



VON DER HEYDEN GROUP

FINANCIAL ANALYSIS SUMMARY

VON DER HEYDEN GROUP FINANCE P.L.C.

30 June 2026

Calamatta Cuschieri

Calamatta Cuschieri

The Board of Directors

Von der Heyden Group Finance p.l.c.

Trident Park, Notabile Gardens, No. 6, Level 1, Office 7

Mdina Road, Zone 2, Central Business District

Birkirkara CBD2010, Malta

30 June 2026

Dear Board Members,

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

The purpose of the financial analysis is that of summarising key financial data appertaining to Von der Heyden Group Finance p.l.c. (the "**Issuer**") and TIMAN Investments Holdings p.l.c. (the "**Guarantor**"). The data is derived from various sources or is based on our own computations as follows:

- a) Historical financial data for the three years ending 31 December 2023, 2024, and 2025 has been extracted from the audited financial statements of the Issuer and the Guarantor.
- b) The forecast data for the current financial year ending 31 December 2026 have been provided by management.
- c) Our commentary on the Issuer and Guarantor's results and financial position has been based on the explanations provided by management.
- d) The ratios quoted in the Analysis have been computed by us applying the definitions set out in Part 4 of the Analysis.
- e) The principal relevant market players listed in Part 3 of the document have been identified by management. Relevant financial data in respect of competitors has been extracted from public sources such as the web sites of the companies concerned, or financial statements filed with the Registrar of Companies.

The Analysis is meant to assist investors in the Issuer's securities and potential investors by summarising the more important financial data of the Group. The Analysis does not contain all data that is relevant to investors or potential investors. The 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 in any of the Issuer's securities. We shall not accept any liability for any loss or damage arising out of the use of the Analysis. As with all investments, potential investors are encouraged to seek professional advice before investing in the Issuer's securities.

Yours sincerely,



Patrick Mangion

Head of Capital Markets



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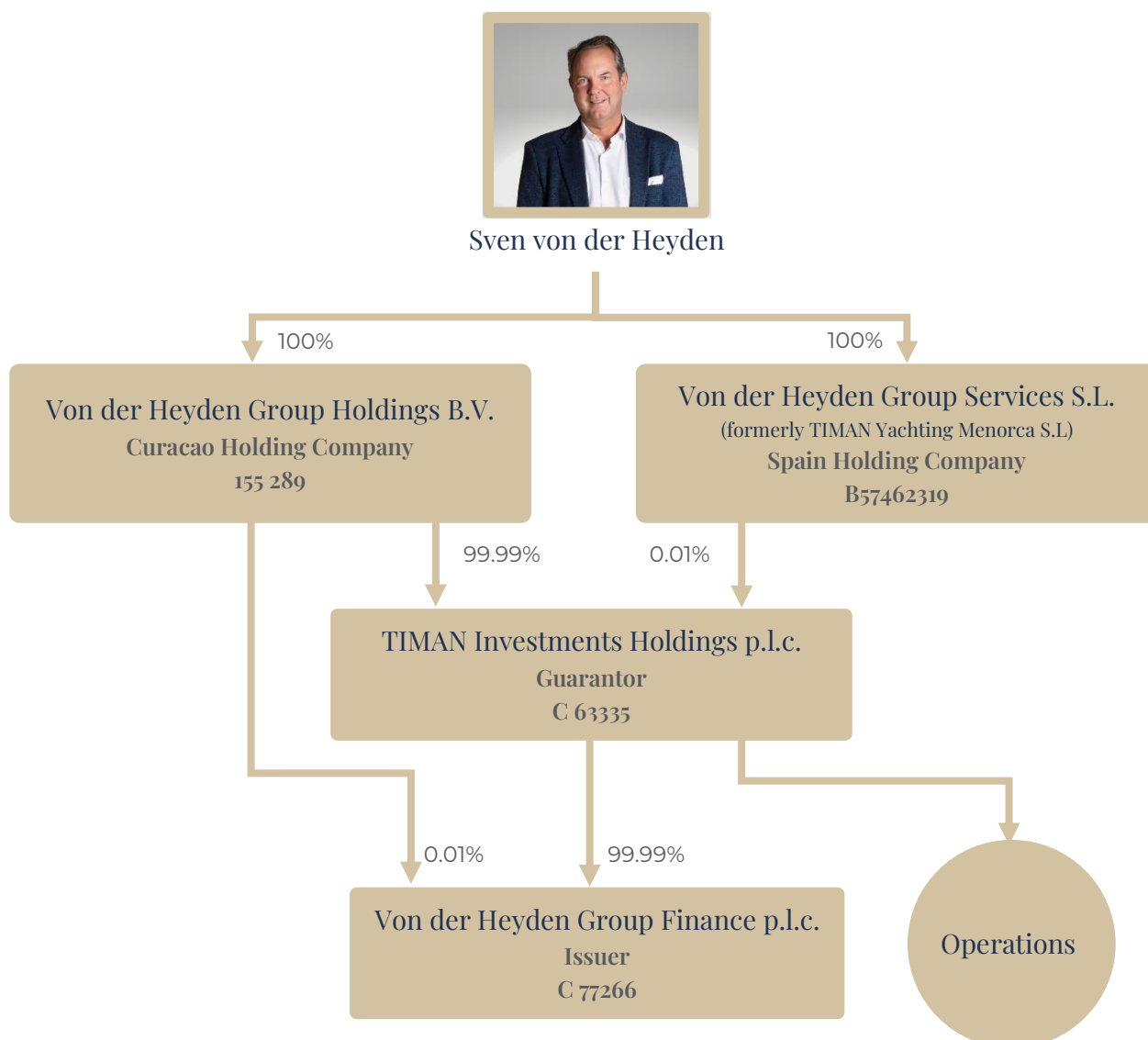
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PART 1

**INFORMATION
ABOUT
THE ISSUER
AND
THE GUARANTOR**

ISSUER AND GUARANTOR'S KEY ACTIVITIES AND STRUCTURE

The summarised organisation chart of the Issuer and the Guarantor is set out below:



About Von der Heyden Group

The Von der Heyden Group, or the “**Group**”, is involved in real estate development, real estate investments and leasing, hotel management, hospitality and travel business, joint venture, and equity participation in private companies, including petrol retailing as one of its alternative investments. The Group, through its subsidiaries and associates, has real estate activities and/or operations in Poland, Spain, Portugal, Italy and Malta.

The Group consists of Von der Heyden Group Holdings BV, a holding company registered in Curaçao being the ultimate parent of the Group, Von der Heyden Group Finance p.l.c. (the “**Issuer**”), TIMAN Investments Holdings p.l.c. (the “**Guarantor**”), a holding company in Malta being the immediate parent of the Issuer and of the Group, and the operating companies within the Group. The operating companies of the Group are held either directly by the Guarantor or indirectly through other holding companies within the Group, as well as those directly under Von der Heyden Group Holdings BV.

The Issuer is a public limited liability company registered in Malta on 15 September 2016, bearing company registration number C 77266. The Issuer serves as the financial vehicle of the Group. The authorised and issued share capital of the Issuer is €250,000 divided into 249,999 Ordinary A shares and 1 Ordinary B share, all having a nominal value of €1 each. The fully paid-up issued share capital, except for one Ordinary B share, is held by the Guarantor.

The Guarantor of the Issuer's debt securities in issue is a public limited liability company registered in Malta on 31 December 2013, bearing company registration number C 63335, as a continuing business from the Netherlands (previously TIMAN Investments Holdings BV) under the Companies Act, 1995. The principal activity of the Guarantor is to hold investments in subsidiaries and associated entities for capital growth and income generation as well as providing financing to the Group and related entities.

The issued share capital of the Guarantor, as of the date of this Analysis, is beneficially owned 100% by Mr Sven von der Heyden through Von der Heyden Group Holdings BV holding 3,249,923 Ordinary A shares of the Guarantor of €1 each fully paid up, and through Von der Heyden Group Services S.L. (formerly TIMAN Yachting Menorca S.L.) holding 1 Ordinary A share.

In terms of its Memorandum and Articles of Association, the Guarantor is controlled by Von der Heyden Group Holdings BV which is then controlled by Mr Sven von der Heyden. Accordingly, the Group is ultimately controlled by Mr Sven von der Heyden. The Guarantor, acting as the parent company of the Group, has the following principal Malta registered subsidiaries: the Issuer, IBB Hotel Management Europe Ltd (“**IBBHME**”) and IBB Hotel Collection Holdings Limited (“**IBBHCH**”). As of **30 June 2026**, the Group has 29 subsidiary entities and four associated entities registered in Germany, Poland, Spain, Portugal, Italy, Malta, and the Netherlands. Amongst others, the Group's associates include Urbelia Business S.L. – where the Group currently holds 50% interest – which is the holding company of six fuel station operating entities in Spain. In the second half of the year, the Group plans to obtain more than 50% of the shareholding and appoint two of the proposed three-member board of directors of Urbelia Business S.L., thus obtaining control over the entity which will then identify Urbelia Business SL and the entities it controls as subsidiaries of the Group.

In the accommodation segment, typically, the Group sets up a hotel operating company for each hotel. The hotels, whether owned-and-managed or leased-and-managed fall either under the “IBB Hotel” brand for the 4-star hotels or the “Cugó Gran” brand for the luxury boutique hotels. IBBHME is responsible for the management of all the hotels in the portfolio being operated by the Group, providing services such as sales & marketing, including a common online booking platform, revenue management, human resource management, and corporate finance.

History of Von der Heyden Group

Since its establishment in 1989, the Group has undertaken and successfully completed a series of significant investment programmes within the real estate sector, with a cumulative value considerably exceeding five hundred million Euro. With over 34 years of sustained operational experience in European markets, the Group has garnered the confidence of prominent international financial institutions, investment funds, major market participants, as well as government institutions. The Group's geographical presence is maintained through representative offices in Poland, Germany, Spain, Italy, Portugal, and Malta. Furthermore, the Group has in the past made strategic investments in Dresden and Leipzig (Germany), and in New York, USA via a co-investment in a B-class commercial office property in Downtown Manhattan. Investors may obtain further information by visiting the Group's official website:



Real Estate timeline of completed and sold projects and ongoing projects.

The Group has positioned itself as a niche boutique player, targeting superior quality outcomes through the development of premium office facilities, and the ownership and management of hotel and residential assets in various European locations, including Germany, Poland, Spain, and Portugal. The Group has also initiated significant development ventures in additional countries such as Malta and Italy. The Group's commercial pursuits are presently categorised under the following business lines:

- Real estate developments and investments
- Hotel accommodation and catering
- Private equity, venture capital, and capital markets



Real estate developments and investments

The principal commercial activity of the Group remains centred on real estate developments and investments; maintaining a solid pipeline of projects constitutes the foundation of its success. The Group possesses a notable legacy and a reputation for its capacity to deliver significant, high-quality developments, acting as the trusted lead partner that generates considerable financial returns.

REAL ESTATE DEVELOPMENT

Currently, the Group's foremost undertaking is the AND2 project, a 26-storey, A-class office tower in the centre of Poznań's financial district in Poland. This 40,000 sqm development, now set for completion in 2028 on account of the delays, arising from prolonged negotiations with the main contractor, changes to the project financing structure and the resulting delay of construction activity pending finalisation of these arrangements, which negotiations have since been concluded in 2026. The Tower is projected to have an exit value exceeding €140m upon completion. Notably, the tower is attracting significant pre-leasing interest from both local and international businesses in the region.

Alongside this flagship project, the Group is actively engaged in two other distinguished development projects: the renovation and restoration of Villa Diodati in Tuscany, Italy, and the development of Atrium Liberdade Residences in Algarve, Portugal a project expected to be completed and sold this year.

REAL ESTATE INVESTMENTS

The real estate investments business line comprises a portfolio of various commercial and residential real estate assets situated in Germany, Poland, Spain, and Italy. These assets are predominantly held for the purpose of capital appreciation, which is pursued through mechanisms including yield compression and rental escalation, as well as value-added and opportunistic investment strategies. The Group also holds several sites in Poland for future sale or development as further described in section 1.3.



Hotel Accommodation and Catering

The hotel management business line includes the management of hotels under the IBB Hotel Collection brand in Germany, Poland, and Malta. The IBB Hotel Collection is divided into two brands: the IBB Hotel brand representing the 4-star lodging and related services, and the Cugó Gran brand, representing the highly sophisticated and luxurious boutique hotel experience. The Group currently operates two IBB Hotel properties (one in Poland and one in Malta), as well as two Cugó Gran boutique hotels located in Malta, with the latter further strengthened by the recent completion of the Cugó Gran Vittoriosa opening later this year.

The Group also previously had a 50% venture in an associate entity that operates several restaurants in Malta which it divested in the first half of FY26.

Private equity, venture capital, and capital markets

The private equity investments business line provides for further diversification of the Group and includes various private equity-type investments including an expanding low-cost petrol station network in Spain, a yacht charter and brokerage operations, and a portfolio of capital market assets. The Group also previously had a controlling stake in a travel agency business in Spain under this segment which has been divested in FY25.

