



FINCO TREASURY MANAGEMENT LIMITED

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A Limited Liability Company registered in Malta on 9th November 1994, Registration No. C17017

Von Der Heyden Group P.L.C 5.00% 2032 - Unsecured

Salient Details & Time Table

Offeror & Issuer	Von Der Heyden Group P.L.C.
Currency	Euro
Guaranteed by	Timan Investments Holdings Ltd, parent company
Coupon & Offer Price	5.00% per annum - 100% at par
Status of the Bonds	The Bonds shall constitute the unsecured obligations of the Issuer and shall be guaranteed jointly and severally by the Guarantor in respect of both the interest due and the principal amount under said Bonds. The Bonds shall, at all times, rank pari passu, without any priority or preference among themselves and with other outstanding and unsecured debt of the Issuer, present and future, if any.
Maturity Date	16 th December 2032
Size	€35,000,000
Listing	Official List, Malta Stock Exchange.
Interest Payment Dates	16 th December annually
Minimum Applications	€2,000 (nominal) and in multiples of €100 thereafter

Business Overview

The Group was founded in 1989 and has completed investment programmes in real estate markets with a market value of over half a billion Euro. The Group has representative offices in Ukraine (Kyiv), Poland (Warsaw, Poznań, Lublin, and Gdansk), Germany (Berlin and Munich), Netherlands (Amsterdam), Luxembourg (Luxembourg), Spain (Madrid and Menorca), Italy (Sardinia), Portugal (Carvoeiro) and Malta (Gzira). The Group also holds investments in Germany (Dresden and Leipzig) and in the US, specifically New York, through a co-investment in a B-class office building in Downtown Manhattan for a total of just under €7 m. With over 30 years of sound experience and continuing presence in European markets, the Group enjoys the trust of international financial institutions, funds, and big market players, as well as embassies, governmental institutions, and cities.

The Group has established itself as a niche boutique player targeting top-quality results by developing high-quality office buildings, owning and managing hotel and residential properties in Europe, including in Germany, Poland, Spain, and Portugal. The Group's business activities are currently organised across four lines of business:

- Real estate developments, investments, and services;
- Hotel accommodation and catering;
- Asset management; and
- Private equity, venture capital, and capital markets



Use of Proceeds:

The proceeds from the Bond Issue, which net of Bond Issue expenses are expected to amount to approximately €34,400,000, will be on-lent by the Issuer to the Guarantor, pursuant to a loan agreement to be entered into between the Issuer and the Guarantor for the purpose, and will be utilised for the following purposes, in the following amounts and order of priority:

1. An amount of €25,250,000 of the Bond Issue net proceeds will be used for the redemption of the outstanding amount of VDHG Bonds that had been issued in 2017 and that remain in issue as at or about 16 December 2022, being the expected date of redemption of the 2017 VDHG Bonds as determined by the Issuer and duly notified to 2017 Existing VDHG Bondholders, including payment of the Redemption Premium to 2017 Existing VDHG Bondholders. This early repayment was approved by Extraordinary Resolution of Bondholders on 31st October 2022;
2. An amount of €4,000,000 of the Bond Issue net proceeds will be used for the purpose of part financing the continued development of the Andersia Silver project in Poznań, Poland;
3. The remaining balance of the Bond Issue net proceeds in an amount of circa €5,150,000 will be used for the general corporate funding purposes of the Group.

Time Table

1. Meeting of 2017 Existing VDHG Bondholders 31 October 2022 to approve early repayment of 2017 Bond
2. Application Forms available to 2017 Existing VDHG Bondholders 1 November 2022
3. Placement Date 11 November 2022
4. Closing date for Applications to be received from Existing VDHG Bondholders 14 Nov 2022
5. Intermediaries' Offer from 18 November 2022 to the 2 December 2022
6. Announcement of basis of acceptance through a company announcement 9 Dec 2022
7. Refunds of unallocated monies, if any 16 December 2022
8. Dispatch of allotment letters 16 December 2022
9. Expected date of early redemption of the 2017 VDHG Bonds 16 December 2022
10. Expected date of admission of the Bonds to listing 16 December 2022
11. Issue date of the Bonds 16 December 2022
12. Expected date of commencement of trading in the Bonds 19 December 2022
13. Commencement of interest 16 December 2022



Ratio Analysis

	2019A	2020A	2021A	2022F	2023F
Revenue Growth	8.6%	-9.2%	-51.0%	58.1%	58.4%
Gross Profit Margin	83.0%	84.9%	76.8%	79.7%	74.6%
EBITDA Margin	22.5%	32.1%	37.2%	20.1%	108.5%
EBIT Margin	3.2%	11.4%	3.1%	4.6%	96.5%
Net Margin	-8.5%	-7.4%	-19.3%	-10.6%	68.2%
Return on Common Equity	-4.9%	-4.1%	-5.4%	-4.8%	38.8%
Return on Assets	-1.7%	-1.2%	-1.7%	-1.3%	10.0%

