would render the reproduced information inaccurate or misleading.

The business address of the Sponsor, Manager and Registrar is at 63, M.Z. House, St. Rita Street, Rabat RBT 1523, Malta.



ANNEX I – LIST OF AUTHORISED FINANCIAL INTERMEDIARIES

Name	Address	Telephone
Bank of Valletta p.l.c.	Premium Banking Centre, 475, Triq il-Kbira San Guzepp St Venera SVR 1011	22751732
FINCO Treasury Management Ltd	The Bastions, Office No 2, Emvin Cremona Street, Floriana FRN 1281	21220002
MeDirect Bank (Malta) p.l.c.	The Centre, Tigne` Point, Sliema TPO 0001	25574400
Michael Grech Financial Investment Services Ltd	The Brokerage, Level 0A St Marta Street Victoria, Gozo VCT 2550	22587000
MZ Investment Services Ltd	63, St. Rita Street, Rabat RBT 1523	21453739

ANNEX II – THE GUARANTEE

To: Finco Trust Services Limited
The Bastions Office No 2,
Emvin Cremona Street,
Floriana FRN 1281
Malta

(hereinafter together with its lawful successors and assigns referred to as the "Security Trustee").

22 March 2024

Dear Sirs,

Re: GUARANTEE & INDEMNITY

We, Best Deal Ghadira Limited (C 106260) (hereinafter together with our lawful successors and assigns referred to as the "Guarantor"), having noted that:

- I. by virtue of a prospectus dated 22 March 2024, issued by Best Deal Properties Holding p.l.c. (the "**Issuer**") in connection with the issue of €15 million 5.75% secured bonds 2027 - 2029 (as the same may be amended, varied or supplemented hereinafter referred to as the "**Prospectus**") the Issuer shall, under the joint and several guarantee of the Guarantor, issue up to €15,000,000 in secured bonds at an annual interest rate of 5.75% to be redeemed on 12 April 2029 (the "**Redemption Date**") or, at the sole option of the Issuer, on any date falling on or between 12 April 2027 and 11 April 2029, on which the Issuer shall be entitled to prepay all or part of the principal amount of the secured bonds and all interests accrued up to the date of prepayment, subject to the terms and conditions of the Prospectus (the "Secured Bonds");
- II. by virtue of a Trust Instrument dated 22 March 2024 (the "**Trust Instrument**") entered into between the Issuer, the Guarantor and the Security Trustee, the parties *inter alia* have agreed that the Guarantor shall enter into this guarantee agreement with the Security Trustee whereby the Security Provider shall stand surety, jointly and severally with the Issuer in favour of the Security Trustee and the Security Provider has further agreed to support its joint and several suretyship with a general hypothec over all its present and future assets, as well as a special hypothec over the Ghadira Site (as defined in the Trust Instrument), which is the site to be acquired by the Security Provider over which the Ghadira Development (as also defined in the Trust Instrument) shall be constructed;
- III. the Guarantor is a wholly-owned subsidiary of the Issuer;
- IV. in connection with the issue of the Secured Bonds, the Guarantor has agreed to grant and execute this Guarantee and Indemnity (hereinafter referred to as "**Guarantee**") in favour of the Security Trustee for the benefit of the Bondholders, and
- V. the Guarantor has agreed to the conclusion and execution of this Guarantee in favour of the Security Trustee for the benefit of the Bondholders.

NOW, THEREFORE, THE GUARANTOR IS HEREBY COVENANTING IN FAVOUR OF THE SECURITY TRUSTEE AS FOLLOWS:

1. INTERPRETATION

1.1 In this Guarantee, unless the context otherwise requires:

- a. terms and expressions defined in or construed for the purposes of the Prospectus shall have the same meanings or be construed in the same manner when used in this Guarantee unless defined otherwise in this Guarantee;
- b. "**Indebtedness**" means any and all moneys, obligations and liabilities now or hereafter due, owing or incurred by the Issuer under the Secured Bonds to the Bondholders in terms of the Prospectus and in any and all cases whether for principal, interests, capitalised interests, charges, disbursements, or otherwise and whether for actual or contingent liability;
- c. "**writing**" or "**In writing**" shall mean any method of visual representation and shall include facsimile transmissions, telexes and other such electronic methods.



2. GUARANTEE

2.1 Covenant to Pay

In satisfaction of the conditions for the issuance of the Secured Bonds, and in consideration of the Bondholders acquiring the Secured Bonds, the Guarantor, as duly authorised and as primary obligor, hereby jointly and severally with the Issuer, unconditionally and irrevocably guarantees to the Security Trustee for the benefit of the Bondholders, the payment of, and undertakes on first demand in writing made by the Security Trustee on the Guarantor, to pay the Indebtedness or any balance thereof at any time due or owing under the Secured Bonds to the Security Trustee in the event that the Issuer fails to pay any sum payable by it to the Bondholders pursuant to the terms of the Secured Bonds as and when same shall become due.

2.2 Maximum Liability

This is a continuing guarantee for the whole amount due or owing under the Secured Bonds from time to time or which may hereafter at any time become due or owing under the Secured Bonds by the Issuer, but the amount due by the Guarantor to the Security Trustee under this Guarantee shall be up to and shall not be in excess of €15,000,000 (fifteen million Euro) apart from interests due up to the date of payment and costs and expenses relating to the protection, preservation, collection or enforcement of the Security Trustee's rights against the Issuer and, or the Guarantor, which shall be additional to the maximum sum herein stated.

2.3 Indemnity

As a separate and independent stipulation, the Guarantor agrees to indemnify the Security Trustee on demand for any damages, losses (excluding loss of profit), costs and expenses arising from any failure on the part of the Issuer to perform any obligation to the Security Trustee.

3. CONTINUING AND UNCONDITIONAL LIABILITY

3.1 The liability of the Guarantor under this Guarantee shall be continuing until such time as the Indebtedness is fully repaid or until such time as the Guarantor is released from the Guarantee by the Security Trustee, and shall in no way be prejudiced or affected, nor shall it in any way be discharged or reduced by reason of:

- a. the bankruptcy, insolvency or winding up of the Issuer; or
- b. the incapacity or disability of the Issuer; or
- c. any change in the name, style, constitution, any amalgamation or reconstruction of either the Issuer or Guarantor; or
- d. the Security Trustee conceding any time or indulgence, or compounding with, discharging, releasing or varying the liability of the Issuer or any other person liable or renewing, determining, reducing, varying or increasing any accommodation or transaction or otherwise dealing with the same in any manner whatsoever or concurring in, accepting or in any way varying any compromise, composition, arrangement or settlement or omitting to claim or enforce or exact payment from the Issuer or any other person liable; or
- e. any event, act or omission that might operate to exonerate the Guarantor without settlement in full of the Indebtedness towards the Security Trustee.

4. WAIVER OF THE GUARANTOR'S RIGHTS AND GUARANTOR'S WARRANTIES

4.1 This Guarantee shall be for the full amount of the Indebtedness due from time to time. The liability of the Guarantor under this Guarantee shall be decreased from time to time to the extent, if any, that the Issuer or the Guarantor shall have made any irrevocable payment of the Indebtedness.

4.2 Until the Indebtedness has been paid in full, the Guarantor agrees that it will not, without the prior written consent of the Security Trustee:

- a. exercise any rights of subrogation, reimbursement and indemnity against the Issuer or any other person liable for the Indebtedness; or
- b. demand or accept repayment, in whole or in part, of any indebtedness now or hereafter due to the Guarantor either from the Issuer or from any other person liable for the Indebtedness or demand any collateral in respect of same or dispose of same; or
- c. take any step to enforce any right against the Issuer or any other person liable for the Indebtedness; or
- d. claim any set-off or counter-claim against the Issuer or any other person liable for the Indebtedness nor shall the Guarantor claim or prove in competition with the Security Trustee in the liquidation of the Issuer or any other person liable for the Indebtedness or benefit or share any payment from or in composition with the Issuer or any other person liable for the Indebtedness.

5. ADDITIONAL GUARANTEE

- 5.1** This Guarantee is to be construed as being in addition to and in no way prejudicing any other securities or guarantees which the Security Trustee may now or hereafter hold from or on account of the Issuer and is to be binding on the Guarantor as a continuing Guarantee until full and final settlement of all the Issuer's Indebtedness or until such time the Guarantor is released from the Guarantee by the Security Trustee. Moreover, the remedies provided in this Guarantee are cumulative and are not exclusive of any remedies provided by law.

6. NO ASSIGNMENT

- 6.1** The Guarantor shall not be entitled to assign or transfer any of its obligations under this same Guarantee.

7. REPRESENTATIONS AND WARRANTIES

- 7.1** The Guarantor represents and warrants:

- a. that it is duly incorporated and validly existing under the laws of Malta and has the power to carry on its business;
- b. that it has power to grant this Guarantee and that this Guarantee is duly authorised and all corporate action has been taken by the Guarantor in accordance with its deeds of constitution and the laws of its incorporation and regulation;
- c. that this Guarantee constitutes and contains valid and legally binding obligations of the Guarantor enforceable in accordance with its terms;
- d. that the obligations of the Guarantor under this Guarantee constitute general, direct and unsecured obligations of the Guarantor and rank equally with all its other existing and future unsecured obligations, except for any debts for the time being preferred by law;
- e. that this Guarantee does not and will not constitute default with respect to or run counter to any law, by-law, articles of incorporation, statute, rule or regulation to which the Guarantor is or may be subject; and
- f. that the granting of this Guarantee is in the commercial interest of the Guarantor and that the Guarantor acknowledges that it is deriving commercial benefit therefrom.

- 7.2** As from the date of this Guarantee, until such time as the Indebtedness is paid in full to the Security Trustee or until such time as the Guarantor is released from the Guarantee by the Security Trustee, and for as long as this Guarantee shall remain in force, the Guarantor shall hold true, good and valid all the representations and warranties given under this clause.

8. DEMANDS AND PAYMENTS

- 8.1** All the Indebtedness shall be due by the Guarantor under this Guarantee as a debt, certain liquidated and due on the sixtieth (60th) day following the Security Trustee's first written demand to the Guarantor to pay in the case of an Event of Default under the Prospectus. All demands shall be sent to the address or facsimile or other numbers as are stated below in Article 9 as the same may be changed by notice in writing by one party to the other. The demand shall be accompanied by a statement by the Security Trustee confirming that to the best of its knowledge there exist, at the time of the demand, circumstances which constitute an Event of Default under the Prospectus or such that may render the underlying obligations of the Issuer to the Security Trustee invalid and unenforceable for any reason whatsoever.

- 8.2** The statement by the Security Trustee of the amount due under this Guarantee shall be binding on the Guarantor and shall be conclusive evidence of the sum due, saving only manifest error.

- 8.3** All payments shall be made to the Security Trustee without any withholding for taxes (and in so far as this obligation exists under any law, the payment shall be grossed up by the amount of withholding) and without set-off for any amounts which may be then owing to the Guarantor by the Issuer or the Security Trustee.

9. NOTICES

- 9.1** Any notice required to be given by any party hereto to the other party shall be deemed to have been validly served if delivered by hand or sent by pre-paid registered letter through the post or by facsimile to such other party at his address given herein or such other address as may from time to time be notified to the other party for this purpose and any notice so served shall be deemed to have been served, if delivered by hand, at the time of delivery, or if by post, seven (7) days after posting and if by facsimile, at the time of transmission of the facsimile.