DIRECTORS AND KEY EMPLOYEES

The Issuer is currently managed by a board of five directors who are responsible for the overall direction and management of the company. The board consists of two executive directors who are entrusted with the company's day-to-day management, and three non-executive directors who are also independent of the Issuer. The main function of the board is to monitor the operations of the company and that of its Guarantor in view of the bond Issue.

DESIGNATION	NAME
Chairman, Executive director	Mr Antonio Fenech
Managing director, Executive director	Mr Javier Errejon Sainz de la Maza
Independent, Non-executive director	Mr Simon Flynn (elected on 18 May 2026)
Independent, Non-executive director	Dr Kari Pisani (elected on 18 May 2026)
Independent, Non-executive director	Mr Christoph Ganster (elected on 18 May 2026)
Independent, Non-executive director	Mr Joseph M Muscat (retired on 18 May 2026)
Non-executive director	Mr Jozef B Borowski (retired 18 May 2026)
Independent, Non-executive director	Dr Karen Coppini (until 1 Dec 2025)
Independent, Non-executive director	Mr David-Richard Bonett (from 1 Dec 2025 till 18 May 2026)

The business address of all the directors of the Issuer is the registered office of the Issuer. Dr Nicholas Formosa acts as the company secretary of the Issuer.

The board of directors of the Guarantor is composed of the following:

DESIGNATION	NAME
Chairman	Mr Sven von der Heyden
Managing Director	Mr Javier Errejon Sainz de la Maza
Executive Director	Mr Antonio Fenech

The business address of all the directors of the Guarantor is the registered office of the Issuer. Dr Nicholas Formosa acts as the company secretary of the Guarantor.

The following are the key officers of the Guarantor and its operations.

DESIGNATION	NAME
Business Development, Executive Director	Mr Antonio Fenech
Managing Director	Mr Javier Errejon Sainz de la Maza
Head of Operations	Mr Herald Bonnici
CEO, IBB Hotel & Cugó Gran Collections	Mr Samuel Santos

As per the latest audited financial statements, the average number of employees employed by the Group during FY25 was 129 (FY24: 169).

MAJOR ASSETS OF THE GROUP

The following table provides a list of the principal assets and operations owned by the respective Group companies as of **30 June 2026**:

OWNING COMPANY	BUSINESS ACTIVITY	PRINCIPAL ASSETS OR OPERATIONS	STATE & COUNTRY	EFFECTIVE OWNER-SHIP %
Andersia Property Sp. z o.o.	Real Estate Investment	Holding company (100% in Andersia Retail Sp. z o.o.) and owner of a plot of land adjacent to AND2	Poznań, Poland	67
Andersia Retail Sp. z o.o.	Real Estate Development	Owner of 39,705 sqm A-class office development project in Poznań	Poznań, Poland	67
Cugó Gran Vittoriosa Operations Limited	Accommodation and Catering	Operator of soon to open Cugó Gran Vittoriosa Hotel (4*)	Gzira, Malta	100
DGDV Capital Limitada	Real Estate Development	Owner of 5,000 sqm residential development project	Algarve, Portugal	25
IBB Hotel Management Europe Ltd	Accommodation and Catering	The hotel management company for all the IBB Hotels	Gzira, Malta	100
Lublin Grand Hotel Management Sp. z o.o.	Accommodation and Catering	Operator of IBB Grand Hotel Lublinianka (4*)	Lublin, Poland	75
Lublin Grand Hotel Sp. z o.o.	Real Estate Investment	Owner of IBB Grand Hotel Lublinianka	Lublin, Poland	75
Palazzo Bettina Operations Ltd.	Accommodation and Catering	Operator of IBB Palazzo Bettina Hotel (4*)	Gzira, Malta	100
Senglea Hotel Operations Limited	Accommodation and Catering	Operator of Cugó Gran Macina Hotel (4*)	Gzira, Malta	100
TIMAN Investments Espana S.L.	Accommodation and Catering	Owner of a mixed-use property in Menorca	Menorca, Spain	100
Urbelia Business S.L. **	Private Equity & Other	Holding company of several low-cost fuel station operating companies in Spain	Madrid, Spain	50
Urbelia Arcos de la Fonterra S.L.	Private Equity & Other	Operator of Petrol station in Arcos de la Fonterra, Cadiz, Spain	Madrid, Spain	50
Urbelia Bailen S.L.	Private Equity & Other	Operator of Petrol station in Bailén, Jaén, Spain	Madrid, Spain	50
Urbelia Ciudad Real S.L.	Private Equity & Other	Operator of Petrol station in Ciudad Real, Spain	Madrid, Spain	50
Urbelia Jumilla S.L.	Private Equity & Other	Operator of Petrol station in Jumilla, Murcia, Spain	Madrid, Spain	50
Urbelia Torredelcampo S.L.	Private Equity & Other	Operator of Petrol station in Torredelcampo, Jaén, Spain	Madrid, Spain	50
Von der Heyden Yachting Limited	Private Equity & Other	Yacht charter and sales brokerage	Gzira, Malta	100

OWNING COMPANY	BUSINESS ACTIVITY	PRINCIPAL ASSETS OR OPERATIONS	STATE & COUNTRY	EFFECTIVE OWNER-SHIP %
Von der Heyden & Partners Sp. z o.o.	Real Estate Investment	Owner of several plots of land in Poland including various plots in Węgorzewo totalling 4,150 sqm and a 1,241 sqm plot within the centre of Warsaw.	Warsaw, Poland	100
Von der Heyden Development Sp. z o.o.	Real Estate Development	Development company	Warsaw, Poland	100

** Urbelia Business S.L. is an associated entity as of 30 June 2026. The Group plans to obtain control in the second half of FY26 by acquiring additional 1 share from the 50% share of the other venture-partner and appoint two of the proposed three-member board of directors of this entity.

Real Estate Developments and Investments

AND² TOWER, POLAND

The AND² Tower, a significant landmark for the City of Poznań, stands 26 floors marking the city's skyline. With the core and façade works completed, the AND² is a centrepiece of the Poznań financial district. The projected investment value upon completion is estimated at around €140m, reflecting the scale and significance of this A-Class office tower.

Construction activity on the Group's flagship AND2 development in Poznań, Poland was largely suspended in FY25. While financing arrangements with the senior lending consortium of Polish banks and the Polish Development Fund (*Polski Fundusz Rozwoju*, or "PFR") were secured through the execution of the relevant loan agreements mid-2025, negotiations with the main contractor were prolonged and were only concluded in April 2026. As a result, progress on the next phases of construction, including mechanical and engineering works and fit-out, was delayed.

Despite this delay, there has been a surge of interest in the AND² project, resulting in substantial progress in pre-leasing activities for the available space. This heightened attention underscores the appeal and desirability of the project among potential tenants. As the AND² project nears completion, the Group anticipates resuming the mechanical and engineering works and fit-out activities, with the aim of welcoming tenants by 2028.

ANDERS SQUARE S2, POLAND

On the same square and adjacent to the AND² Tower, the Group owns a 2,505 sqm plot of land earmarked for residential development. The Group is currently in the planning phase of a potential project with 13,200 sqm gross buildable area for residential apartments, retail spaces at the ground floor level and underground parking facilities.

VILLA DIODATI, ITALY

Throughout 2024, significant strides were made in the restoration and renovation of Villa Diodati, a distinctive 16th-century property in Lucca, Italy. This expansive estate includes a 1,100 sqm main villa and six apartments of approximately 400 sqm each, complemented on completion by an indoor swimming pool, spa, other amenities, and a 20,000 sqm garden. Unforeseen foundation work and contractor-related setbacks impacted the original timeline; however, the project has continued to progress. While initially planned for the luxury rental market under the Cugó Gran brand, the Group has adapted its strategy due to favourable current market conditions and strong demand for such properties in Tuscany. Consequently, to realise the return on investment sooner, the Villa Diodati has now been put on the market for outright sale.

NOWY ŚWIAT ATRIUM, POLAND

The Group's real estate investments portfolio includes a valuable plot of land situated in central Warsaw, advantageously positioned near the Warsaw Stock Exchange, Liberty Corner, and the city's most upscale retail zone. This land holds the potential for a 3,750 sqm office development, "Nowy Świat Atrium," featuring at least two levels of underground parking facility. A milestone was recently achieved when the local court, in its preliminary ruling, granted a right of way easement to the Group for this plot bordered by third-party properties. This easement represents the initial stage in making the development project feasible. The company has also settled with the City of Warsaw the value of the easement which should then progress to being granted with finality the easement and right of way.

LAND PLOTS IN WEGORZEWO, POLAND

The Group, through the subsidiary Von der Heyden & Partners Sp. z o.o., currently holds the last six remaining land plots in the town of Węgorzewo, a side district in Northern Poland, with a combined size of approximately 4,150 sqm. The plots are available for sale through a local real estate agent.

HOTEL PROPERTIES IN POLAND

The Group presently holds one hotel property in its real estate investments portfolio. The property, featuring a Renaissance Revival attic, Baroque dome, and Classicist colonnade, is an icon in the centre of the city of Lublin, Poland. In the early 2000s, the property has been restored by the Group into a 4-Star IBB Grand Hotel Lublinianka and was recently refurbished to modernise the interiors and rooms. The property has been valued at €10.3m as of end of FY25.

The Group also had another hotel property located in the heart of Gdansk Old Town, Poland which was sold in April 2026. This property consists of three historical semi-detached city houses that were converted into a 4-star hotel. As of end of FY25, the property was valued at €15.7m.

COMMERCIAL PROPERTY IN MENORCA, SPAIN

In 2022, the Group, through its subsidiary TIMAN Investments Espana S.L., acquired a commercial mixed-use property located in the prominent location along the main yachting marina promenade within the harbour of Mahon in Menorca, Spain. The property is currently being leased to an established third-party restaurant operator. The carrying value of the property is €3.1m as of end of FY25.

COMMERCIAL PROPERTY IN SARDINIA, ITALY

The Group owned a commercial property in the vibrant centre of Olbia in Sardinia, Italy which it acquired in 2022. The property had a carrying value of €0.6m as of end of FY25 and was sold in January 2026.

ATRIUM LIBERDADE RESIDENCES IN ALGARVE, PORTUGAL

The Group has a 25% interest in the 5,000 sqm residential development project in Lagoa, Algarve, Portugal. The project includes the construction and sale of 33 apartments and 35 parking spaces. The project cost *circa* €5.5m while expected sale proceeds amounts to €6.6m. The co-development, together with the sales process, is overseen by the Group's local partner, Carvoeiro Clube.

The sale of all 33 apartments has been secured and the completion of the construction and delivery of units to the buyers are expected by the end of 2026.

Hotel Accommodation and Catering

The Group operates its hotel portfolio under two distinct brands: the IBB Hotel Collection and the Cugó Gran Collection. All hotels in the chain are managed by IBB Hotel Management Europe Limited, an entity registered in Malta. Spearheading the Group's push for premium hospitality experiences is the Cugó Gran Collection, exemplified by its flagship Cugó Gran Macina, a 16th-century Senglea fortress transformed into a hotel and inaugurated in 2018.

The Group has now completed its strategic withdrawal from the 3-star and selected lower-tier 4-star hotel segment assets, in line with its repositioning towards higher-quality and premium hospitality offerings. This was implemented through the early termination and non-renewal of relevant lease agreements over recent periods. In 2025, the Group finalised its exit from the German hospitality market through the negotiated termination of the leases relating to its final two properties in Eichstätt and Ingelheim. Furthermore, in April 2026, following the successful sale of the hotel property owned by the Group in Gdańsk, Poland, hotel operations at this location were transferred to the purchaser.

Following these exits, the Group is concentrating on adding new properties aligned with its strategy to develop a portfolio of higher end 4-star hotels, as well as luxury boutique establishments. This strategy includes pursuing management agreements to expand its brands in these premium categories. A key objective is to extend the Cugó Gran brand's presence internationally, targeting renowned luxury tourism destinations outside Europe that offer advantages such as reduced operational and labour expenses, thereby fostering a more profitable business model.

As of the date of this Analysis, the Group's operational hotel portfolio consists of three properties. The IBB Grand Hotel Lublin in Poland is directly owned by the Group. The other hotels — Cugó Gran Macina Hotel, and IBB Hotel Palazzo Bettina — are operated under lease agreements.

Furthermore, the Group anticipates launching operations at Cugó Gran Vittoriosa, an 18-room high-end luxury hotel on Malta's Birgu waterfront, which is expected to create operational synergies with the nearby Cugó Gran Macina Hotel later this year.

The Group is actively working to expand its Cugó Gran brand, with plans to add two boutique hotels in Italy and one in Spain through both lease agreements and acquisitions to its portfolio over the next two to three years.

CUGÓ GRAN MACINA HOTEL (MALTA)

The Cugó Gran Macina Hotel is a luxury boutique hotel situated in the historic Macina building in Senglea, Malta. The historic property was built in 1554 during the reign of Grand Master Claude de la Sengle, after whom Senglea was named. The hotel comprises 21 spacious double rooms and suites fully refurbished and offers views of the capital Valletta, as well as Fort St Angelo in Vittoriosa. The Macina was originally used to hoist masts and other heavy cargo onto ships docked in the Grand Harbour and, later, as the headquarters of the Labour Party.

