



Addendum to the Financial Analysis Summary dated 27th June 2017 in relation to the Von der Heyden Group Finance p.l.c. “VDHGF FAS2017”.

Following the publication of the VDHGF FAS2017, we wish to bring the following clarifications and/or corrections to the attention of the general public:

- 1. Covering Letter** – The historical financial data for the three years ended 2014, 2015 and 2016 have been extracted from the Guarantor’s audited statutory financial statements.
- 2. Section 2.3 Directors and executive Management** - TIH, the guarantor, has a board consisting of three directors, comprising:

Name	Designation
Sven von der Heyden	Executive Director
Javier Errejon Sainz de la Maza	Executive Director
Francis J. Vassallo	Independent, Non-Executive Director

“VDHGF FAS2017” previously reported there to be four directors.

3. Section 4– Issuer financial statement performance review and forecasts

Further information regarding the constitution of the Issuer’s forecasts:

In line with the Prospectus dated January 30th issued in terms of the 4.4% Von der Heyden Group finance bond issue, the forecasted Assets and Liabilities of the group are expected to change dramatically to reflect the proceeds received from the bond issue and the subsequent on-lending.

The Company expects to lend the proceeds to various subsidiaries of the Von der Heyden Group at an interest rate of 7.5%, which represents a 3.1% spread over the interest paid on the bonds of 4.4%. This interest spread serves to cover bond issue and operating expenses as well as a remuneration for the financing activities, on an arm’s length basis.

The loans are to be provided to the various subsidiaries in accordance with the parameters as set in the Company’s Prospectus dated January 30th. Further loan disbursements are planned to be made until the end of the year, providing for a further increase of the positive net interest income for FY17.

As a consequence, FY16 should not be considered as a comparable year.

4. Section 4 – Guarantor financial statements

Below please find the Income Statement, Balance Sheet and Cashflow Statement of the Guarantor for the financial period 2014 which was previously excluded. For comparison purposes, other years are included.

Section 4.4 – Income Statement

	€	FY14	FY15	FY16	FY17F
Revenue		13,376,812	13,372,742	17,307,266	18,644,000
Other Operating Income		579,746	392,857	115,384	50,000
		13,956,558	13,765,599	17,422,650	18,694,000
Staff Costs		(3,338,607)	(4,158,481)	(5,473,181)	(5,913,000)
Operating expenses		(9,188,868)	(9,776,004)	(11,033,799)	(11,000,000)
EBITDA		1,429,080	(168,886)	915,670	1,781,000
Depreciation and amortisation		(906,834)	(435,360)	(503,476)	(513,000)
Operating Profit		522,249	(604,246)	412,194	1,268,000
Investment (loss) / income		(136,151)	19,798	(5,340)	-
Interest income and other related income		1,137,178	567,055	975,431	-
Interest expense and other related expenses		(3,206,000)	(914,081)	(1,321,070)	(1,799,000)
Share in profit from associates		-	8,488	9,995	-
Fair Value movements		(907,732)	(48,690)	(17,867)	-
Profit / (Loss) before tax		(2,574,000)	(971,676)	53,343	(531,000)
Tax credit / expense		132,839	68,050	(54,774)	-
Profit / (loss) for the year		(2,441,185)	(903,626)	(1,431)	(531,000)
Other comprehensive Income:					
Movement in fair value of available for sale investments		19,502	19,439	(3,738)	-
Total comprehensive (loss) / income for the year		(2,421,683)	(884,187)	(5,169)	(531,000)