9.2 For the purposes of this Guarantee, the proper addresses and contact numbers of the Parties are:

Best Deal Properties Holding p.l.c.

Address: 63, J.L Buildings, Office 5, Luga Road, Paola PLA 9045, Malta
Telephone No: 2169 2279
Contact Person: Robert Buttigieg

Best Deal Ghadira Limited

Address: 63, J.L Buildings, Office 5, Luga Road, Paola PLA 9045, Malta
Telephone No: 2169 2279
Contact Person: Robert Buttigieg

Finco Trust Services Limited

Address: The Bastions Office, No.2, Emvin Cremona Street, Floriana FRN 1281, Malta
Telephone No: 2122 0002
Contact Person: Arthur Galea Salomone

Provided that each party may at any time change such address or telefax number by giving seven (7) days' prior written notice to the other party. Every notice, request, demand, letter or other communication hereunder shall be in writing and shall be delivered by hand or by post or through any other communication methods including telex, telefax or otherwise and shall be deemed to be received in case of post within seven (7) days of dispatch or in case of other methods immediately upon confirmed transmission.

10. APPLICABLE LAW AND JURISDICTION

10.1 This Guarantee shall be governed by and construed in accordance with Maltese law.

10.2 Any dispute, controversy or claim arising out of or relating to this Guarantee or as to the interpretation, validity, performance or breach thereof shall be referred to and finally resolved by arbitration under the UNCITRAL Rules of Arbitration in accordance with the provisions of Part V (International Arbitration) of the Arbitration Act, 1996. Any arbitration commenced pursuant to this clause shall take place in Malta and be administered by the Malta Arbitration Centre. The number of arbitrators shall be three (3), one arbitrator to be appointed by each of the Parties or, in default, by the Malta Arbitration Centre, whereas the third arbitrator shall be appointed by the first two arbitrators or, if they fail to agree on such an appointment, by the Malta Arbitration Centre. No appeal shall lie from any such award given.

Yours faithfully,

The original copy has been signed by

The original copy has been signed by

Name: **Christopher Attard and Pierre Batolo**
duly authorised, for and on behalf of
Best Deal Properties Holding p.l.c.

Name: **Christopher Attard and Pierre Batolo**
duly authorised, for and on behalf of
Best Deal Ghadira Limited.

WE ACCEPT.

The original copy has been signed by

Name: **Arthur Galea Salomone and James Banister**
duly authorised for and on behalf of
Finco Trust Services Limited

Financial Analysis Summary

22 March 2024

ISSUER

Best Deal Properties Holding p.l.c.
(C 88974)



MZ INVESTMENTS





MZ INVESTMENTS

MZ Investment Services Limited

63, 'MZ House', St Rita Street, Rabat RBT 1523, Malta

E info@mzinvestments.com W mzinvestments.com

The Directors
Best Deal Properties Holding p.l.c.
63 J.L. Buildings, Office 5,
Luqa Road,
Paola, PLA 9045, Malta

22 March 2024

Dear Board Members,

Financial Analysis Summary

In accordance with your instructions, and in line with the requirements of the MFSA Listing Policies, we have compiled the Financial Analysis Summary (the "**Analysis**") set out in the following pages and which is being forwarded to you together with this letter.

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

- (a) Historical financial data for the most recent three financial years ending 31 December 2020, 31 December 2021, and 31 December 2022 has been extracted from the respective audited consolidated annual financial statements.
- (b) The forecast and projected financial information for the financial years ending 31 December 2023 and 31 December 2024 has been provided by the Issuer.
- (c) Our commentary on the financial performance, cash flows, and financial position of the Group is based on the explanations provided to us by the Company.
- (d) The ratios quoted in this Analysis have been computed by us applying the definitions set out in Part 4 – 'Explanatory Definitions' of this report.
- (e) Relevant financial data in respect of the companies included in Part 3 – 'Comparative Analysis' of this Analysis has been extracted from public sources such as websites of the companies concerned, financial statements filed with the Malta Business Registry, as well as other sources providing financial data.

This Analysis is meant to assist investors in the Issuer's securities, as well as potential investors, by summarising the more important financial information of the Group. This Analysis does not contain all information that is relevant to investors or potential investors. Moreover, this Analysis does not constitute an endorsement by our firm of any securities of the Issuer and should not be interpreted as a recommendation to invest or not invest in any of the Issuer's securities. We will not accept any liability for any loss or damage arising out of the use of this Analysis. As with all investments, potential investors are encouraged to seek professional financial advice before investing in the Issuer's securities.

Yours faithfully,

Evan Mohnani
Head of Corporate Broking

M.Z. Investment Services Limited is Aa private limited company licensed to conduct investment services business by the Malta Financial Services Authority under the Investment Services Act. Member of the Malta Stock Exchange. Enrolled Tied Insurance Intermediary under the Insurance Intermediaries Act, 2006 for Mapfre MSV Life p.l.c.

Company Registration Number: C 23936 VAT Number: MT 1529 8424

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PART 1 – INFORMATION ABOUT THE GROUP

1. HISTORY AND PRINCIPAL ACTIVITIES

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

In December 2018, the Group raised €16 million through the issuance of 4.25% secured bonds 2024 (the “**2018 Bonds**”), which are guaranteed by Best Deal Developments Limited (the “**2018 Guarantor**”), for the purpose of acquiring and developing three sites located in Pembroke, Żabbar, and Mellieħa:

- (i) The **Pembroke I Development – ‘Jewel Court’**: the project involved the development of a corner site with unobstructed sea and country views situated in Triq il-Mediterran corner with Triq Gabriele Henin, Pembroke, measuring approximately 380 sqm. In aggregate, the project comprised the construction of 2 maisonettes, 4 apartments, 2 duplex penthouses, and 7 garages.
- (ii) The **Żabbar Development – ‘Lotus Complex’**: the project involved the development of the site known as “Il-Wilġa tal-Imniegel”, measuring approximately 4,149 sqm, and which is positioned on three roads in Triq Ta’ Lanza corner with New Street in Triq il-Kaħwiela, and corner with Triq il-Kaħwiela, Żabbar. In aggregate, the project comprised the construction of 9 blocks consisting of 24 maisonettes, 81 apartments, 22 penthouses, and 198 garages. Four of the afore-mentioned 9 blocks enjoy open country views from the front terraces as they face a green area.
- (iii) The **Mellieħa Development – ‘Laguna Court’**: the project involved the development of the sites known as “Tal-Hawlija”, “Ta’ Masrija”, and “Tas-Salib”, in aggregate measuring approximately 1,249 sqm and which are located in Triq Ta’ Masrija and New Street off Triq il-Mithna l-Qadima, Mellieħa. The project comprised the construction of 3 blocks having panoramic views visible from the sixth and seventh floors, and consisting of 7 maisonettes, 35 apartments, 7 penthouses, and 55 garages.

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

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

Best Deal Għadira Limited (the “**2024 Guarantor**”) was incorporated on 23 August 2023 for the purpose of pursuing the Għadira Development. Following the purchase of a site measuring 2,643 sqm located in Għadira (the “**Għadira Site**”) which is expected to take place following the issuance of €15 million 5.75% secured bonds 2027-2029 (the “**2024 Bonds**”), the Group intends to construct a residential complex comprising 10 maisonettes, 53 apartments, 2 penthouses, and 119 garages. The project will be partly financed from the proceeds to be received from the issuance of the 2024 Bonds.

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



2. DIRECTORS AND MANAGEMENT STRUCTURE

2.1 DIRECTORS OF THE ISSUER

The Company's Board of Directors is responsible for the overall management and strategy of the Group including oversight of internal controls as well as financial performance. Moreover, the Board of Directors keeps constant monitoring of the Company's business risks, thus ensuring that such risks are adequately identified, evaluated, managed, and minimised. The Board of Directors of the Issuer is composed of the following individuals:

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

2.2 DIRECTORS OF THE 2024 GUARANTOR

The Board of Directors of Best Deal Ghadira Limited is entrusted with the day-to-day management as well as the execution of the 2024 Guarantor's investments, the funding thereof, and the award of project contracts for the completion of the Ghadira Development. The Board of Directors of the 2024 Guarantor is composed of the following individuals:

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

2.3 DIRECTORS OF THE 2022 GUARANTOR

The Board of Directors of Best Deal Estates Limited is entrusted with the day-to-day management as well as the execution of the 2022 Guarantor's investments, the funding thereof, and the award of project contracts for the completion of the Siġġiewi Development. The Board of Directors of the 2022 Guarantor is composed of the following individuals:

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

2.4 DIRECTORS OF THE 2018 GUARANTOR

The Board of Directors of Best Deal Developments Limited is entrusted with the day-to-day management as well as the execution of the 2018 Guarantor's investments, the funding thereof, and the award of project contracts for the completion of 'Jewel Court', 'Lotus Complex', and 'Laguna Court'. The Board of Directors of the 2018 Guarantor is composed of the following individuals:

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

2.5 EMPLOYEES AND MANAGEMENT STRUCTURE

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



3. ORGANISATIONAL STRUCTURE

The diagram below illustrates the organisational structure of the Group:



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

Elite Developments Limited has been involved in the construction and development of two residential projects – 'Crystal Court' and 'Blue Moon Court' – both of which are located in Marsascala. On the other hand, PJCE Properties Limited has been involved in the construction and development of 'Garnet Court' which is situated in Mqabba. Further information about these three projects is available in Section 4 below.

4. COMPLETED PROJECTS

4.1 'CRYSTAL COURT' – MARSASCALA

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

4.2 'BLUE MOON COURT' – MARSASCALA

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

4.3 'GARNET COURT' – MQABBA

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

4.4 'JEWEL COURT' – PEMBROKE

The project was initiated in 2019 and completed in 2022. As at the end of 2022, all residential units and garages were either sold or subject to a promise of sale agreement ("POS agreement"). The total cost of the project amounted to €3.00 million whilst total revenues amounted to €4.49 million of which €1.27 million were accounted for in FY2021 and €0.79 million were recognised in FY2022.

5. CURRENT PROJECTS

5.1 'LOTUS COMPLEX' – ŻABBAR

Civil works started in January 2019 and all 9 blocks have been constructed and almost entirely finished. As at the end of 2023, 126 residential units (out of a total of 127) and 149 garages (out of a total of 198) were either sold or subject to a POS agreement. As a result, only 1 residential unit and 49 garages were available for sale as at 31 December 2023.

The total cost of the project amounted to *circa* €27.10 million whilst total revenues are expected to amount to €38.70 million of which an aggregate of €30.95 million have been accounted for in FY2020 to FY2023.