The hotel also includes the “Sheer Bastion”, a rooftop venue for exclusive events. Additional facilities include a restaurant now operated directly by the Hotel on the ground floor with a terrace, an outdoor rooftop pool on the second floor, as well as an area that is designated for use as a spa. All venues are now exclusively managed by the hotel.

The Group, through a related company, Von der Heyden Malta Properties Limited, intended to acquire and assume the remaining 80-year emphyteutic grant over the hotel property. This process is currently subject to ongoing legal proceedings, with discussions underway between the parties to reach a mutually agreed resolution.

IBB HOTEL PALAZZO BETTINA (MALTA)

The IBB Hotel Palazzo Bettina Malta is a leased hotel operated by the Group featuring 13 luxuriously furnished rooms, equipped for both leisure and business guests. The property consists of a ground floor, first floor, and 2 mezzanines while at the top of the building, there is also a large panoramic terrace, complete with a swimming pool and jacuzzi, overlooking the Vittoriosa marina.

Since the hotel welcomed its first guest in October 2023, the hotel has been well received with positive and exceptional reviews across booking platforms with a 9.7 rating in Booking.com.

CUGÓ GRAN VITTORIOSA (MALTA)

The Palace of the Captains of the Galleys is an 18th-century building that was already documented as **‘Hotel des Capitanes des Galeres’** in 1741. The façade as well as the historic merits of the building have remained true to their origin, however, internally the property upon renovation will have an exclusive contemporary design, with an undisturbed view of the Grand Harbour opposite the capital city of Malta, Valletta.

The 18 differently sized rooms will each have their unique features and airy structure and are designed for the high-end luxury guest. Moreover, the property is designed to be a sustainable building, employing construction methods that promote energy efficiency.

The hotel is a leased property to be operated by the Group, has now been fully completed. The company owning the property has funded the entire development, while the Group has supported the project through pre-opening services, including design input and project management. The hotel is currently in the final stages of obtaining the necessary permits from the local tourism authorities and is expected to commence operations in Summer 2026, subject to formal licensing and handover to the Group.

IBB GRAND HOTEL LUBLIN (POLAND)

The IBB Grand Hotel Lublin, located in the heart of Lublin, Poland, is a 4-star hotel encompassing an area of 5,700 sqm. The renovation of this space was completed by the Group in 2002. Recognised as one of Lublin's most iconic and award-winning structures, Grand Hotel Lublinianka has a rich history dating back to 1899.

The hotel has won first prize in the "Building of the Year 2007" award organised by the Polish Association of Civil Engineers and Construction Technicians, the Ministry of Infrastructure, and the General Office of Building Control; first place in the "CEE Best Project Awards 2008" in the 'Best Hotel Development Project 2008' category in a competition organised by the CEPIF (Central Eastern European Property and Investment Fair), and International Herald Tribune, granted by participants of the Central and Eastern Europe real estate markets during the CEPIF Fairs in 2008 in Warsaw; as well as a second place in the 'Quality Awards' in the "CEE Hotel & Leisure Development of the year 2007" category.

Furthermore, for the Grand Hotel Lublinianka renovation project, Mr Sven von der Heyden received a personal award for 'Preservation of historical buildings', granted by the Polish Minister of Culture in 2002. The Grand Hotel Lublinianka comprises 72 rooms. There are also 2 restaurants, a banquet room, and various fitness facilities, including a sauna, gym, and Turkish steam bath.

The Grand Hotel Lublinianka, which is partly owned by the Group (75%) through its subsidiary company Lublin Grand Hotel Sp. z o.o., opened its doors to guests in 2002 and to improve its offerings, the Group is currently continuing refurbishment and modernisation works on the property, which began two years ago, in gradual phases so as not to disrupt operations. The Grand Hotel Lublinianka is operated by the Group's IBB Hotel Collection through its subsidiary company Lublin Grand Hotel Management Sp. z o.o., of which the Guarantor is a 74.77% shareholder.

Private Equity, Venture Capital, and Other Investments Segment

URBAN OIL

Urbelia Business S.L. was incorporated in December 2017 to run low-cost petrol stations with car wash centres in Spain. As of the date of this Analysis, the shareholders of Urbelia Business S.L. are TIMAN Investments Holdings Limited (50%) and Urban Oil Wash S.L (50%), the joint venture partner of the Group. The Group will acquire additional shares in the venture and appoint two out of the three-member board of directors of the venture, thus obtaining control over the venture and allowing for the consolidation of its activities to the Group. Trading under the Urban Oil brand, the venture currently operates five fuel stations that include car wash stations, which are open 24 hours a day and 7 days a week. The first Urban Oil fuel station was opened Bailén, Spain in 2018, and then followed by Urban Oil Ciudad Real in 2019, Urban Oil Jumilla in 2023, Urban Oil Torredelcampo in 2024; Urban Oil Arcos de la Frontera in April 2025.

The Group intends to grow the portfolio to 28 locations by 2030, with the 6th petrol station currently under construction and on track to be operational by early next year, whilst also close to securing two more sites with planned start of operations by mid-2027. The venture is also constructing its first stand-alone wash-only location which will be operational later in the year, which is another business model that the venture can tap into by installing and operating self-service car wash bays even on fuel station sites not operation by the venture.

CHARTERING OF YACHTS IN THE MEDITERRANEAN

The Group entered the luxury yacht chartering business with the launch of Von der Heyden Yachting in 2020. The company sought to establish itself in the market for exclusive charters and sales, offering both RIVA Yachts and third-party yachts.

The yacht chartering activity remains under evaluation. Now in its sixth year, the company has not been able to bring this activity to a positive result territory despite the inroads made. The company has managed to secure a number of yachts under management thus creating an opportunity to make more meaningful margins in a market that is crowded with platforms, agencies and brokers operating on thin margins in an increasingly competing environment.

OPERATIONAL DEVELOPMENTS

KEY DEVELOPMENTS AND STRATEGY

2025 was a challenging year for the Group, marked by a combination of factors that materially affected its financial performance. AND2 remains the Group's principal strategic project and is expected to remain the primary driver of value creation and financial performance over the medium term and is projected to generate stabilised gross annual rental income of approximately €9.5m by 2029. However, during 2025 and the first half of 2026, construction activity on the Group's flagship AND2 development in Poznań, Poland was delayed. While financing arrangements with the senior lending consortium of Polish banks and the Polish Development Fund (*Polski Fundusz Rozwoju*, "PFR") were secured through the execution of the relevant loan agreements mid-2025, negotiations with the main contractor were prolonged and were only concluded in April of 2026. As a result, progress on the next phases of construction, including mechanical and engineering works and fit-out are anticipated to resume mid-2026 with the completion now expected closer to Q4 2027/Q1 2028. These circumstances adversely affected the Group's reported results for the year and limited progress on other strategic initiatives, including aspects of the hotel strategy.

The Group continues to enhance the quality and positioning of its hospitality portfolio, with the addition of IBB Palazzo Bettina in 2025 and the completion of Cugó Gran Vittoriosa in Malta, which is expected to commence operations this year. Cugó Gran Vittoriosa is completed and fully fit out and progressing through the final tourism permitting stages, while IBB Hotel Palazzo Bettina continues to perform strongly. Over the past three years, the Group repositioned its hospitality portfolio by fully completing its exit from the three-star and low four-star hotel segment in Germany and Poland, with the last hotel exiting the portfolio in April this year.

Villa Diodati, the 16th-century property overlooking Lucca, Italy, is expected to be sold during 2026 or in 2027, subject to market conditions and buyer timing. The Group also intends to complete the disposal of non-core investment properties in Menorca, continuing its portfolio rationalisation strategy. In addition, the Group exited the catering activities that are independent from its hospitality offering, disposing of its 50% interest in IBB Hammett's Operations Limited, to focus more closely on its core activities. During the period under review, the Group successfully leased the Mahón Harbour property in Menorca to an independent third-party operator under a long-term lease arrangement, completed the sale of the Olbia property in Sardinia in January 2026, and concluded the sale of the hotel property in Gdańsk, Poland in April 2026.

The Group continues to view Urbelia Business S.L. as a strategic long-term investment. Urbelia generated revenue of €10.5m during FY25, and management expects at least a further two petrol stations to become operational during 2026.

BUSINESS OVERVIEW

For the year ended 31 December 2025, the Group reported a net loss of €11.7m (FY24: €3.1m loss). Despite a modest increase in revenue, the deterioration in results was primarily attributable to higher finance costs which, due to international accounting rules, could not be capitalised while construction activity on AND2 was suspended, together with the recognition of a €4.7m provision for reversible late payment interest relating to contractor liabilities on the project.

Revenue from continuing operations amounted to €8.2m in FY25 (FY24: €7.8m), while operating costs increased to €10.5m (FY24: €10.1m), resulting in a post-tax loss from continuing operations of €14.6m (FY24: €2.9m). Other gains from continuing operations amounted to €2.2m and mainly reflected fair value gains from investment properties. Discontinued operations generated a net profit of €2.9m, mainly arising from the derecognition of lease liabilities and related IFRS 16 balances following the Group's exit from its remaining German hotel operations.

Total assets at year-end amounted to €141.7, (FY24: €154.2m). The reduction was primarily attributable to the derecognition of right-of-use assets following the exit from two hotel lease agreements in Germany during the year. Total borrowings and debt securities in issue increased to €106.6m (FY24: €94.6m), while equity decreased to €20.12m (FY24: €29.4m). As at 31 December 2025, the Group reported net current liabilities of €22.5m.

OUTLOOK FOR 2026

In 2026, the Group's focus will remain on completing key developments, stabilising and optimising retained hospitality assets, selectively deleveraging where appropriate, and preserving liquidity in a volatile macroeconomic environment. Management has also indicated that an operational cost reduction programme is underway, with AND2 expected to remain the central strategic focus over the coming 18 months.

While the external landscape remains challenging, the Group believes that its streamlined portfolio, emphasis on quality assets and disciplined capital allocation provide a platform to navigate ongoing risks and position the Group for future opportunities. Liquidity management remains a key priority for 2026. Management's mitigation strategy includes the drawdown of the remaining AND2 facilities, selected asset disposals and refinancing initiatives, and the refinancing or repayment of the €5.0m private notes maturing in September 2026.

The macroeconomic backdrop remains uncertain. The FY25 annual report identifies Russia's continued war against Ukraine, renewed conflict in the Middle East, volatile energy prices, shipping disruption and pressure on aviation-fuel markets as relevant external risk factors for the Group's financing conditions, operating costs and tourism demand. Management has also stated that, once AND2 is completed and stabilised, the project may ultimately be sold and/or refinanced to release part or all of the Group's equity.

PART 2

**HISTORICAL
PERFORMANCE
AND
FORECASTS**

Introduction

In 2022, the Group concluded the issuance of €35m 5% unsecured bond, maturing in 2032 on the Malta Stock Exchange. As part of the second issue, the Issuer early redeemed its first €25m 4.4% unsecured bond that was due to mature on 8 March 2024. The €35m bond follows the same structure as the first bond issued by Von der Heyden Group Finance p.l.c. with a guarantee in favour of the bondholders by TIMAN Investments Holdings p.l.c.

The bond is listed on the official list of the regulated market of the Malta Stock Exchange. The use of the net bond proceeds is described in section 5.1 of the Securities Note, forming part of the Prospectus of the Issuer dated 10 October 2022.

The Issuer is intended to serve as a vehicle through which the Group continues to finance its current and future projects and/or enable the Group to seize new opportunities arising in the market. Therefore, its assets are intended to consist primarily of loans issued to Group companies.

The Issuer's historical financial information for the three years ended 31 December 2023, 2024, and 2025 and the forecast for 2026 are presented in sections 2.1 to 2.3 of the Analysis. The Group's historical financial information for the three years ended 31 December 2023, 2024, and 2025 and the forecast for 2026 are presented in sections 2.4 to 2.6 of the Analysis. The historical financial information of the Issuer and of the Group have been audited by Ernst & Young Malta. The forecasted financial information of the Issuer and of the Group are based on management's projections.

At the time of publication of this Analysis, the Issuer and the Guarantor consider that their respective future performance is intimately related to the performance of the Group. The Issuer and Guarantor believe that they shall be subject to the normal business risks associated with the sectors in which the Group and subsidiary companies are involved and operate as disclosed in this Analysis.

ISSUER'S INCOME STATEMENT

The following table presents the Issuer's income statement for the years ending 31 December 2023, 2024, and 2025, alongside the forecasted income statement for the year ending 31 December 2026.