Statement of Financial Position

For the years ended 31 December

	2019A	2020A	2021A	2022F	2023F
	€000	€000	€000	€000	€000
Revenue	25,884	23,506	11,519	18,217	28,852
Cost of sales	(4,393)	(3,556)	(2,674)	(3,698)	(7,316)
Gross profit	21,491	19,950	8,845	14,519	21,536
Other operating income	542	3,223	4,739	1,345	-
Administrative expenses	(19,650)	(21,090)	(12,500)	(12,306)	(15,489)
Other gains ¹	301	2,338	1,791	103	25,108
Share of profits of associates ¹	3,145	3,121	1,409	6	136
EBITDA	5,829	7,542	4,284	3,667	31,291
Depreciation & amortization	(1,197)	(1,099)	(842)	(859)	(1,489)
Depreciation under IFRS 16	(3,815)	(3,752)	(3,086)	(1,969)	(1,959)
EBIT	817	2,691	356	839	27,843
Expected credit losses reversal/(charge)	703	(53)	(10)	-	-
Interest & other related income	701	794	463	770	745
Interest & other related expenses	(4,171)	(3,916)	(3,107)	(3,469)	(3,994)
Profit/(loss) before tax	(1,950)	(484)	(2,298)	(1,860)	24,594
Income tax (charge)/credit	(253)	(1,264)	77	(72)	(4,929)
Profit/(loss) for the year	(2,203)	(1,748)	(2,221)	(1,932)	19,665



Other comprehensive income					
Translation of foreign operations	109	(1,048)	(413)	-	-
Share of other comprehensive income of associates	-	-	512	365	2,969
Movement in fair value of land & buildings and yacht	1,445	(1,034)	1,962	-	-
Total other comprehensive income/(loss)	1,554	(2,082)	2,061	365	2,969
Total comprehensive income/(loss)	(649)	(3,830)	(160)	(1,567)	22,634

As at 31 December

	2019A	2020A	2021A	2022F	2023F
	€000	€000	€000	€000	€000
Assets					
Non-current assets					
Intangible assets	179	132	66	60	53
Property, plant & equip.	38,633	27,012	27,309	41,063	52,292
Right of use assets	41,167	36,782	31,404	29,436	27,477
Investment properties	17,681	23,989	32,601	53,308	116,878
Investment in associates	24,674	3,601	2,981	486	533
Loans & other receivables	10,642	7,483	6,655	7,120	6,545
Other financial assets	220	1,082	1,924	2,020	2,121
Deferred tax assets	672	1,007	1,004	1,006	962
Total non-current assets	133,868	101,088	103,944	134,498	206,861
Current assets					
Inventories	145	139	90	3,873	5,802
Loans & other receivables	-	-	7,059	2,110	2,150
Trade & other receivables	7,260	5,774	5,298	4,565	9,011
Current tax receivable	194	49	2	-	-
Cash and cash equivalents	6,318	27,906	17,125	14,654	11,387
Total current assets	13,917	33,868	29,574	25,201	28,350
Total assets	147,785	134,956	133,519	159,700	235,211



Equity and liabilities

Equity

Share capital	3,805	3,805	3,805	3,805	3,805
Share premium	4,445	4,445	4,445	4,445	4,445
Other reserves	6,442	3,363	4,877	5,242	8,210
Translation reserve	(661)	(1,350)	(1,616)	(1,616)	(1,616)
Retained earnings	14,915	16,339	14,272	12,347	20,376
Non-controlling interest	15,314	14,383	15,125	15,119	26,757
Total equity	44,260	40,985	40,908	39,342	61,977

Non-current liabilities

Debt securities in issue	24,832	24,225	24,171	33,943	33,978
Borrowings	16,218	14,126	17,766	45,357	81,939
Finance lease liabilities	38,595	35,173	30,506	28,896	27,240
Deferred tax liabilities	3,791	4,392	5,002	5,088	10,695
Total non-current liabilities	83,436	77,916	77,445	113,284	153,852

Current liabilities

Finance lease liabilities	3,284	5,059	2,771	2,739	2,673
Borrowings	10,683	5,911	6,836	913	12,133
Trade & other payables	6,069	4,443	5,503	3,348	4,417
Current tax payable	53	642	55	74	159
Total current liabilities	20,089	16,055	15,165	7,074	19,382
Total liabilities	103,525	93,971	92,610	120,358	173,234

Total equity and liabilities	147,785	134,956	133,518	159,700	235,211
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Ratio analysis¹

	2019A	2020A	2021A	2022F	2023F
Gearing 1	66.4%	58.0%	61.3%	71.1%	70.3%
Gearing 2	70.1%	69.6%	69.4%	75.4%	73.7%
Gearing 3	197.2%	138.1%	158.7%	247.0%	236.5%
Net debt / EBITDA	15.0x	7.5x	15.2x	26.5x	4.7x
Current ratio	0.7x	2.1x	2.0x	3.6x	1.5x
Quick ratio	0.7x	2.1x	1.9x	3.0x	1.2x
Interest coverage 1	1.1x	3.9x	2.8x	2.7x	22.0x
Interest coverage 2	1.4x	1.9x	1.4x	1.1x	7.8x



General Recommendation: The gearing of the company, namely the extent of Issuer's Own Funds as against Borrowed Funds is high. Moreover, the Issue is unsecured. The interest coupon is fair when compared to other local bonds but is probably on the low side when compared to international markets. On the other hand, the performance of the Company has been good and the Company has proven itself over the years. Subject to the consideration of the circumstances of each Investor, Finco issues a BUY recommendation to clients to this bond, provided always that the holding is part of an overall well diversified portfolio and that one's holding does not exceed 10% of one's portfolio or €15,000, whichever is the lower.

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Availability of Prospectus

The Prospectus issued by Issuer is available at our offices for whoever is interested. In this respect, anyone interested may call at our offices to collect a copy.

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