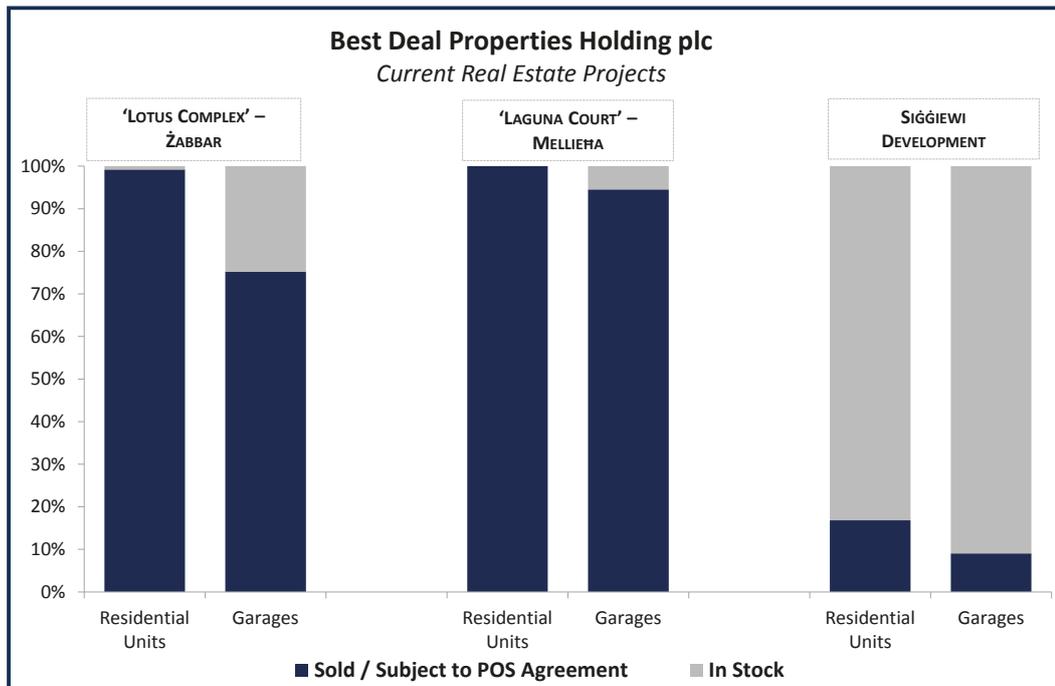
5.2 'LAGUNA COURT' – MELLIEHA

Construction works started in 2019 whilst finishing works are expected to be completed by Q2 2024. As at the end of 2023, all residential units (totalling 49) and 52 garages (out of a total of 55) were either sold or subject to a POS agreement. As a result, only 3 garages were available for sale as at 31 December 2023.

The total cost of the project will amount to *circa* €10.80 million whilst total revenues are expected to amount to €15.12 million of which €11.29 million have already been accounted for in FY2022 and FY2023.

5.3 SIGĠIEWI DEVELOPMENT

Development works started in Q1 2023 and the project is expected to be completed in shell form by the end of 2024 and finished by the end of 2026. The total cost of the project is expected to amount to €27.6 million whilst total revenues are expected to amount to €39.02 million. The majority of the income from this project is expected to be recognised in FY2024 and FY2025.



6. NEW PROJECTS

6.1 PEMBROKE II DEVELOPMENT

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

The project is expected to cost around €2 million to complete and generate €2.98 million in revenues. The development is being financed from the Group's own cash flows and will be completed in shell form by the end of 2025 and finished by the end of 2027.



6.2 GHADIRA DEVELOPMENT

On 3 October 2022, Best Deal Developments Limited entered into a POS agreement for the acquisition of a tract of land located in Ghadira, limits of Mellieha, for a consideration of €7.80 million. The site is adjacent to Triq it-Tunnaġġ and Triq id-Denci corner with Triq it Tumbrell and is free and unencumbered from the obligation of payment of or conditions related to ground rent and, or emphyteutical or other burdens. The site is also free from third party servitudes, has guaranteed vacant possession, and includes its airspace and subterranean levels (the “**Ghadira Site**”).

The final deed of purchase is expected to take place following the issuance of the 2024 Bonds. The POS agreement is valid and effective up to 2 June 2024.

The project is estimated to cost €24.60 million to pursue whilst revenues are projected to amount to €39.05 million. Most of the income from this project is expected to be recognised between FY2025 and FY2027. The units are expected to be constructed in shell form by the end of 2025, whilst finishing works are anticipated to be completed by the end of 2027.

The 2018 Guarantor is vested with a right of substitution and, or assignment in favour of any third-party company/ies in which the ultimate beneficial owners of the 2018 Guarantor have a direct or indirect shareholding. In this respect, the Issuer understands that such right of assignment is due to be exercised with a view of the 2024 Guarantor appearing on the final deed of sale for the acquisition of the Ghadira Site.

Best Deal Properties Holding p.l.c. Property Development Projects								Total No. of Residential Units	No. of Garages
Cost (€'000)	Revenue (€'000)	Start Year	End Year	No. of Maisonettes	No. of Apartments	No. of Penthouses			
Completed Projects									
'Crystal Court' – Marsascalea	3,400	4,800	2016	2018	5	18	2	25	30
'Blue Moon Court' – Marsascalea	5,500	7,240	2017	2019	5	15	3	23	19
'Garnet Court' – Mqabba	6,200	7,610	2018	2021	2	23	3	28	33
'Jewel Court' – Pembroke	3,000	4,490	2019	2022	2	4	2	8	7
	18,100	24,140			14	60	10	84	89
Current Projects									
'Lotus Complex' – Żabbar	27,100	38,700	2019	2024	24	81	22	127	198
'Laguna Court' – Mellieha	10,800	15,120	2019	2024	7	35	7	49	55
Sigġiewi Development	27,600	39,020	2023	2026	20	60	15	95	155
	65,500	92,840			51	176	44	271	408
New Projects									
Pembroke II Development	2,000	2,980	2024	2027	2	4	2	8	6
Ghadira Development	24,600	39,050	2024	2027	10	53	2	65	119
	26,600	42,030			12	57	4	73	125
Total	110,200	159,010			77	293	58	428	622

7. 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 report, 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.

8. SECURITY AND RESERVE ACCOUNT

8.1 SECURITY

The outstanding amount of the 2018 Bonds as at 15 January 2024 stood at €6,106,100. These bonds are guaranteed by the 2018 Guarantor and secured by the following security rights in favour of the Security Trustee for the benefit of the holders of the 2018 Bonds:

- (i) First ranking general hypothec for the full nominal value of the 2018 Bonds and interests thereon over all present and future property of the Company and the 2018 Guarantor.
- (ii) First ranking special hypothec for the full nominal value of the 2018 Bonds and interests thereon over the land on which each of 'Jewel Court', 'Lotus Complex', and 'Laguna Court' have been developed, together with all and any constructions to be developed thereon.
- (iii) Pledge on insurance policy relating to 'Jewel Court', 'Lotus Complex', and 'Laguna Court'.
- (iv) Joint and several guarantee, dated 3 December 2018, granted by the 2018 Guarantor as security for the punctual performance of the Issuer's payment obligations relating to the 2018 Bonds, subject to the terms and conditions contained in the Security Trust Deed signed between the Issuer, the 2018 Guarantor, and the Security Trustee dated 3 December 2018.

In terms of the Prospectus dated 9 November 2022, the Issuer raised €15 million through the issuance of the 2022 Bonds for the purpose of part funding the Siġġiewi Development. The 2022 Bonds are guaranteed by the 2022 Guarantor and secured by the following security rights in favour of the Security Trustee for the benefit of the holders of the 2022 Bonds:

- (i) First ranking general hypothec for the full nominal value of the 2022 Bonds and interests thereon over all present and future property of the 2022 Guarantor.
- (ii) First ranking special hypothec for the full nominal value of the 2022 Bonds and interests thereon over the Siġġiewi Site together with all and any constructions to be developed thereon.
- (iii) Pledge on insurance policy relating to the Siġġiewi Site and development thereon.
- (iv) Joint and several guarantee granted by the 2022 Guarantor as security for the punctual performance of the Issuer's payment obligations relating to the 2022 Bonds, subject to the terms and conditions contained in the Security Trust Deed signed between the Issuer, the 2022 Guarantor, and the Security Trustee dated 9 November 2022.

In terms of the Prospectus relating to the 2024 Bonds, the Issuer plans to raise €15 million through the issuance of 5.75% secured bonds 2027-2029 for the purpose of part funding the Ghadira Development. The 2024 Bonds will be guaranteed by the 2024 Guarantor and will be secured by the following security rights in favour of the Security Trustee for the benefit of the holders of the 2024 Bonds:

- (i) First ranking general hypothec for the full nominal value of the 2024 Bonds and interests thereon over all present and future property of the 2024 Guarantor.
- (ii) First ranking special hypothec for the full nominal value of the 2024 Bonds and interests thereon over the Ghadira Site together with all and any constructions to be developed thereon.
- (iii) Pledge on insurance policy relating to the Ghadira Site and development thereon.
- (iv) Joint and several guarantee granted by the 2024 Guarantor as security for the punctual performance of the Issuer's payment obligations relating to the 2024 Bonds, subject to the terms and conditions contained in the Security Trust Deed signed between the Issuer, the 2024 Guarantor, and the Security Trustee.



8.2 RELEASING OF SECURITY AND RESERVE ACCOUNT

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

All amounts received by the Security Trustee from the sales proceeds of the hypothecated properties are credited to the Reserve Accounts and will be retained for the purpose of redeeming the 2018 Bonds, the 2022 Bonds, and the 2024 Bonds (as the case may be) on maturity. In the absence of unforeseen circumstances and subject to there being no material adverse changes in circumstances, the Directors of the Issuer are of the view that the percentages available for cash flows that will be credited to the Reserve Accounts will be sufficient to cover the redemption of the 2018 Bonds, the 2022 Bonds, and the 2024 Bonds upon maturity.

9. INFORMATION RELATING TO THE ISSUER'S EQUITY

The 3,125,000 ordinary shares of the Issuer, having a nominal value of €0.10 per share, are listed on Prospects MTF pursuant to a Company Admission Document dated 21 August 2019. The key market data relating to these ordinary shares is provided hereunder:

Best Deal Properties Holding p.l.c. Key Market Data for the financial year 31 December		2020	2021	2022	2023	2024
		Actual	Actual	Actual	Forecast	Projection
Total number of shares in issue ('000)	[A]	3,125	3,125	3,125	3,125	3,125
Share price (€)	[B]	1.60	1.60	1.60	1.60	1.60
Market capitalisation (€'000)	[A multiplied by B]	5,000	5,000	5,000	5,000	5,000
Total equity (€'000)	[C]	4,129	6,894	9,182	7,738	10,651
Net debt (€'000)	[D]	18,457	11,542	16,048	18,145	19,703
Enterprise value (€'000)	[A multiplied by B] + [D]	23,457	16,542	21,048	23,145	24,703
EBITDA (€'000)	[E]	1,480	3,861	3,410	2,130	4,892
Net profit (€'000)	[F]	763	2,764	2,538	1,131	3,163
Earnings per share (€)	[F divided by A]	0.24	0.88	0.81	0.36	1.01
Net asset value per share (€)	[C divided by A]	1.32	2.21	2.94	2.48	3.41
Price-to-earnings ratio (times)	[A multiplied by B] divided by [F]	6.55	1.81	1.97	4.42	1.58
Enterprise value-to-EBITDA (times)	([A multiplied by B] + [D]) divided by [E]	15.85	4.28	6.17	10.87	5.05
Price-to-net asset value (times)	[A multiplied by B] divided by [C]	1.21	0.73	0.54	0.65	0.47
Dividend (€'000)	[G]	-	-	250	250	250
Net dividend per share (€)	[G] divided by [A]	-	-	0.08	0.08	0.08
Dividend payout ratio (%)	[G] divided by [F]	-	-	9.85	22.10	7.90
Net dividend yield (%)	[G] divided by [A multiplied by B]	-	-	5.00	5.00	5.00



MZ INVESTMENTS

10. INFORMATION RELATING TO THE ISSUER'S BONDS

At present, the Issuer has two bonds which are listed on the Regulated Main Market (Official List) of the Malta Stock Exchange. The key information relating to these two bonds is provided hereunder:

Security ISIN	Listing Date	Amount Issued	Amount Outstanding ¹	Symbol Code	Security	Maturity Date
MT0002121201	27 December 2018	€16,000,000	€6,106,100	BD24A	4.25% Secured & Guaranteed Bonds 2024 ²	12 December 2024
MT0002121219	06 December 2022	€15,000,000	€15,000,000	BD27A	4.75% Secured & Guaranteed Bonds 2025-2027 ³	09 November 2027
		€31,000,000	€21,106,100			

¹ As at 15 January 2024

² Original bond issue amount stood at €16 million. Between 1 August 2020 and 15 January 2024, the Issuer bought back and cancelled €9,893,900 (nominal) worth of bonds from the secondary market.