	FY23	FY24	FY25	FY26F
	€000	€000	€000	€000
Finance income	2,316	2,632	2,679	2,520
Finance costs	(1,926)	(2,243)	(2,237)	(2,125)
Net finance income	390	389	442	395
Administrative expenses	(266)	(335)	(345)	(308)
Profit/(Loss) before tax	124	54	97	87
Income tax (charge)/credit	38	27	-	-
Profit/(Loss) for the year	162	81	97	87

RATIOS				
Net Finance Income Margin	16.8%	14.8%	16.5%	15.7%
Net Margin	7.0%	3.1%	3.6%	3.5%

Finance income increased marginally to €2.7m in FY25 from €2.6m in FY24. The increase reflects higher finance income earned during the year, while the weighted average interest rate remained broadly stable at 6.9% compared to 6.8% in FY24. Finance costs remained largely unchanged at €2.2m in FY25 compared to €2.2m in FY24. As a result, net finance income improved to €442k from €389k in FY24. Administrative expenses increased modestly to €345k from €335k, but this was more than offset by the improvement in net finance income.

Accordingly, profit before tax increased to €97k in FY25 from €54k in FY24. No current tax charge was recognised in FY25, compared to a tax credit of €26k in FY24, and the Issuer therefore reported a profit for the year of €97k compared to €81k in FY24.

FORECAST

For FY26, the Issuer is projected to remain modestly profitable. Finance income is expected to ease to €2.5m from €2.7m as the current related-party receivables balance reduces, while finance costs are forecast to decrease to €2.1m following the repayment of the €5.0m private notes. Net finance income is therefore projected at €395k and, after administrative expenses of €308k, profit before tax and profit for the year are forecast at €87k. No income tax charge is anticipated in view of the available unutilised tax losses and group loss relief benefit.

ISSUER'S FINANCIAL POSITION

The following table presents the Issuer's statement of financial position as at 31 December for the years 2023, 2024, and 2025, alongside the forecasted financial position as at 31 December 2026.

	FY23	FY24	FY25	FY26F
	€000	€000	€000	€000
ASSETS				
Non-current assets				
Loans receivable	36,747	36,997	32,109	32,109
Current assets				
Loans and other receivables	3,351	3,381	8,467	3,498
Cash and cash equivalents	175	188	107	103
Total current assets	3,526	3,569	8,574	3,601
TOTAL ASSETS	40,273	40,566	40,683	35,710
EQUITY AND LIABILITIES				
Equity				
Share capital	250	250	250	250
Retained earnings	314	395	492	579
Total equity	564	645	742	829
Non-current liabilities				
Debt securities in issue	39,292	39,405	34,566	34,628
Current liabilities				
Debt securities in issue	232	233	5,195	135
Trade and other payables	158	283	181	118
Income tax payable	27	-	-	-
Total current liabilities	417	516	5,376	253
Total liabilities	39,709	39,921	39,941	34,881
TOTAL EQUITY AND LIABILITIES	40,273	40,566	40,683	35,710

The Issuer's total assets increased marginally to €40.7m as at FY25 from €40.6m as at FY24. Non-current assets, comprising principally loans receivable, decreased by €4.9m to €32.1m due primarily to the reclassification to current assets of parent company and group loans totalling €5.0m that fall due on 31 July 2026. This movement was partly offset by the assignment of accrued interest receivable from a related company to the parent company. Current assets increased to €8.6m from €3.6m in FY24, mainly reflecting the above reclassification and the build-up of accrued interest, partly offset by the reduction in cash balances to €107k from €188k.

Total liabilities remained broadly stable at €39.9m as at FY25 (FY24: €39.9m). The debt securities balance shifted materially between non-current and current liabilities, with non-current debt securities in issue decreasing to €34.6m from €39.4m and current debt securities in issue increasing to €5.2m from €233k, reflecting the reclassification of the €5m private notes maturing in FY26. Trade and other payables decreased to €181k from €283k. Equity increased to €742k from €645k, reflecting the Issuer's FY25 profit of €97k.

FORECAST

As at FY26, total assets are forecast to decrease to €35.7m from €40.7m as at FY25, primarily due to the anticipated settlement of €5m of current loans and other receivables that fall due during the year. Consequently, current loans and other receivables are projected to decline to €3.5m from €8.5m, while non-current loans receivables are expected to remain broadly unchanged at €32.1m, continuing to represent the Issuer's principal asset. Cash and cash equivalents are forecast to remain largely stable at €103k, reflecting the Issuer's limited operating requirements and its role as the financing vehicle of the Group.

Total liabilities are projected to decrease to €34.9m from €39.9m as at FY25, principally reflecting the scheduled repayment of the €5.0m private notes maturing during FY26. As a result, debt securities in issue classified as current liabilities are expected to decrease significantly to €135k from €5.2m, while non-current debt securities in issue are forecast to remain broadly stable at €34.6m, representing the outstanding €35.0m listed bond net of unamortised issuance costs. Trade and other payables are also expected to decrease to €118k from €181k following the settlement of outstanding balances.

The Issuer's equity position is forecast to strengthen modestly to €829k from €742k as at FY25, reflecting the retention of the projected FY26 profit of €87k. Consequently, the Issuer is expected to maintain a stable capital structure and continue to generate sufficient finance income to meet its debt servicing obligations and operating costs.

ISSUER'S CASH FLOW STATEMENT

The following table presents the Issuer's cash flow statement for the years ending 31 December 2023, 2024, and 2025, alongside the forecasted cash flows for the year ending 31 December 2026.

	FY23	FY24	FY25	FY26F
	€000	€000	€000	€000
Net cash flows generated (used in) / from operating activities	(1,345)	187	(81)	(4)
Net cash flows (used in) / from investing activities	(5,380)	(170)	-	5,000
Net cash flows generated from / (used in) financing activities	4,774	(4)	-	(5,000)
Net movement in cash and cash equivalents	(1,951)	13	(81)	(4)
Cash and cash equivalents at start of year	2,126	175	188	107
Cash and cash equivalents at end of year	175	188	107	103

In FY25, the Issuer reported a net cash outflow of €81k, compared to a net cash inflow of €13k in FY24. Cash generated before working capital movements improved to €214k from €167k in FY24, supported by the higher FY25 result. However, the increase in loans and other receivables of €198k and the reduction in trade and other payables of €97k more than offset this improvement, resulting in a net cash outflow from operating activities of €81k, compared to a net inflow of €187k in FY24. There were no net investing cash flows in FY25, whereas FY24 reflected a €170k outflow relating to advances to the parent company. There was likewise no financing cash flow in FY25, compared to a limited €4k outflow in FY24 relating to repayment of debt securities. Consequently, cash and cash equivalents declined to €107k as at FY25 from €188k as at FY24.

FORECAST

For FY26, the Issuer is projected to record a largely neutral operating cash outflow of €4k. This is expected to be offset by a €5m investing inflow from the repayment of related-party loan balances, while financing activities are projected to absorb an equivalent €5m on the redemption of the outstanding private notes. Accordingly, cash and cash equivalents are forecast to remain broadly stable at €103k as at year-end.

GROUP'S INCOME STATEMENT

The following table presents the Group's income statement for the years ending 31 December 2023, 2024, and 2025, alongside the forecasted results for the year ending 31 December 2026.

The FY24 and FY23 comparative income statement figures presented in this Analysis have been restated to conform with the presentation adopted in the FY25 audited financial statements of TIMAN Investments Holdings p.l.c. Following the continued restructuring of the Group's hospitality operations and the completion of additional hotel exits, management reassessed the classification of certain activities between continuing and discontinued operations in accordance with IFRS requirements. Consequently, certain FY24 and FY23 revenue, operating costs, depreciation, finance costs and profit or loss balances have been re-presented to improve comparability with FY25. The restatement does not affect the Group's total loss or total comprehensive loss but impacts the presentation of the operating performance of continuing operations. Accordingly, all FY24 and FY23 comparative income statement information presented in this Analysis has been derived from the restated figures contained in the FY25 audited financial statements and management information.

	2023A	2024A	2025A	2026F
	€000	€000	€000	€000
Revenue	6,919	7,820	8,175	13,334
Other operating income	79	125	27	3
Operating expenses	(10,754)	(10,101)	(10,507)	(15,425)
Operating profit/(loss)	(3,756)	(2,156)	(2,305)	(2,088)
Other gains	5,629	2,062	2,197	1,734
Dividend and income other investment loss	-	-	(154)	-
Share of profits of associates	56	187	(116)	3
EBITDA	1,929	93	(378)	(351)
Depreciation & amortisation	(968)	(930)	(773)	(503)
Depreciation under IFRS 16	(580)	(647)	(647)	(990)
Impairment of financial assets	-	(187)	(297)	-
EBIT	381	(1,671)	(2,095)	(1,844)
Interest & other related income	408	912	373	338
Interest & other related expenses	(3,354)	(2,089)	(7,662)	(5,566)
Provision for remissible late payment penalty interest	-	-	(4,701)	4,701
Loss before tax	(2,565)	(2,848)	(14,085)	(2,371)
Income tax (charge)/credit	(945)	(79)	(509)	343
Loss for the year from continuing operations	(3,510)	(2,927)	(14,594)	(2,028)
Discontinued operations	500	(193)	2,871	(46)
Loss for the year	(3,010)	(3,120)	(11,723)	(2,074)
Other comprehensive income				
Translation of foreign operations	1,085	178	371	-
Share of other comprehensive income of associates	222	881	1,270	-
Movement in fair value of land & buildings	(502)	(179)	818	207
Total other comprehensive income/(loss)	805	880	2,459	207
Total comprehensive income/(loss)	(2,205)	(2,240)	(9,264)	(1,867)

	2023A	2024A	2025A	2026F
RATIOS*				
Revenue Growth	n/a	13.0%	4.5%	63.1%
Operating Profit Margin	n/a	-27.6%	-28.2%	-15.7%
EBITDA Margin*	27.9%	1.2%	-4.6%	-2.6%
EBIT Margin*	5.5%	-21.4%	-25.6%	-13.8%
Net Margin*	-50.7%	-37.4%	-178.5%	-15.6%
Return on Common Equity	-10.4%	-9.4%	-59.0%	-10.0%
Return on Assets	-2.0%	-2.0%	-7.9%	-1.4%

The Group reported revenue from continuing operations of €8.2m in FY25, compared to €7.8m in FY24. The increase in revenue was modest and was more than offset by a reduction in other operating income to €27k from €125k and an increase in operating costs to €10.5m from €10.1m. As a result, the operating loss widened slightly to €2.3m from €2.2m in FY24.

	FY24	FY25
	€000	€000
Accommodation and catering	6,869	7,199
Leasing	750	735
Other	200	241
	7,820	8,175

Other gains less losses on disposal of other financial assets decreased marginally to €2m in FY25. The balance principally reflects fair value gains on investment properties, which were partially offset by losses on disposal of other financial assets. Valuation movements remained relatively limited during the year as development activity on both the AND2 and Villa Diodati projects was largely delayed pending the resolution of financing and contractor-related matters.

Dividend and other investment losses increased to €154k from €81k in FY24, while the Group's share of results from associates deteriorated to a loss of €116k compared to a profit of €188k in FY24, largely reflecting weaker profitability at Urbelia Business S.L. as expansion and pre-opening costs, together with tighter margins in the Spanish fuel retail market, weighed on performance.

Below EBITDA, the deterioration in results was driven primarily by a significant increase in financing and exceptional cost items. Interest and other related expenses rose sharply to €7.7m (FY24: €2.1m), reflecting the expensing of borrowing costs that would otherwise have been capitalised, together with the derecognition of unrecoverable loan fees. In addition, a €4.7m provision was recognised for remissible late payment penalty interest on contractor liabilities relating to AND2, arising from delayed settlement of balances.

These impacts were compounded by a decline in interest and other related income to €373k (FY24: €912k) and a higher impairment charge of €297k. While depreciation, amortisation and right-of-use depreciation decreased to €1.4m (FY24: €1.6m), this benefit was not sufficient to offset the above pressures.

Overall, these movements were principally attributable to the suspension of construction works on AND2 during FY25, which drove both the increase in expensed financing costs and the build-up of contractor-related liabilities.

Consequently, the Group recorded a loss before tax from continuing operations of €14.1m compared to €2.8m in FY24, and a loss from continuing operations after tax of €14.6m compared to €2.9m in FY24.

Discontinued operations generated a profit of €2.9m in FY25, compared to a loss of €193k in FY24, mainly reflecting gains arising on the derecognition of lease liabilities and related IFRS 16 balances following the exit from the remaining German hotel operations. After taking this into account, the Group reported a net loss for the year of €11.7m compared to a loss of €3.1m in FY24.

Other comprehensive income amounted to €2.5m, comprising a positive translation movement of €371k, share of other comprehensive income of associates of €1.3m and a fair value gain on land and buildings of €818k.

Overall, the Group reported a total comprehensive loss of €9.3m for FY25 compared to a total comprehensive loss of €2.2m in FY24. It is also noted that, subsequent to year-end, the Group reached an agreement with the main contractor which is expected to result in the reversal in FY26 of the €4.7m penalty interest provision recognised in FY25.