Section 4.5 - Balance Sheet

€	FY14	FY15	FY16	FY17F
Assets				
Non-current assets				
Intangible assets	1,291,521	46,240	67,684	43,000
Property, plant and equipment	72,760,201	45,096,939	47,166,060	47,779,000
Trade and other receivables	15,299,719	8,184,665	11,065,926	19,066,000
Investment in subsidiaries	-	594,378	110,522	5,000,000
Investment in associates	1,687,949	112,972	122,967	291,000
Other financial assets	-	10,233	60,899	
Deferred tax assets	1,399,050	766,406	1,395,980	750,000
Total Non- current assets	92,438,440	54,811,833	59,990,038	72,930,000
Current Assets				
Inventories	78,456	100,444	127,176	128,000
Trade and other receivables	4,357,963	7,640,998	1,936,969	2,380,000
Current Income Tax Assets	174,187	156,481	13,884	4,000
Available-for-sale financial assets	59,330	3,904	2,066	-
Cash and cash equivalents	7,608,809	3,170,856	2,942,505	9,768,000
Total current assets	12,278,745	11,072,683	5,022,600	12,280,000
Total assets	<u>104,717,185</u>	<u>65,884,516</u>	<u>65,012,638</u>	<u>85,210,000</u>
Equity and Liabilities				
Share capital	3,804,641	3,804,641	3,804,641	3,805,000
Share Premium Account	4,445,283	4,445,283	4,445,283	4,445,000
Other reserves	14,307,763	10,375,673	8,313,150	12,919,000
Reporting currency conversion reserve	1,202,367	1,115,055	1,148,654	807,000
Retained earnings	3,281,850	-586,874	-834,813	3,260,000
Non-controlling interest	12,390,080	12,586,321	14,888,051	10,867,000
Total equity	39,431,991	31,740,099	31,764,966	36,103,000
Liabilities				
Non-current Liabilities				
Borrowings	50,510,870	18,471,542	18,505,105	42,823,000
Deferred tax liability	4,851,731	3,503,240	3,564,957	3,460,000
Provisions for other liabilities and charges	117,551	199,320	13,051	78,000
Total non-current liabilities	55,480,152	22,174,102	22,083,113	46,362,000
Current Liabilities				
Borrowings	5,368,634	8,830,775	7,733,597	536,000
Trade and other payables	4,277,091	3,045,490	3,187,949	2,116,000
Current tax liabilities	159,317	94,050	243,013	94,000
Total current liabilities	9,805,042	11,970,315	11,164,559	2,746,000
Total liabilities	65,285,194	34,144,417	33,247,672	49,108,000
Total equity and liabilities	<u>104,717,185</u>	<u>65,884,516</u>	<u>65,012,638</u>	<u>85,210,000</u>

Section 4.6 – Cashflow Statement

€	FY14	FY15	FY16	FY17F
Cash flows from operating activities				
Cash (used in) / from operations	1,879,817	186,085	526,602	-
Movement in Inventories	630,986	(21,988)	(26,732)	-
Movement in Trade and other receivables	(2,082,020)	(692,600)	5,658,120	-
Movement in trade and other payables	(2,343,916)	(2,364,025)	(72,954)	-
Movement in provisions	-	81,769	(186,269)	-
Interest received classified as operating	-	-	59,626	-
Interest paid classified as operating	-	-	(535,346)	-
Taxes paid	n/a	(795,571)	(331,071)	-
Net Cash generated from/ used in operating	(1,915,133)	(3,606,330)	5,091,976	1,150,000
Cashflows used in investing activities				
Interest received classified as investing	1,137,178	567,055	915,805	643,000
Net movement in loans to related parties	(496,507)	4,599,238	-	(7,645,000)
Purchase of intangible fixed assets	(10,628)	(13,008)	(27,463)	-
Purchase of PP&E	(2,080,222)	(2,130,362)	(2,186,887)	(3,099,000)
Purchase of financial assets	(10,619)	(36,442)	(61,204)	-
Proceeds from sale of PP&E	4,936,292	29,553,214	246,004	-
Proceeds from sale of financial assets	-	87,492	-	-
Proceeds from sale of investments	45,556	-	9,131	-
Proceeds from sale of intangible asset	-	499	3,918	-
Proceeds from sale of available for sale	175,425	35,987	-	-
Foreign Exchange	1,311,989	(504,028)	-	-
Net Cash generated (used in) / from investing	5,008,464	32,159,645	(1,100,696)	(10,100,100)
Cash flows from financing activities				
Issue of shares for cash	5,000,000	-	-	-
Net movement in loans from group companies	-	-	56,685	-
Net movement in shareholders loans	-	-	2,791,010	-
Net movement in loans from ultimate parent	-	-	(2,847,575)	-
Net movement in bank borrowings	3,174,711	(24,946,208)	(469,510)	16,756,000
Net movement in related party borrowings	1,794,134	2,011,600	(374,597)	-
Net movement in third party borrowings	(1,755,473)	(5,903,267)	2,425,609	-
Dividends paid	(3,600,000)	(3,500,000)	-	-
Interest paid	(3,206,333)	(914,081)	(785,724)	(1,799,000)
Other borrowings	-	1,724,381	(5,265,176)	-
Net cash generated from / (used in) financing	1,407,039	(31,527,575)	(4,469,278)	14,957,000
Effect of changes in foreign exchange	-	-	249,647	-
Net movement in cash flows	4,500,370	(2,974,260)	(228,351)	6,006,000
Cash and cash equivalents at beg of year	1,644,746	6,145,116	3,170,856	2,942,505
Cash and cash equivalents at end of year	6,145,116	3,170,856	2,942,505	8,948,505