³ The Company may redeem the Bonds at any time between 30 November 2025 and 29 November 2027, subject to providing Bondholders not less than 30 days' notice.

11. ECONOMIC AND SECTOR ANALYSIS

11.1 ECONOMIC UPDATE¹

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 in 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 2020.

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



Key Economic Indicators ¹	2020	2021	2022	2023	2024	2025
Malta						
Real GDP growth (% year-on-year)	(8.10)	12.30	6.90	4.00	4.00	4.20
Real GDP growth per capita (% year-on-year)	(10.10)	11.70	4.50	1.30	1.80	1.90
Inflation (% year-on-year) ²	0.80	0.70	6.10	5.70	3.30	3.10
Unemployment (%)	4.40	3.40	2.90	2.70	2.70	2.70
Primary balance (% of GDP)	(8.30)	(6.40)	(4.80)	(4.00)	(3.30)	(2.70)
General balance (% of GDP)	(9.60)	(7.50)	(5.70)	(5.10)	(4.60)	(4.10)
Gross public debt (% of GDP)	52.20	54.00	52.30	53.30	55.80	57.20
Current account balance (% of GDP)	2.50	5.70	0.60	4.20	5.70	5.90
Euro area (20)						
Real GDP growth (% year-on-year)	(6.10)	5.90	3.40	0.60	1.20	1.60
Real GDP growth per capita (% year-on-year)	(6.20)	5.90	3.00	0.10	0.90	1.30
Inflation (% year-on-year) ²	0.30	2.60	8.40	5.60	3.20	2.20
Unemployment (%)	8.00	7.70	6.80	6.60	6.60	6.40
Primary balance (% of GDP)	(5.50)	(3.80)	(1.90)	(1.50)	(1.00)	(0.70)
General balance (% of GDP)	(7.10)	(5.20)	(3.60)	(3.20)	(2.80)	(2.70)
Gross public debt (% of GDP)	99.10	96.50	92.50	90.40	89.70	89.50
Current account balance (% of GDP)	2.30	3.60	1.00	2.50	2.60	2.70
EU						
Real GDP growth (% year-on-year)	(5.60)	6.00	3.40	0.60	1.30	1.70
Real GDP growth per capita (% year-on-year)	(5.70)	6.10	3.30	-	1.10	1.60
Inflation (% year-on-year) ²	0.70	2.90	9.20	6.50	3.50	2.40
Unemployment (%)	7.20	7.10	6.20	6.00	6.00	5.90
Primary balance (% of GDP)	(5.30)	(3.40)	(1.70)	(1.50)	(1.00)	(0.70)
General balance (% of GDP)	(6.70)	(4.70)	(3.30)	(3.20)	(2.80)	(2.70)
Gross public debt (% of GDP)	91.70	88.90	84.80	83.10	82.70	82.50
Current account balance (% of GDP)	2.40	3.30	0.90	2.50	2.50	2.50

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

² Harmonised Indices of Consumer Prices ("HICP")

11.2 PROPERTY MARKET ²

Development Permits for Dwellings

Data provided by the Central Bank of Malta ("CBM") and the National Statistics Office ("NSO") shows that in 2022, 1,271 permits (2021: 1,633) for the development of a total of 9,599 residential units were granted, representing an upsurge of 26.67% compared to the total number of 7,578 residential units approved in the previous year. The highest recorded figure in this regard was in 2018 where 2,521 permits for the development of 12,885 residential units were granted. In 2019 and 2020, this figure declined to 12,485 residential units (-3.10%) and 7,831 residential units (-37.28%) respectively.

Meanwhile, between Q1 and Q3 2023, permits for the development of 6,820 residential units were approved, representing a drop of 9.49% from the volume of 7,535 residential units granted approval in the same period in 2022.

¹ Sources: Central Bank of Bank online portal at <https://www.centralbankmalta.org/real-economy-indicators> and National Statistics Office online portal at <https://nso.gov.mt/property>.

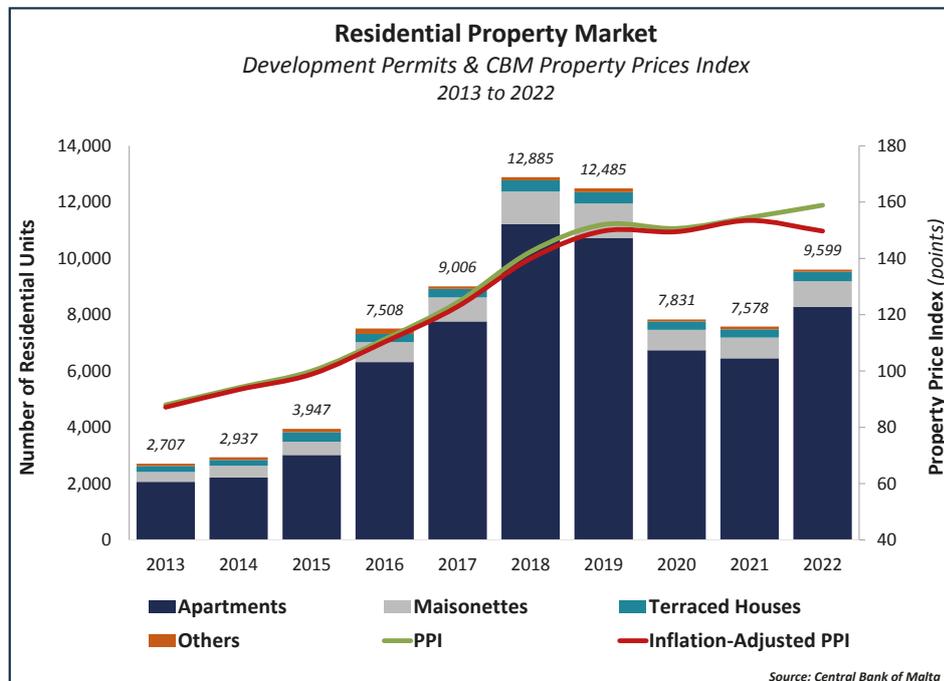
CBM Property Prices Index & NSO Property Price Index

In nominal terms, the CBM Property Prices Index – which is based on advertised prices involving apartments, maisonnettes, terraced houses, and other types of dwellings – reached an all-time high of 158.86 points in 2022, representing an increase of 2.80% over the prior year. The sharpest year-on-year increase took place in the prices of maisonnettes (+2.72%), followed by apartments (+1.96%), and terraced houses (+1.32%). On the other hand, other types of property – namely, bungalows, farmhouses, and villas – recorded a year-on-year decline of 5.57% which extended the marginal drop of 1.31% recorded in 2021.

In real terms, the CBM Property Prices Index eased by 2.45% in 2022 as it trended lower to 149.69 points from the inflation-adjusted all-time high of 153.45 points recorded in 2021.

The NSO Property Price Index – which is based on actual transactions involving apartments, maisonnettes, and terraced houses – reached an all-time high of 144.45 points in 2022, representing a 6.65% uplift compared to the prior year. In real terms, the NSO Property Price Index increased by 1.20% to 136.11 points (2021: 134.49 points) – the slowest yearly gain since 2011.

Between Q1 and Q3 2023, the CBM Property Prices Index increased by 8.53% when compared to the same period in 2022. In real terms – i.e. adjusting for inflation – the uplift stood at 2.21%. The sharpest increase was registered in the prices of apartments which rose by 9.78% year-on-year (3.39% in real terms). Similarly, maisonnettes and other types of dwelling increased by 7.82% and 7.93% respectively (1.54% and 1.64% respectively in real terms). In contrast, the prices of terraced houses slipped by 2.33% (or 8.02% in real terms) year-on-year.

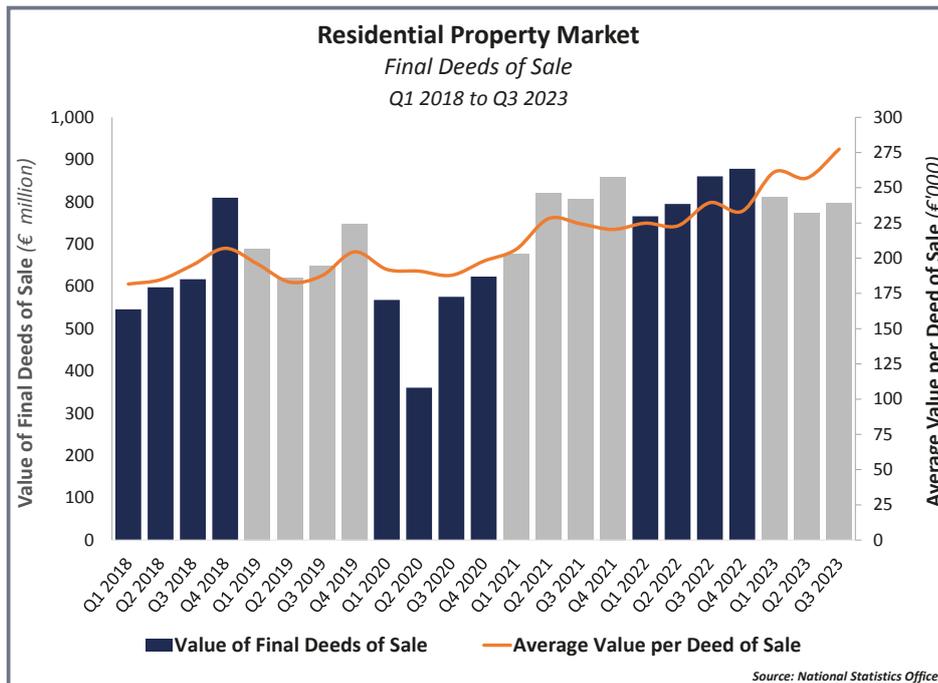


Final Deeds of Sale Transactions

Data provided by the NSO shows that in 2022, the total value of final deeds of sale relating to residential property amounted to €3.30 billion (2021: €3.16 billion) across 14,331 final deeds of sale (2021: 14,368). As a result, the average value per deed of sale stood at €0.23 million, representing an increase of 4.59% over the corresponding figure of €0.22 million in 2021.

