

Von der Heyden Group Financial Year 2016 Results

The Von der Heyden Group, through TIMAN Investments Holdings Ltd., today presented its consolidated and audited annual accounts for the financial year ended 31st December 2016 with the following highlights:

- FY 2016 consolidated revenue increased 29,4% to €17,3 m (2015: €13,4m);
- FY 2016 consolidated EBITDA increased 345% to €1,9 m (2015: €0,42m);
- Total assets € 65 m (2015: €65,9m);
- Equity at € 31,8 m (2015: €31,7m);
- Gearing ratio (Debt/Total Assets) at 51,1% (2015: 51,8%);
- Net profit at - € 1,4k (2015: - €903,6k);
- Extraordinary non-recurring expenses for the 2017 bond issue: €122.1k;

It is important to note that TIMAN Investments Holdings Ltd. acts purely as a holding company for it's more than 30 subsidiaries. Furthermore, at the end of the financial year 2016 TIMAN Investments Holdings Ltd. has not granted any corporate guarantees to third parties for or on behalf of its subsidiaries, safeguarding the financial stability of the Von der Heyden Group.

Valletta, Malta, 28th April 2017 -- The Von der Heyden Group today reported full year 2016 financial results.

"We finished 2016 consistent with our expectations and with good momentum heading into 2017 to deliver another year of strong, sustainable growth" said Von der Heyden Group Chairman Sven von der Heyden. The Group's recent successful Von der Heyden Group Finance Ltd. issue and listing of its €25m 4.4% bond due in 2024 has provided the Group additional financial resources to implement its carefully selected real estate investment and development program in Malta, Germany, Poland, Spain and possibly Portugal as new market for 2017/2018.

The 2015 Group consolidated accounts have been restated to follow the equity method for the investments in associates at the Group level applied as of financial year 2016. This has resulted in reversing the fair value movements in one of the most important associates Bogenhausener Tor Immobilien GmbH in which the Bavaria Towers project is developed. As further explained below, the project is progressing with construction of the two towers being on schedule and completion estimated for mid-2018. The equity method currently applied on the consolidation does not allow to show any revaluation of an asset even if the construction is progressing and the Company has received a recent valuation of a certified independent valuator showing a value of EUR 150m (22nd December 2016). The Company only increases the value of this associate in its stand alone accounts through conservative increases of the fair value movements. The impact of the sale of Bavaria Towers once finished will be shown only when the project is sold and shall therefore result in a substantial profit for the Group on a consolidated basis.

Despite this change in the consolidation method the Company shows a **positive performance between 2016 and 2015** with increases in its revenues (+€3.9m), its gross profit (+€1,36m), its operating profit (+€1,1m) and its EBITDA (+€1,48m).

	2016	2015	
		Restated	Before
Revenues	17.307.266	13.372.742	13.372.742
Cost of sale	-16.506.980	-13.934.485	-13.934.485
Gross loss / profit	800.286	-561.743	-561.743
Other operating income	115.384	392.857	406.187
Operating loss / profit	915.670	-168.886	-155.556
Investment income	980.086	595.341	573.523
FV movements			2.346.860
Ebitda	1.895.756	426.455	2.764.827

The Company furthermore reduced its liabilities between 2016 and 2015 by €0,9k, reducing the gearing ratio (Debt/Total Assets) from 51,8% to 51,1%. On a stand-alone basis the gearing ratio of TIMAN Investments Holdings Ltd. is considerably lower.

The Group recently closed on its first real estate acquisition in Malta. Furthermore, IBB Hotel Collection, the Group's hotel division, which currently operates 10 hotels ranging from 3* to 5* in Germany, Spain, Austria and Poland, will also further expand with the expected opening of 5 new hotels in 2017. Of these new openings 2 hotels will be situated in Malta, IBB Hotel Valletta Merkanti in Valletta and Cugó Gran – Macina, Grand Harbour in Senglea, enabling the Group to benefit from the ever increasing number of visitors to the island. For the new hotel openings additional costs will be incurred in the 2017 financial year, nevertheless these will positively contribute to the Group's projected revenue and EBITDA, further increase its footprint in Europe and accelerate its solid growth. It also brings the Group a great step closer to achieving its goal to expand to over 30 hotels in Europe within the next 7 years, adding to a proper balance between its real estate development and investment and its leisure activities.

On 30th January 2017 the Group's fully owned Maltese subsidiary Von der Heyden Group Finance plc received approval of its Prospectus from the Listing Authority in Malta in respect of an issue of **€25m 4.4% Unsecured Bonds 2024** of a nominal value of €1,000 per bond issued at par. During the subscription period through an authorized intermediary's offer, which ran from February 9th up to and including March 10th, the bond issue was fully subscribed by more than 1,300 investors. Admissibility to listing of the bonds on the Maltese Stock Exchange and subsequent start of trading occurred on March 17th and March 20th respectively. The bonds are due on March 8th, 2024 and pay accrued interest at the rate of 4.4% on March 8th of every year. Calamatta Cuschieri acted as Sponsor, Manager & Registrar, while GVZH Advocates acted as Legal Counsel and RSM Malta as Financial Advisor. The Group incurred €122,091 in extraordinary non-recurring expenses in the 2016 financial year in preparation for the 2017 bond issue.

With a projected investment value of €154m, the **Bavaria Towers** forms part of the most spectacular development project in the Bavarian capital in a strategic location in Munich. Its four towers are constructed on a plot of land covering a total area of approximately 11,000 sqm.

The Group's co-owned Blue Tower (18 storey, 72.3m high, 24,347 sqm gross rental area, 300 parking spaces) is progressing in line with its construction plan and is due to obtain certification in accordance with the Leadership in Energy and Environmental Design (LEED) Gold sustainability standard. Completion is estimated for spring/summer 2018 and the sale of the property once fully leased up latest by 2019.

The White Tower (15 storey, 53.6m high, 15.150 sqm gross rental area, 140 parking spaces) was already rented before construction on a twenty year lease, to *H-Hotels AG* that will operate a 4-star Ramada hotel comprising 345 state-of-the-art rooms and panorama suites, with a large spa and fitness area on the 14th floor. In December 2015 shortly after the start of construction, the White Tower building was sold to *Swiss Life Insurance Group* and is one of the Group's largest hotel transactions to date. Completion is estimated for spring 2018.



In 2016 the Group also continued works on the **Długi Targ development project in Gdańsk, Poland**, comprising of the refurbishment and conversion of three historical semi-detached city houses into a unique 90 room hotel with a total area of approximately 4,500 sqm. The building will also have prime retail space on the ground floor of approximately 1,000 sqm. The hotel, which will be officially named IBB Hotel Długi Targ, is scheduled to open in autumn of this year and will be managed by the Group's IBB Hotel Collection.



Andersia Silver, with a planned investment value of €110m in Poznań, Poland, will be the fourth and final development phase of the contemplated structure at the Anders Square in Poznań. The Group has obtained in April 2017 the approval of the city of Poznań for the application of a new design changing the actual two towers to one sole tower of some 42,000 sqm. The new building permit is expected to be issued at the end of September 2017. The updated concept will include a tower comprising of 28 floors with a floorplan for the first 11 floors of more than 2,150 sqm each.

The floorplan for floors 14 to 27 will be around 1,150 sqm each. The plot has still additional potential for another smaller building of some 3.000 sqm. The Group aims to initiate the financing for this project in due course followed by tender procedures for construction works, which are aimed to start in autumn of this year. Full project and construction completion is still expected prior to the end of 2020.