FORECAST

In FY26, the Group is projecting revenues of €13.3m, representing a 63% increase of €5.1m (FY25: €8.2m). This growth is projected to be attributable to the consolidation of the results of the Urbelia Group, previously accounted for as an associate, following the Group acquisition of control in the second half of the year. The Urbelia operations are anticipated to contribute approximately €6.3m revenues to the Group in FY26. Furthermore, the Group is set to open the Cugó Gran Hotel Vittoriosa in Birgu, Malta later in the year and the Group anticipates revenues of approximately €1.1m in the forecasted period from this new hotel. On the other hand, these additional revenues are partially reduced by the revenues lost due to the exit of the IBB Hotel in Gdansk, Poland in early April 2026. This hotel contributed €2.5m revenues in FY25 but will only be contributing around €0.3m in FY26 reflecting less than three months of trading this year.

	FY26	FY25
	€000	€000
Accommodation and catering	6,158	4,735
Fuel and car wash stations	6,273	-
Leasing	219	283
Other	206	241
	12,856	5,259
Terminated operations	478	2,916
	13,334	8,175

Operating expenses are forecast to increase to €15.4m from €10.5m in FY25 as the cost base expands in line with the new and higher level of activity. Notwithstanding this increase, the stronger revenue base is expected to result in a modest improvement in operating performance, with the operating loss projected to narrow to €2.1m (FY25: €2.3m).

Other gains are forecast to slightly decrease to €1.7m, while the contribution from associates is expected to return to broadly break-even. The other gains predominantly relates to the fair value gains that the Group anticipates from the AND2 project of €1.8m as the development is expected to resume in the second half of the year leading to an expected year-end valuation of the AND2 project to €77.5m (FY25: €63.3m).

After considering these other gains, the Group anticipates a marginally improved *EBITDA* of about €351k loss (FY25: €0.4m loss).

Depreciation and amortisation for FY26 is anticipated to decrease to €0.5m (FY25: €0.8m) as a result of the classification of the Gdansk hotel property to Asset held for sale as at the end of FY25, thereby, depreciation ceased upon classification until the asset was sold in April 2026. On the other hand, *depreciation under IFRS 16* is forecasted to rise following the recognition of new leased assets. EBIT is therefore expected to improve to a loss of €1.8m from a loss of €2.1m in FY25.

Net finance costs are forecast to reduce significantly. Interest and other related income is expected to amount to €338k, broadly in line with FY25, while interest and other related expenses are forecast to decrease to €5.6m from €7.7m. In addition, FY26 includes the reversal of the €4.7m remissible late payment penalty interest provision recognised in FY25 following the anticipated formal resolution of the relevant contractor settlement. Consequently, the Group is forecasting a loss before tax of €2.4m in FY26, markedly improved from the €14.1m loss reported in FY25.

The forecast also assumes an *income tax credit* of €0.3m compared to a tax charge of €0.5m in FY25, such that the loss from continuing operations is expected to narrow to €2.0m. The positive credit is mainly attributable to the release of deferred tax liability arising from the revaluation of the Gdansk hotel property in the previous years, leading to a net deferred tax credit of €1.3m to offset the current tax charge of €0.7m arising from the sale thereof (net of other tax benefits such as unrecognised tax losses of the subsidiary). Also offsetting the deferred tax credits is the recognition of deferred tax expense from the fair value gains from AND2 of €351k. Other operations of the Group also anticipate tax expenses totalling approximately €0.1m in FY26.

Discontinued operations are projected to be broadly neutral, with a small loss of €46k, compared to a profit of €2.9m in FY25 that had been boosted by gains on hotel exits. Overall, the Group is forecasting a *net loss* of €2.1m in FY26, while total comprehensive loss is expected at €1.9m after considering a positive fair value movement of €207k and no additional other comprehensive income from associates.

GROUP'S VARIANCE ANALYSIS

	FY25F	FY25A	Variance	
	€000	€000	€000	
Revenue	12,181	8,175	(4,006)	(a)
Other operating income	148	27	(121)	
Operating expenses	(12,676)	(10,507)	2,169	(a)
Operating profit/(loss)	(347)	(2,305)	(1,958)	
Other gains	2,220	2,197	(23)	
Dividend and other investment income	-	(154)	(154)	
Share of profits of associates	134	(116)	(250)	
EBITDA	2,007	(378)	(2,385)	
Depreciation & amortization	(750)	(773)	(23)	
Depreciation under IFRS 16	(1,113)	(647)	(466)	
Impairment of financial assets	(167)	(297)	(130)	
EBIT	(23)	(2,095)	(2,072)	
Interest & other related income	340	373	33	
Interest & other related expenses	(2,684)	(7,662)	(4,978)	(b)
Provision for remissible late penalty interest charges	-	(4,701)	(4,701)	(c)
Loss before tax	(2,367)	(14,085)	(11,718)	
Income tax (charge)/credit	(341)	(509)	(168)	
Loss for the year from continuing operations	(2,708)	(14,594)	(11,886)	
Discontinued operations	-	2,871	2,871	(a, d)
Loss for the year	(2,708)	(11,723)	(9,015)	
Other comprehensive income				
Translation of foreign operations	(65)	371	436	
Share of other comprehensive income of associates	-	1,270	1,270	(e)
Movement in fair value of land & buildings	501	818	317	
Total other comprehensive income	436	2,459	2,023	
Total comprehensive loss	(2,272)	(9,264)	(6,992)	

- (a) Material variances in revenue and operating expenses were mainly attributable to the classification of certain operations as discontinued operations and the separate presentation of their results from continuing operations.

In November 2025, several months after the 2025 FAS had been prepared and published, the Group formally exited its last hotel operation in Germany. Ingelheim was the final German hotel operated by the Group, following its previous operations in Berlin, Eichstätt and Passau. As the exit from Germany represented the Group's withdrawal from this market, the related operations were classified as discontinued operations in accordance with applicable accounting principles.

In addition, the Group sold its travel operator subsidiary in Spain later in the year, after the 2025 FAS had been prepared and published. Accordingly, the income and expenses of this Spanish travel operator subsidiary have also been presented within discontinued operations.

Revenue for FY25 amounted to €8.2m, falling short by €4.0m from the forecast of €12.2m. This variance was primarily attributable to the reclassification, upon finalisation of the FY25 audited financial statements, of the results of certain German hotel operations exited by the Group as discontinued operations in accordance with IFRS 5. As a result, revenues that had originally been expected to be reported within continuing operations were instead presented within the single discontinued operations line at the bottom of the income statement. Including revenues that was reclassified to discontinued operations of *circa* €3.6m, overall revenues of the Group in FY25 was of €11.8m, still falling short by €0.4m from the €12.2m forecast which primarily reflects lower-than-anticipated activity levels across certain hospitality operations and other business segments compared to the assumptions adopted when forecast was prepared.

Operating expenses were likewise €2.2m below forecast, but the lower cost base only partially offset the revenue shortfall, with the operating loss widening to €2.3m compared to the forecast loss of €347k and EBITDA falling to a negative €378k from a forecast positive €2m as overheads were absorbed by a smaller number of hotels during the year.

- (b) Below EBIT, the outturn was materially affected by finance-related items that had not been anticipated when the forecast was prepared. Interest and other related expenses amounted to €7.7m, or €5.0m above forecast. The most significant variance arose from borrowing costs of approximately €4.3m relating to the AND2 project. Due to protracted negotiations with multiple counterparties, construction activity did not recommence as anticipated, therefore finance costs could not be capitalised as forecasted but had to be expensed in the audited financial statements, as accounting standards do not permit the capitalisation of borrowing costs during periods when construction activity is suspended for an extended period.

In addition, the Group recognised approximately €0.4m of interest and related fees on the PFR financing facility, which was secured after the FAS had been prepared and therefore had not been incorporated into the forecast. The finalisation of the FY25 audited financial statements also resulted in the write-off of approximately €0.8m of bond issue costs. These adverse movements were partially offset by the reclassification of approximately €0.4m of interest costs, primarily relating to lease liabilities, to discontinued operations.

- (c) These prolonged negotiations also caused a delay in the contractor drawdowns for works carried out from the AND2-related financing facilities were delayed. These facilities had been expected to be used to settle contractor liabilities and finance the continuing works on the AND2 project. As a result, FY25 included a €4.7m provision for remissible late payment penalty interest on delayed contractor balances relating to AND2, which on its own had a substantial adverse impact on the result for the year. Consequently, loss before tax from continuing operations amounted to €14.1m compared to the forecast loss of €2.4m.

In April 2026, an agreement was reached with the general contractor providing for a fixed settlement of €26.5m in respect of the combined contractor liabilities and late payment interest charges accrued up to 31 March 2026. Subject to the fulfilment of the conditions specified in the agreement, this settlement is expected to extinguish the penalty interest and result in a full waiver of €4.7m penalty.

- (d) The loss before tax from continuing operations was partly mitigated by a profit of €2.9m from discontinued operations, principally reflecting gains arising on hotel exits, including settlement receipts and the derecognition of lease-related balances. These were partly offset by impairment charges and residual operating losses. After tax, the Group reported a net loss of €11.7m, compared to the forecast loss of €2.7m.

- (e) Within other comprehensive income, the outturn was more favourable than forecast, principally due to the recognition of €1.3m of other comprehensive income from associates, whereas no such amount had been anticipated in the forecast. This mainly relates to Urbelia Business S.L., where the continued expansion of the Urban Oil fuel station network together with the advancement of new sites, resulted in an uplift in the associate's valuation that had not been anticipated when the forecast was prepared. In addition, foreign currency translation movements resulted in a positive variance of €436k, while the revaluation surplus on land and buildings exceeded forecast by €317k. Despite these favourable variances, the Group still reported a total comprehensive loss of €9.3m compared to the forecast loss of €2.3m. The €7.0m adverse variance was largely attributable to the material increase in finance costs and other expenditure directly linked to the prolonged standstill in construction activity on the Group's AND2 development project in Poznań, Poland, which persisted throughout the financial year.

GROUP'S FINANCIAL POSITION

The following table presents the Group's statement of financial position as at 31 December for the years 2023, 2024, and 2025, alongside the forecasted financial position of the Group as at 31 December 2026.

	FY23	FY24	FY25	FY26F
	€000	€000	€000	€000
ASSETS				
Non-current assets				
Intangible assets	187	263	237	237
Property, plant & equipment	31,534	29,607	11,335	13,000
Right of use assets	18,966	15,767	2,318	12,423
Investment properties	73,506	85,242	90,631	106,707
Investment in associates	1,169	2,238	3,599	371
Loans & other receivables	8,722	5,951	5,301	4,333
Other financial assets	1,156	452	280	280
Deferred tax assets	986	1,023	915	1,439
Total non-current assets	136,226	140,543	114,616	138,790
Current assets				
Inventories	120	159	100	227
Assets held for sale	-	-	16,270	-
Loans & other receivables	7,060	2,070	1,345	1,686
Trade & other receivables	5,977	5,536	3,975	3,897
Cash and cash equivalents	6,542	5,863	5,364	3,962
Total current assets	19,699	13,628	27,054	9,772
TOTAL ASSETS	155,925	154,171	141,670	148,562
EQUITY AND LIABILITIES				
Equity				
Share capital	3,805	3,250	3,250	3,250
Share premium	4,445	-	-	-
Treasury shares reserve	(2,008)	-	-	-
Other reserves	3,103	5,642	7,270	3,272
Translation reserve	(1,325)	(1,271)	(1,120)	(1,120)
Retained earnings	8,443	4,845	(1,735)	(774)
Non-controlling interest	16,222	16,919	12,456	16,370
Total equity	32,685	29,385	20,121	20,998
Non-current liabilities				
Debt securities in issue	39,206	39,405	38,951	39,013
Borrowings	18,578	20,811	24,032	66,170
Finance lease liabilities	19,971	16,822	1,859	4,613
Deferred tax liabilities	6,769	6,897	7,085	8,108
Total non-current liabilities	84,524	83,935	71,927	117,904
Current liabilities				
Debt securities in issue	232	1,714	5,377	877
Finance lease liabilities	1,244	1,158	749	1,083
Borrowings	32,758	32,712	38,196	2,547
Trade & other payables	4,378	5,265	5,298	5,151
Current tax payable	104	2	2	2
Total current liabilities	38,716	40,851	49,622	9,660
Total liabilities	123,240	124,786	121,549	127,564
TOTAL EQUITY AND LIABILITIES	155,925	154,171	141,670	148,562

	FY23	FY24	FY25	FY26F
RATIOS				
Gearing ratio	76.3%	78.4%	83.8%	84.0%
Net debt / EBITDA*	54.5x	1,129.5x	n/a	n/a
Current ratio	0.5x	0.3x	0.5x	1.0x
Interest coverage ratio	0.6x	0.04x	n/a	n/a

* Including discontinued operations

The Group's total assets decreased by €12.5m to €141.7m as at FY25 from €154.2m as at FY24. The reduction was principally attributable to the derecognition of right-of-use assets following the exit from the remaining leased hotel operations in Germany, resulting in right-of-use assets decreasing by €13.4m to €2.3m from €15.8m in FY24.