Adjusted for inflation, the total value of final deeds of sale relating to residential property amounted to €3.11 billion (2021: €3.14 billion). As a result, the average value per deed of sale stood at €0.22 million, representing a marginal drop of 0.73% over the corresponding period in 2021.

Meanwhile, the total value of final deeds of sale that took place between Q1 and Q3 2023 amounted to €2.38 billion across 8,978 final deeds of sale compared to €2.42 billion across 10,567 final deeds of sale in the same period in 2022. Despite the year-on-year reductions in aggregate volume and value, the average value per deed of sale increased to €0.26 million in nominal terms from €0.23 million in the period from Q1 to Q3 2022.



PART 2 – GROUP PERFORMANCE REVIEW

12. FINANCIAL HIGHLIGHTS

The following information is extracted from the audited consolidated annual financial statements of the Issuer for the financial years ending 31 December 2020, 31 December 2021, and 31 December 2022. The forecasted and projected consolidated financial information for the financial years ending 31 December 2023 and 31 December 2024 has been provided by the Group.

The forecasted and projected financial information are estimates based on assumptions which the Company believes to be reasonable. Consequently, the actual outcome may be adversely affected by unforeseen situations and the variation between forecasts, projections, and actual results may be material.

Best Deal Properties Holding plc					
Income Statement					
for the financial year 31 December					
	2020	2021	2022	2023	2024
	Actual	Actual	Actual	Forecast	Projection
	€'000	€'000	€'000	€'000	€'000
Revenue	10,952	20,060	14,055	14,701	25,515
Cost of sales	(8,760)	(15,603)	(9,908)	(11,802)	(19,938)
Administrative expenses	(712)	(596)	(737)	(769)	(685)
EBITDA	1,480	3,861	3,410	2,130	4,892
Depreciation and amortisation	(67)	(67)	(72)	(132)	(2)
Operating profit	1,413	3,794	3,338	1,998	4,890
Net finance costs	(99)	(122)	(257)	31	(28)
Profit before tax	1,314	3,672	3,081	2,029	4,862
Taxation	(551)	(908)	(543)	(898)	(1,699)
Profit for the year	763	2,764	2,538	1,131	3,163
Total comprehensive income	763	2,764	2,538	1,131	3,163
Revenue analysis:					
<i>Crystal Court</i>	36	-	-	-	-
<i>Blue Moon Court</i>	6,755	459	22	-	-
<i>Garnet Court</i>	-	6,900	341	372	-
<i>Jewel Court</i>	-	1,272	794	585	1,841
<i>Lotus Complex</i>	4,161	11,429	10,184	5,173	6,802
<i>Laguna Court</i>	-	-	2,714	8,571	3,836
<i>Siggiewi Development</i>	-	-	-	-	13,036
Total	10,952	20,060	14,055	14,701	25,515



Key Financial Ratios	FY2020	FY2021	FY2022	FY2023	FY2024
	Actual	Actual	Actual	Forecast	Projection
EBITDA margin (%) (EBITDA / revenue)	13.51	19.25	24.26	14.49	19.17
Operating profit margin (%) (Operating profit / revenue)	12.90	18.91	23.75	13.59	19.17
Net profit margin (%) (Profit after tax / revenue)	6.97	13.78	18.06	7.69	12.40
Return on equity (%) (Profit after tax / average equity)	20.36	50.15	31.58	13.37	34.40
Return on assets (%) (Profit after tax / average assets)	2.78	10.63	8.60	3.29	8.34
Return on invested capital (%) (Operating profit / average equity and net debt)	6.09	18.50	15.29	7.82	17.39
Interest cover (times) (EBITDA / net finance costs)	14.95	31.65	13.27	n/a	174.71

Income Statement

In **FY2020**, the Group generated revenues of just under €11 million predominantly reflecting the sale of properties at 'Blue Moon Court' (€6.76 million) and 'Lotus Complex' (€4.16 million). EBITDA amounted to €1.48 million which translated into an EBITDA margin of 13.51%. Overall, the Group reported a net profit of €0.76 million, thereby registering a net profit margin of 6.96%. The return on equity and on assets stood at 20.34% and 2.78% respectively.

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

EBITDA for the year amounted to €3.86 million which translated into a margin of 19.25%. In view of the marked increase in the recognition of income from property sales, the interest cover improved to 31.71 times compared to 14.90 times in FY2020.

Overall, the Group reported a net profit of €2.77 million which translated into a margin of 13.78%. The higher level of profits also translated into a superior return on equity of 50.17% and a return on assets of 10.63%.

In **FY2022**, revenues amounted to €14.06 million reflecting the income derived from five development projects – namely those located in Żabbar (€10.18 million), Mellieha (€2.71 million), Pembroke (€0.79 million), Mqabba (€0.34 million), and Marsascala (€0.02 million). Despite the drop in revenue when compared to FY2021 which also resulted in a contraction in EBITDA and net profit to €3.41 million and €2.54 million respectively, the EBITDA margin improved to 24.27% whilst the net profit margin exceeded the 18% level. In contrast, the return on equity and on assets retracted to 31.59% and 8.60% respectively. Likewise, the interest cover eased to 13.29 times.

For **FY2023**, the Group is now expecting revenues of €14.70 million compared to the previous estimate of €15.52 million provided at the time of the publication of the Financial Analysis Summary Update on 31 May 2023 ("**2023 FAS**"). Revenues reflect the income from the sale of property forming part of four projects – namely, 'Laguna Court' (€8.57 million), 'Lotus Complex' (€5.17 million), 'Jewel Court' (€0.59 million), and 'Garnet Court' (€0.37 million).



MZ INVESTMENTS

Despite the forecasted year-on-year increase in income, EBITDA is anticipated to drop by 37.54% to €2.13 million which is also lower than the previously forecasted figure of €3.16 million amid a higher level of cost of sales. As a result, the EBITDA margin is anticipated to ease to 14.49% compared to the 2023 FAS forecast of 20.35%. Furthermore, the Group is anticipating a lower net profit of €1.13 million compared to the previous estimate of €2.07 million. This level of net profit would translate into a margin of 7.69%, a return on equity of 13.37%, and a return on assets of 3.29%.

In **FY2024**, revenues are projected to increase to a record of €25.52 million (+73.56% over the forecasted figure for FY2023), boosted by the recognition of the initial income from the sale of property appertaining to the Sigǵiewi Development (€13.04 million), coupled with the contribution from 'Laguna Court' (€3.84 million), 'Lotus Complex' (€6.80 million), and 'Jewel Court' (€1.84 million).

EBITDA is projected to amount to €4.89 million which would translate into a margin of 19.17%. Overall, the Group is anticipating a net profit of €3.16 million, resulting in an estimated year-on-year improvement in the relative margin to 12.40%. Likewise, the return on equity and on assets are expected to rebound to 34.40% and 8.34% respectively.



Best Deal Properties Holding plc					
Statement of Cash Flows					
for the financial year 31 December					
	2020	2021	2022	2023	2024
	Actual	Actual	Actual	Forecast	Projection
	€'000	€'000	€'000	€'000	€'000
Net cash from / (used in) operating activities	2,178	7,134	(3,902)	625	(1,285)
Net cash from / (used in) investing activities	(875)	(2,490)	(1,680)	2,056	(819)
Free cash flow	1,303	4,644	(5,582)	2,681	(2,104)
Net cash from / (used in) financing activities	(1,650)	(4,835)	6,589	(1,948)	5,803
Net movement in cash and cash equivalents	(347)	(191)	1,007	733	3,699
Cash and cash equivalents at beginning of year	785	438	247	1,254	1,987
Cash and cash equivalents at end of year	438	247	1,254	1,987	5,686



Statement of Cash Flows

In **FY2020**, net movement in cash and cash equivalents amounted to an adverse balance of €0.35 million. Net cash generated from operating activities amounted to €2.18 million, of which €1.32 million related to working capital movements. Net cash outflows from investing activities represented transfers to the sinking fund reserve. Net cash used in financing activities amounted to €1.65 million and mainly related to net repayments of bank borrowings.

In **FY2021**, net movement in cash and cash equivalents amounted to an adverse balance of €0.19 million. Net cash from operating activities amounted to €7.13 million, mainly on account of a positive movement in working capital (+€4.22 million). Net cash used in investing activities stood at €2.49 million (FY2020: €0.88 million) and represented amounts paid into the sinking fund reserve. During the year, the Issuer transferred a further €1.79 million to the Security Trustee for the purpose of repurchasing bonds from the secondary market. These are accounted for as part of the cash used in financing activities which in FY2021 amounted to €4.84 million.

In **FY2022**, net movement in cash and cash equivalents amounted to a positive balance of €1.01 million. Net cash outflows from operating activities amounted to €3.90 million, mainly impacted by the €6.76 million increase in inventories. Net cash used in investing activities stood at €1.68 million and largely represented amounts paid into the sinking fund reserves. The latter totalled €5.04 million as at the end of 2022, of which €0.37 million were held in relation to the 2018 Bonds whilst the remaining €4.67 million were held in relation to the 2022 Bonds.

Net cash flows from financing activities amounted to €6.59 million and represented proceeds from the 2022 Bonds (€14.7 million), dividend and interest payments (€0.53 million), as well as repayment of borrowings (€7.54 million). Overall, the Group ended the 2022 financial year with a cash balance of €1.26 million (31 December 2021: €0.25 million).

For **FY2023**, the Issuer is expecting a net positive cash movement of €0.73 million. Net cash generated from operating activities are anticipated to amount to €0.63 million largely reflecting the profit for the year less payment of income tax and a net unfavourable movement in working capital of €0.68 million. Net cash used in investing activities amounting to €2.06 million represent payments to the sinking fund reserves and net movements in fixed asset investments, whilst the forecasted net cash outflow of €1.95 million appertaining to financing activities relate to payments of borrowings (€1.66 million), interest (€0.04 million), and dividend (€0.25 million).

In **FY2024**, the Group is projecting a net positive cash movement of €3.70 million. Net cash used in operating activities is estimated at €1.29 million as the profit for the year will be offset by the payment of income tax and an adverse net movement in working capital of €4.48 million. The latter is primarily attributable to the significant year-on-year increase in inventories which is cash negative.

The forecasted amount of €0.82 million in net cash used in investing activities is related to the payment in sinking fund reserves less the projected proceeds from the sale of fixed asset investments. Meanwhile, the forecasted €5.80 million net cash inflow from financing activities comprise an estimated net positive movement of €6.08 million in borrowings which would offset the cash used for the payment of dividends (€0.25 million) and interest (€0.03 million).

Overall, the Group is anticipating ending the 2024 financial year with a cash balance of €5.69 million compared to the forecasted figure of €1.99 million as at 31 December 2023.



