

# A global legacy in real estate investment continues in Malta

With the Group's new €35 million bond issue, Von der Heyden Group's founder and Chairman, Sven von der Heyden, talks through the Group's exciting history, its proudest highlights to-date, and the ongoing projects that make the future look bright – for the Group and its investors.

Von der Heyden Group may not be the first name to spring to mind when you think of legacy real estate and investment in Malta but – perhaps – it should be.

The Group is globally renowned for big-ticket, high-quality real estate developments across Europe, spanning commercial, residential, and hospitality-based projects. In more than 30 years since inception, the Group has achieved acclaim as the name behind the international IBB Hotel Collection and Cugó Gran Hotel franchise, the exclusive Riva yacht dealership, and other companies involved in real estate investment, asset management, yachting, travel, hospitality, catering and private equity.

Notably, Von der Heyden Group have since 1989 recorded investment programs, impending acquisitions and new developments valued at more than €0.6 billion, while total revenues have increased by 58 per cent YoY from 2021 actuals to 2022 expected – figures that cannot be denied.

Moving its operation to Malta in 2014, the Von der Heyden Group story goes back further than 1989 when Mr von der Heyden was a young bank employee working in his native Germany. "I have a profound passion for history and historic architecture," Mr von der Heyden shares. "And the fall of the Berlin Wall, architecture that symbolised lack of freedom, marked a turning point in my life." This coupled with a lack of appreciation from his stock exchange job, pushed Sven von der Heyden to start his own business renovating old buildings in Dresden and Leipzig – and he has never looked back since.

In 1990 Von der Heyden expanded to Poland, where the team went on to gain plenty of market knowledge and experience in commercial real estate. "Poland, together with Malta, is one of the countries that has given us the most," the founder states. And while that may be true, Poland has certainly also received much in return from the Group, in line with the ethos of giving back that Sven firmly upholds.

Mr von der Heyden describes how he was touched by the story of the Frédéric Chopin Monument in Warsaw and the political turmoil that had surrounded it for decades. "When I heard there were plans to restore it in 1999, I knew we had to take it on." The restoration took place under the patronage of the President of the Republic of Poland and remains a proud moment for the Group.

"These are the kinds of things we love to do as a business is driven by human values, because they're lasting, rewarding and contribute something to

society. We always make sure to look after the people, countries and cities where we invest, so we try to give back – before we expect to take."

This is something that sets Von der Heyden Group apart, and Mr von der Heyden believes it is also one of the reasons it has earned the trust of so many renowned banks, engineers, construction companies and architects. "The fact that there are companies that have worked with us for up to 25 years must be a testimony to that," he muses.

An ongoing project of profound proportions is that of Andersia Silver in Poland, which marks the fourth and final phase of the Group's development and co-investor partnership with the city of Poznań. This follows the completion of Poznań Financial Centre, Andersia Tower and Andersia Business Centre. Andersia Silver is an intelligent, ESG-oriented building in the heart of Poznań, and is also the city's tallest building at 116 metres high.

The inception of this regional project goes all the way back to 1996, when the Group convinced the city not to sell the fated plot for a mere €5 million as planned. This marked the start of a successful public-private partnership that has, to-date, generated €30 million for the city, attracted global multinational corporations as tenants, shaped the city's financial district and helped secure thousands of jobs.

The Group paced each phase of the project carefully without racing to the finish line or greedily trying to complete everything in one go. "We are never in for a quick buck, nor do we ever attract shady deals. This has always led us to deliver what we promise," Mr von der Heyden asserts. With this project – as with all others – the Group entered each phase when they felt the market was ready for it.

This approach points to the company's unparalleled intuition for market sentiment. "Our guiding principle as an investment firm is that timing is everything – and quality goes without saying. Our track record proves that we have a nose for the right market and often do things in an anti-cyclical manner; we're often ahead of the crowd and tend to go into new markets early. We also know when it's time to leave the party and are proud to say that we have repeatedly invested in the right markets at the right time."

Landmark projects include the Poznań Financial Centre, Warsaw's Liberty Corner housing the Irish embassy, the first big lease with PricewaterhouseCoopers in Warsaw, and Bavaria Towers in Munich – the last of which

only very few believed could be the outstanding success it is today.

The chairman goes on to recall various instances where the Group sold properties at exactly the right time, too – practically on the eve of major world events such as the financial market crashes of 2002–2003 and 2008–2009, and the outbreak of the COVID-19 pandemic in 2020. Shaking his head with a smile, he attributes this success to a complex recipe that is down to more than luck – a recipe that combines the unique acumen of the Group's investment team and the company's investors.

Looking ahead, Von der Heyden Group is offering new opportunities for investors. With the issue of a new bond roll-over on a bond of €25 million issued five years ago, existing bondholders can switch from a 4.4 per cent coupon to a substantially more profitable five per cent coupon, in exchange for a longer 10-year period. The Group was granted approval by the Malta Financial Services Authority for the listing of the new €35 million bond issue on the Official List of the Malta Stock Exchange. This gives bondholders and the company itself a secure, long-term planning horizon.

Mr von der Heyden explains that projects typically have a lifespan of three-to-seven years, prompting the decision to issue a bond with a longer tenure that would enable the Group to embark on more projects. "With a short-term bond, we wouldn't have been able to dispose of the funds due to the upcoming bond redemption. So, we decided to redeem the existing bond early and raise €10 million additional equity. This gives everyone involved continuity and stability."

With the Group's holding actively managed in Malta by a multi-disciplinary team of skilled and ambitious individuals, the future looks promising for Von der Heyden Group and its 38 subsidiaries across seven European countries.

"We are proud to do our bit for the regeneration of the south of Malta, as we did with the Cugó Gran Macina Hotel in Senglea. We now look forward to our next project in the south, which is currently at planning stage," Mr von der Heyden says, looking out at the stunning view overlooking the Tigné seafront from Hammett's Monastik – a recently opened restaurant that brings to the culinary scene a new concept of continental European dishes, made with seasonal and sustainable local produce. He explains that Monastik is the fifth restaurant in the Hammett's Collection – which is in partnership with the Group – to open in five years.



Sven von der Heyden

When asked about his view on Malta as a foreign investor, Sven von der Heyden admits that after living in Malta for nine years, he dreams of a change where all stakeholders look at building opportunities that satisfy the bigger picture. "We need to build places for families to enjoy themselves, green areas, nicely built children's playgrounds, be cleaner, drive less aggressively, and look after each other. I love Malta for its diversity and traditions, but I strongly believe the island's future lies in quality and not in quantity."

As the Group looks to the end of 2022 and enjoys a global reputation of excellence with a strong portfolio of real estate development projects that have shaped cities, markets and communities, the company is as ready as it ever was to meet what lies ahead. Even better news? Investors are welcome to join the Von der Heyden success story and can look forward to the many benefits they are sure to reap along the way.

Visit <https://vonderheydengroup.com/e35m-5-2032/> for more information.

With the issue of its new €35 million bond, the Von der Heyden Group is offering bondholders the opportunity to roll-over their investment of its first bond of €25 million issued five years ago, and switch from a 4.4% coupon to a higher coupon of 5%, in exchange for a longer 10-year period. Subscriptions are now open, and through an intermediaries offer from November 18. Subscriptions will close on December 2 or earlier if the bond issue is over-subscribed.