Property, plant and equipment decreased to €11.3m from €29.6m in FY24. The most material movement relates to the reclassification of the IBB Hotel Gdańsk property, which had a carrying value of €15.7m, to assets held for sale following the commencement of the disposal process prior to year-end. The disposal was completed after year-end on 11 April 2026. In addition, the commercial property located on Moll de Llevant, Mahón, Menorca, with a carrying value of €3m, was transferred from property, plant and equipment to investment property following its lease to an independent third-party operator under a long-term lease agreement. These reductions were partially offset by the revaluation gain recognised on the Group's hotel property in Lublin, Poland, together with routine capital expenditure during the year.

Investment properties increased to €90.6m from €85.2m in FY24. The increase principally reflects €932k of additional capitalised development expenditure on the Group's ongoing projects, a net fair value uplift of approximately €2m mainly from AND2, and the transfer of the Mahón property into investment properties following its change in use. These positive movements were partly offset by the transfer of the Group's Olbia property in Sardinia, Italy, with a carrying value of €0.6m, to assets held for sale following the execution of a binding preliminary sale agreement during FY25. The sale was successfully concluded in 2026. Investment properties continue to be dominated by the AND2 and Villa Diodati projects, where only limited development activity was undertaken during the year due to financing and contractor-related delays.

Investment in associates increased by €1.4m to €3.6m from €2.2m in FY24. The increase primarily reflects the Group's share of other comprehensive income recognised by Urbelia Business S.L., partially offset by the Group's share of losses recognised during the year.

The Group's financial assets as of 31 December 2025 amounted to €17m (FY24: €19.9m) and comprised the following:

- Cash and cash equivalents: €5.4m (FY24: €5.9m)
- Loans and other receivables: €6.6m (FY24: €8m)
- Trade and other receivables: €4m (FY24: €5.5m)
- Other financial assets: €0.3m (FY24: €0.5m)

Overall, the Group's financial assets decreased by €2.9m compared to FY24. Loans and other receivables decreased to €6.6m from €8m, reflecting repayments and other movements during the year. Trade and other receivables decreased to €4m from €5.5m, primarily due to lower trade receivable and VAT receivable balances. Other financial assets decreased by €172k following the disposal of the Group's remaining investment in a collective investment fund. Cash and cash equivalents decreased by €499k to €5.4m, reflecting the net cash outflows incurred during the year in support of the Group's operating, investing and financing activities.

On the liability side, the composition of the balance sheet changed materially. Total liabilities decreased modestly to €121.5m from €124.8m in FY24. However, total borrowings and debt securities in issue increased by €11.9m to €106.6m from €94.6m, reflecting the €4.4m private placement completed during FY25, the €7.1m financing secured against land adjacent to the AND2 development, and the continued funding requirements of the Group's development activities. The proceeds were primarily utilised to partially settle contractor liabilities relating to AND2.

Furthermore, the Group recognised a €4.7m provision for remissible penalty interest relating to contractor liabilities, which management expects to reverse in FY26 following the agreement reached with the contractor after year-end, subject to fulfilment of the agreed conditions.

These increases were partly offset by a substantial reduction in lease liabilities to €2.6m from €18.0m in FY24 following the termination of the remaining German hotel leases.

The Group's equity position decreased to €20.1m as at FY25 from €29.4m as at FY24, principally reflecting the total comprehensive loss of €9.3m recognised during the year. The net loss of €11.7m was partially offset by other comprehensive income of €2.5m, comprising the Group's share of other comprehensive income recognised by Urbelia Business S.L., a revaluation gain on land and buildings and favourable foreign currency translation movements. Equity attributable to the owners of the parent decreased to €7.7m (FY24: €12.5m), while non-controlling interests declined to €12.5m (FY24: €16.9m).

Overall, the Group's balance sheet remained dominated by its real estate development and investment portfolio, particularly the AND2 and Villa Diodati projects. Total assets decreased to €141.7m from €154.2m in FY24, primarily reflecting the Group's exit from the remaining German hotel leases. Total liabilities decreased modestly to €121.5m from €124.8m, while borrowings and debt securities in issue increased to €106.6m from €94.6m as the Group continued to secure funding for its development activities, most notably AND2. Equity decreased to €20.1m from €29.4m, reflecting the total comprehensive loss recognised during the year. After year-end, management continued to advance several financing, refinancing and asset disposal initiatives aimed at supporting the completion of its key development projects and the ongoing optimisation of the Group's portfolio.

FORECAST

Total Assets as at end of FY26 is projected to grow to €148.6m from €141.7m of FY25, i.e., €6.9m, as follows:

- *Investment properties* are expected to increase by €16.7m to €106.7m from €90.6 in FY25 mainly due to the resumption of construction works on the AND2 project, which is expected to be valued at €79.4m (FY25: 63.3m).
- *Property, plant and equipment* is expected to increase to €13.0m from €11.3m in FY25 on account of the consolidation of the equipment of the Urbelia operations upon obtaining control of the previous associates.
- *Investment in associates* is expected to decrease to €0.4m from €3.6m on account of the derecognition of the investment in the Urbelia operations when the Group obtains control, and that assets of the Urbelia business are now consolidated and included in the appropriate asset classes of the Group.
- *Right of use assets* is anticipated to increase to €12.4m in FY26, up by €10.1m from €2.3m in FY25. The increase is mainly on account of the recognition of the leased plots for the petrol station operations upon business combination when the Group acquires control of the Urbelia operations. Also, additional right-of-use were taken up this year relating of the new hotel, Cugo Gran Hotel Vittoriosa, which the Group will operate this year as well as the lease of new office space. These additions will partly be offset by the depreciation charges to be recognised during the year.
- *No assets held for sale* are projected for FY26 (€16.3m: FY25), as these were derecognised following the completion of their disposal during the current year.
- *Financial assets* (comprising of cash and cash equivalents, loans and other receivable, and trade and other receivables and other financial assets) is expected to be valued at €14.2m by end of FY26, a decrease of €2.1m (FY25: €16.3m) as the Group's available financials assets are utilised to support operating costs and projects costs in addition to external and bank financing.

Total liabilities as at end of FY26 is projected to rise to €127.6m from last year's €121.5m, with the main movements as follows:

- Total *financial liabilities*, which includes borrowings, debt securities in issue and trade and other payables, are expected to total at €113.8m by the end of FY26 from €111.8m in FY25. The €2.0m increase is primarily driven by net financing drawdowns to fund ongoing projects together with the impact of accrued interests.
- Total lease liabilities are expected to increase to €5.7m in FY26 (FY25: €2.6m). This increase is driven by the recognition of new leases effective from FY26, including Cugó Gran Hotel Vittoriosa, additional office space, and land leases used in the Urbelia petrol station operations, following the Group's acquisition of control and subsequent consolidation of the entity.
- *Deferred tax liabilities* are also expected to increase from €7.1m in FY25 to €8.1m on account of the deferred tax liability of €2.0m on the additional right of use assets recognised related to the land leases for the Urbelia operations, the €0.3m deferred tax on the anticipated fair value gains of AND2 and offset by the €1.3m deferred tax liabilities released related to the realised revaluation gain on the sale of the Gdansk hotel property.

Total equity as at end of FY26 is projected at €21.0m, a €0.9m net increase from last year's €20.1m with the movement being the total comprehensive loss for the year of €1.9m and the initial recognition of the fair value of the non-controlling interest in the Urbelia operations upon business combination of €2.7m.

2.6

GROUP'S CASH FLOW STATEMENT

The following table presents the Group's cash flow statement for the years ending 31 December 2023, 2024, and 2025, alongside the forecasted cash flows for the year ending 31 December 2026.

	FY23	FY24	FY25	FY26F
	€000	€000	€000	€000
Net cash flows generated from/(used in):				
▪ Operating activities	(3,513)	(2,780)	(2,954)	(5,214)
▪ Investing activities	(25,181)	5,289	(377)	(1,611)
▪ Financing activities	23,131	(3,589)	2,927	5,530
Effect of changes in foreign exchange	(547)	410	(95)	(107)
Net movement in cash and cash equivalents	(6,110)	(679)	(499)	(1,402)
Cash and cash equivalents at start of year	12,652	6,542	5,863	5,364
Cash and cash equivalents at end of year	6,542	5,863	5,364	3,962
Free cash flow (Net cash flows from operations, less capital expenditures)	(27,853)	(3,170)	(530)	(19,274)

Net cash used in operating activities including interest paid increased to €3m in FY25 from €2.8m in FY24. Despite benefiting from several non-cash adjustments, including depreciation and amortisation, fair value movements and the €4.7m remissible penalty interest provision, operating cash flow remained under pressure from interest payments of €3.4m and the continued funding requirements of the Group's operations and development activities. The year-on-year deterioration was partially mitigated by favourable working capital movements, most notably a reduction in trade and other receivables.

Net cash used in investing activities amounted to €377k in FY25, compared to net cash generated from investing activities of €5.3m in FY24. FY25 investing cash flows were primarily driven by expenditure on investment properties of €932k and modest capital expenditure on property, plant and equipment and intangible assets, partly offset by €621k of receipts from associates and €161k of interest received. The significant year-on-year movement principally reflects the absence in FY25 of the €7.4m of loan repayments received from third parties, €1.1m of proceeds from the disposal of property, plant and equipment and €547k of proceeds from the disposal of financial assets recorded in FY24, which more than offset the investment expenditure incurred during that year.

Net cash generated from financing activities amounted to €2.9m in FY25, compared to net cash used of €3.6m in FY24. The positive movement was primarily driven by a €3m private notes issuance, €6.7m in net borrowings from other financial institutions, and €0.6m in additional bank financing. These inflows were partially offset by €5.8m of contractor financing repayments, €1.0m of lease principal repayments, €0.7m of bank loan repayments, €0.3m of loan arrangement fees, and €0.1m of private note repayments. In contrast, FY24 financing cash flows were significantly impacted by the €4.5m repurchase of Ordinary B shares, which contributed to the overall outflow recorded in that year.

Consequently, cash and cash equivalents decreased by €499k during FY25 to €5.4m as at year-end, compared to €5.9m as at FY24.

FORECAST

For FY26, the Group is projecting net cash used in operating activities of €5.2m, compared to €3m in FY25. The forecast outflow principally reflects cash used in operations of €0.5m, together with interest paid of €3.8m and taxes paid of €650k. Working capital movements are expected to be relatively limited overall, with outflows from inventories and trade and other payables partly offset by a modest inflow from trade and other receivables. Accordingly, despite the expected improvement in the Group's reported result, operating activities are forecast to remain cash consumptive during FY26.

Net cash used in investing activities is forecast at €1.6m. Investing cash flows are expected to be dominated by continued expenditure on the AND2 development project and other real estate assets within the Group's portfolio. These outflows are projected to be partially offset by proceeds from the disposal of selected assets and other investment-related inflows. Despite the continued investment programme, the projected outflow is significantly lower than historical development-related expenditure levels, reflecting the more advanced stage of several of the Group's key projects.

Net cash generated from financing activities is projected at €5.5m. The inflow is expected to arise primarily from additional bank and third-party borrowings associated with the financing of the AND2 project and other development activities. These inflows are forecast to be partially offset by repayments of debt securities, lease principal repayments and other debt servicing obligations. The projected financing inflows are expected to fund a substantial portion of the Group's operating and investing cash requirements during the year.

The Group's refinancing strategy for 2026 is framed by its financial position as at 31 December 2025 and the sustained pressure from project delays, elevated financing costs, and liquidity constraints. It focuses on completing and refinancing key assets, principally AND2 and Villa Diodati, while restructuring selected portfolio assets and unlocking embedded value, supported by a broader mix of secured bank financing, private placements, or blended financing structures to stabilise operations and strengthen liquidity and capital structure.

After considering an expected negative foreign exchange effect of €107k, cash and cash equivalents are forecast to decrease by €1.4m during FY26 to €4.0m as at year-end, compared to €5.4m as at FY25.

A satellite view of Earth from space, showing the horizon and city lights at night. The sun is visible on the horizon, creating a bright glow. The Earth's surface is dark, with numerous small, bright yellow and orange lights representing cities and urban areas. The text is centered on a dark blue rectangular background.

PART 3

KEY MARKET AND COMPETITOR DATA

GENERAL MARKET CONDITIONS

EUROPEAN ECONOMIC UPDATE ¹

Before the outbreak of the conflict in the Middle East, the global economy was gaining momentum. A challenging geopolitical environment and US tariff uncertainty continued to weigh on growth, but easing inflation and a robust investment cycle related to the unfolding AI revolution provided important support. The EU economy was likewise strengthening while inflationary pressures were further abating. Weak competitiveness was a source of concern and public finances required attention, but the economy also showed resilience, including a robust labour market and solid private sector balance sheets.

The conflict materially changed this picture, delivering one of the most significant global energy supply disruptions in recent history—coming less than five years after the energy shock triggered by Russia's war of aggression against Ukraine. The virtual closure of the Strait of Hormuz has curtailed seaborne flows of oil and LNG by around 15% and 20%, respectively. Moreover, the targeting of energy infrastructure in the region has caused significant damage, including to regional refining capacity. The disruption to exports of refined petroleum products has thus been particularly pronounced, reflecting the Gulf's role as a major refining hub and the limited scope for rerouting fuel exports through alternative transport routes. Between 27 February—the eve of the US and Israeli attacks on Iran—and 29 April—the cut-off date for the technical assumptions underpinning this forecast—gas prices increased by 50% and crude oil prices by 65%, while refining margins for key products such as diesel and jet fuel reached historically elevated levels.