Best Deal Properties Holding plc Statement of Financial Position as at 31 December			2020	2021	2022	2023	2024
			Actual	Actual	Actual	Forecast	Projection
			€'000	€'000	€'000	€'000	€'000
ASSETS							
Non-current assets							
Property, plant and equipment			1	1	1	-	-
Intangible assets			43	43	47	46	44
Deferred tax asset			111	108	226	226	226
Sinking fund reserve - 2018 bonds			875	3,365	369	-	-
Sinking fund reserve - 2022 bonds			-	-	4,671	-	3,803
			<u>1,030</u>	<u>3,517</u>	<u>5,314</u>	<u>272</u>	<u>4,073</u>
Current assets							
Inventories			25,682	19,626	26,389	26,114	30,843
Trade and other receivables			279	1,148	1,523	2,893	958
Income tax assets			-	23	2	-	-
Cash and cash equivalents			462	247	1,254	1,987	5,686
Sinking fund reserve - 2018 bonds			-	-	-	2,984	-
			<u>26,423</u>	<u>21,044</u>	<u>29,168</u>	<u>33,978</u>	<u>37,487</u>
Total assets			<u>27,453</u>	<u>24,561</u>	<u>34,482</u>	<u>34,250</u>	<u>41,560</u>
EQUITY							
Capital and reserves							
Called up share capital			313	313	313	313	313
Share premium			938	938	938	938	938
Shareholders' loans			2,325	2,325	2,325	-	-
Retained earnings			553	3,318	5,606	6,487	9,400
			<u>4,129</u>	<u>6,894</u>	<u>9,182</u>	<u>7,738</u>	<u>10,651</u>
LIABILITIES							
Non-current liabilities							
4.25% secured bonds 2024			15,020	13,294	6,464	-	-
4.75% secured bonds 2025-2027			-	-	14,658	14,722	14,530
5.75% secured bonds 2027-2029			-	-	-	-	14,662
Other borrowings			1,200	1,200	1,200	1,200	-
			<u>16,220</u>	<u>14,494</u>	<u>22,322</u>	<u>15,922</u>	<u>29,192</u>
Current liabilities							
Borrowings			3,574	660	20	7,194	-
Trade and other payables			3,510	2,513	2,958	3,396	1,717
Current income tax liabilities			20	-	-	-	-
			<u>7,104</u>	<u>3,173</u>	<u>2,978</u>	<u>10,590</u>	<u>1,717</u>
Total liabilities			<u>23,324</u>	<u>17,667</u>	<u>25,300</u>	<u>26,512</u>	<u>30,909</u>
Total equity and liabilities			<u>27,453</u>	<u>24,561</u>	<u>34,482</u>	<u>34,250</u>	<u>41,560</u>
<i>Total debt</i>			<i>19,794</i>	<i>15,154</i>	<i>22,342</i>	<i>23,116</i>	<i>29,192</i>
<i>Net debt</i>			<i>18,457</i>	<i>11,542</i>	<i>16,048</i>	<i>18,145</i>	<i>19,703</i>
<i>Invested capital (total equity plus net debt)</i>			<i>22,586</i>	<i>18,436</i>	<i>25,230</i>	<i>25,883</i>	<i>30,354</i>



Key Financial Ratios	FY2020	FY2021	FY2022	FY2023	FY2024
	Actual	Actual	Actual	Forecast	Projection
Net debt-to-EBITDA (times) <i>(Net debt / EBITDA)</i>	12.47	2.99	4.71	8.52	4.03
Net debt-to-equity (times) <i>(Net debt / total equity)</i>	4.47	1.67	1.75	2.34	1.85
Net gearing (%) <i>(Net debt / net debt and total equity)</i>	81.72	62.61	63.61	70.10	64.91
Debt-to-asset (times) <i>(Total debt / total assets)</i>	0.72	0.62	0.65	0.67	0.70
Leverage (times) <i>(Total assets / total equity)</i>	6.65	3.56	3.76	4.43	3.90
Current ratio (times) <i>(Current assets / current liabilities)</i>	3.72	6.63	9.79	3.21	21.83

Statement of Financial Position

The Group's statement of financial position as at 31 December **2021** comprised total assets of €24.56 million (31 December 2020: €27.45 million), primarily made up of inventory (€19.63 million – being property development work-in-progress) and cash balances (€3.61 million when including the sinking fund reserve).

Total equity increased by €2.76 million to €6.89 million (31 December 2020: €4.13 million) on account of the net profit registered during the year. Total liabilities amounted to €17.67 million, a decrease of €5.66 million compared to the €23.33 million figure as at the end of 2020. During the year, total debt contracted by €4.64 million to €15.16 million compared to €19.80 million as at 31 December 2020. Other liabilities included deposits received on POS agreements amounting to €0.94 million (31 December 2020: €1.58 million).

The net gearing ratio decreased from 81.72% as at 31 December 2020 to 62.61% as at the end of 2021, whilst the net debt-to-equity stood at 1.67 times compared to 4.47 times as at 31 December 2020. Similarly, the leverage ratio improved to 3.56 times from 6.65 times as at 31 December 2020.

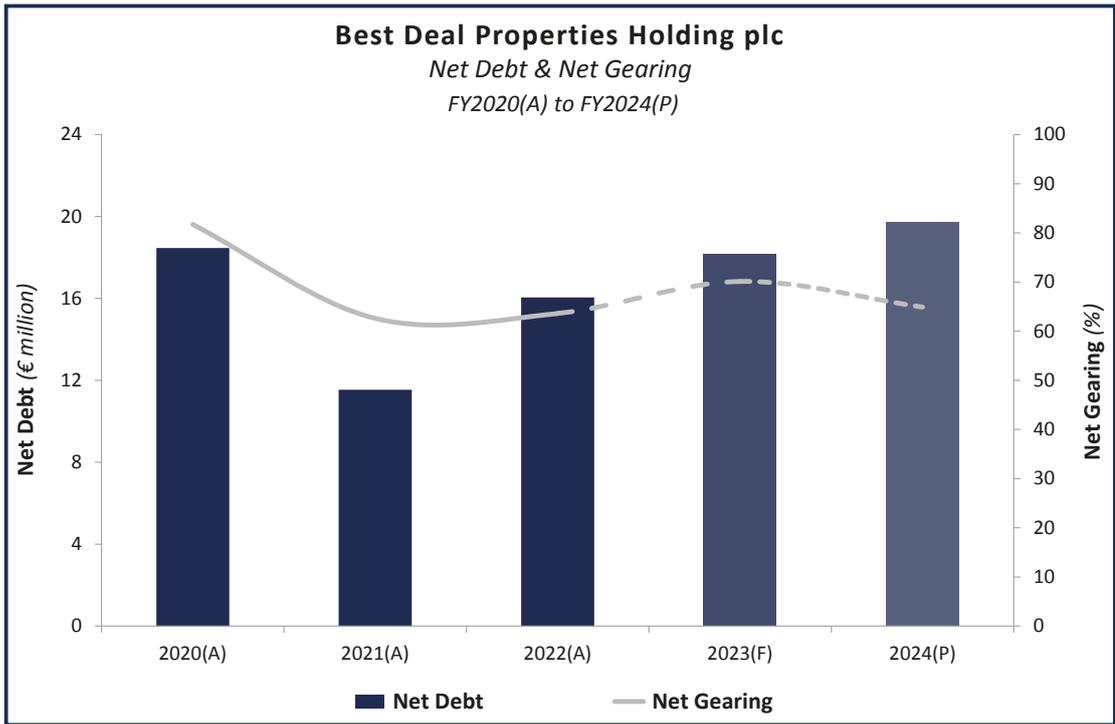
During **FY2022**, total assets increased by 40.39% to €34.48 million principally reflecting the growth in inventories to €26.39 million. Similarly, total liabilities rose by 43.19% to €25.30 million as the Group increased its total borrowings by 47.42% to €22.34 million amid the issuance of the 2022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

In **FY2023**, total assets are expected to have remained virtually unchanged at €34.25 million. On the other hand, total liabilities are estimated to have increased by 4.79% to €26.51 million reflecting marginal increases in total debt to €23.12 million and trade and other payables to €3.40 million. Year-on-year, the net gearing ratio is estimated to have increased by 6.49 percentage points to 70.10% whilst the net debt-to-equity ratio and the leverage ratio are also forecasted to have trended higher to 2.34 times and 4.43 times respectively.

In **FY2024**, the Group is projecting a notable increase total assets and liabilities to €41.56 million and €30.91 million respectively. The sharpest year-on-year movements are anticipated to be in relation to the level of inventories (+€4.73 million to €30.84 million) on the back of the further progress in the execution of the Siągiewi Development, and debt (+€6.08 million to €29.19 million) reflecting the issuance of the 2024 Bonds and redemption of the 2018 Bonds.

In view of the expected expansion in the Group's equity base to €10.65 million compared to the forecasted figure of €7.74 million as at the end of 2023, coupled with the projected increase in net debt to €19.70 million, the Issuer is estimating an improvement in its net gearing and net debt-to-equity ratios to 64.91% and 1.85 times respectively. Likewise, the leverage ratio is projected to trend lower to 3.90 times.