5. Section 5 – Ratio Analysis

The ratio analysis of 2014 for the Guarantor is included, together with the forecasted period. The full table is reproduced below:

	2014	2015	2016	2017F
	€	€	€	€
Income Statement				
Revenue	13,376,812	13,372,742	17,307,266	18,644,000
Growth (YoY)	11.9%	0.0%	29.4%	7.7%
Operating Income (EBIT)	522,249	(604,246)	412,194	1,268,000
Operating Margin	3.9%	-4.5%	2.4%	6.8%
Net Income	(2,441,185)	(884,187)	(1,431)	(531,000)
Net Margin	-18.2%	-6.6%	0.0%	-2.8%
Balance Sheet				
Cash and Cash Equivalents	7,608,809	3,170,856	2,942,505	9,768,000
Total Current Assets	12,278,745	11,072,683	5,022,600	12,280,000
Total Non-Current Assets	92,438,440	54,811,833	59,990,038	72,930,000
Total Assets	104,717,185	65,884,516	65,012,638	85,210,000
Total Current Liabilities	9,805,042	11,970,315	11,164,559	2,746,000
Total Non-Current Liabilities	55,480,152	22,174,102	22,083,113	46,362,000
Total Debt	65,285,194	34,144,417	33,247,672	49,108,000
Total Equity	39,431,991	31,740,099	31,764,966	36,103,000
Net Debt	57,676,385	30,973,561	30,305,167	39,340,000
Cashflow				
Cash from Operations	(1,915,133)	(3,606,330)	5,091,976	1,150,000
Capex	2,080,222	2,130,362	2,186,887	3,099,000
Free Cash Flow	(3,995,355)	(5,736,692)	2,905,089	(1,949,000)
Ratios				
Profitability				
Return on Common Equity	-6.19%	-2.79%	0.00%	-1.47%
Return on Assets	-2.33%	-1.34%	0.00%	-0.62%
Solvency				
Net Debt / Total Equity	146%	98%	95%	109%
Net Debt / Assets	55%	47%	47%	46%
Net Debt / EBIT	110.44	N/A	73.52	31.03
Current Ratio	1.25	0.93	0.45	4.47
Net Debt/CFO	(30.1)	-8.59	5.95	34.21
CFO/EBIT	(3.7)	6.0	12.4	0.9
Interest Coverage	16.3%	-66.1%	31.2%	70.5%

The ratio analysis and summary for the Issuer is included below:

	2016	2017F
	€	€
Income Statement		
Revenue	32	1,100,000
Growth (YoY)	n/a	n/a
Operating Income (EBIT)	(122,059)	750,000
Operating Margin	n/a	68.2%
Net Income	(122,064)	(150,000)
Net Margin	n/a	-13.6%
Balance Sheet		
Cash and Cash Equivalents	444	1,300,444
Total Current Assets	444	1,300,444
Total Non-Current Assets	-	24,650,000
Total Assets	444	25,950,444
Total Current Liabilities	72,508	972,508
Total Non-Current Liabilities	-	25,000,000
Total Debt	72,508	25,972,064
Total Equity	(72,064)	(22,064)
Net Debt	72,064	24,671,620
Cashflow		
Cash from Operations	(94,556)	(300,000)
Capex	-	-
Free Cash Flow	(94,556)	(300,000)
Ratios		
Solvency		
Current Ratio	0.01	1.34
Interest Coverage	n/a	83.3%

Note: Other key ratios were excluded as the results were irrelevant given the specific nature of the issuer as a financing vehicle.



Nick Calamatta
 Director
 30th August 2017