Global growth (excluding the EU) is now projected at 3.1% in 2026 and 3.5% in 2027. For 2026, the small downgrade with respect to the Autumn 2025 Forecast (-0.3 pps.) must be considered in the context of a stronger-than-expected momentum in the run-up to the conflict. Moreover, the aggregate figure masks significant heterogeneity across countries and regions. The outlook for the US—a major net energy exporter—has strengthened, supported by the robust AI-related investment cycle and favourable terms-of-trade. In China, growth is expected to gradually moderate amid subdued consumption. By contrast, the outlook has weakened for most energy-importing economies, especially emerging markets in Asia, reflecting their high energy intensity. Growth prospects in the Middle East and North Africa region have also weakened markedly, owing to the more direct effects of the conflict.

From an EU perspective, both the nature of the current crisis and the economic context in which it is unfolding differ in important respects from those that prevailed following Russia's full-scale invasion of Ukraine. First, at the time, Europe was heavily reliant on pipeline gas from Russia, with limited scope for substitution and strong dependence on fixed infrastructure. The abrupt disruption of gas flows led to unprecedented price spikes of fifteen to twenty times compared to the autumn 2021 levels. By contrast, the current shock affects globally traded energy commodities—oil and liquified natural gas (LNG). These markets are highly fungible, allowing supply to be reallocated across regions, spreading price pressures more evenly across the global economy. As a result, although energy prices have risen rapidly, oil and especially gas prices remain below the peak levels reached in 2021–22. Second, the EU has significantly reduced its reliance on fossil fuels, both through the expansion of renewable energy, which is weakening the pass-through from gas to electricity prices, and a sizeable reduction in energy use by industry and households. Finally, the EU economy entered the current crisis in a more mature and stable phase of the business cycle than in 2021–22, when the post-pandemic recovery had fuelled inflation and labour market pressures.

After reaching 1.5% in 2025, EU GDP growth is now projected to slow down to 1.1% this year—0.3 pps. lower than in the Autumn 2025 Forecast—while inflation is expected to rise to 3.1%, an upward revision of a full percentage point compared to the Autumn 2025 Forecast. The impact of the energy shock is set to extend into 2027, with GDP growth picking up to a modest 1.4% and inflation easing to 2.4%—still some 0.3 pps. higher than projected in autumn 2025. The downward revision to growth in 2026 compared to autumn partly reflects slightly stronger-than-expected growth conditions at the beginning of 2026. Moreover, the inflation forecast for 2027 is influenced by the postponement of the roll-out of new EU Emissions Trading System (ETS2), which, in the previous forecast round, was estimated to add 0.2 to 0.3 pps. to inflation.

¹ European Commission - European Economic Forecast - Spring 2026

After reaching 1.5% in 2025, EU GDP growth is now projected to slow down to 1.1% this year—0.3 pps. lower than in the Autumn 2025 Forecast—while inflation is expected to rise to 3.1%, an upward revision of a full percentage point compared to the Autumn 2025 Forecast. The impact of the energy shock is set to extend into 2027, with GDP growth picking up to a modest 1.4% and inflation easing to 2.4%—still some 0.3 pps. higher than projected in autumn 2025. The downward revision to growth in 2026 compared to autumn partly reflects slightly stronger-than-expected growth conditions at the beginning of 2026. Moreover, the inflation forecast for 2027 is influenced by the postponement of the roll-out of new EU Emissions Trading System (ETS2), which, in the previous forecast round, was estimated to add 0.2 to 0.3 pps. to inflation.

Futures energy prices—which underpin the technical assumptions to the forecast—point to a relatively swift, albeit partial, normalisation of supply conditions, with oil and gas prices expected to peak in the current quarter and decline to around 20% above pre-war levels by end 2027. Futures prices provide an objective and market-based benchmark for energy price assumptions in macroeconomic forecasting but are not perfect predictors of future spot prices, particularly when energy markets are affected by major disruptions and elevated uncertainty. In such circumstances, futures curves reflect not only expectations regarding future demand and supply but also changing risk premia, liquidity conditions and hedging requirements. Given the unusually high degree of uncertainty regarding the future path of energy commodity prices—and the narrowing window for a rapid normalisation of supply conditions—the baseline projections are complemented by a model-based analysis assessing the economic impact of a more severe and long-lasting disruption to energy supply. In such less favourable scenario, energy commodity prices are assumed to rise significantly above futures curves, peaking in late 2026 before gradually realigning with them by the end of 2027. Global growth and economic sentiment would be hit harder—further dampening the baseline's projected easing of inflation and wiping out the rebound in real GDP projected for 2027.

While the current shock differs in many respects from the 2022 energy crisis, it is expected to transmit through the economy along similar channels. Inflation data for March and April 2026 already point to a strong surge in energy prices. Energy inflation in the EU is expected to peak above 11% in the second quarter of 2026 and remain above 10% for the rest of the year, before declining in early 2027, and turning negative from the second quarter onwards. Price pressures are set to broaden progressively, as rising energy costs feed through the production chain and are partially passed through to consumers. Agriculture, distribution, and transport services are set to be hit first. Unprocessed food inflation is expected to increase quickly before easing in 2027. The progressive spread of input and transport cost increases is likely to push up prices across all inflation components, including the non-energy intensive services. This upward pressure will be reinforced by stronger-than-previously-expected wage pressures, as workers seek to preserve purchasing power. Inflation in Central and Eastern Europe is expected to remain higher, reflecting both the region's greater share of energy in consumption baskets and more dynamic nominal wage growth.

In response to higher inflation, the ECB and most other EU central banks are expected to tighten their monetary policy stance or, at a minimum, delay previously anticipated easing measures. Long-term interest rates have risen, and risk premia have widened, as reflected in higher spreads on some sovereign bonds. The latest bank lending survey points to tightening credit standards in the first quarter of the year, particularly for firms. At the same time, credit demand from firms and consumers has weakened, with demand for mortgages stalling. At the cut-off date of this publication, EU equity indices had recouped most of the losses recorded following the outbreak of the Middle East conflict. However, the recovery has been driven by a limited number of sectors—particularly energy and defence—while most consumer-facing firms continue to underperform. This pattern is even more pronounced in the US, where just a handful of advanced technology firms are driving a strong market rally.

Higher financing costs and weaker profits weigh on firms' capacity to finance investment, while elevated uncertainty prompts many to postpone or scale back investment plans. Despite a strong carryover from 2025, gross fixed capital formation is now expected to grow by only 2.2% in 2026 and 2.0% in 2027—a marked deceleration from the 2.8% increase in 2025, and a downward revision compared to the Autumn 2025 Forecast (–0.5 pps. in both years). The impact is uneven across asset classes. Equipment investment is set to be hit harder, while construction is expected to prove more resilient in the near term. Housing investment typically adjusts with a lag to higher interest rates and non-residential construction continues to be supported by RRF in 2026. Other investment—including software and R&D—is expected to remain relatively resilient, expanding at around 2%.

Employment expanded by 0.5% in 2025, bringing the total number of jobs created since 2019 to around ten million. Employment growth was largely driven by rising labour market participation. However, labour market conditions had already begun to soften before the outbreak of the conflict in the Middle East. With employment growth now projected to slow to 0.3% in 2026 and 0.4% in 2027, the unemployment rate is expected to stabilise at around 6%. Nominal wages are set to decelerate less than previously expected in 2026, and remain sustained, growing by around 3.5% in 2027, as they adjust with a lag to higher inflation. Productivity growth is expected to slow to 0.7% in 2026, as firms retain labour in a context of uncertain demand prospects, before recovering to 1% in 2027.

Labour income over the forecast horizon is only mildly affected in nominal terms, as stronger wage growth broadly offsets weaker employment expansion. However, the upward revision to the inflation forecast reduces growth of households' real disposable income by 1.4 pps. over the forecast horizon. Moreover, the previous inflation episode had shown that consumers are highly sensitive to price developments, with the pre-war disinflation failing to fully translate into lower perceived inflation by the time the conflict broke out. March and April survey data show that consumer confidence has deteriorated markedly, alongside a sharp increase in their inflation expectations. As a result, precautionary saving motives and the desire to protect the real value of financial buffers are expected to lead to a small increase in the saving rate in 2026. Against this backdrop, private consumption growth is projected to decelerate to 1.1% in 2026, before picking up to 1.3% in 2027—representing downward revisions of 0.4 pps. and 0.2 pps., respectively, compared with the Autumn 2025 Forecast.

A strong starting position and early-year momentum—supported by AI-related investment and easing of trade restrictions, including lower US tariffs—underpin the global trade outlook in the short term. However, these favourable global dynamics are not expected to translate into proportional gains for EU firms, as much of the expansion in global trade remains concentrated among Asian economies. This divergence is closely linked to the weakening investment outlook within the EU, compounded by more structural factors. First, the EU's limited presence in fast-growing, trade-intensive AI-related sectors and, second, a gradual loss of competitiveness in key products and geographic markets. Moreover, survey evidence confirms that EU firms are affected by the increasingly challenging external environment, with some responding by scaling back their presence in export markets or adjusting prices. As a result, EU exports are expected to grow by only 0.9% in 2026, before accelerating to 2.1% in 2027. The significant downgrade with respect to autumn is largely due to weaker goods exports, while services remain resilient. Import growth is also revised down to 1.7% in 2026, less markedly than exports, as weaker domestic demand is partially offset by the stronger euro—a development that amplifies competitive pressures from trading partners, particularly China. As a result, trade is expected to detract around 0.4 pps. from domestic growth this year—slightly more than projected in autumn.

Negative terms of trade for goods, combined with market share losses, lead to a deterioration in the trade balance, with only a partial offset from the services sector. The merchandise balance is expected to decline to 1.2% of GDP in 2026 and 1.1% in 2027. Services remain more resilient, with the balance reaching around 2% of GDP. Overall, the current account surplus is projected to fall from 2.4% of GDP in 2025 to 1.7% in 2026 and 1.6% in 2027.

The EU aggregate general government deficit is projected to gradually widen over the forecast horizon, rising from 3.1% of GDP in 2025 to 3.6% in 2027. This deterioration reflects a combination of subdued economic activity, higher interest expenditure, rising defence spending and new fiscal measures that aim to shield consumers and firms from high energy prices. Meanwhile, public investment remains broadly stable at elevated levels. The EU debt-to-GDP ratio is also set to rise, from 82.8% of GDP at end-2025 to 85.3% at end-2027, driven mainly by higher primary deficits and an increasingly unfavourable interest-growth differential. Overall, fiscal policy is expected to be slightly expansionary in 2026—supported by the rising utilisation of EU funds as the RRF draws to a close—before turning broadly neutral in 2027.

Risks to the outlook are primarily linked to the evolution of the conflict in the Middle East and its implications for global energy markets. As shown in the scenario analysis, a prolonged conflict and more gradual supply normalisation than implied by futures markets would lead to stronger inflationary pressures and weaker growth. Moreover, a renewed period of high prices could lead households and firms to adjust consumption and investment more sharply, including through cutbacks in energy-intensive activities. Finally, while the risk of overall energy shortages appears contained, critical vulnerabilities remain for specific inputs. The Gulf region remains critically important in the production and supply of refined fuels, which are critical for transport and heating. Disruptions to the supply of helium and fertilisers could also generate knock-on effects across global production chains, including in the strategically important semiconductor industry, while weighing on food affordability.

Beyond the conflict, the outlook remains exposed to geopolitical, technological and climate-related risks. Continued uncertainty surrounding trade policies by main global players and the ensuing trade diversions, as well as the ongoing reconfiguration of geopolitical and trade relationships could disrupt crucial value chains, weighing on industrial production and employment. By contrast, a just and lasting resolution of Russia's war of aggression against Ukraine would constitute a clear net positive for the EU and globally. Importantly, the recent softening of labour demand—evidenced by declining job vacancies and hiring rates—may prove a prelude to a sharper downturn in employment growth. The erosion of purchasing power by persistent high inflation could also put strain on social cohesion.

Climate-related shocks could further disrupt economic activity and put more pressure on food prices. Artificial intelligence represents both an upside opportunity and a source of disruption: productivity gains could support investment and growth, but job displacement could weigh on confidence and demand, and a significant correction of AI-related equity valuations in the US could reverberate in global financial markets.

Domestically, faster implementation of structural reforms addressing long-standing bottlenecks to EU competitiveness and growth remains the main upside risk to the outlook. Resolute progress in energy transition would further boost resilience.