PART 3 – COMPARATIVE ANALYSIS

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

Comparative Analysis*	Amount Issued (€'000)	Yield-to-Maturity / Worst (%)	Interest Cover (times)	Net Debt-to-EBITDA (times)	Net Gearing (%)	Debt-to-Assets (times)
5.00% Hal Mann Vella Group plc Secured 2024	30,000	4.00	2.42	9.45	51.80	0.44
5.10% 1923 Investments plc Unsecured 2024	36,000	5.07	4.81	2.94	47.79	0.40
4.25% Best Deal Properties Holding plc Secured & Guaranteed 2024	6,106	3.10	13.29	4.71	63.61	0.65
5.75% International Hotel Investments plc Unsecured 2025	45,000	5.52	1.87	11.42	41.92	0.40
5.10% 6PM Holdings plc Unsecured 2025	13,000	5.15	10.95	0.38	11.16	0.17
4.50% Hili Properties plc Unsecured & Guaranteed 2025	37,000	5.41	1.80	12.53	45.87	0.46
3.70% Gap Group plc Secured & Guaranteed 2023-2025	5,900	6.53	33.21	4.85	56.20	0.69
4.35% Hudson Malta plc Unsecured & Guaranteed 2026	12,000	5.07	6.11	4.89	71.67	0.57
4.25% CPHCL Finance plc Unsecured & Guaranteed 2026	40,000	5.71	1.66	12.42	42.45	0.40
4.00% International Hotel Investments plc Secured 2026	55,000	3.99	1.87	11.42	41.92	0.40
5.00% Dizz Finance plc Unsecured & Guaranteed 2026	8,000	6.07	1.91	10.70	79.93	0.59
3.75% Premier Capital plc Unsecured 2026	65,000	4.51	11.25	2.09	61.67	0.56
4.00% International Hotel Investments plc Unsecured 2026	60,000	5.13	1.87	11.42	41.92	0.40
3.25% AX Group plc Unsecured 2026	15,000	4.74	1.75	14.74	30.01	0.28
3.90% Gap Group plc Secured & Guaranteed 2024-2026	21,000	4.27	33.21	4.85	56.20	0.69
4.00% Hili Finance Company plc Unsecured & Guaranteed 2027	50,000	4.87	4.64	4.84	69.79	0.63
4.35% SD Finance plc Unsecured & Guaranteed 2027	65,000	5.06	4.68	1.74	22.08	0.26
4.00% Eden Finance plc Unsecured & Guaranteed 2027	40,000	5.09	4.24	5.37	25.33	0.23
5.25% Mediterranean Investments Holding plc Unsecured & Guaranteed 2027	30,000	5.56	3.79	3.30	22.75	0.21
4.00% Stivala Group Finance plc Secured & Guaranteed 2027	45,000	4.14	5.61	4.81	28.97	0.26
4.75% Best Deal Properties Holding plc Secured & Guaranteed 2025-2027	15,000	4.75	13.29	4.71	63.61	0.65
4.75% Gap Group plc Secured & Guaranteed 2025-2027	23,000	4.75	33.21	4.85	56.20	0.69
3.85% Hili Finance Company plc Unsecured & Guaranteed 2028	40,000	5.48	4.64	4.84	69.79	0.63
5.85% Mediterranean Investments Holding plc Unsecured & Guaranteed 2028	20,000	5.27	3.79	3.30	22.75	0.21
5.75% PLAN Group plc Secured & Guaranteed 2028	12,000	5.50	6.50	12.28	56.64	0.55
5.75% Best Deal Properties Holding plc Secured & Guaranteed 2027-2029	15,000	5.75	13.29	4.71	63.61	0.65
3.65% Stivala Group Finance plc Secured & Guaranteed 2029	15,000	4.52	5.61	4.81	28.97	0.26
3.80% Hili Finance Company plc Unsecured & Guaranteed 2029	80,000	5.71	4.64	4.84	69.79	0.63
3.75% AX Group plc Unsecured 2029	10,000	3.85	1.75	14.74	30.01	0.28
6.25% GPH Malta Finance plc Unsecured & Guaranteed 2030	18,144	5.85	1.73	7.63	94.01	0.75
3.65% International Hotel Investments plc Unsecured 2031	80,000	4.90	1.87	11.42	41.92	0.40
3.50% AX Real Estate plc Unsecured 2032	40,000	6.07	2.31	13.83	42.36	0.41
5.00% Mariner Finance plc Unsecured 2032	36,930	4.83	4.72	5.95	49.91	0.49
5.85% AX Group plc Unsecured 2033	40,000	5.19	1.75	14.74	30.01	0.28
6.00% International Hotel Investments plc Unsecured 2033	60,000	5.46	1.87	11.42	41.92	0.40
4.50% The Ona plc Secured & Guaranteed 2028-2034	16,000	4.69	44.17	9.76	64.11	0.59
5.50% Juel Group plc Secured & Guaranteed 2035	32,000	5.41	3.35	11.26	55.24	0.51

*As at 15 January 2024

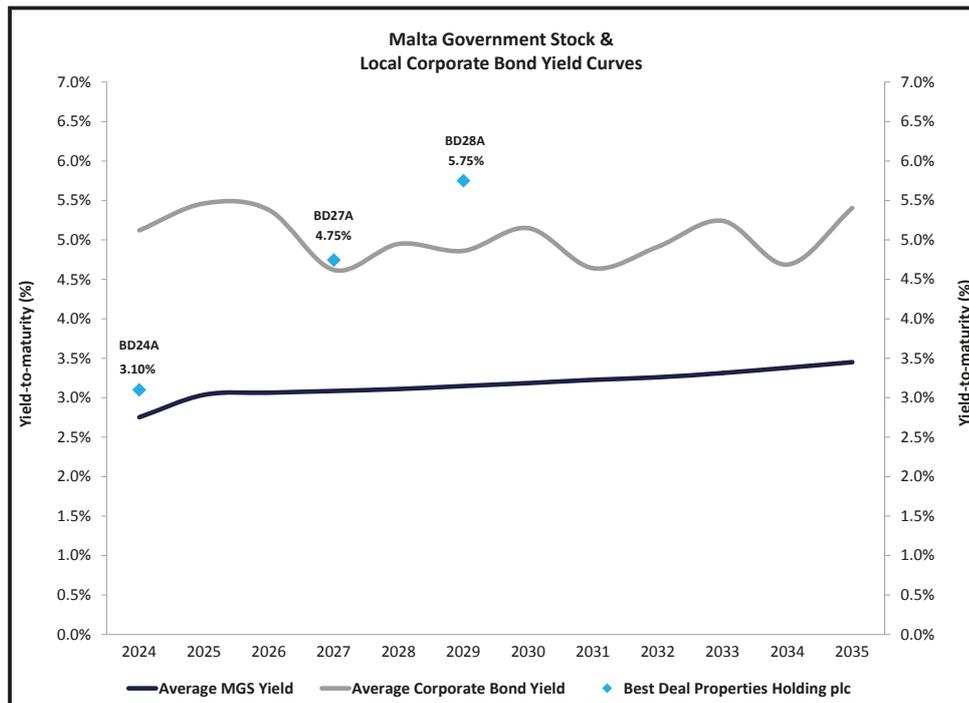
Sources: Malta Stock Exchange

M.Z. Investment Services Limited

Most recent audited annual financial statements except for PLAN Group plc (FY2023 - forecast) and Juel Group plc (FY2024 - forecast).



MZ INVESTMENTS



To date, there are no corporate bonds which have a redemption date beyond 2035. The Malta Government Stock yield curve has been included as it is widely considered as the benchmark 'risk-free' rate for Malta.

The **4.25% Best Deal Properties Holding p.l.c. secured and guaranteed bonds 2024** had a yield-to-maturity ("YTM") of 3.10% as at 15 January 2024, which was 202 basis points lower than the average YTM of 5.12% of other local corporate bonds maturing in the same year. The spread over the corresponding Malta Government Stock yield of equivalent maturity stood at 35 basis points.

The **4.75% Best Deal Properties Holding p.l.c. secured and guaranteed bonds 2025-2027** had a YTM of 4.75% as at 15 January 2024, which was 12 basis points higher than the average YTM of 4.62% of other local corporate bonds maturing in the same year. The spread over the corresponding Malta Government Stock yield of equivalent maturity stood at 166 basis points.

The new **5.75% Best Deal Properties Holding p.l.c. secured and guaranteed bonds 2027-2029** have been priced at a YTM which represent a premium of 89 basis points (as at 15 January 2024) over the average YTM of 4.86% of other local corporate bonds maturing in the same year. The spread over the corresponding Malta Government Stock yield of equivalent maturity as at 15 January 2024 stood at 260 basis points.



PART 4 - EXPLANATORY DEFINITIONS

PROFITABILITY RATIOS

<i>EBITDA margin</i>	EBITDA as a percentage of revenue.
<i>Operating profit margin</i>	Operating profit (or loss) as a percentage of total revenue.
<i>Net profit margin</i>	Profit (or loss) after tax as a percentage of total revenue.
<i>Return on equity</i>	Measures the rate of return on the company's net assets and is computed by dividing the net profit (or loss) by average equity.
<i>Return on assets</i>	Measures the rate of return on the company's assets and is computed by dividing the net profit (or loss) by average assets.
<i>Return on invested capital</i>	Measures the rate of return from core operations and is computed by dividing operating profit (or loss) by the average amount of equity and net debt.

CASH FLOW STATEMENT

<i>Net cash flow from / (used in) operating activities</i>	The amount of cash generated (or consumed) from the normal conduct of business.
<i>Cash flow from / (used in) investing activities</i>	The amount of cash generated (or consumed) from activities related to the acquisition, disposal, and/or development of long-term assets and other investments.
<i>Cash flow from / (used in) financing activities</i>	The amount of cash generated (or consumed) that have an impact on the company's capital structure and thus result in changes to share capital and borrowings.

STATEMENT OF FINANCIAL POSITION

<i>Non-current assets</i>	These represent long-term investments which full value will not be realised within the next twelve months. Such assets, which typically include property, plant, equipment, and investment property, are capitalised rather than expensed, meaning that a company amortises the cost of the asset over the number of years for which the asset will be in use instead of allocating the entire cost to the accounting year in which the asset was acquired.
<i>Current assets</i>	All assets which could be realisable within a twelve-month period from the balance sheet date. Such amounts may include development stock, accounts receivable, cash and bank balances.
<i>Non-current liabilities</i>	These represent long-term financial obligations which are not due within the next twelve months, and typically include long-term borrowings and debt securities.
<i>Current liabilities</i>	Liabilities which fall due within the next twelve months from the balance sheet date, and typically include accounts payable and short-term debt.
<i>Total equity</i>	Represents the residual value of the business (assets minus liabilities) and typically includes the share capital, reserves, as well as retained earnings.



MZ INVESTMENTS

FINANCIAL STRENGTH/CREDIT RATIOS

<i>Interest cover</i>	Measures the extent of how many times a company can pay its net finance costs from EBITDA.
<i>Net debt-to-EBITDA</i>	Measures how many years it will take a company to pay off its net interest-bearing liabilities (including lease liabilities) from its EBITDA generation capabilities, assuming that net debt and EBITDA are held constant.
<i>Net debt-to-equity</i>	Shows the proportion of net debt (including lease liabilities) to the amount of equity.
<i>Net gearing</i>	Shows the proportion of equity and net debt used to finance a company's business and is calculated by dividing a company's net debt by net debt plus equity.
<i>Debt-to-asset</i>	Shows the degree to which a company's assets are funded by debt and is calculated by dividing all interest-bearing liabilities by total assets.
<i>Leverage</i>	Shows how much equity a company is using to finance its assets.
<i>Current ratio</i>	Measures whether or not a company has enough resources to pay its short-term liabilities from its short-term assets.



MZ INVESTMENTS



ANNEX IV - SPECIMEN APPLICATION FORM



BEST DEAL PROPERTIES HOLDING P.L.C.
€15 MILLION 5.75% SECURED BONDS 2027 – 2029

APPLICATION NUMBER:

This Application Form is not transferable and entitles you to subscribe for Best Deal Properties Holding p.l.c. 5.75% Secured Bonds 2027-2029 as a 2018 Bondholder as defined in the Prospectus dated 22 March 2024. Please read the notes overleaf before completing this Application Form. Mark 'X' where applicable.

A APPLICANT (see notes 2 to 8)			
		I.D. CARD / PASSPORT	MSE A/C NO.
DOCUMENT TYPE	COUNTRY OF ISSUE	DATE OF BIRTH	NATIONALITY
LEI (Legal Entity Identifier) (If applicant is NOT an Individual)		PLEASE REGISTER ME FOR E-PORTFOLIO <input type="checkbox"/>	MOBILE NO. (mandatory for e-portfolio)
B ADDITIONAL (JOINT) APPLICANTS (see note 3) (please use Addendum to Application Form if space is not sufficient)			
TITLE (Mr/Mrs/Ms/...)	FULL NAME AND SURNAME		I.D. CARD/PASSPORT NO.
DOCUMENT TYPE	COUNTRY OF ISSUE	DATE OF BIRTH	NATIONALITY
C DECISION MAKER/MINOR'S PARENTS / LEGAL GUARDIAN(S) / USUFRUCTUARY/IES (see notes 4 ,7 & 8) (to be completed ONLY if applicable)			
TITLE (Mr/Mrs/Ms/...)	FULL NAME AND SURNAME		I.D. CARD/PASSPORT NO.
DOCUMENT TYPE	COUNTRY OF ISSUE	DATE OF BIRTH	NATIONALITY
TITLE (Mr/Mrs/Ms/...)	FULL NAME AND SURNAME		I.D. CARD/PASSPORT NO.
DOCUMENT TYPE	COUNTRY OF ISSUE	DATE OF BIRTH	NATIONALITY
D I/WE APPLY TO PURCHASE AND ACQUIRE (see note 9):			
BOX 1 - Nominal Value of 2018 Bonds		EXISTING HOLDING	BOX 1
BOX 2 - Holdings of 2018 Bonds amounting to less than €5,000 shall be required to pay the difference		€	
BOX 3 - I/We wish to purchase and acquire the amount set out in BOX 3 in Bonds at the Bond Issue Price (at par) pursuant to the Prospectus dated 22 March 2024 (the "Prospectus") (minimum €5,000 and in multiples of €100 thereafter).		CASH TOP-UP	BOX 2
AMOUNT IN WORDS		€	
		TOTAL AMOUNT	BOX 3
		€	
E RESIDENT - FINAL WITHHOLDING TAX ("FWT") DECLARATION (see notes 10) (to be completed ONLY if the Applicant is a resident of Malta)			
<input type="checkbox"/> I/We elect to receive interest NET of FWT		<input type="checkbox"/> I/We elect to receive interest GROSS (i.e. without FWT)	
F NON-RESIDENT - DECLARATION FOR TAX PURPOSES (see notes 2 & 11) (to be completed ONLY if the Applicant is a non-resident)			
TAX COUNTRY		CITY OF BIRTH	
T.I.N. (Tax Identification Number)		COUNTRY OF BIRTH	
<input type="checkbox"/> NOT resident in Malta but resident in the European Union		<input type="checkbox"/> NOT resident in Malta and NOT resident in the European Union	
G INTEREST, REFUND AND REDEMPTION MANDATE (see notes 12 & 13) (completion of this panel is MANDATORY)			
BANK	IBAN		
<p>I/We have fully understood the instructions for completing this Application Form, and am/are making this Application solely on the basis of the Prospectus, and subject to its Terms and Conditions of the Bonds as contained therein which I/we fully accept.</p> <p>I/We hereby authorise the Company to forward the details to the Malta Stock Exchange for the purposes of registering the Bonds in my/our MSE account, to register for the e-portfolio (where applicable) and to enable the reporting of all necessary transaction and personal information provided in this Application Form in compliance with Article 26 of MiFIR (Markets in Financial Instruments Regulation) to the Malta Financial Services Authority as competent authority ("Transaction Reporting"). Furthermore, I/we understand and acknowledge that the Company may require additional information for Transaction Reporting purposes and agree that such information will be provided.</p>			
Signature/s of Applicant/s <small>(Parent/s or legal guardian/s are/is to sign if Applicant is a minor) (All parties are to sign in the case of a joint Application) (Bare owner/s and usufructuary/ies to sign in the case of holdings of Bonds that are subject to usufruct)</small>			Date
AUTHORISED INTERMEDIARY'S STAMP	AUTHORISED INTERMEDIARY'S CODE	APPLICATION NUMBER	

Notes on how to complete this Application Form and other information

The following notes are to be read in conjunction with the Prospectus dated 22 March 2024 regulating the Bond Issue

This Application Form is not transferable and entitles you to a preferential treatment as holder of the Best Deal Properties Holding p.l.c. 4.25% Secured Bonds 2024 (the "2018 Bonds") and is to be submitted as a method of payment where the Applicant selects to apply for the Best Deal Properties Holding p.l.c. 5.75% Secured Bonds 2027-2029 (the "Bonds") so as to transfer to the Issuer all or part of the holding in the 2018 Bond held by the Applicant as at the Cut-Off Date, the nominal value of which is set out in Box 1 of Panel D. By submitting this signed Application Form, 2018 Bondholders shall be deemed to:

- i. cause the transfer of the said 2018 Bonds in the Issuer's name in consideration of the issue of Bonds; and
 - ii. engage, at the Issuer's cost, the services of such brokers or intermediaries as may be necessary to fully and effectively vest title in the said 2018 Bonds in the Issuer and fully and effectively vest title in the appropriate number of Bonds in the Applicant.
1. This Application is governed by the Terms and Conditions of the Bond Issue contained in Section 8 of the Securities Note dated 22 March 2024 forming part of the Prospectus. Capitalised terms not defined herein shall, unless the context otherwise requires, have the meaning ascribed to them in the Prospectus.
 2. This Application Form is to be completed in BLOCK LETTERS. For applicants who are non-residents in Malta for tax purposes, the relative box in Panel F must be completed.
 3. The MSE account number pertaining to the 2018 Bondholders, has been preprinted in Panel A and reflects the MSE account number on the bond register of the 2018 Bonds held at the CSD as at 8 March 2024 (trading session of 6 March 2024). If an MSE account pertains to more than one person (including husband and wife), the full details of all individuals must be given in Panels A and B but the first named bondholder shall, for all intents and purposes, be deemed to be the registered holder of the Bonds (vide note 6 below). Applications by more than two persons are to use the Addendum to the Application Form.

Upon submission of an Application Form, Bondholders who opt to have an online e-portfolio facility (by marking the relative box in Panel A), will receive by mail at their registered address a handle code to activate the new e-portfolio login. Registration for the e-Portfolio facility requires a mobile number to be provided on the Application Form. The Bondholder's statement of holdings evidencing entitlement to Bonds held in the register kept by the CSD and registration advices evidencing movements in such register will be available through the said e-portfolio facility on <https://eportfolio.borzamalta.com.mt/>. Further detail on the e-portfolio may be found on <https://eportfolio.borzamalta.com.mt/Help>.

4. Applications in the name of minors shall be allotted Bonds in their name as Bondholders, with interest and redemption proceeds payable to the account specified in Panel G, which should be in the name of the parent/s or legal guardian/s signing the Application Form until such time as the minor attains the age of eighteen (18) years, following which all interest and redemption proceeds shall be payable directly to the registered holder, provided that the Company has been duly notified in writing of the fact that the minor has attained the age of eighteen (18) years. Panel C must be inserted with full details of the parents/legal guardians.
5. In the case of a body corporate, a valid Legal Entity Identifier ("LEI") needs to be inserted in Panel A. Failure to include a valid LEI code, will result in the Application being cancelled by the Registrar. Applications must be signed by duly authorised representatives indicating the capacity in which they are signing.
6. 2018 BONDHOLDERS ARE TO NOTE THAT ANY SECURITIES ALLOTTED TO THEM WILL BE RECORDED BY THE MALTA STOCK EXCHANGE IN THE MSE ACCOUNT QUOTED ON THIS APPLICATION FORM EVEN IF THE DETAILS OF SUCH MSE ACCOUNT NUMBER, AS HELD BY THE CSD OF THE MALTA STOCK EXCHANGE, DIFFER FROM ANY OR ALL OF THE DETAILS APPEARING OVERLEAF. A SEPARATE REQUEST BY THE APPLICANT TO CHANGE THESE DETAILS AS RECORDED AT THE MSE, WILL HAVE TO BE EFFECTED.
7. Where a decision to invest is taken by a third party authorised to transact on behalf of the Applicant (a "decision maker") such as an individual that holds a power of attorney to trade on the Applicant's account or applications under a discretionary account, details of the decision maker need to be included in Panel C.
8. Where an MSE account number is held subject to usufruct, Panel C needs to be completed and both the bare owner/s and the usufructuary/ies are to sign this Application Form.
9. The amount set out in Box 3 of Panel D overleaf must be for a minimum of €5,000 and in multiples of €100. Where the holding in 2018 Bonds is less than €5,000, the Applicant is required to pay the difference as a Cash Top-Up. In such case, the Applicant must ensure that the relative Application Form is accompanied by payment of the difference between the full price of the amount of Bonds applied for and the nominal value of 2018 Bonds being transferred as set out in Box 2.
10. Only Applicants who hold a valid official Maltese Identity Card or companies registered in Malta will be treated as resident in Malta. In such a case the Applicant may elect to have final withholding tax, currently 15%, deducted from interest payments in which case such interest need not be declared in the Applicant's income tax return. The Applicant may elect to receive the interest gross (i.e. without deduction of final withholding tax), but will be obliged to declare interest so received in the tax return. The Company will render an account to the Maltese Commissioner for Revenue of all interest paid, all amounts of tax deducted by the payor in respect of the interest paid and of the identity of all such recipients. Interest received by non-resident Applicants is not taxable in Malta and non-residents will receive interest gross. Authorised entities applying in the name of a prescribed fund will have final withholding tax (currently 10%), deducted from interest payments.

In terms of Section 7.2 of the Securities Note, unless the Company is otherwise instructed by a Bondholder, or if the Bondholder does not fall within the definition of "recipient" in terms of article 41(c) of the Income Tax Act (Cap. 123 of the laws of Malta), interest shall be paid to such person net of final withholding tax, (currently 15%) of the gross amount of interest, pursuant to article 33 of the Income Tax Act (Cap. 123 of the laws of Malta).
11. Non-residents of Malta should note that payment of interest to individuals and certain residual entities residing in another EU Member State is reported on an annual basis to the Director General Inland Revenue, Malta, who will in turn exchange the information with the competent tax authority of the Member State where the recipient of interest is resident. This exchange of information takes place in terms of the Council Directive 2014/107/EU, of 9 December 2014 amending Directive 2011/16/EU as regards mandatory automatic exchange of information in the field of taxation.

The contents of Notes 10 and 11 above do not constitute tax advice by the Company and Applicants are to consult their own independent tax advisors in case of doubt.

12. Interest, refund and redemption proceeds will be credited to the account indicated in Panel G or as otherwise amended by the Bondholder/s during the term of the Bond.
13. The Issue Period will open at 08:30 hours on 27 March 2024 and will close at 14:00 hours on 12 April 2024. Application for Bonds may be lodged with any Authorised Intermediary listed in Annex I of the Securities Note during normal office hours. Applications remitted by post will be accepted at the respective Authorised Intermediary's discretion. If any Application is not accepted after the closure of the subscription lists or is accepted for fewer Bonds than those applied for, the monies equivalent to the number of Bonds not being accepted will be returned by direct credit into the IBAN specified in panel G.
14. By completing and delivering an Application Form you (as the Applicant(s)) acknowledge that:
 - a. the Company or its duly appointed agents including the CSD and the Registrar, may process the personal data that you provide in the Application Form in accordance with the Data Protection Act (Cap. 586 of the laws of Malta) and the General Data Protection Regulation (GDPR) (EU) 2016/679 as amended from time to time;
 - b. the Company may process such personal data for all purposes necessary for and related to the Bonds applied for; and
 - c. you, as the Applicant, have the right to request access to and rectification of the personal data relating to you, as processed by the Company.

Any such requests must be made in writing and addressed to the Company. The request must be signed by yourself as the Applicant to whom the personal data relates.

The value of investments can go up or down and past performance is not necessarily indicative of future performance. The nominal value of the Bonds on offer will be repayable in full upon redemption. An investor should consult a financial advisor, licensed under the Investment Services Act (Cap. 370 of the laws of Malta), for advice.