COMPARATIVE ANALYSIS

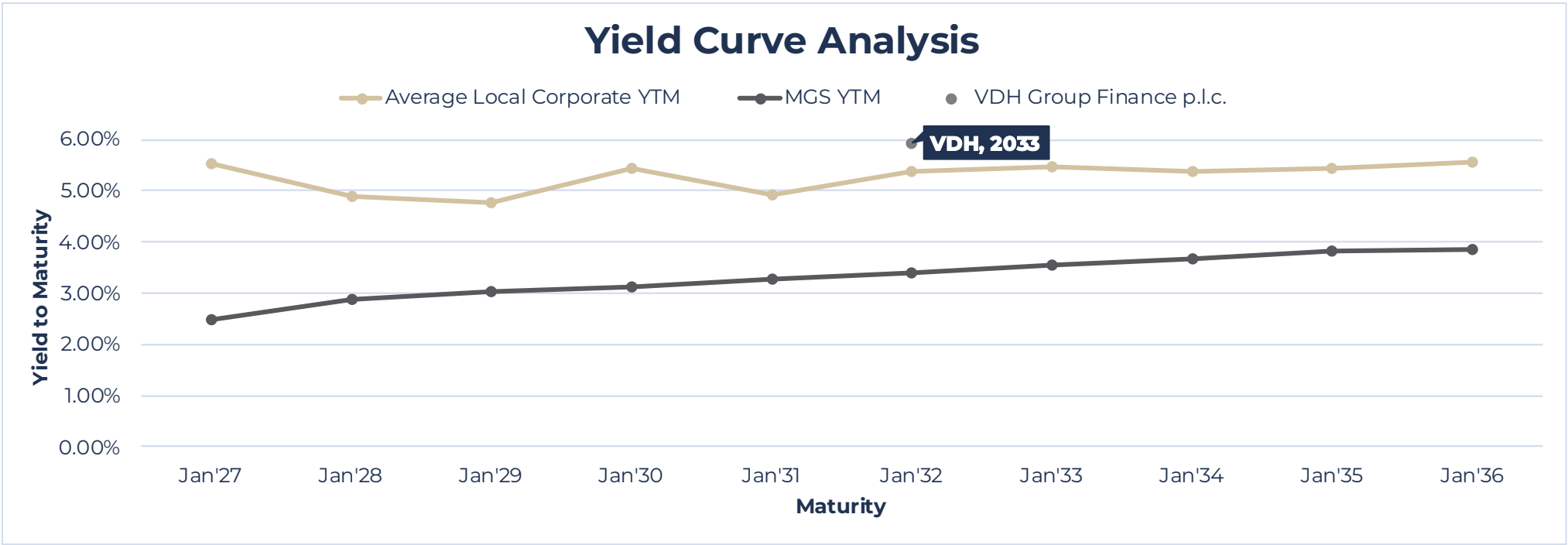
Security	Nominal Value	Yield to Maturity	Interest coverage (EBITDA)	Total Assets	Total Equity	Total Liabilities / Total Assets	Net Debt / Net Debt and Total Equity	Net Debt / EBITDA	Current Ratio	Return on Common Equity	Net Margin	Revenue Growth (YoY)
	€000's	(%)	(times)	(€'mln)	(€'mln)	(%)	(%)	(times)	(times)	(%)	(%)	(%)
3.75% Mercury Projects Finance plc Secured € 2027	11,500	7.06%	1.0x	281.8	66.5	76.4%	71.9%	42.6x	0.7x	-21.8%	-57.8%	154.0%
4% Eden Finance plc Unsecured € 2027	40,000	4.57%	4.1x	318.3	197.2	38.0%	25.3%	5.5x	0.2x	5.4%	19.7%	19.2%
4% Stivala Group Finance plc Secured € 2027	45,000	5.36%	5.1x	560.8	386.8	31.0%	21.7%	5.1x	0.8x	5.3%	61.7%	11.9%
3.65% Stivala Group Finance plc Secured € 2029	15,000	4.50%	5.1x	560.8	386.8	31.0%	21.7%	5.1x	0.8x	5.3%	61.7%	11.9%
3.75% AX Group plc Unsec 2029 Series II	10,000	4.05%	4.0x	529.4	272.5	48.5%	39.0%	4.7x	1.1x	5.7%	11.8%	57.1%
4.25% Mercury Projects Finance plc Secured € 2031	11,000	4.90%	1.0x	281.8	66.5	76.4%	71.9%	42.6x	0.7x	-21.8%	-57.8%	154.0%
3.65% IHI plc Unsecured € 2031	80,000	5.03%	5.9x	116.5	64.1	44.9%	30.8%	4.7x	0.3x	4.5%	9.9%	7.3%
3.5% AX Real Estate plc Unsecured € 2032	40,000	5.06%	4.0x	529.4	272.5	48.5%	39.0%	4.7x	1.1x	5.7%	11.8%	57.1%
4.3% Mercury Projects Finance plc Secured € 2032	50,000	4.90%	1.0x	281.8	66.5	76.4%	71.9%	42.6x	0.7x	-21.8%	-57.8%	154.0%
5% Von der Heyden Group Finance plc Unsecured € 2032	35,000	5.94%	0.3x	141.7	20.1	85.8%	83.8%	99.6x	0.5x	-58.3%	-143.4%	4.5%
5% CF Estates Finance plc Secured € 2028-2033	30,000	5.09%	6.6x	94.9	19.1	79.9%	70.9%	3.3x	2.0x	49.6%	23.5%	-1.8%
5.85% AX Group plc Unsecured € 2033	40,000	5.47%	4.0x	529.4	272.5	48.5%	39.0%	4.7x	1.1x	5.7%	11.8%	57.1%
6% International Hotel Investments plc 2033	60,000	5.99%	5.9x	116.5	64.1	44.9%	30.8%	4.7x	0.3x	4.5%	9.9%	7.3%
5.75% Phoenicia Finance Company plc Unsec 2028-2033	50,000	5.48%	2.5x	169.9	86.0	49.4%	42.7%	7.0x	1.2x	3.8%	12.4%	10.7%
6.25% Camilleri Finance plc € Unsecured 2034	15,000	5.91%	(.3)x	48.0	16.1	66.5%	55.3%	N/A	0.8x	-7.0%	-6.1%	1.4%
5.3% Mercury Projects Finance plc Secured € 2034	20,000	5.61%	1.0x	281.8	66.5	76.4%	71.9%	42.6x	0.7x	-21.8%	-57.8%	154.0%
5.30% International Hotel Investments € Unsec 2035	35,000	5.26%	5.9x	116.5	64.1	44.9%	30.8%	4.7x	0.3x	4.5%	9.9%	7.3%
5.35% CPHCL plc Unsecured € 2035	45,000	5.34%	1.9x	2,158.1	998.7	53.7%	42.0%	8.3x	1.0x	3.4%	9.0%	8.6%
Average*		5.42%										

Source: Latest available audited financial statements

Last price as at 12/06/2026

*Average figures do not capture the financial analysis of the Issuer

The purpose of the table above compares the debt issuance of the Group to other debt instruments. Although the above comparative analysis table specifically refers to the respective Issuers, it is important to clarify that financial figures and metrics pertaining to such issuers captures the consolidated operation of the respective Group. More specifically, the presented financial data relates to either the Holding Company, Guarantor or the Issuer depending on the respective group structure of each issuer.



The above graph illustrates the average yearly yield of all local issuers as well as the corresponding yield of MGSs (Y-axis) vs the maturity of both Issuers and MGSs (X-axis), in their respective maturity bucket, to which the spread premiums can be noted. The graph illustrates on a stand-alone basis, the Issuer's existing yield on its outstanding bond.

As of 12 June 2026, the average spread over the Malta Government Stocks (MGS) for corporates with a maturity range of 1-6 (2026-2032) years was 198 basis points. The 5.0% Von Der Heyden Group Finance p.l.c. Bonds 2032 were trading at a YTM of 594 basis points, meaning a spread of 255 basis points over the equivalent MGS. This means that this bond is trading at a premium of 57 basis points in comparison to corporate bonds in similar industries.

A photograph of a modern building with a glass facade, reflecting the sky and surrounding environment. The building is set against a bright, hazy sky. In the foreground, there is a paved area with light-colored rectangular tiles. A large, dark blue rectangular overlay is positioned in the center of the image, containing the text 'PART 4' and 'GLOSSARY AND DEFINITIONS'.

PART 4

GLOSSARY AND DEFINITIONS

GLOSSARY AND DEFINITIONS

INCOME STATEMENT

Revenue	Total revenue generated by the Group/Company from its principal business activities during the financial year.
EBITDA	EBITDA is an abbreviation for earnings before interest, tax, depreciation and amortisation. It reflects the Group's/Company's earnings purely from operations.
Operating Income (EBIT)	EBIT is an abbreviation for earnings before interest and tax.
Depreciation and amortisation	An accounting charge to compensate for the decrease in the monetary value of an asset over time and the eventual cost to replace the asset once fully depreciated.
Net Finance Costs	The interest accrued on debt obligations less any interest earned on cash bank balances and from intra-group companies on any loan advances.
Net Income	The profit made by the Group/Company during the financial year net of any income taxes incurred.

PROFITABILITY RATIOS

Growth in Revenue (YoY)	This represents the growth in revenue when compared with previous financial year.
Current EBITDA Margin	Current EBITDA as a percentage of total revenue.
EBITDA Margin	EBITDA as a percentage of total revenue.
Operating (EBIT) Margin	Operating margin is the EBIT as a percentage of total revenue.
Net Margin	Net income expressed as a percentage of total revenue.
Return on Common Equity	Return on common equity (ROE) measures the rate of return on the shareholders' equity of the owners of issued share capital, computed by dividing the net income by the average common equity (average equity of two years financial performance).
Return on Assets	Return on assets (ROA) is computed by dividing net income by the average total assets (average assets of two years financial performance).

CASH FLOW STATEMENT

Cash Flow from Operating Activities (CFO)	Cash generated from the principal revenue producing activities of the Group/Company.
Cash Flow from Investing Activities	Cash generated from the activities dealing with the acquisition and disposal of long-term assets and other investments of the Group/Company.
Cash Flow from Financing Activities	Cash generated from the activities that result in change in share capital and borrowings of the Group/Company.
CAPEX	Represents the capital expenditure incurred by the Group/Company in a financial year.
Free Cash Flows (FCF)	Free cash flow (FCF) represents the cash a Group/Company generates after accounting for cash outflows to support operations and maintain its capital assets. It is calculated by taking Cash Flow from Operating Activities (before the payment of interest) less the Capex of the same financial year.

BALANCE SHEET

Total Assets	What the Group/Company owns which can be further classified into Non-Current Assets and Current Assets.
Non-Current Assets	Assets, full value of which will not be realised within the forthcoming accounting year
Current Assets	Assets which are realisable within one year from the statement of financial position date.
Cash and Cash Equivalents	Cash and cash equivalents are Group/Company assets that are either cash or can be converted into cash immediately.
Total Equity	Total Equity is calculated as total assets less liabilities, representing the capital owned by the shareholders, retained earnings, and any reserves.
Total Liabilities	What the Group/Company owes which can be further classified into Non-Current Liabilities and Current Liabilities.
Non-Current Liabilities	Obligations which are due after more than one financial year.
Total Debt	All interest-bearing debt obligations inclusive of long and short-term debt.
Net Debt	Total debt of a Group/Company less any cash and cash equivalents.
Current Liabilities	Obligations which are due within one financial year.

FINANCIAL STRENGTH RATIOS

Current Ratio	The Current ratio (also known as the Liquidity Ratio) is a financial ratio that measures whether or not a company has enough resources to pay its debts over the next 12 months. It compares current assets to current liabilities.
Quick Ratio (Acid Test Ratio)	The quick ratio measures a Group's/Company's ability to meet its short-term obligations with its most liquid assets. It compares current assets (less inventory) to current liabilities.
Interest Coverage Ratio	The interest coverage ratio measures how many times a Group/Company can cover its current interest payment with its available earnings. It is calculated by dividing EBITDA by Finance Costs.
Gearing Ratio	The gearing ratio indicates the relative proportion of shareholders' equity and debt used to finance total assets. This is calculated by dividing Net Debt over the sum of Net Debt and Total Equity.
Net Debt / EBITDA	The Net Debt / EBITDA ratio measures the ability of the Group/Company to refinance its debt by looking at the EBITDA.

OTHER DEFINITIONS

Yield to Maturity (YTM)	YTM is the rate of return expected on a bond which is held till maturity. It is essentially the internal rate of return on a bond and it equates the present value of bond future cash flows to its current market price.
Occupancy Level	The occupancy level is expressed as a percentage and indicates the number of rooms occupied to the total number of available rooms in a given time period.
Average Daily Rate (ADR)	Average Daily Rate (ADR) is a performance metric used in the hotel industry and it represents the average rental income per paid occupied room in a given time period.
Revenue per Available Room (Rev/PAR)	Revenue per available room (Rev/PAR) is a performance metric used in the hotel industry. It is calculated by multiplying a hotel's average daily room rate (ADR) by its occupancy rate or by dividing a hotel's total room revenue by the total number of available rooms in the period being measured.



VON DER HEYDEN GROUP

For information or queries about this document, please contact
Von der Heyden Group's Investor and Public Relations Office at
+356 2752 2588 or email vdhgf.finance@vdhgroup.com